COALSPUR MINES LIMITED

FINANCIAL REPORT FOR THE PERIOD ENDED SEPTEMBER 30, 2013

ABN 73 003 041 594

CORPORATE DIRECTORY

DIRECTORS:

Mr. Colin Steyn	Chairman (non-executive)
Ms. Gill Winckler	President and CEO
Mr. Denis Turcotte	Director (non-executive)
Mr. Peter Breese	Director (non-executive)
Mr. David Murray	Director (non-executive)
Mr. Ted Mayers	Director (non-executive)
Mr. Mark Rodda	Director (non-executive)
Mr. William Smart	Alternate Director (non-executive)

COMPANY SECRETARY:

Ms. Xenia Kritsos (Canada)

Mr. Simon Robertson (Australia)

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Canada:
TSX Code: CPT – fully paid ordinary shares

Australia:
ASX Code: CPL – fully paid ordinary shares

WEBSITE:

www.coalspur.com

SOLICITORS:

Canada:
McCarthy Tétrault LLP

Australia:
Hardy Bowen Lawyers

AUDITOR:

Deloitte Touche Tohmatsu

BANKERS:

Canada:
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Australia:
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SHARE REGISTRIES:

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MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2013

INTRODUCTION

The following Management's Discussion and Analysis ("**MD&A**") should be read in conjunction with the Condensed Consolidated Financial Statements for the three and nine months ended September 30, 2013 (the "**Financial Statements**"), which are unaudited, the 2012 Financial Statements for the six month period ended December 31, 2012, and the 2012 MD&A for the six month period ended December 31, 2012. The effective date of this report is November 13, 2013.

This discussion is current at the date of this MD&A. The Financial Statements and the financial information contained in this MD&A were prepared in accordance with Australian International Financial Reporting Standards ("**AIFRS**"). All figures are expressed in Canadian dollars ("**$**") unless otherwise indicated.

Unless the context otherwise requires, references in this MD&A to the "Company" or "Coalspur" are references to Coalspur Mines Limited and its subsidiaries.

Additional information relating to the Company and its business, including the Company's Annual Information Form ("**AIF**"), is available under the Company's profile on SEDAR at www.sedar.com.

OVERALL PERFORMANCE

During the nine months ended September 30, 2013 Coalspur finalised its Vista project ("**Vista**") development plan, secured the majority of development capital to fund Vista, advanced its regulatory applications, continued to build its workforce with key appointments, and finalized clean coal transportation arrangements.

Coalspur's Board of Directors approved the Vista development plan with capital of $458 million for a six million tonnes per annum ("**Mtpa**") capacity facility, resulting in a capital efficiency of $76 per tonne of annual capacity. A competitive process with globally recognized Engineering, Procurement and Construction ("**EPC**") contractors resulted in an optimised project execution strategy, and confidence around development costs, schedule and project delivery. The terms agreed with the selected EPC contractor, Forge Group North America ("**Forge**"), locked in approximately 50% (US$221 million) of total development capital. The Company is in the process of negotiating and finalising the definitive agreement with Forge in line with the terms previously agreed.

The Company secured a senior secured debt facility of up to US$350 million (the "**Facility**") with EIG Global Energy Partners ("**EIG**"), and the associated restructuring of its $70 million credit facility with Borrowdale Park S.A.("**Borrowdale Park**") into a $30 million subordinated note. Access to the facility allows Coalspur to move into construction following regulatory approval. The agreements ensure Coalspur retains all off-take and marketing rights, thereby preserving strategic flexibility to secure the balance of its required development capital. Proceeds from the Facility are expected to fund the majority of development capital for the first phase of Vista. In addition, in January 2013, Borrowdale Park and a number of smaller option holders exercised their options to purchase approximately 13.4 million ordinary shares with an exercise price of A$0.70.

Following shareholder approval, in July 2013 the Company issued 120 million warrants to EIG and 14 million warrants to Borrowdale Park, both with an exercise price of A$0.55, made an initial draw of US$37.0 million under the Facility, paid EIG a US$7.0 million facility fee, and repaid $10 million of the previous $40 million owing to Borrowdale Park. Further draws upon the Facility are contingent on obtaining regulatory approval for Vista Phase 1, and other conditions typical for a facility of this nature.

Coalspur appointed a number of individuals during the period to assist with the development and operation of Vista, including Colin Gilligan, appointed as Chief Operating Officer; Richard Tremblay, appointed as Vice President, Operations; Rob Gough, appointed as Chief Financial Officer; and Xenia Kritsos who was appointed Vice President, General Counsel and Secretary. Coalspur's number of full time employees grew from 20 at December 31, 2012 to 31 at September 30, 2013.

The Company finalised its arrangements for transporting clean coal by rail to a port facility, by reaching a definitive agreement with CN Railway which outlines key terms for a seven year coal transportation agreement. The capacity at Ridley Terminals Inc. (**"Ridley Terminals"**) commences with 2.5 Mtpa in 2015, and increases to 10.7 Mtpa by 2020 to closely align with the Company's forecast production.

DISCUSSION OF OPERATIONS

The loss of $15.4 million for the nine months ended September 30, 2013 increased from $12.1 million during the same period ended September 30, 2012 due to the increased size and scope of the Company's activities required to secure project funding and regulatory approval as well as prepare for mine construction.

Expenditure Analysis	Nine months ended		Three months ended	
	Sept. 30, 2013	Sept. 30, 2012	Sept. 30, 2013	Sept. 30, 2012
Operating expenditures				
Vista	18,895,864	-	4,620,440	-
Less: capitalized development - Vista	(15,394,907)	-	(3,939,792)	-
Operating expenditure	**3,500,957**	-	**680,648**	-
Exploration and evaluation expenses				
Vista	-	14,658,212	-	5,205,335
Less: capitalized development - Vista	-	(10,592,477)	-	(4,237,373)
Vista Extension	-	104,742	-	43,056
Vista South	63,168	1,370,501	12,656	38,601
Exploration and evaluation expense	**63,168**	**5,540,978**	**12,656**	**1,049,619**
Corporate expense	5,909,102	4,224,192	1,641,449	1,683,725
Administrative expense	3,443,417	2,334,277	1,478,564	1,034,677
Finance costs associated with credit facilities	4,601,627	1,089,024	2,162,048	621,785
Less: capitalised finance costs - Vista	(4,601,627)	(1,089,024)	(2,162,048)	(621,785)
Corporate and administrative expense	**9,352,519**	**6,558,469**	**3,120,013**	**2,718,402**
Mine Development Capitalisation	19,996,534	11,681,501	6,101,840	4,859,158

Operating Expenditures

The Company expended $18.9 million on Vista development during the nine months ended September 30, 2013, versus $14.7 million during the nine month period ended September 30, 2012 due to increased efforts required to progress regulatory approval and secure project financing. Despite the increase in expenditures, the value recognised as an expense decreased from $4.1 million in 2012 to $3.5 million in 2013 as a result of increased capitalisation to mine development assets subsequent to the completion of a successful bankable feasibility study on February 1, 2012.

During the year the Company updated its Vista development plan to construct and commission a six Mtpa capacity thermal coal facility, which will be readily expandable to 12 Mtpa. The development plan has a total capital cost of C$458 million, which includes a US$221 million lump sum turn-key contract with Forge. The updated development plan allows the Company to construct the 6 Mtpa facility in one stage as opposed to the previously envisaged two stages.

On October 3, 2013 The Alberta Energy Regulator ("AER") concluded its internal review of the Company's Vista project and scheduled a hearing to start on November 25, 2013. The AER subsequently adjourned the regulatory hearing from November 2013 and has scheduled the hearing to be held in two parts; the first part to be held in Calgary starting December 9, 2013 and the second part to be held in Hinton starting January 13, 2014. The hearing is the final external review stage in the AER approval process of Vista and will focus on the concerns of the groups who have been granted intervener status by the AER. The AER determined that four parties have the right to participate in the hearing. The Company believes that all of the relevant concerns expressed by the intervening groups can be addressed.

The outstanding concerns are limited to overlapping mineral development rights with an oil and gas company, namely Tourmaline Oil Corp., and development issues raised by three aboriginal groups. The aboriginal groups are Alexis Nakota Sioux Nation, Ermineskin Cree Nation, and Whitefish (Goodfish) Lake First Nation. Coalspur has engaged with numerous aboriginal groups for over two years and agreements have been reached with a number of these groups through this consultation process.

Each part of the hearing is expected to last up to one week and the AER will render its final decision on approval for Vista within 90 days of the close of the hearing in January. Should agreements be reached with all of the interveners before the hearing dates, the AER could render its final decision regarding the approval of Vista without holding a hearing. First coal production will commence approximately 21 months following the issuance of all regulatory approvals.

During the period, Coalspur finalised its port capacity arrangements at Ridley Terminals. The finalised capacity commences with 2.5 Mtpa in 2015, and increases to 10.7 Mtpa in 2020 to satisfy the majority of Vista's forecast requirements at full production. The Company is subject to minimum throughput payments of $12.8 million in 2015, increasing to $54.9 million per year by 2020. Please refer to the Commitments section of this MD&A, Note 5 to the Company's September 30, 2013 Financial Statements, and copies of the Company's agreements with Ridley Terminals that are filed on SEDAR for more information.

Coalspur and CN signed a seven-year, definitive rail transportation agreement covering up to 12 Mtpa in March 2013. As with most Western Canadian producers, CN will supply the equipment to carry Coalspur's coal to port. Coalspur and CN also signed an agreement governing the construction of a 6.5km long rail siding providing CN access to Coalspur's loading site. While tree clearing of the rail siding area has been completed and regulatory approval for the rail siding has been obtained, additional construction activity is expected to begin following receipt of regulatory approval for Vista. CN will ensure the rail siding meets their design and construction specifications.

The Company significantly strengthened its management and technical teams in anticipation of commencing construction on Vista by increasing the number of management and technical staff from 20 at December 31, 2012 to 31 at September 30, 2013. The increased staff level is primarily due to growth at the Hinton office.

Exploration and Evaluation

Vista Extension is located on the northeast boundary of Vista and covers 14,432 hectares. An initial resource estimate on Vista Extension resulted in Measured and Indicated resources of 173.7 Mt (Measured 6.5 MT, Indicated 167.2 MT) and Inferred resources of 969.3 Mt. The Company acquired Vista Extension for $13.0 million in 2012. To date exploration and evaluation expenses on Vista Extension have been nominal and Coalspur has deferred a future drilling program and a pre-feasibility study on this project. The Company has no immediate plans to evaluate this property further.

Vista South covers 23,287 hectares and is located approximately 6km southwest of Vista. The Company believes Vista South has the potential to host a significant coal resource, which could provide value by leveraging off the planned infrastructure at Vista, providing for mine expansion or an extension of the project life. The Company spent $1.4 million to complete an exploratory drilling program on Vista South during the nine months ended September 30, 2012. The Company has no immediate plans to evaluate this property further.

For more information on Vista Extension, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding Vista South, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are available for review on SEDAR at sedar.com.

Corporate and Administration

Corporate and administrative expenditures for the three months ended September 30 increased from $2.7 million in 2012 to $3.1 million in 2013 due to fees associated with evaluating additional financing, an increased number of employees and progressing regulatory applications.

Corporate and administrative expenditures for the nine months ended September 30 increased from $6.6 million in 2012 to $9.4 million in 2013. The increase is due to fees associated with evaluating additional financing, an increased number of employees, progressing regulatory applications, advancing procurement and construction, and expensing a previously capitalized $1.0 million fee as Coalspur allowed an option to acquire 1.0 Mtpa in port capacity to expire earlier in the year.

Outstanding Share Information

The following table sets out the Company's securities that are currently issued and outstanding as at the date of this MD&A:

Type of Security	Number
Outstanding ordinary shares	641,394,435
Outstanding unlisted performance shares (note 1)	25,000,000
Outstanding unlisted performance share rights (note 2)	8,248,657
Outstanding unlisted options (note 3)	25,300,000
Outstanding unlisted warrants (note 4)	134,000,000
Total	833,943,092

Notes

(1) Unlisted performance shares were issued to acquire a portion of Vista, and will lapse if Vista does not produce 1.0 million tonnes of clean coal prior to February 19, 2014.

(2) Unlisted performance share rights are issued pursuant to the Company's Performance Rights Plans to attract and retain directors, employees, and key contractors, and vest upon satisfaction of certain milestones.

(3) The outstanding unlisted options are convertible into ordinary shares and are subject to exercise prices ranging from A$0.20 to A$1.62 and expiry dates ranging from December 31, 2013 to March 18, 2016. At the date of this MD&A, all unlisted options were exercisable.

(4) Warrants issued to EIG (120 million) and Borrowdale Park (14 million) as part of the funding facility approved by shareholders on June 27, 2013. The warrants are exercisable at A$0.55. These warrants expire on the maturity date of the Facility, or earlier in certain circumstances.

Summary of Quarterly Results

	Quarter Ended (Unaudited)							
($000s, except where noted) *Canadian Dollars*	30-Sep 2013	30-Jun 2013	31-Mar 2013	31-Dec 2012	30-Sep 2012	30-Jun 2012	31-Mar 2012	31-Dec 2011 (Restated)
Presentation Currency (Note 1 to the Annual Financial Statements)	$	$	$	$	$	$	$	A$
Loss for the period	(6,438)	(4,357)	(4,650)	(3,169)	(3,774)	(2,810)	(5,541)	(9,564)
Loss per share (cents per share) (note 2)	(1.00)	(0.68)	(0.73)	(0.51)	(0.61)	(0.45)	(0.80)	(1.58)
Cash and cash equivalents	17,076	4,862	14,056	14,868	12,754	6,988	22,220	23,905
Exploration and evaluation assets	13,509	13,509	13,509	13,509	13,509	13,509	509	99,881
Mine development assets	140,384	134,282	128,880	120,388	114,585	109,726	105,314	-
Non-current prepayments	42,800	42,800	42,800	42,800	42,800	46,000	32,000	-
Intangible assets	2,500	2,500	3,500	3,500	3,500	3,500	-	-
Other assets	23,464	3,894	2,921	3,499	4,308	5,218	-	-
Total assets	241,386	203,626	208,544	201,001	193,143	186,195	165,102	154,973
Available credit	-	30,000	30,000	40,000	40,000	50,000	70,000	-
Current liabilities	2,811	4,441	5,017	3,723	2,465	2,297	4,220	2,769
Long term liabilities	71,563	40,000	40,000	30,000	30,000	20,000	-	-
Total liabilities	74,374	44,441	45,017	33,723	32,465	22,297	4,220	2,769
Net assets	167,012	159,185	163,527	167,278	160,678	163,898	160,882	152,204

Notes:

(1) The presentation and functional currency of the Company changed from Australian to Canadian dollars on February 1, 2012.
(2) As at September 30, 2013, 25,000,000 Performance Shares, 25,300,000 Unlisted Options, and 7,614,447 Performance Rights were not included in the loss per share calculation as they would have decreased the loss per share.

Total assets increased steadily over the last eight quarters as Coalspur acquired and developed mineral properties. Significant asset expenditures include $42.8 million in refundable deposits to secure port capacity, $34.0 million to develop Vista subsequent to completing a feasibility study in January 2012, and the acquisition of Vista Extension for $13.0 million in April 2012.

Net assets have remained fairly steady over the same period as the increase to assets was offset by a corresponding increase to long term debt, resulting from the Company's original and restructured credit facilities with Borrowdale Park along with the $350 million Facility with EIG finalized in July 2013.

Financial Condition and Liquidity

The Company had combined cash and cash equivalents of $17.1 million at September 30, 2013. During the quarter the Company finalised its US$350 million Facility with EIG and restructured its Borrowdale Park facility. In July 2013 the Company made an initial draw of US$37.0 million, and in accordance with the terms of the Facility, $10.0 million was repaid to Borrowdale Park, and US$7.0 million was paid to EIG as a Facility fee. As of the date of this report, the Company had a cash balance of $14.5 million.

The Facility has a maturity date of July 12, 2021, and carries interest at a rate of 8% per annum in cash plus 3% per annum which can be capitalised or paid in cash. Cash payments will not start until Coalspur is in production. Subsequent to shareholder approval for the Facility, Coalspur granted EIG 120 million warrants with an exercise price A$0.55 each, expiring on the maturity date of the Facility, or earlier, in certain circumstances. A further US$120 million can be drawn following receipt of necessary regulatory approvals, and other customary conditions precedent for a facility of this nature.

Subsequent draw downs are subject to further funding arrangements for the construction of Vista and other conditions precedent, including a provision for final sizing of the Facility which is contingent upon the Company being able to maintain adequate debt service cover ratios. In the event that final sizing of the Facility results in a Facility limit of less than US$250 million, Coalspur has the option to cancel the Facility and repay EIG with ordinary shares at market value, however that value shall not be less than A$0.20 and not greater than A$0.65 per share. In the event the Company does not cancel the Facility, it will be subject to make-whole provisions should it elect to repay EIG early.

Subsequent to shareholder approval, and in accordance with the terms of the Facility, the Company repaid Borrowdale Park $10 million in July 2013, and restructured the remaining $30 million as a subordinated debt obligation with interest at 10.5% per annum (the "**Borrowdale Park Note**"), and issued 14 million warrants to Borrowdale Park with an exercise price of A$0.55. The Borrowdale Park Note can be repaid at any time with a final maturity date of August 12, 2021. If the Borrowdale Park Note is not repaid by early maturity, defined as completion of a 6 Mtpa facility and production at 90% of capacity for a continuous three month period, the interest rate on the note will increase to 20% per annum. If the note is not repaid by the early maturity date, Borrowdale Park will have the option to convert the Borrowdale Park Note into Coalspur shares at a 50% discount to the 10 day volume weighted average price at that time.

The following is a summary of the Company's outstanding commitments and planned payments.

Commitments and planned payments

($000s) *Canadian Dollars*	Total (excluding per year)	Less than 1 year	1-3 years	4-5 years	5+ years	*After 5 years (per year)*
Borrowdale Park credit facility principal (note 1)	30,000	-	-	30,000	-	-
Borrowdale Park facility interest (note 2)	14,188	-	-	14,188	-	-
EIG credit facility principal (note 3)	38,874			-	38,874	-
EIG facility interest (note 4)	10,479	-	2,096	8,383	-	4,070
Operating leases	825	230	355	240	-	-
Mineral and surface leases	955	191	382	382	-	191
Minimum port payments (note 5)	73,949	-	12,838	61,111	-	54,948
Other	1,125	325	450	350	-	450
Commitments Total	**170,395**	**746**	**16,121**	**114,654**	**38,874**	**59,659**
Mineral lease acquisitions (note 6)	10,000	-	10,000	-	-	-
Vista development (Note 7)	458,000	100,000	358,000	-	-	-
Planned payments Total	**468,000**	**100,000**	**368,000**	-	-	-
Total commitments and planned payments	**638,395**	**100,746**	**384,121**	**114,654**	**38,874**	**59,659**

Notes:

1) The Company repaid $10 million principal to Borrowdale Park in July 2013, and plans to repay the remaining $30 million in December 2017.
2) Interest on the $30 million Borrowdale Park subordinated note is accrued and capitalized at 10.5% and is expected to be repaid in December 2017.
3) The Company borrowed US$37 million from EIG in July 2013. Principal payments to EIG are not planned until the facility matures on July 12, 2021.
4) Interest is accrued and capitalized at 11% on the EIG facility until Vista commences production, after which interest is payable quarterly. Coalspur used the US$37 million principal for calculations in this table as further draws and amounts are unknown.
5) The Company has not recognized these commitments as contingent liabilities because it will either utilize the throughput capacity or sell it to other parties. The contract with Ridley Terminal's begins in 2015 for 2.5 Mt. The minimum throughput payments of $12.8 million on the 2.5 Mt are considered a contingent liability. The Company has started to engage interested parties with regards to the excess capacity. If commitments are reached, Coalspur will approach Ridley Terminals for consent to sell the excess capacity. See Note 5 to the attached Financial Statements for more information.
6) The Company holds a beneficial interest in five coal leases that are integral to Vista. In accordance with the terms of the agreement to purchase these leases, initial payments of $2 million and $6 million have been made, and title to these leases will transfer to Coalspur upon the payment of an additional $10 million which must be made by February 19, 2016.
7) The Company plans on commencing construction of Vista Phase 1 during 2014 and has arranged approximately 75% of the financing required to complete the Project. No material commitments will be made with respect to Vista construction until regulatory approval is obtained.

TRANSACTIONS WITH RELATED PARTIES

Borrowdale Park is associated with current directors Messrs Colin Steyn and William Smart. For the nine months ended September 30, 2013, Coalspur paid $1.1 million in interest pertaining to the Borrowdale Park credit facility. See Note 13 to the attached Financial Statements for more information.

All related party transactions are measured at cost or estimated fair market value in the event cost is not determinable.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The attached financial statements were prepared in accordance with Australian International Financial Reporting Standards ("AIFRS"). A description of the Company's significant accounting policies is provided in Note 1 to the audited Consolidated Financial Statements for the six month period ended December 31, 2012. At present, the Company has no accounting estimates that rely on highly uncertain assumptions that are likely to change in the future.

Adoption of new and revised accounting standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's annual consolidated financial statements for the six month period ended December 31, 2012 and for the quarter ended June 30, 2013.

CURRENCY EXPOSURE

The Company currently owes US$37 million to EIG under its Facility and this liability could grow to as much as US$350 million. The Company expects to mitigate part of this currency exposure by paying the contract for the US$221 million with Forge in USD. As the Company expects future thermal coal sales to be denominated in US$ this will act as a natural hedge as Coalspur repays the facility in the future.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. There have been no changes in the Company's internal control over financial reporting during the quarter ended September 30, 2013 that materially affect, or are reasonably likely to materially affect, internal control over financial reporting.

Regulatory Disclosures

For further information regarding Vista and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding Vista South, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this report that relates to mining infrastructure and associated capital costs, is based on information compiled by Mr. Richard Tremblay, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Tremblay is a full-time employee of Coalspur, and has sufficient experience which is relevant to the style of infrastructure and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"), and a "Qualified Person" under National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101"). Mr. Tremblay has approved the inclusion of such information in this report in the form and context in which it appears.

FORWARD LOOKING STATEMENTS

This MD&A contains forward-looking statements concerning Coalspur Mines Limited and its subsidiaries, including statements regarding Coalspur's plans for its mineral projects, development plans and timing, development and operating costs, production, regulatory approvals, exploration and development activities, and other matters. These statements relate to analyses and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in these forward-looking statements.

Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including those referred to in the Company's Annual Information Form under the heading "Description of the Business - Risk Factors", and elsewhere. The Company has several material risk factors that could cause actual results to differ materially from the forward-looking information, including, but not limited to; risks associated with funding requirements for Vista development, uncertainties relating to fluctuations in coal price, uncertainties related to the availability of future financing, risks related to Coalspur's existing credit facility, risks associated with take or pay commitments with Ridley Terminals, risks associated with the need for governmental licenses, permits and approvals, uncertainties related to aboriginal rights claims and mineral development, and uncertainties related to global economic and financial conditions.

Coalspur's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date hereof and which Coalspur believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. The Company has applied several material factors or assumptions to develop the forward-looking statements, which may prove to be incorrect, including, but not limited to: (1) that all required third party approvals will be obtained for the development, construction and production of its properties; (2) that additional financing will be available on reasonable terms; (3) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (4) permitting, development and expansion proceeding on a basis consistent with the Company's current expectations; (5) currency exchange rates being approximately consistent with current levels; (6) certain price assumptions for coal; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource and reserve estimates; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.

Coalspur disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.

For a more detailed analysis of risks affecting the Company, please see the Risk Factors discussion in the Description of the Business section of the Company's Annual Information form, available from SEDAR at www.sedar.com

Coalspur

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Note	Three Months Ended September 30, 2013	Three Months Ended September 30, 2012	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Continuing operations					
Operating expenses	3	**(680,648)**	-	**(3,500,957)**	-
Exploration and evaluation expenses		**(12,656)**	(1,049,619)	**(63,168)**	(5,540,978)
Corporate and administrative expenses	3	**(3,120,013)**	(2,718,402)	**(9,352,519)**	(6,558,469)
Other income	3	**91,635**	20,461	**312,932**	150,793
Other gains and losses	3	**(469,741)**	(26,553)	**(594,244)**	(175,899)
Operating loss		**(4,191,423)**	(3,774,113)	**(13,197,956)**	(12,124,553)
Financing expense	7	**(2,246,650)**	-	**(2,246,650)**	-
Loss before income tax		**(6,438,073)**	(3,774,113)	**(15,444,606)**	(12,124,553)
Income tax expense		**-**	-	**-**	-
Loss for the period		**(6,438,073)**	(3,774,113)	**(15,444,606)**	(12,124,553)
Loss attributable to members of Coalspur Mines Limited		**(6,438,073)**	(3,774,113)	**(15,444,606)**	(12,124,553)
Other comprehensive income					
Exchange differences on translation of foreign operations		**-**	-	**-**	(5,153,984)
Other comprehensive income for the period, net of tax		**-**	-	**-**	(5,153,984)
Total comprehensive loss for the period		**(6,438,073)**	(3,774,113)	**(15,444,606)**	(17,278,537)
Total comprehensive loss attributable to members of Coalspur Mines Limited		**(6,438,073)**	(3,774,113)	**(15,444,606)**	(17,278,537)
Basic and diluted loss per share (cents per share)		**(1.00)**	(0.61)	**(2.42)**	(1.97)

The above Condensed Interim Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Coalspur

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Note	September 30, 2013 (Unaudited)	December 31, 2012
ASSETS			
Current Assets			
Cash and cash equivalents		**17,076,064**	14,867,640
Trade and other receivables		**182,559**	517,572
Prepayments		**366,779**	1,014,826
Total Current Assets		**17,625,402**	16,400,038
Non-current Assets			
Property, plant and equipment		**1,103,016**	904,894
Exploration and evaluation assets		**13,509,295**	13,509,295
Mine development assets	4	**140,384,225**	120,387,691
Prepayments	5	**42,800,000**	42,800,000
Intangible assets	5	**2,500,000**	3,500,000
Other assets	6	**23,464,178**	3,498,640
Total Non-current Assets		**223,760,714**	184,600,520
TOTAL ASSETS		**241,386,116**	201,000,558
LIABILITIES			
Current Liabilities			
Trade and other payables		**2,645,859**	3,659,022
Provisions		**165,351**	63,495
Total Current Liabilities		**2,811,210**	3,722,517
Long term Liabilities			
Credit facilities	7	**68,874,671**	30,000,000
Interest payable on credit facilities	7	**1,747,961**	-
Conversion feature on credit facility		**940,195**	-
Total Long Term Liabilities		**71,562,827**	30,000,000
TOTAL LIABILITIES		**74,374,037**	33,722,517
NET ASSETS		**167,012,079**	167,278,041
EQUITY			
Contributed equity	8	**230,124,519**	225,856,621
Share based payment reserve	9	**28,816,186**	17,905,440
Foreign currency translation reserve	10	**(12,401,553)**	(12,401,553)
Accumulated losses		**(79,527,073)**	(64,082,467)
TOTAL EQUITY		**167,012,079**	167,278,041

The above Condensed Interim Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Coalspur

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS

For the Nine Months Ended September 30, 2013 (Unaudited) Canadian Dollars	Ordinary Shares	Performance Shares	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Balance at December 31, 2012	225,856,621	-	17,905,440	(12,401,553)	(64,082,467)	167,278,041
Net loss for the period	-	-	-	-	(15,444,606)	(15,444,606)
Total comprehensive loss for the period	-	-	-	-	(15,444,606)	(15,444,606)
Transactions with owners, recorded directly in equity:						
Exercise of unlisted options	3,161,839	-	(2,375,768)	-	-	786,071
Conversion of share rights	1,106,059	-	(1,106,059)	-	-	-
Share based payments	-	-	14,392,573	-	-	14,392,573
Balance September 30, 2013	230,124,519	-	28,816,186	(12,401,553)	(79,527,073)	167,012,079

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
EXPRESSED IN CANADIAN DOLLARS

For the Nine Months Ended September 30, 2012 (Unaudited) Canadian Dollars	Ordinary Shares	Performance Shares	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Balance at December 31, 2011	195,510,769	776	12,202,122	(5,643,798)	(50,271,785)	151,798,084
Net loss for the period	-	-	-	-	(12,124,553)	(12,124,553)
Functional currency translation	5,471,823	21	268,029	(158,077)	1,483,029	7,064,825
Other comprehensive income:						
Exchange differences arising on translation of foreign operations	-	-	-	(6,599,678)	-	(6,599,678)
Total comprehensive loss for the period	-	-	-	(6,757,755)	(10,641,524)	(17,399,279)
Transactions with owners, recorded directly in equity:						
Exercise of unlisted options	13,559,257	-	(691,301)	-	-	12,867,956
Share based payments	-	-	7,671,225	-	-	7,671,225
Exercise of share rights	1,655,207	-	(1,655,207)	-	-	-
Balance September 30, 2012	216,197,056	797	17,794,868	(12,401,553)	(60,913,309)	160,677,859

The above Condensed Interim Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Coalspur

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Three Months Ended September 30 2013	2012	Nine Months Ended September 30 2013	2012
Cash flows from operating activities				
Payments to suppliers and employees	**(5,327,517)**	(3,158,856)	**(10,954,789)**	(10,683,865)
Interest received	**13,921**	17,520	**104,757**	181,085
Rental income	**77,714**	7,280	**208,175**	7,280
Net cash outflow from operating activities	**(5,235,882)**	(3,134,056)	**(10,641,857)**	(10,495,500)
Cash flows from investing activities				
Payments for port capacity	**-**	-	**(150,000)**	(23,356,056)
Payments for plant and equipment	**(92,650)**	(54,184)	**(277,136)**	(69,666)
Payments for mine development assets	**(3,939,792)**	(4,086,402)	**(16,102,122)**	(10,693,303)
Refund received for port capacity	**-**	3,200,000	**-**	3,200,000
Payments for exploration and evaluation assets	**(14,117)**	-	**(67,173)**	(12,964,991)
Net cash outflow from investing activities	**(4,046,559)**	(940,586)	**(16,596,431)**	(43,884,016)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	**-**	-	**785,313**	12,866,743
Proceeds from borrowings	**28,874,671**	10,000,000	**38,874,671**	30,000,000
Payments for financing	**-**	-	**(1,647,030)**	-
Interest and other costs of finance paid	**(7,401,769)**	(157,534)	**(8,589,358)**	(182,648)
Net cash inflow from financing activities	**28,874,671**	10,000,000	**38,012,954**	42,866,743
Net decrease/(increase) in cash and cash equivalents	**19,592,230**	5,925,358	**10,774,666**	(11,512,773)
Net foreign exchange differences	**23,116**	(1,914)	**23,116**	544,732
Cash and cash equivalents at beginning of period	**4,862,487**	6,988,330	**14,867,640**	23,904,929
Cash and cash equivalents at end of period	**24,477,833**	12,911,774	**25,665,422**	12,936,888

The above Condensed Interim Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the three and nine months ended September 30, 2013 has been prepared in accordance with the Corporations Act 2001 and AASB 134. Compliance with AASB 134 ensures compliance with the International Financial Reporting Standard IAS 134 Interim Financial Reporting.

In addition to Australian requirements, further information has been included in the Condensed Consolidated Financial Statements in order to comply with applicable Canadian securities law, on the basis that Coalspur Mines Ltd. (the "**Company**") is dual listed on the Toronto Stock Exchange.

These condensed consolidated financial statements have been prepared by management in accordance with Australian Accounting Standards ("**AAS**") as issued by the Australian Accounting Standards Board ("**AASB**") and have been prepared in accordance with AASB 134 applying accounting policies consistent with those disclosed in *Note 1* of the December 31, 2012 consolidated financial statements, except for the new standards adopted on January 1, 2013.

The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and, therefore, should be read in conjunction with the audited consolidated financial statements of the Company as at and for the six month period ended December 31, 2012 and any public announcements made by Coalspur Mines Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001.*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are consistent with those disclosed in Note 1 of the December 31, 2012 audited consolidated financial statements.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The significant accounting policies are the same as those set out in the Company's December 31, 2012 audited consolidated financial statements and have been consistently applied to all the periods presented in these financial statements, other than as follows:

AASB 10 - Consolidated financial statements, AASB 11 - Joint arrangements, AASB 12 - Disclosure of interests in other entities and AASB 13 - Fair value measurement were issued in May 2011. They replaced parts of AASB 127 – Consolidated and separate financial statements and AASB 128 - Investments in associates and joint ventures and relate to the accounting and disclosure for interests in other entities. AASB 13 provides guidance on how to measure assets and liabilities at fair value as well as the disclosure required to explain management's assumptions to the reader. These standards did not have a significant impact on the consolidated condensed interim financial statements or disclosures.

Coalspur

Amendments to AASB 7 - Disclosures - Offsetting financial assets and liabilities were published jointly by the IASB and Financial Accounting Standards Board in December 2011. The amendments are intended to improve the ability of users of financial statements to compare financial statements prepared in accordance with US GAAP and AIFRS. These amendments did not have a significant impact on the consolidated condensed interim financial statements or disclosures.

Amendments to AASB 101 – Presentation of financial statements were issued by the AASB in September 2011. The amendments relate to the disclosure of other comprehensive income as well as the tax impacts of other comprehensive income. These amendments did not have a significant impact on the consolidated condensed interim financial statements or disclosures.

2. SEGMENT INFORMATION

The Consolidated Entity operates in one segment, being coal development in Canada. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

3. REVENUE AND EXPENSES

Coalspur created an Operating expense category to more accurately reflect that the Company's primary focus has shifted from exploration and evaluation of its mineral properties to development and construction of its Vista project ("**Vista**").

Continuing operations	Three Months Ended		Nine Months Ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Share-Based payments expense/(recovery)				
Included in operating expenses 1	**165,057**	147,190	**(105,390)**	745,705
Included in corporate and administrative expenses	**210,509**	543,945	**530,162**	1,468,662
	375,566	691,135	**424,772**	2,214,367
Other Income				
Interest income	**13,921**	13,181	**104,757**	143,513
Rental income 2	**77,714**	7,280	**208,175**	7,280
	91,635	20,461	**312,932**	150,793

Notes:

1. During Q2, 2013 the performance milestone for Tranche 5 (finance) was met. Therefore, the share rights associated with Tranche 5 were exercised and transferred to equity from the P&L, resulting in a recovery for the nine months ended September 30, 2013.
2. Coalspur sub-leases office space in Calgary, Alberta where the Company's head office was located prior to moving to Vancouver, British Columbia in June 2013.

4. MINE DEVELOPMENT ASSETS

Canadian Dollars	Nine Months Ended September 30 2013	Year Ended December 31 2012
Movement in mine development assets		
Vista Project		
Carrying amount at beginning of period	**120,387,691**	109,726,335
Capitalized development costs	**15,394,907**	8,423,920
Capitalized finance costs (1)	**4,601,627**	2,237,436
Carrying amount at end of period	**140,384,225**	120,387,691

Note

1) The Company arranged a $70 million credit facility with Borrowdale Park (Note 24 to the Financial Statements for the six month period ended December 31, 2012) to advance the development of Vista. In July 2013 the Company achieved financial close of the senior secured debt facility with EIG and made an initial draw of US$37.0 million under the Facility, paid EIG a US$7.0 million facility fee, and repaid C$10 million of the previous C$40 million owing to Borrowdale Park. The finance costs associated with the assets under development are recorded as other assets and amortized to Mine Development Assets over the life of the credit facility.

5. PREPAYMENTS AND INTANGIBLE ASSETS

Agreements with Ridley Terminals Inc.

The Company has contracted with Ridley Terminals to secure port capacity of 2.5Mtpa in 2015, increasing to 10.7Mtpa in 2020 through 2028. Prior to the expiry of the initial term in 2028, the Company has the option to renew the arrangement for an additional seven years.

Summary of Agreements with Ridley Terminals

Prepayments	($ millions)	Note
Deposit paid	$ 42.8	5(b)
Option fee-other asset	$ 2.5	5(c)
Option fee-expensed	$ 1.0	5(c)
Total paid to date	$ 46.3	

Summary of Minimum Throughput Payments with Ridley Terminals

Year	Minimum Throughput Payment ($ millions)	Contracted Volume (Mtpa)	Note 5(d)
2013	$ -	-	
2014	$ -	-	
2015	$ 12.8	2.5	
2016	$ 23.1	4.5	
2017	$ 38.0	7.4	
2018	$ 50.8	9.9	
2019	$ 51.9	10.1	
2020	$ 54.9	10.7	
2021	$ 54.9	10.7	
2022	$ 54.9	10.7	
2023	$ 54.9	10.7	
2024	$ 54.9	10.7	
2025	$ 54.9	10.7	
2026	$ 54.9	10.7	
2027	$ 54.9	10.7	
2028	$ 54.9	10.7	
Total	$ 671.2	130.7	

(a) Contract cancellation / exercise date

As of September 30, 2013, the Company's total committed port capacity commences with 2.5 Mtpa in 2015, and ramps up to 10.7 Mtpa by 2020 in accordance with Vista's initial production profile.

(b) Deposits

All throughput capacity is subject to non-refundable deposits of $4 per tonne multiplied by annual contract capacity, which will be offset against future port charges, or minimum throughput charges. Deposits of $42.8 million have been classified as non-current assets, and will be amortised as they are offset against future throughput or minimum payment charges.

(c) Option fees

The Company paid $3.5 million on October 27, 2011 for two options to purchase additional throughput capacity totaling 3.5 Mtpa commencing in 2018. During the year the Company exercised its option to acquire 2.5 Mtpa capacity, and allowed its option to acquire an additional 1.0 Mtpa to expire. Accordingly $2.5 million is classified as a non-current intangible asset, and will be amortised over the initial term of the contract. $1 million was expensed in Q2, 2013.

(d) Minimum throughput charges

The Company's port capacity at Ridley Terminals is subject to minimum throughput charges based on a percentage of contracted capacity and throughput rates. As of September 30, 2013, the Company is subject to minimum throughput payments totaling $671 million over the initial 14 year term of the contract which could become payable in the event Coalspur is unable to meet specified minimum throughput commitments.

The contract with Ridley Terminals begins in 2015 to ship 2.5 Mt during that year. Due to a longer than expected regulatory process, If Coalspur is unable to successfully negotiate with the interveners and proceeds with the announced hearing dates, first production would be in 2016. The minimum throughput payment of $12.8 million on the 2.5 Mt is considered a contingent liability, see Note 12.

6. OTHER ASSETS

The amounts shown in the table below pertain to the facility agreements with Borrowdale Park and EIG. Given that the credit facility was obtained to finance the development of the mine, such finance costs are capitalised to Mine Development Assets until such time the mine is ready for use as intended by management.

Details (cumulative)	September 30, 2013 $	December 31, 2012 $
Share-based payments associated with Borrowdale Park facility	5,307,000	6,203,316
Warrants issued to EIG and Borrowdale park (note 9)	13,889,800	
Legal fees incurred for financing	1,647,030	-
Finance fee paid to EIG (US$7 million)	7,401,240	-
Capitalised to Mine Development Assets	(3,474,437)	(2,704,676)
Financing expense (note 7)	(2,246,650)	-
Conversion feature on credit facility	940,195	-
Closing Balance	**23,464,178**	**3,498,640**

7. Credit Facilities

Continuing operations	September 30, 2013	December 31, 2012
Credit Facilities		
Borrowdale Park Credit Facility (note 13)	**30,000,000**	30,000,000
EIG Credit Facility	**38,874,671**	-
	68,874,671	30,000,000
Interest Payable on Credit Facilities		
Borrowdale Park Credit Facility	**813,699**	-
EIG Credit Facility	**934,262**	-
	1,747,961	-

During the nine month period ended September 30, 2013 the Company renegotiated the terms of the debt held with Borrowdale Park including stated interest rate, maturity date, method of accruing interest, warrant features, and priority of the obligation. The modification resulted in a financing expense of approximately $2.2 million and related principally to the write-off of deferred financing costs.

Borrowdale Park, see Note 13, is owed $30 million as a subordinated debt obligation with an interest rate of 10.5%. Interest on the Borrowdale Park Note is calculated at the end of each month, capitalised and added to the principal balance of the note. The ultimate maturity date of the Borrowdale Park Note is August 12, 2021 however it may be repaid early without penalty. If the Borrowdale Park Note is not repaid by early maturity, defined as completion of a 6 Mtpa facility and production at 90% of capacity for a continuous three month period, the interest rate on the note will increase to 20% per annum. If the note is not repaid by the early maturity date, Borrowdale Park will have the option to convert the Borrowdale Park Note into Coalspur shares at a 50% discount to the 10 day volume weighted average price at that time.

EIG provided a senior secured debt facility of up to US$350 million with an interest rate of 8% per annum in cash plus 3% per annum which can be capitalised or paid in cash. Cash payments will not start until Coalspur is in production. On July 12, 2013 Coalspur made an initial draw of US$37 million on the EIG facility. The interest is calculated at the end of each quarter, capitalised and added to the principal balance of the EIG facility. The ultimate maturity date of the EIG facility is July 12, 2021. In the event that final sizing of the Facility results in a Facility limit of less than US$250 million, Coalspur has the option to cancel the Facility and repay EIG with ordinary shares at market value, however the value per share amount shall not be less than A$0.20 and not greater than A$0.65 per share.

8. CONTRIBUTED EQUITY

	Nine Months Ended September 30, 2013		Year Ended December 31, 2012	
	Volume	C$	Volume	C$
(a) Issued capital				
Fully paid ordinary shares	620,729,899	225,856,621	620,729,899	216,197,853
Exercise of unlisted options 1	19,019,002	3,161,839	-	9,658,768
Conversion of share rights	1,645,534	1,106,059	-	-
	641,394,435	230,124,519	620,729,899	225,856,621

(b) Movements in ordinary share capital during the past nine months were as follows:

Date	Details	Number of Shares	Average Issue Price C$	Total C$
January 1, 2013	**Opening Balance**	620,729,899	0.36	225,856,621
	Shares issued on exercise of options 1	13,394,002	-	-
	Exercise of unlisted options	5,625,000	0.14	786,071
	Reserve adj. for exercise of unlised options	-	-	2,375,768
	Conversion of share rights	1,645,534	-	1,106,059
September 30, 2013	**Closing Balance**	641,394,435	0.36	230,124,519

Note

1) Proceeds of $9,658,768 were received from the exercise of 13,394,002 options with an exercise price of A$0.70/option. The cash proceeds and option exercise notices were received as of December 31, 2012. The shares were issued during January 2013.

9. SHARE BASED PAYMENT RESERVE

Movements of Unlisted Options and Performance Rights during the period were as follows:

Date	Details	Share Based Payment Reserve $	Number of Performance Rights	Number of Unlisted Options
January 1, 2013	**Opening Balance**	**17,905,440**	**4,828,979**	**35,925,000**
	Share rights issued to employees and directors during the period	-	5,867,588	-
	Share rights forfeited 1	(301,986)	(394,108)	-
	Share rights forfeited 2	(1,706,049)	(1,081,272)	
	Exercised on milestone date 3	(1,106,059)	(1,495,534)	-
	Amortization of outstanding share rights	2,510,808		
	Exercise of unlisted options	(2,375,768)	-	(5,625,000)
	Warrants issued to EIG and Borrowdale Park 4	13,889,800		
	Net movement for the period	10,910,746	2,896,674	(5,625,000)
September 30, 2013	**Closing Balance**	**28,816,186**	**7,725,653**	**30,300,000**

Notes

1) Forfeiture of share rights upon employee departures from the Company prior to completing the service period required under the share right plan.
2) Tranche 2 share rights did not meet the service and non-market condition of commencement of construction at Vista by June 30, 2013. As required under IFRS the previously recognized expenses associated with such forfeited share rights is reversed as the agreed service was not received by the Company.
3) Tranche 5 share rights were exercised and converted to ordinary shares by obtaining financing for Vista Phase 1 by June 30, 2013.
4) Value of warrants issued to EIG and Borrowdale Park in Q3, 2013 as per the facility agreements. EIG was issued 120 million warrants and they were valued using the Black-Scholes option pricing model with the following assumptions: stock price $0.2313, strike price $0.5298, expected life of 8 years, risk-free interest rate of 2.1%, volatility of 57.07% and a dividend yield of 0% The value of the warrants issued to EIG was $0.1012/warrant. Borrowdale Park was issued 14 million warrants and they were valued using the Black-Scholes option pricing model with the following assumptions: stock price $0.2640, strike price $0.5185, expected life of 8 years, risk-free interest rate of 2.1%, volatility of 57.19% and a dividend yield of 0%. The value of the warrants issued to Borrowdale Park was $0.1247/warrant.

10. FOREIGN CURRENCY TRANSLATION ADJUSTMENT

Each entity in the Group uses the functional currency which best represents its primary economic environment. The Group's Canadian subsidiary, Coalspur Mines (Operations) Ltd. has always had a Canadian functional currency. In 2012 the Company determined the functional currencies of Coalspur Mines Ltd. and Coalspur Mines (Holdings) Pty Ltd. had changed from Australian to Canadian dollars as a result of its decision to pursue development of Vista following completion of a feasibility study on January 30, 2012.

Exchange differences arising on translation of entities within the Group with different functional currencies are taken to the foreign currency translation reserve, and recognised in profit and loss when the net investment is disposed of as described in Note 1 (d) of the notes to the financial statements for the six month period ended December 31, 2012. There have been no exchange translation differences since the Company adopted Canadian dollars as its reporting currency on February 1, 2012.

There were no movements in Foreign Currency Translation Reserve during the nine month period ended September 30, 2013. Movements in Foreign Currency Translation Reserve last occurred during the year ended June 30, 2012 shown below:

Foreign Currency Translation Reserve

	$
Balance at July 1, 2011	(6,870,060)
Difference on translation of foreign currency occurred June 30, 2012	(5,531,493)
Closing balance as at September 30, 2013	(12,401,553)

11. DIVIDENDS PAID OR PROVIDED FOR

No dividends have been paid or provided for during the period.

12. CONTINGENT LIABILITIES

The Company holds a beneficial interest in five coal leases that are an integral part of Vista. In accordance with the terms of the agreement with the vendor of these leases, initial payments of $2.0 million and $6.0 million have been made, and title to the leases will pass to Coalspur Mines (Operations) Ltd. upon the payment of an additional $10.0 million upon the earlier of reaching an average production rate of 90,000 tonnes of coal per month from Vista over a three month period or February 19, 2016.

In addition to the consideration payable above, the Vendor is entitled to a royalty equal to 1% of the sales revenue generated from the sale of coal produced from the relevant leases.

On the basis that the above payment will only be paid at the option of the Group, no provision for any liability has been recognised in these financial statements.

As part of the contracts described in Note 5, the Company is required to make minimum throughput payments to Ridley Terminals beginning in 2015. These future payments have not been recognized as a liability as management is uncertain if it will incur minimum payments related to unutilised allocation because throughput allocation surplus, to the extent there is any, may be sold to a third party or returned to Ridley Terminals under certain circumstances.

The contract with Ridley Terminals begins in 2015 with a right to ship 2.5 Mt during that year. Due to a longer than expected regulatory process, if Coalspur is unable to successfully negotiate with the interveners and proceeds with the announced hearing dates, first production would be in 2016. The minimum throughput payment of $12.8 million on the 2.5 Mt is considered a contingent liability. The Company has started discussions with interested parties with regards to the excess capacity. If commitments are reached, Coalspur will approach Ridley Terminals which as per the contract has right of first refusal on excess capacity.

13. RELATED PARTY TRANSACTIONS

During the prior year the Company entered into a $70 million Facility Agreement with Borrowdale Park S.A., which is associated with current directors Messrs Colin Steyn and William Smart. During the current year the Company drew $10 million on the credit facility, resulting in the vesting of one million options with an exercise price of A$1.28.

In July 2013 Coalspur achieved financial close in regards to the funding arrangement with EIG to provide a senior secured debt facility of up to US$350 million. Financial close was achieved by Borrowdale Park agreeing to accept a $10 million repayment of the credit facility and 14 million warrants with an exercise price of A$0.55 in return for restructuring the remaining $30 million owing to them as a subordinated debt obligation with an interest rate of 10.5%. The ultimate maturity date of the Borrowdale Park Note is August 12, 2021 however it may be repaid early without penalty. If the Borrowdale Park Note is not repaid by the early maturity date, defined as completion of a 6 Mtpa facility and production at 90% of capacity for a continuous three month period, Borrowdale Park will have the option to convert the

Borrowdale Park Note into Coalspur shares at a 50% discount to the 10 day volume weighted average price at that time.

In July 2013, Coalspur issued 120 million warrants to EIG's investment funds and 14 million warrants to Borrowdale Park with an exercise price of A$0.55. These warrants expire on July 12, 2021, or earlier in certain circumstances. Also in July 2013 Coalspur made an initial draw of US$37 million on the Facility, paid EIG a US$7 million cash facility fee, and repaid Borrowdale Park $10 million of the $40 million outstanding credit facility. The remaining $30 million outstanding on the Borrowdale Park Note was restructured as a subordinated debt obligation with an interest rate of 10.5%. Borrowdale Park relinquished its first ranking security over most Company assets in favour of EIG. During the third quarter of 2013 Coalspur cancelled three million options to Borrowdale Park as a result of the restructuring of its debt facility.

14. FAIR VALUE OF FINANCIAL INSTRUMENTS

Set out below is a comparison by class of the carrying amounts and fair value of the Company's financial instruments that are carried in the condensed consolidated financial statements:

	September 30, 2013		December 31, 2012		
	Carrying amount $	Fair value $	Carrying amount $	Fair value $	Hierarchy Level
Financial assets					
Cash and cash equivalents	17,076,064	17,076,064	14,867,640	14,867,640	1
Accounts receivable	182,559	182,559	517,572	517,572	1
	17,258,623	17,258,623	15,385,212	15,385,212	
Financial liabilities					
Accounts payable and accrued liabilities	2,645,859	2,645,859	3,659,022	3,659,022	1
Credit facility (note 7) 1	68,874,671	63,053,051	30,000,000	26,501,000	2
Conversion feature on credit facility	940,195	940,195	-	-	3
	72,460,725	66,639,105	33,659,022	30,160,022	

1.) The effective interest rates for the EIG and Borrowdale Park facilities are 12.31% and 12.44%, respectively.

The fair values of the financial assets and liabilities are shown at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of cash, receivables, and payables approximate their carrying amounts due to the short-term maturities of these instruments. The fair value of the credit facilities is estimated by discounting the expected future cash flows associated with these facilities using current market rates of similar facilities.

The fair value of the conversion feature on the credit facility is estimated using a binomial method with the significant unobservable input being the ability to repay the debt by the early maturity date. The Company does not presently have plans to repay this debt prior to the early maturity date.

Coalspur

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 – Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 – inputs to valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

During the reporting periods, there were no transfers between Level 1, Level 2 and Level 3 fair value measurements.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to be consistent with the current presentation. During the period, there was a reclassification to operating expenses from exploration and evaluation expenses to more accurately reflect that the Company's primary focus has shifted from exploration and evaluation of its mineral properties to development and construction of Vista. The change in presentation is only a reclassification there is no impact on earnings.

16. SUBSEQUENT EVENTS AFTER BALANCE DATE

There were no significant events that occurred after balance date.

Coalspur

FORM 52-109F2 – CERTIFICATION OF INTERIM FILINGS (FULL CERTIFICATE)

I, Gill Winckler, Chief Executive Officer of Coalspur Mines Limited, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim periods ended September 30, 2013.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2013 and ended on September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: November 13, 2013

Gill Winckler
Chief Executive Officer

Coalspur

FORM 52-109F2 – CERTIFICATION OF INTERIM FILINGS (FULL CERTIFICATE)

I, Robert Gough, Chief Financial Officer of Coalspur Mines Limited, certify the following:

1. **Review:** I have reviewed the interim financial report and interim MD&A (together, the "interim filings") of Coalspur Mines Limited (the "issuer") for the interim periods ended September 30, 2013.

2. **No misrepresentations:** Based on my knowledge, having exercised reasonable diligence, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings.

3. **Fair presentation:** Based on my knowledge, having exercised reasonable diligence, the interim financial report together with the other financial information included in the interim filings fairly present in all material respects the financial condition, financial performance and cash flows of the issuer, as of the date of and for the periods presented in the interim filings.

4. **Responsibility:** The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (DC&P) and internal control over financial reporting (ICFR), as those terms are defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, for the issuer.

5. **Design:** Subject to the limitations, if any, described in paragraphs 5.2 and 5.3, the issuer's other certifying officer(s) and I have, as at the end of the period covered by the interim filings

   (a) designed DC&P, or caused it to be designed under our supervision, to provide reasonable assurance that

      (i) material information relating to the issuer is made known to us by others, particularly during the period in which the interim filings are being prepared; and

      (ii) information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

   (b) designed ICFR, or caused it to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

5.1 **Control framework:** The control framework the issuer's other certifying officer(s) and I used to design the issuer's ICFR is the Committee of Sponsoring Organisations of the US Treadway Commission (COSO).

5.2 N/A

5.3 N/A

6. **Reporting changes in ICFR:** The issuer has disclosed in its interim MD&A any change in the issuer's ICFR that occurred during the period beginning on January 1, 2013 and ended on September 30, 2013 that has materially affected, or is reasonably likely to materially affect, the issuer's ICFR.

Dated: November 13, 2013

Robert Gough
Chief Financial Officer