

## DECEMBER 2013 QUARTERLY REPORT

**VANCOUVER, British Columbia, Canada, 31 January 2014: Coalspur Mines Limited ("Coalspur" or "Company") (ASX: CPL, TSX: CPT) is pleased to present its quarterly report for the three months ending 31 December 2013.**

### Highlights of past quarter

During the quarter Coalspur announced that it has entered into separate agreements with each of the Ermineskin Cree Nation ("Ermineskin"), the Whitefish (Goodfish) Lake First Nation ("Whitefish") and Tourmaline Oil Corp. ("Tourmaline"), three of the four parties granted intervener status by the Alberta Energy Regulator ("AER"). As a result, Ermineskin, Whitefish and Tourmaline withdrew as interveners in relation to Coalspur's applications for regulatory approval of the Vista project.

Subsequent to December 31, 2013 Coalspur announced that an agreement had been reached with the Alexis Nakota Sioux Nation ("Alexis") in relation to the development of Vista. As a result, Alexis withdrew as an intervener in relation to the regulatory approval of Vista. The AER closed its hearing relating to Coalspur's applications for approval of Vista on January 13, 2014. The AER is expected to render its decision regarding the approval of Vista within 90 days from the close of the hearing. In anticipation of such decision, Coalspur continues to work with the various regulatory agencies relating to its applications in order to secure final approvals and permits for Vista.

The Company anticipates that the AER will render its final decision on Vista no later than mid April 2014. Assuming AER approval and the subsequent receipt of the remaining permits and licenses, which the Company anticipates receiving, construction is expected to commence in June/July 2014, subject to securing all financing for the development of Vista. With this revised schedule, first production would be in the first half of 2016.

Subsequent to the quarter ended December 31, 2013, Coalspur announced that it had reached agreement with its major shareholder, Borrowdale Park S.A., for the provision to Coalspur of a standby funding facility of CAD\$10 million ("New Facility"), subject to the execution of definitive documents. The New Facility will be drawn upon if and when required. The New Facility has an interest rate of 10.5% per annum and will be repaid from proceeds raised as part of the final overall Vista financing solution. Reasonable arrangement and commitment fees are payable by Coalspur. The New Facility is in addition to the CAD\$30 million balance owing to Borrowdale Park S.A. under the existing credit facility.

### Going Forward

The Company is primarily focused on activities necessary to commence construction on Vista. Activities in the coming months are expected to include:

- Continue to work with the various regulatory agencies relating to its applications in order to secure final approvals and permits for Vista;
- Continuing discussions with potential investors to secure the remaining funding or off-take arrangements required to complete the funding for Vista Phase 1; and
- Finalising the EPC contract with Forge and awarding contracts for the civil earthworks and mine pre-development work.

For additional information, please contact:

**Greg Bittar**  
VP, Investor Relations  
Australasia  
[gbittar@coalspur.com](mailto:gbittar@coalspur.com)  
P: + 61 409 611 744

**Ryan Walchuck**  
Investor Relations  
North America and Europe  
[rwalchuck@coalspur.com](mailto:rwalchuck@coalspur.com)  
P: +1 604 220 8595

**David Montpetit**  
VP, External Affairs and Logistics  
[dmontpetit@coalspur.com](mailto:dmontpetit@coalspur.com)  
P: +1 403 801 1344

**Schedule of tenements held by the Company**

<b>Project Name</b>	<b>Location</b>	<b>Permit/lease number</b>	<b>Percentage Interest</b>	<b>Status</b>
Vista Coal Project	Alberta	1307020587	100%	Granted
Vista Coal Project	Alberta	1307020588	100%	Granted
Vista Coal Project	Alberta	1307060429	100%	Granted
Vista Coal Project	Alberta	1308020345	100%	Granted
Vista Coal Project	Alberta	1308020346	100%	Granted
Vista Coal Project	Alberta	1308020347	100%	Granted
Vista Coal Project	Alberta	1308020348	100%	Granted
Vista Coal Project	Alberta	1308020349	100%	Granted
Vista Coal Project	Alberta	1308050904	100%	Granted
Vista Coal Project	Alberta	1308050905	100%	Granted
Vista Coal Project	Alberta	1308120620	100%	Granted
Vista Coal Project	Alberta	1308120622	100%	Granted
Vista Coal Project	Alberta	1308120624	100%	Granted
Vista Coal Project	Alberta	1311040471	100%	Granted
Vista Coal Project	Alberta	1311040472	100%	Granted
Vista Coal Project	Alberta	1311050576	100%	Granted
Vista Coal Project	Alberta	1311050581	100%	Granted
Vista Coal Project	Alberta	1311050582	100%	Granted
Vista Coal Project	Alberta	1399080001	100%	Granted
Vista Coal Project	Alberta	80368501	100%	Application
Vista Coal Project	Alberta	80368502	100%	Application
Vista Coal Project	Alberta	80368503	100%	Application
Vista Extension	Alberta	1307050787	100%	Granted
Vista Extension	Alberta	1307050788	100%	Granted
Vista Extension	Alberta	1307050789	100%	Granted
Vista Extension	Alberta	1307050790	100%	Granted
Vista Extension	Alberta	1307050791	100%	Granted
Vista Extension	Alberta	1307050792	100%	Granted
Vista Extension	Alberta	1307050793	100%	Granted
Vista Extension	Alberta	1307050794	100%	Granted
Vista Extension	Alberta	1307050795	100%	Granted
Vista Extension	Alberta	1307050796	100%	Granted
Vista Extension	Alberta	1307050797	100%	Granted
Vista Extension	Alberta	1307050798	100%	Granted

Vista Extension	Alberta	1307050799	100%	Granted
Vista Extension	Alberta	1307050800	100%	Granted
Vista Extension	Alberta	1307050801	100%	Granted
Vista Extension	Alberta	1307050802	100%	Granted
Vista Extension	Alberta	1308060419	100%	Granted
Vista Extension	Alberta	1308060420	100%	Granted
Vista South	Alberta	1308120621	100%	Granted
Vista South	Alberta	1308120623	100%	Granted
Vista South	Alberta	1309120451	100%	Granted
Vista South	Alberta	1309120452	100%	Granted
Vista South	Alberta	1309120453	100%	Granted
Vista South	Alberta	1309120454	100%	Granted
Vista South	Alberta	1309120455	100%	Granted
Vista South	Alberta	1309120456	100%	Granted
Vista South	Alberta	1309120457	100%	Granted
Vista South	Alberta	1309120458	100%	Granted
Vista South	Alberta	1309120459	100%	Granted
Vista South	Alberta	1309120460	100%	Granted
Vista South	Alberta	1309120461	100%	Granted
Vista South	Alberta	1309120462	100%	Granted
Vista South	Alberta	1309120463	100%	Granted
Vista South	Alberta	1309120464	100%	Granted
Vista South	Alberta	1310090997	100%	Granted
Vista South	Alberta	1310090998	100%	Granted
Vista South	Alberta	1310090999	100%	Granted
Vista South	Alberta	1310091000	100%	Granted
Vista South	Alberta	1310091001	100%	Granted
Athabasca River	Alberta	1311120568	100%	Granted
Athabasca River	Alberta	1311120570	100%	Granted
Athabasca River	Alberta	1311120572	100%	Granted
Athabasca River	Alberta	1311120573	100%	Granted
Athabasca River	Alberta	1311120574	100%	Granted
Lake Way	East Murchison Western Australia	Exploration License 53/1253	100%	Granted

## 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](http://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 Information

This report contains forward-looking information concerning Coalspur, including information regarding Coalspur's plans for its mineral projects, development plans and timing, development and operating costs, production, regulatory process and approvals, exploration and development activities, and other matters. All statements in this report, other than statements of historical facts, that address events or developments that Coalspur expects to occur, are statements of forward-looking information. Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking information" 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 information. Although Coalspur believes that such forward-looking information is based on reasonable assumptions, such information is not a guarantee of future performance and actual results or developments may differ materially from the forward-looking information.

Forward-looking information is 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. Factors that could cause actual results to differ materially from the forward-looking information, include, but are not limited to: risks associated with funding requirements for Vista development, 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 multiple mineral development, and uncertainties related to global economic and financial conditions.

Coalspur's forward-looking information is 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 information, 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.

Rule 5.3

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

COALSPUR MINES LIMITED

ABN

73 003 041 594

Quarter ended ("current quarter")

December 31, 2013

### Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (12 months) C\$'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	(94)	(175)
(b) development	(1,822)	(5,454)
(c) production	-	-
(d) administration	(1,379)	(11,192)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	3	108
1.5 Interest and other costs of finance paid	-	(10,337)
1.6 Income taxes paid	-	-
1.7 Other - rental income	104	312
	-	-
<b>Net Operating Cash Flows</b>	<b>(3,188)</b>	<b>(26,738)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(277)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other a) Capitalized finance costs	-	-
b) Capitalized development costs	(3,220)	(16,867)
<b>Net investing cash flows</b>	<b>(3,220)</b>	<b>(17,144)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(6,408)</b>	<b>(43,882)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(6,408)	(43,882)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	786
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	38,875
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material):	-	-
	<b>Net financing cash flows</b>	-	39,661
	<b>Net increase (decrease) in cash held</b>	(6,408)	(4,221)
1.20	Cash at beginning of quarter/year to date	17,076	14,867
1.21	Exchange rate adjustments to item 1.20	1	23
1.22	<b>Cash at end of quarter</b>	<b>10,669</b>	<b>10,669</b>

**Payments to directors of the entity and associates of the directors**  
**Payments to related entities of the entity and associates of the related entities**

		Current quarter C\$'000
1.23	Aggregate amount of payments to the parties included in item 1.2	255
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 **Explanation necessary for an understanding of the transactions**

On March 12, 2013 the Company lodged Financial Statements for the six months ended December 31, 2012, having resolved to change its financial year end to December 31. Accordingly, the year to date balances in this report are for the twelve months ended December 31, 2013.

**Non-cash financing and investing activities**

2.1 **Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows**

The Company's debt agreements with EIG and Borrowdale Park accrue interest at 11% and 10.5%, respectively, until Coalspur is in production at which point cash repayments commence.

2.2 **Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest**

Not applicable

+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available C\$'000	Amount used C\$'000
3.1 Loan facilities	-	68,875
3.2 Credit standby arrangements	128	82

### Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	3,800
4.3 Production	-
4.4 Administration	3,000
<b>Total</b>	<b>6,800</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter C\$'000	Previous quarter C\$'000
5.1 Cash on hand and at bank	2,972	3,477
5.2 Deposits at call	7,697	13,599
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,669</b>	<b>17,076</b>

### Mining interests and changes in interests in mining tenements and petroleum tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Not applicable			
6.2 Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference *securities (description)	25,000,000	-	Not applicable	Not applicable
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	641,394,435	641,394,435	Not applicable	Not applicable
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities (description)	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	<i>Options/Warrants:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	2,750,000	-	AS0.20	31 Dec 2014
	2,750,000	-	AS0.25	30 June 2015
	1,150,000	-	AS0.50	30 June 2014
	1,150,000	-	AS0.60	31 Dec 2014
	350,000	-	AS0.70	30 June 2015
	1,450,000	-	AS0.85	30 June 2014
	1,450,000	-	AS0.95	31 Dec 2014
	1,450,000	-	AS1.05	30 June 2015
	8,000,000	-	AS1.5624	8 May 2014
	2,000,000	-	AS1.622	16 May 2014
	1,000,000	-	AS1.248	14 Sept 2015
	1,000,000	-	AS1.248	18 Mar 2016
	14,000,000	-	AS0.55	1 July 2021
	120,000,000	-	AS0.55	1 July 2021
	<i>Rights:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	1,403,511		ASNil	30 June 2014
	2,584,329		ASNil	30 June 2015
	1,475,865		ASNil	15 Dec 2015
	2,584,329		ASNil	30 June 2016
7.8 Issued during quarter	<i>Rights:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	744,141		ASNil	30 June 2015
	744,141		ASNil	30 June 2016
7.9 Exercised during quarter	<i>Options:</i>		<i>Exercise price</i>	<i>Funds Received</i>
	Nil			
	<i>Rights:</i>			
	Nil			
7.10 Expired/forfeited during quarter	<i>Options:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	800,000		AS0.40	31 Dec 2013
	<i>Rights:</i>			
	179,641		ASNil	30 June 2014
	113,895		ASNil	30 June 2015
	84,930		ASNil	15 Dec 2015
	113,895		ASNil	30 June 2016
7.11 Debentures (totals only)	-	-		
7.12 Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.



## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 31 January 2014  
(Director/Company secretary/Officer)

Print name: Robert Gough

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.