

## MARCH 2014 QUARTERLY REPORT

**VANCOUVER, British Columbia, Canada, 30 April 2014: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT)** is pleased to present its quarterly report for the three months ending 31 March 2014.

### Highlights of past quarter

In January 2014, Coalspur announced that an agreement had been reached with the Alexis Nakota Sioux Nation (“Alexis”) relating to the development of the Vista project (“Vista”). As a result, Alexis withdrew as an intervener in relation to the regulatory approval of Vista. The Alberta Energy Regulator (“AER”) closed its hearing relating to Coalspur’s applications for approval of Vista on 13 January 2014 and subsequently approved Vista on 27 February 2014. Coalspur continues to work with the various regulatory agencies in order to secure detailed permits and licenses for Vista, which it anticipates receiving in the next couple of months.

During the quarter, Coalspur announced that it had reached an agreement with its major shareholder, Borrowdale Park S.A (“Borrowdale”), for the provision to Coalspur of a standby loan facility of CAD\$10 million (“Stand-by Facility”) by means of an amendment to its existing CAD\$30 million credit facility with Borrowdale. The amendment agreements giving effect to the Stand-by Facility were signed on 2 April 2014. The Stand-by Facility will be drawn upon if and when required and will be repaid from proceeds raised as part of the final overall Vista financing solution, on which the Company is currently working. The Stand-by Facility has an interest rate of 10.5% per annum and reasonable arrangement and commitment fees are payable by Coalspur.

On 31 March 2014, Coalspur released an update to its previously filed technical report relating to Vista. The requirement to update the technical report arose from the previously announced revised capital expenditure estimates for phases one and two of Vista.

On 31 March 2014, Coalspur announced that it had amended its existing senior secured debt facility (“EIG Facility”) agreement with EIG Global Energy Partners (“EIG”). The EIG Facility previously required that the Company execute a mining contract by 31 March 2014, which would have been premature in light of the delayed regulatory approval process for Vista. This date was accordingly extended to 31 March 2015. Coalspur has issued a request for proposals for a mining contractor and the revised terms of the EIG Facility provide that, after the preferred mining contract proposal is selected, EIG will assess the mining costs for Vista and determine the final size of the EIG Facility. The previously agreed sizing mechanics and assumption in the EIG Facility no longer apply. The amended terms of the EIG Facility provide for compensation ranging between US\$7 million and US\$12 million that will be payable to EIG in the event that EIG sizes the debt below US\$250 million or not at all, and either EIG or Coalspur withdraws from the EIG Facility prior to any further draw-down of the EIG Facility (which is now permissible under the revised terms). If EIG sizes the debt over US\$250 million, the make whole provisions of the original EIG Facility agreement remain unchanged. Following the sizing process, further draw-downs on the EIG Facility will be available upon satisfaction of customary conditions precedent for a facility of this nature, including the Company entering into a definitive mining contract, obtaining permits and approvals required for construction, and securing full funding for Vista’s development.

Subsequent to quarter end, Coalspur announced that its preferred supplier of engineering, procurement and construction (“EPC”) services had changed from Forge Group North America (“Forge”) to Sedgman Limited (“Sedgman”). This decision was made following the placing of Forge’s parent company into administration and, more recently, liquidation. Sedgman participated in Coalspur’s 2013 competitive front-end engineering and design process for Vista and is ideally positioned to step into the role of lead EPC contractor. Sedgman has commenced transition work, led by its Vancouver-based team.

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TSX Code: CPT ASX Code: CPL

## Going Forward

The Company is primarily focused on activities necessary to size the EIG Facility and secure financing for Vista. Activities in the coming months are expected to include:

- Continuing to work with the various regulatory agencies relating to its applications in order to secure detailed permits and licenses for Vista;
- Selecting the preferred mining contractor and subsequently determining the final size of the EIG Facility;
- Continuing discussions with potential investors with the aim of securing financing for the development of Vista;
- Contingency planning in the event that an optimal, full financing solution is not available at this time; and
- Finalising the EPC contract with Sedgman and awarding contracts for the civil earthworks and mine pre-development work, should full funding be secured.

For additional information, please contact:

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## Schedule of tenements held by the Company

Project Name	Location	Permit/lease number	Percentage Interest	Status
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

## Regulatory Disclosures

For further information regarding Vista, 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: Vista Coal Project NI 43-101 Independent Technical Report" dated March 28, 2014 (refer to ASX announcement dated April 1, 2014). For further information regarding 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, 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 presentation that relates to mining infrastructure and associated capital costs, coal processing and related capital costs, is based on information compiled by Colin Gilligan, the Chief Operating Officer of Coalspur. Mr. Gilligan is a full time employee of Coalspur and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking, to approve and consent to the inclusion of such information in this presentation. Mr. Gilligan has approved and consents to the inclusion of such information in this presentation in the form and context in which it appears.

The information in this report that relates to mining infrastructure and associated capital costs, is based on information compiled by Mr. Colin Gilligan, the Chief Operating Officer of Coalspur, and has been reviewed 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 and consents to 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, financing plans, development plans and timing, development and operating costs, production, regulatory process and 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 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 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, applications for approvals, permits and licences for mining, coal processing, pits and spoils are delayed or refused, inability to execute construction or production plan on cost and on schedule, risks associated with fatality or severe injury to one or more employees or contractors, inability to recruit or retain key personnel required to plan, build or operate a major mining facility in Hinton, risks of take or pay commitments to Ridley Terminals Inc., overlapping surface and mineral rights could restrict the development of the project, failure of a major service provider to deliver on its contract, misstatement of coals reserve and/or resource estimate, failure to obtain, or maintain, legal title in project leases, risks of significant unexpected environmental damage, risks of significant depreciation on the US dollar against the Canadian dollar, risk of insiders trading while in possession of non-public inside information, risk of inaccurate financial reporting, unauthorized use and misappropriation of company assets, risk of computer failure causing loss of information or business interruption, adverse tax legislation change, and material adverse changes to government policies or legislation in respect of mining.

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.

# 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")

March 31, 2014

### Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (3 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	-	-
(b) development	(1,187)	(1,187)
(c) production	-	-
(d) administration	(2,139)	(2,139)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	5	5
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - rental income	104	104
	-	-
<b>Net Operating Cash Flows</b>	<b>(3,217)</b>	<b>(3,217)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(52)	(52)
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	(3,246)	(3,246)
<b>Net investing cash flows</b>	<b>(3,298)</b>	<b>(3,298)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(6,515)</b>	<b>(6,515)</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)	(6,515)	(6,515)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material):	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(6,515)	(6,515)
1.20	Cash at beginning of quarter/year to date	10,669	10,669
1.21	Exchange rate adjustments to item 1.20	40	40
1.22	<b>Cash at end of quarter</b>	4,194	4,194

**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	203
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

During the quarter, Coalspur announced that it had reached an agreement with its major shareholder, Borrowdale Park S.A (“Borrowdale”), for the provision to Coalspur of a standby loan facility of CAD\$10 million (“Stand-by Facility”) by means of an amendment to its existing CAD\$30 million credit facility with Borrowdale. The amendment agreements giving effect to the Stand-by Facility were signed on 2 April 2014. The Stand-by Facility will be drawn upon if and when required and will be repaid from proceeds raised as part of the final overall Vista financing solution, on which the Company is currently working. The Stand-by Facility has an interest rate of 10.5% per annum and reasonable arrangement and commitment fees are payable by Coalspur.

**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	163	47

### Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	7,565
4.3 Production	-
4.4 Administration	2,670
<b>Total</b>	<b>10,235</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	664	2,972
5.2 Deposits at call	3,530	7,697
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>4,194</b>	<b>10,669</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	Lake Way – East Murchison Western Australia	Relinquished	100%	0%
6.2 Interests in mining tenements acquired or increased	Not applicable			

+ See chapter 19 for defined terms.

**Appendix 5B**
**Mining exploration entity and oil and gas exploration entity quarterly report**
**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 <b>Preference *securities</b> <i>(description)</i>	-	-	Not applicable	Not applicable
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>*Ordinary securities</b>	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 <b>*Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	<i>Options/Warrants:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	2,750,000	-	A\$0.20	31 Dec 2014
	2,750,000	-	A\$0.25	30 June 2015
	1,150,000	-	A\$0.50	30 June 2014
	1,150,000	-	A\$0.60	31 Dec 2014
	350,000	-	A\$0.70	30 June 2015
	1,450,000	-	A\$0.85	30 June 2014
	1,450,000	-	A\$0.95	31 Dec 2014
	1,450,000	-	A\$1.05	30 June 2015
	8,000,000	-	A\$1.5624	8 May 2014
	2,000,000	-	A\$1.622	16 May 2014
	1,000,000	-	A\$1.248	14 Sept 2015
	1,000,000	-	A\$1.248	18 Mar 2016
	3,195,498	-	C\$0.30	31 Dec 2016
	14,000,000	-	A\$0.55	1 July 2021
	120,000,000	-	A\$0.55	1 July 2021
	<i>Rights:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	368,435		A\$Nil	30 June 2014
	624,375		A\$Nil	30 June 2015
	1,370,645		A\$Nil	15 Dec 2015
	624,375		A\$Nil	30 June 2016
	10,470,498		A\$Nil	31 Dec. 2016
7.8 Issued during quarter	<i>Options:</i>		<i>Exercise price</i>	<i>Expiry date</i>
	3,195,498		C\$0.30	31 Dec 2016
	<i>Rights:</i>		A\$Nil	31 Dec 2016
	10,470,498			
7.9 Exercised during quarter	<i>Options/Rights:</i>		<i>Exercise price</i>	<i>Funds Received</i>
	Nil			
7.10 Expired/forfeited during quarter	<i>Share Rights:</i>		A\$Nil	<i>Expiry date</i>
	25,000,000			Feb 19, 2014
	<i>Rights:</i>		A\$Nil	30 June 2015
	1,959,954		A\$Nil	30 June 2016
	1,959,954		A\$Nil	30 June 2014
	1,035,076		A\$Nil	15 Dec. 2015
	105,220		A\$Nil	
7.11 <b>Debentures</b> <i>(totals only)</i>	-	-		

+ 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:.....“*Robert Gough*”..... Date: 30 April 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.