



COALSPUR MINES LIMITED

**FINANCIAL REPORT FOR THE PERIOD
ENDED JUNE 30, 2014**

ABN 73 003 041 594

CORPORATE DIRECTORY

DIRECTORS:

Mr. Mark Rodda	Director (non-executive) , appointed Chairman July 15, 2014
Ms. Gill Winckler	President and CEO
Mr. Denis Turcotte	Director (non-executive)
Mr. David Murray	Director (non-executive)
Mr. Ted Mayers	Director (non-executive), resigned July 1, 2014
Mr. Colin Steyn	Chairman (non-executive), resigned July 15, 2014
Mr. Peter Breese	Director (non-executive), resigned July 15, 2014
Mr. William Smart	Alternate Director (non-executive), resigned July 15, 2014

COMPANY SECRETARIES:

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Table of Contents

DIRECTORS' REPORT FOR THE PERIOD ENDED JUNE 30, 2014.....	4
AUDITOR'S INDEPENDENCE DECLARATION.....	18
DIRECTORS' DECLARATION	19
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED JUNE 30, 2014 (UNAUDITED)	
Condensed Consolidated Statement of Profit and Loss and Other Comprehensive Income.....	20
Condensed Consolidated Statement of Financial Position	21
Condensed Consolidated Statement of Changes in Equity	22
Condensed Consolidated Statement of Cash Flows	24
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS	25
INDEPENDENT AUDITOR'S REVIEW REPORT	40

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

The Directors of Coalspur Mines Limited present their report on the Consolidated Entity consisting of Coalspur Mines Limited and the entities it controlled at the end of, or during, the three and six month periods ended June 30, 2014 ("Company" or "Coalspur" or "Group").

DIRECTORS

The names and details of the Group's directors in office at any time during or since the end of the period are:

Mr. Mark Rodda	Director (non-executive), appointed Chairman July 15, 2014
Ms. Gill Winckler	President and CEO
Mr. Denis Turcotte	Director (non-executive)
Mr. David Murray	Director (non-executive)
Mr. Ted Mayers	Director (non-executive), resigned July 1, 2014
Mr. Colin Steyn	Chairman (non-executive), resigned July 15, 2014
Mr. Peter Breese	Director (non-executive), resigned July 15, 2014
Mr. William Smart	Alternate Director (non-executive), resigned July 15, 2014

All Directors held their office during the period from January 1, 2014 until the date of this report except as noted above.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

INTRODUCTION

This Directors' Report and Management's Discussion and Analysis ("MD&A") should be read in conjunction with the Condensed Interim Consolidated Financial Statements for the six months ended June 30, 2014 (the "Financial Statements"), which are unaudited, together with the audited 2013 Financial Statements for the year ended December 31, 2013, and the 2013 MD&A for the year ended December 31, 2013. The effective date of this report is August 13, 2014.

This discussion is current at the date of this report. The Financial Statements and the financial information contained in this Directors' Report and MD&A were prepared in accordance with Australian equivalents to International Financial Reporting Standards ("AIFRS"). The Condensed Financial Statements were prepared in accordance with the Australian Accounting Standards Board ("AASB") 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. All figures are expressed in Canadian dollars ("C\$") unless otherwise indicated.

Unless the context otherwise requires, references in this Directors' Report and 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 AND REVIEW OF OPERATIONS

During the six months ended June 30, 2014 and up to the date of this report, Coalspur advanced the Vista project ("Vista") on a number of fronts, however, the Company was not able to secure the full funding and regulatory permits necessary to enable construction to commence in mid-2014. Progress across the principal activity areas was as follows:

- **Operations:** Coalspur advanced its engineering for Vista Phase 1, changed its preferred supplier of engineering, procurement and construction ("EPC") services from Forge Group North America ("Forge") to Sedgman Limited ("Sedgman") and selected Thiess Pty Ltd ("Thiess") as its preferred mining contractor;
- **Regulatory:** the Alberta Energy Regulator ("AER") granted approval for Vista in February 2014 and the Company continues to work with the AER in securing its final permits;
- **Funding:** the Company was not able to secure full funding for Vista Phase 1, however it secured an additional US\$10 million funding through a further drawing under its existing senior secured debt facility with EIG Global Energy Partners ("EIG" or "EIG Facility"). The US\$10 million will be used to advance key operational activities and also undertake a strategic review process to examine the capital structure and funding of the Company; and

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

- **Governance:** As a result of its strategic review process the Company reduced the size of its Board of Directors following the resignations of three non-executive directors and the alternate director.

Operations

The Company continued to advance its detailed engineering work on Vista Phase 1 and finalized its contract and execution plans for the project. In April 2014, Coalspur announced that it had changed its preferred supplier of EPC services from Forge to Sedgman following the placing of Forge's parent company into administration and, later, liquidation. Sedgman participated in Coalspur's 2013 competitive front-end engineering and design process for Vista and was ideally positioned to step into the role of lead EPC contractor. The key terms and capital estimate that had been agreed with Forge were essentially matched by Sedgman and, on August 7, 2014, Coalspur executed a binding EPC contract with Sedgman Canada Limited.

The Company advanced its mine planning for Vista Phase 1 and, following a competitive request for proposal process with several reputable mining contractors, selected Thiess as Coalspur's preferred mining contractor for Vista. Thiess was selected based on, among other things, its proven track record as the world's preeminent total services mining contractor, together with attractive pricing of the contracted services. The mining contract with Thiess is under negotiation and will underpin Vista's competitive FOB cash cost position.

The Company reduced its workforce from 28 at March 31, 2014 to 18 at June 30, 2014 and to 13 on July 31, 2014 in order to reduce cash expenditure and preserve liquidity. Key employees were retained to focus on critical short term activities.

Regulatory and permitting

In January 2014, Coalspur announced that it had reached an agreement with the Alexis Nakota Sioux Nation ("Alexis") who was the last remaining intervener in relation to the regulatory approval for Vista. As a result, Alexis withdrew as an intervener paving the way for the AER to grant approval for Vista Phase 1. The AER approved Vista Phase 1 on February 27, 2014 and subsequently issued an amended mine permit, an amended processing plant approval, and pit and dump licenses. On July 2, 2014 the Alberta Aboriginal Consultation Office formally declared Coalspur's consultation in respect of Vista Phase 1 to be adequate.

Four detailed permits and approvals remain and Coalspur continues to work with the various regulatory agencies relating to its applications in order to secure these. The Company anticipates receiving all remaining permits and licenses from the AER in Q3 2014.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

Funding

Coalspur's plans to begin construction on Vista are subject to securing all financing and permits necessary for the development of Vista Phase 1. Based on the expectation that detailed licenses and permits would be received and financing secured by mid-2014, the Company has previously stated that it intended to commence construction in June 2014 and produce first coal in mid-2016. As noted above, although the AER has approved Vista Phase 1, the Company awaits the receipt of final permits and licenses. Throughout the period ended June 30, 2014 the Company continued its efforts to secure the financing necessary for the construction of Vista however it was unable to obtain a full funding solution. Given the time taken to advance both final permits and licenses and full financing for Vista Phase 1, the Company has not been able to start construction.

In June 2014, Coalspur secured an additional US\$10 million funding through a further drawing under its existing senior secured debt facility with EIG, subject to additional undertakings and conditions described in the Company's news release dated June 23, 2014. The US\$10 million working capital was drawn down in a single tranche in June, and will be used to progress key activities at Vista and enable Coalspur to conduct a strategic review process that will consider all matters relating to the future funding of the Company including its current finance facilities and capital structure. During the strategic review process the Company will consider a range of alternatives in this regard which include, but are not limited to, full funding of Vista, a refinancing or recapitalization of the Company, the sale of all or a portion of the Company's assets, formation of a joint venture, the outright sale of the Company and a merger or other business combination transaction involving a third party. The objective of the strategic review process, which will be overseen by a Special Committee of the Board of Directors constituted of independent non-executive directors, is to attempt to maximize value for all stakeholders of Coalspur. Deutsche Bank has been appointed by Coalspur to act as its financial advisor to the strategic review process. No assurance can be given at this stage that any definitive agreements or arrangements will be entered into with any party.

Governance

In July 2014, Mr. Theodore Mayers resigned as a Director of the Company. Resignations were subsequently received from the Chairman, Mr. Colin Steyn, and Mr. Peter Breese (and their alternate, Mr. Bill Smart), both of whom are affiliated with Borrowdale Park S.A. ("Borrowdale Park"). Borrowdale Park is Coalspur's largest shareholder and also has a secured loan with the Company under which a total of \$33 million has been drawn. As the Company will consider all matters relating to the future funding of the Company including its current finance facilities and capital structure during its strategic review process given that Borrowdale Park is a significant secured creditor, it was considered to be in the best interests of both the Company and the directors affiliated with Borrowdale Park that they resign from the Board. Mark Rodda was appointed as the new Chairman with effect from 15 July 2014.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

Expenditure Analysis	Six months ended	
	June 30, 2014	June 30, 2013
Development		
Vista	7,579,051	14,275,424
Less: capitalized development - Vista	<u>(6,178,672)</u>	<u>(11,455,115)</u>
Operating expense	<u>1,400,379</u>	<u>2,820,309</u>
Corporate expense	3,826,782	4,267,653
Administrative expense	2,076,969	1,964,853
Finance costs associated with credit facilities	5,582,280	2,439,579
Less: capitalized finance costs - Vista	<u>(5,582,280)</u>	<u>(2,439,579)</u>
Corporate and administrative expenses	<u>5,903,751</u>	<u>6,232,506</u>
Total Mine Development Capitalization	11,760,952	13,894,694

Development expenditures were \$7.6 million during the period ended June 30, 2014, versus \$14.3 million during the prior period ended June 30, 2013. The decrease in expenditure reflects the efforts made by the Company to conserve cash and reduce contractor and engineering spend while the Company obtains final detailed licenses and permits and works to secure all financing or other strategic arrangements for the development of Vista Phase 1.

The Company did not incur any exploration and evaluation expenses during the period ended June 30, 2014 (2013 - \$50,512).

Corporate and Administration

Corporate and administrative expenditures for the period ended June 30, 2014 totalled \$5.9 million, versus \$6.2 million for the period ended June 30, 2013. Corporate and administrative expenses decreased overall as a result of the Company's efforts to conserve cash by reducing its IT costs, eliminating recruitment costs, and reducing travel. Efforts associated with financing alternatives continued during the period ended June 30, 2014. Consistent with the prior period, finance costs associated with the EIG and Borrowdale Park facilities were capitalized to mine development assets.

Other projects

The Company has two other coal project areas in addition to Vista. Vista Extension is located on the northeast boundary of Vista and covers 14,432 hectares. To date exploration and evaluation expenses on Vista Extension have been nominal and Coalspur has deferred a future drilling programs and a pre-feasibility study on this project. The Vista South Coal Project ("Vista South") covers 23,287 hectares and is located approximately 6km southwest of Vista. No additional work to establish economic viability has been completed for Vista South.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

The Company has no immediate plans to evaluate these properties further. For further information regarding these projects, please refer to the updated NI43-101 Technical Report dated July 31, 2014.

Outstanding Share Information

As at the date of this Directors' Report and MD&A, the Company had 641,544,455 fully paid ordinary shares issued and outstanding. The following table sets out the Company's securities that are currently issued and outstanding:

Type of Security	Number
Outstanding ordinary shares	641,544,455
Outstanding unlisted performance share rights (note 1)	10,832,250
Outstanding unlisted options (note 2)	24,747,907
Warrants (note 3)	134,000,000
Total	811,124,612

Notes

- (1) 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.
- (2) 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 June 30, 2014 to February 13, 2019. At the date of this MD&A, 24,500,000 unlisted options were exercisable.
- (3) The Company issued 120,000,000 warrants to EIG and 14,000,000 warrants to Borrowdale Park in connection with their respective credit facilities in July 2013.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

Summary of Quarterly Results

<i>(\$000s, except where noted) Canadian Dollars</i>	30-Jun 2014	31-Mar 2014	31-Dec 2013	30-Sep 2013	30-Jun 2013	31-Mar 2013	31-Dec 2012	30-Sep 2012
Loss for the period	(8,149)	(13,950)	(3,532)	(6,438)	(4,357)	(4,650)	(3,169)	(3,774)
Loss per share (cents per share)	(1.51)	(2.17)	(0.55)	(1.00)	(0.68)	(0.73)	(0.51)	(0.61)
Cash and cash equivalents	10,588	4,194	10,669	17,076	4,862	14,056	14,868	12,754
Exploration and evaluation assets	13,509	13,509	13,509	13,509	13,509	13,509	13,509	13,509
Mine development assets	158,513	152,695	146,752	140,384	134,282	128,880	120,388	114,585
Non-current prepayments	42,800	42,800	42,800	42,800	42,800	42,800	42,800	42,800
Intangible assets	2,500	2,500	2,500	2,500	2,500	3,500	3,500	3,500
Other assets	21,076	21,748	22,465	23,464	3,894	2,921	3,499	4,308
Total assets	250,917	239,711	240,949	241,386	203,626	208,544	201,001	193,143
Available credit	-	-	-	-	30,000	30,000	40,000	40,000
Current liabilities	105,792	2,320	2,757	2,811	4,441	5,017	3,723	2,465
Long term liabilities	-	86,663	74,212	71,563	40,000	40,000	30,000	30,000
Total liabilities	105,792	88,983	76,969	74,374	44,441	45,017	33,723	32,465
Net assets	145,124	150,728	163,960	167,012	159,185	163,527	167,278	160,678

Notes:

- (1) As at June 30, 2014, 27,650,161 Unlisted Options, and 12,121,097 Performance Rights were considered anti-dilutive as they would decrease the loss per share.
- (2) The quarter ended March 31, 2014 has been restated to correct for errors identified in the quarter ended June 30, 2014. See Note 18 to the Condensed Interim Consolidated Financial Statements for the period ended June 30, 2014.

Net assets have remained relatively steady during the seven previous quarters as the increase in assets has been offset by a corresponding increase in debt, resulting from the Company's original and restructured credit facilities with Borrowdale Park, along with the EIG Facility, the first draw down on which took place in July 2013. The decline in net assets at March and June 2014 is a result of recognition of a mark-to-market loss on embedded derivatives associated with the EIG debt.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014**Financial Condition and Liquidity***Cash*

The Company had combined cash and cash equivalents of \$10.6 million at June 30, 2014. As of the date of this report, the Company has a cash balance of \$9.0 million and it is projected that the Company has enough funds to conduct limited operations to the end of March 2015 at which time the EIG Facility is due to be repaid. For further information regarding the solvency of the Company, see Note 2, Going Concern to the Condensed Interim Consolidated Financial Statements for the period ended June 30, 2014.

Senior secured facility with EIG

The EIG Facility, under which Coalspur had drawn US\$47 million as at 30 June 2014, originally had 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. In July 2013, consistent with the terms of the EIG Facility, Coalspur granted EIG 120 million warrants with an exercise price of A\$0.55 each, expiring on the maturity date of the EIG Facility, or earlier, in certain circumstances.

In March 2014, Coalspur announced that it had amended its EIG Facility. The EIG Facility previously required that the Company execute a mining contract by March 31, 2014 in order to facilitate the sizing by EIG of the EIG Facility. To secure the contract in this timeframe would have been premature in light of the delayed regulatory approval process for Vista and the date was accordingly extended to March 31, 2015. The terms of the EIG Facility were revised to provide that, after selecting the preferred mining contractor, EIG would assess the mining costs for Vista and determine the final size of the EIG Facility. Coalspur issued a request for proposals for a mining contractor and selected its preferred mining contractor in May 2014.

In June 2014, EIG provided Coalspur with a notice providing the final sizing of the overall EIG Facility of US\$175 million. Coalspur determined that it would not accept the EIG funding package as sized as a senior facility of that size is not large enough to enable the Company to fully fund and construct Vista. As a result of Coalspur exercising its right to not accept EIG's debt sizing, the EIG Facility (including all draws, fees and interest) will be due for repayment on March 31, 2015. Upon repayment of the EIG Facility, the EIG warrants will lapse.

At the same time as receiving the sizing notice from EIG, the Company entered into a letter agreement with EIG ("EIG Letter Agreement") documenting the terms and conditions for an additional draw down of US\$10 million. A deferred fee will be payable on the additional funds drawn down at the time of prepayment or repayment of such funds. The EIG Letter Agreement and amendment signed in July 2014 binds Coalspur to additional obligations including agreement in relation to the use of funds, which have been drawn down in full and key milestones to ensure continued progress on Vista. Key milestones, a number of which have already been fulfilled, include the delivery of an updated life-of-mine plan, the

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

maintenance and progress of permits and licenses, continued development of Vista Phase 2 engineering, execution of binding contracts with the preferred EPC and mining contractors, and the completion of an updated Bankable Feasibility Study. EIG may call an event of default and accelerate repayment of the Company's indebtedness in various circumstances, including if these milestones are not achieved. As of the date of this report, the Company was in compliance with the additional undertakings committed to in the EIG Letter Agreement.

Borrowdale Park secured facility

The Company has a secured facility with Borrowdale Park (the "Borrowdale Park Note") under which a total amount of \$33 million has been drawn. The Borrowdale Park Note bears interest at 10.5% per annum and can be repaid at any time with a final maturity date of one month following the repayment of the EIG Facility.

During the quarter ended March 31, 2014, Coalspur announced that it had reached an agreement with Borrowdale Park, for the provision of a Bridge Facility of \$10 million by means of an amendment to its original \$30 million Borrowdale Park Note. The amendment agreements giving effect to the Bridge Facility were signed on April 2, 2014. The Bridge Facility has an interest rate of 10.5% per annum and reasonable arrangement and commitment fees are payable by Coalspur. The Company made a draw of \$3 million on the Bridge Facility. The time period in which the Bridge Facility was available expired on June 30, 2014.

Funding going forward

The Company announced a strategic review process on June 23, 2014 under which it will examine funding options for Coalspur. As part of its strategic review process, a range of alternatives is being considered which include, but are not limited to, full funding of Vista, a refinancing or recapitalization of the Company, the sale of all or a portion of the Company's assets, formation of a joint venture, the outright sale of the Company and a merger or other business combination transaction involving a third party. No assurance can be given at this stage that any definitive agreements or arrangements will be entered into with any party. Deutsche Bank has been appointed by Coalspur to act as its financial advisor during the strategic review process.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

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

Commitments and planned payments

<i>(\$000s)</i> <i>Canadian Dollars</i>	Total (excluding per year)	Less than 1 year	1-3 years	4-5 years	After 5 years (per year)
Borrowdale Park credit and bridge facility principal (note 1)	33,000	33,000	-	-	-
Borrowdale Park interest (note 2)	6,691	6,691	-	-	-
EIG credit facility principal and fees (note 3)	50,109	50,109	-	-	-
EIG facility interest (note 4)	8,391	8,391	-	-	-
Operating leases	650	190	332	128	-
Mineral and surface leases	955	191	382	382	191
Minimum port payments (note 5)	122,650	-	35,300	87,350	54,020
Payments to First Nations	6,137	1,485	3,052	1,600	800
Commitments Total	228,583	100,057	39,066	89,460	55,011
Mineral lease acquisitions (note 6)	10,000	-	10,000	-	-
Vista development (note 7)	478,000	-	-	-	-
Planned payments Total	488,000	-	10,000	-	-
Total commitments and planned payments	716,583	100,057	49,066	89,460	55,011

Notes:

- 1) The \$33 million is due for repayment 30 days after funds are repaid to EIG.
- 2) Interest on the \$33 million Borrowdale Park subordinated note and bridge facility is accrued and capitalised at 10.5% and is to be 30 days after the repayment of EIG.
- 3) The Company borrowed US\$37 million from EIG in July 2013. A subsequent draw was made in June 2014 for US\$10 million. As Coalspur rejected the final sizing notice from EIG (see further discussion in Financial Condition and Liquidity), the EIG Facility (including all draws, fees and interest) will be due for repayment on March 31, 2015.
- 4) Interest is accrued and capitalised at 11% on the EIG facility until Vista commences production, after which interest is payable quarterly. Coalspur used the US\$47 million principal for calculations in this table up to and including the repayment date of March 31, 2015.
- 5) The Company has not recognised these commitments as liabilities because it will either claim relief in terms of force majeure (as noted below), utilize the throughput capacity or attempt to sell it to other parties. The contract with Ridley Terminals begins in 2015 with 2.5 Mt of capacity allocation. The minimum throughput payments are considered a contingent liability. In December 2013, Coalspur declared force majeure for the tonnages in 2015 and 2016 as a result of the government delays incurred during the regulatory approval process; see Note 7d to the 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) Given the time taken to advance both final permits and full financing for Vista Phase 1, the Company currently has no set construction date. See the section titled "Overall Performance and Discussion of Operations" above. As a result, the payments due by period breakdown for the Vista development planned payments is not provided at this time. No material commitments will be made with respect to Vista construction until final permits and licenses and development funding are obtained.

NI 43-101 Technical Report

In March 2014, Coalspur issued an updated technical report entitled "Coalspur Mines Limited Vista Coal Project, Alberta, Canada Project NO. 04372 NI43-101 Independent Technical Report" (the "Previous Report") following the by issuing of revised capital expenditure estimates for phases one and two of Vista. Subsequently, in June 2014 the Company issued a news release clarifying its disclosure regarding Vista following a review by the British Columbia Securities Commission (the "BCSC"). The BCSC stated the Previous Report was not in compliance with the requirements of National Instrument 43-101 ("NI 43-101"), in that NI43-101 requires the report to contain scientific or technical information relating to the entire Vista project, and the position of the BCSC is that Vista, Vista Extension and Vista South constitute a single project. In addition, two of the authors of the Previous Report are Members of the Australian Institute of Mining and Metallurgy and therefore not qualified persons.

The Company filed a new technical report on August 5, 2014 to address the deficiencies described above and other non-compliance issues identified by the BCSC relating to the form of the report, consents and certificates.

BUSINESS STRATEGIES AND PROSPECTS

The Group currently has the following business strategies and prospects:

- Continuing to work with the various regulatory agencies relating to its applications in order to secure detailed permits and licenses for Vista Phase 1;
- Advancing key elements of work around Vista Phase 2;
- Finalising the mining contract with Thiess; and
- Conducting a strategic review process and fully examining and exploring funding options for the Company.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

TRANSACTIONS WITH RELATED PARTIES

Borrowdale Park is associated with directors Messrs Colin Steyn and William Smart who resigned on July 15, 2014. For the six months ended June 30, 2014, Coalspur accrued \$1.7 million of interest pertaining to the amended \$33 million subordinated debt obligation and Bridge Facility. See the section titled "Financial Condition and Liquidity" above and Note 16 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.

DIVIDENDS

No dividends were paid or declared during the period. No recommendation for payment of dividends has been made.

SIGNIFICANT ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES

The attached financial statements were prepared in accordance with AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. A description of the Company's significant accounting policies is provided in Note 1 to the audited Consolidated Financial Statements for the year ended December 31, 2013. 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 period ended December 31, 2013.

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

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 three and six month periods ended June 30, 2014 that materially affect, or are reasonably likely to materially affect, internal control over financial reporting.

SIGNIFICANT EVENTS AFTER BALANCE DATE

The following events occurred after June 30, 2014:

- Mr. Theodore (Ted) Mayers resigned as a Director of the Company on July 1, 2014;
- Mr. Colin Steyn and Mr. Peter Breese resigned as Chairman and Director of the Company (and Messrs. Steyn and Breese's alternate, Mr. Bill Smart), respectively on July 15, 2014. Following the resignation of Mr. Steyn, Mr. Mark Rodda was appointed as Chairman of the Board; and
- A binding EPC contract with Sedgman Canada Limited was executed on August 7, 2014.

Other than disclosed above, there were no significant events occurring after the balance sheet date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the period ended June 30, 2014 has been received and can be found on page 18 of the Directors' Report and MD&A.

Signed in accordance with a resolution of the Directors.

"Gill Winckler"

Gill Winckler
President & Chief Executive Officer

August 13, 2014

DIRECTORS' REPORT AND MD&A FOR THE PERIOD ENDED JUNE 30, 2014

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 project, 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 and June 23, 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.

Forward Looking Information

This report contains forward-looking information concerning Coalspur, including information regarding Coalspur's plans for financing, permitting and developing Vista, 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. 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. Material factors or assumptions used by Coalspur to develop forward-looking information include the following: (a) additional financing for the development of Vista will be available on reasonable terms; (b) coal price and currency exchange rate assumptions; (c) regulatory approvals, permits and licenses for the development, construction and operation of Vista will be obtained on a basis consistent with Coalspur's current expectations; (d) Coalspur, EPC and mining contractors will execute construction and production plans on cost and on schedule; (e) key personnel will be retained or recruited; (f) accuracy of mineral resource and reserve estimates; (g) Coalspur's title to mineral and surface rights will be maintained; (h) no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; and (i) Coalspur's secured creditors will continue to be supportive of its strategic process. Factors that could cause actual results to differ materially from forward-looking information include: (i) uncertainties relating to obtaining the additional financing required for the development of Vista or successfully selling Coalspur or some for all of its assets and uncertainties related to project realization values; (ii) conditions for drawdown and other requirements under existing credit facilities, including the acceleration of debt due to events of default; (iii) fluctuations in coal prices and currency exchange rates; (iv) uncertainties regarding the receipt and conditions of regulatory approvals, permits and licenses required for the development, construction and operation of Vista; (v) uncertainties relating to the ability of Coalspur, EPC or mining contractors to execute construction or production plans on cost or on schedule; (vi) uncertainties relating to the retention or recruitment of key personnel; (vii) take or pay commitments with Ridley Terminals; (viii) uncertainties in Coalspur's mineral resource or reserve estimates; (ix) any significant disruptions affecting operations; (x) uncertainties related to aboriginal claims and overlapping mineral or surface rights; and (xi) uncertainties related to general economic, market and business conditions. For more information on Coalspur, investors should review Coalspur's continuous disclosure filings that are available at www.sedar.com and www.asx.com.au.

The Board of Directors
Coalspur Mines Limited
Level 1, 28 Ord Street
West Perth WA 6005

13 August 2014

Dear Board Members

Coalspur Mines Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Coalspur Mines Limited.

As lead audit partner for the review of the financial statements of Coalspur Mines Limited for the half year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely


DELOITTE TOUCHE TOHMATSU



Dave Newman
Partner
Chartered Accountants

DIRECTOR'S DECLARATION

In accordance with a resolution of the Directors of Coalspur Mines Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 305 (true and fair view);
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

"Gill Winckler"

**Gill Winckler
Chief Executive Officer**

August 13, 2014

COALSPUR MINES LIMITED AND CONTROLLED ENTITIES
CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
EXPRESSED IN CANADIAN DOLLARS

(Unaudited) Canadian Dollars	Note	Three Months Ended		Six Months Ended	
		June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Continuing operations					
Operating expenses		(285,045)	(1,759,901)	(1,400,379)	(2,820,309)
Exploration and evaluation expenses		-	(50,512)	-	(50,512)
Corporate and administrative expenses		(3,137,044)	(2,527,979)	(5,903,751)	(6,232,506)
Other income	4	89,063	143,620	198,356	221,297
Other gains and losses	4	1,332,578	(161,819)	246,251	(124,503)
Operating loss		(2,000,448)	(4,356,591)	(6,859,523)	(9,006,533)
Mark-to-market adjustment on embedded derivatives	10	(6,148,127)	-	(12,773,160)	-
Loss before income tax		(8,148,575)	(4,356,591)	(19,632,683)	(9,006,533)
Income tax expense		-	-	-	-
Loss for the period		(8,148,575)	(4,356,591)	(19,632,683)	(9,006,533)
Loss attributable to members of Coalspur Mines Limited		(8,148,575)	(4,356,591)	(19,632,683)	(9,006,533)
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations		-	-	-	-
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive loss for the period		(8,148,575)	(4,356,591)	(19,632,683)	(9,006,533)
Total comprehensive loss attributable to members of Coalspur Mines Limited		(8,148,575)	(4,356,591)	(19,632,683)	(9,006,533)
Basic and diluted loss per share (cents per share)		(2.74)	(0.68)	(3.64)	(1.42)

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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

(Unaudited) Canadian Dollars	Note	June 30, 2014	December 31, 2013
ASSETS			
Current Assets			
Cash and cash equivalents		10,588,297	10,668,872
Trade and other receivables		181,138	114,842
Prepayments	5	696,814	1,066,937
Total Current Assets		11,466,249	11,850,651
Non-current Assets			
Property, plant and equipment		1,052,172	1,072,698
Exploration and evaluation assets		13,509,295	13,509,295
Mine development assets	6	158,512,894	146,751,942
Prepayments	7	42,800,000	42,800,000
Intangible assets	7	2,500,000	2,500,000
Other assets	8	21,075,976	22,464,605
Total Non-current Assets		239,450,337	229,098,540
TOTAL ASSETS		250,916,586	240,949,191
LIABILITIES			
Current Liabilities			
Trade and other payables	9	1,027,671	2,610,333
Provisions		118,108	146,964
Credit facilities and fees payable	10	83,109,050	-
Interest payable on credit facilities	10	7,823,921	-
Embedded derivative	10	13,713,355	-
Total Current Liabilities		105,792,105	2,757,297
Non-Current Liabilities			
Long term credit facilities	10	-	69,568,910
Interest payable on credit facilities	10	-	3,703,008
Conversion feature on credit facility	10	-	940,195
Total Non-Current Liabilities		-	74,212,113
TOTAL LIABILITIES		105,792,105	76,969,410
NET ASSETS		145,124,481	163,979,781
Equity			
Contributed equity	11	230,124,519	230,124,519
Share based payment reserve	12	30,093,303	29,315,920
Foreign currency translation reserve	13	(12,401,553)	(12,401,553)
Accumulated losses		(102,691,788)	(83,059,105)
TOTAL EQUITY		145,124,481	163,979,781

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



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

For the Six Months Ended June 30, 2014 (Unaudited)	Note	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Canadian Dollars						
Balance at December 31, 2013		230,124,519	29,315,920	(12,401,553)	(83,059,105)	163,979,781
Net loss for the period		-	-	-	(19,632,683)	(19,632,683)
Total comprehensive loss for the period		-	-	-	(19,632,683)	(19,632,683)
Transactions with owners, recorded directly in equity:						
Exercise of unlisted options		-	-	-	-	-
Conversion of share rights		-	-	-	-	-
Share based payments	12	-	777,383	-	-	777,383
Balance June 30, 2014		230,124,519	30,093,303	(12,401,553)	(102,691,788)	145,124,481

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

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

For the Six Months Ended June 30, 2013 (Unaudited)	Note	Contributed Equity	Share Based Payment Reserve	Foreign Currency Translation Reserve	Accumulated Losses	Total Equity
Canadian Dollars						
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		-	-	-	(9,006,533)	(9,006,533)
Total comprehensive loss for the period		-	-	-	(9,006,533)	(9,006,533)
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	12	-	127,207	-	-	127,207
Balance June 30, 2013		230,124,519	14,550,820	(12,401,553)	(73,089,000)	159,184,786

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

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

(Unaudited) Canadian Dollars	Three Months Ended June 30		Six Months Ended June 30	
	2014	2013	2014	2013
Cash flows from operating activities				
Payments to suppliers and employees	(4,371,788)	(2,301,593)	(7,617,971)	(5,627,272)
Interest received	1,885	36,766	6,860	90,836
Rental income	87,978	106,854	192,296	130,461
Net cash outflow from operating activities	(4,281,925)	(2,157,973)	(7,418,815)	(5,405,975)
Cash flows from investing activities				
Payments for port capacity	-	-	-	(150,000)
Payments for plant and equipment	-	(50,417)	(52,000)	(184,486)
Payments for mine development assets	(2,932,693)	(4,812,016)	(6,178,401)	(12,162,330)
Payments for exploration and evaluation assets	-	(53,056)	(271)	(53,056)
Interest and other costs of finance paid	-	(1,187,589)	-	(1,187,589)
Net cash outflow from investing activities	(2,932,693)	(6,103,078)	(6,230,672)	(13,737,461)
Cash flows from financing activities				
Proceeds from issue of ordinary shares	-	716,488	-	785,313
Proceeds from borrowings	13,754,400	-	13,754,400	10,000,000
Payments for financing	(45,000)	(1,647,030)	(45,000)	(1,647,030)
Net cash inflow/(outflow) from financing activities	13,709,400	(930,542)	13,709,400	9,138,283
Net decrease in cash and cash equivalents	6,494,782	(9,191,593)	59,913	(10,005,153)
Net foreign exchange differences	(100,370)	(1,856)	(140,488)	-
Cash and cash equivalents at beginning of period	4,193,885	14,055,936	10,668,872	14,867,640
Cash and cash equivalents at end of period	10,588,297	4,862,487	10,588,297	4,862,487

The above Condensed 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 six months ended June 30, 2014 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.

These condensed consolidated financial statements have been prepared by management in accordance with Australian Accounting Standards and Interpretations ("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, 2013 consolidated financial statements, except for the new standards adopted on January 1, 2014.

The unaudited 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 year ended December 31, 2013 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, 2013 audited consolidated financial statements.

The unaudited condensed consolidated interim financial statements were approved by the Board of Directors on August 13, 2014.

ADOPTION OF NEW AND REVISED ACCOUNTING STANDARDS

The significant accounting policies are the same as those set out in the Company's December 31, 2013 audited consolidated financial statements and have been consistently applied to all the periods presented in these financial statements other than as follows:

Certain pronouncements were issued by the International Financial Reporting Interpretations Committee ("IFRIC") that is mandatory for accounting periods after December 31, 2013. Pronouncements that are not applicable to the Company have been excluded from this note.

The following pronouncements are mandatory for accounting periods after December 31, 2013:

(a) IFRIC 21 Levies - the Interpretation is effective for annual periods beginning on or after January 1, 2014. This Standard provides clarification on the accounting for a liability to pay a levy. The Company

has adopted this standard as of January 1, 2014 and determined the impact of this standard on the Company is not significant.

2. GOING CONCERN

The half year financial report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

For the half-year ended 30 June 2014, the Company has incurred a net loss after tax of \$19,632,683 (30 June 2013: loss \$9,006,533) and experienced net cash outflows from operating and investing activities of \$7,418,815 and \$6,230,672 respectively (30 June 2013: outflows of \$5,405,975 and \$13,737,461 respectively). As at June 30, 2014 the Company had a working capital deficiency of \$94,325,856 (December 31, 2013: surplus of \$9,093,354).

The working capital deficiency as at June 30, 2014 arises largely due to the EIG Credit Facility and Borrowdale Park Credit Facility. The EIG Credit Facility of \$50,109,050 and related accrued interest and fees payable of \$17,216,082 mature and are due for repayment on 31 March 2015 provided all conditions as stated in the June 23, 2014 letter agreement, as amended and restated on July 30, 2014, with EIG ("EIG Letter Agreement") continue to be satisfied. The Borrowdale Park Credit Facility of \$33,000,000 and related accrued interest and fees payable of \$3,380,999 are due for repayment one month after the settlement of the EIG Credit Facility.

As of the date of this report, the Company has a cash balance of \$9.0 million. It is projected that the Company has sufficient funds to conduct limited operations including its announced strategic review process until March 2015, and the maturity of the EIG Credit Facility, assuming all conditions under the EIG Letter Agreement continue to be satisfied.

However the level of headroom within management's cash flow forecasts is minimal. In accordance with the EIG Letter Agreement the Company is required to obtain advance consent of EIG for any variance in excess of 15% of forecast expenditures provided to EIG. The Company is also required to satisfy undertakings described in the EIG Letter Agreement, a number of which have already been fulfilled. The remaining undertakings are in respect of the use of proceeds in accordance with forecast expenditures agreed with EIG, monthly reporting to EIG of actual and budgeted results, reporting to EIG on all undertakings contained in the EIG Letter Agreement, maintaining all permits and licences required to commence construction of Phase 1, entering a binding mining contract for Phase 1, providing EIG with updates on the terms and status of port agreements, completing a bankable feasibility study for Phase 1, pursuing alternative financings and a process for divestment ("Divestment"), and reporting to EIG on the status of the Divestment. Refer to Note 10 for further information.

EIG may call an event of default and accelerate repayment of the Company's indebtedness in various circumstances, including if these undertakings are not achieved. This may result in the EIG Credit Facility and related accrued interest and fees payable being repayable on demand which in turn will result in the

Borrowdale Park Credit Facility and related accrued interest and fees payable being repayable within one month.

The Board of Directors regularly reviews the financial condition of Coalspur's assets and liabilities, together with the progress being made in respect of the strategic review process, in order to satisfy itself of, among other things, the validity of the going concern assumption and its capacity to take on additional debt finance. In the event that the Company's attempts to secure new capital are unsuccessful the consequences could include, but are not limited to, the requirement for the Company to re-assess the recoverability of the carrying value of its assets that could result in a write-down in the value of its assets, consideration of more aggressive or hybrid forms of financing that could have a dilutive impact to existing shareholders, or consideration of an orderly winding-up of the Company's operations.

The Company's need and ability to raise capital in order to fund its operations is adversely influenced by uncertain coal market conditions, requirement for additional regulatory permits, and the recent decline in coal prices. Under the strategic review process, the Company continues to pursue a range of strategic alternatives in order to preserve and enhance shareholder value, which include but are not limited to, full funding of Vista, a refinancing or recapitalization of the Company, the sale of all or a portion of the Company's assets, formation of a joint venture, the outright sale of the Company and a merger or other business combination transaction involving a third party. No assurance can be given at this stage that any definitive agreements or arrangements will be entered into with any party, prior to the maturity of the EIG Credit Facility on 31 March 2015, or earlier should this be required as outlined above. Without this financing, the Company may be forced to cease operations.

Historically, the Company has had operating losses, negative cash flows from operations, and has raised equity and debt to fund operations. Whether, and when, the Company can attain profitability and positive cash flows from operations is uncertain due to significant funding requirements as well as the requirement to commence successful mining operations and processing activities and the inherent uncertainty of coal price and foreign exchange assumptions to enable positive cash flows to be achieved. The uncertainty of the Company's success in raising additional capital funding casts significant doubt on the Company's ability to continue as a going concern.

Should the Company be unable to obtain the continuing financial support of its lenders and enter into any definitive agreements or arrangements as referred to above prior to the maturity of the EIG Credit Facility, or at an earlier date should this be required, there is a material uncertainty whether the Company will be able to continue as a going concern and therefore, whether it would be able to realise its assets and extinguish its liabilities in the normal course of business.

These half-year consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or to the amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. 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.

4. REVENUE AND EXPENSES

Continuing operations	Three Months Ended		Six Months Ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Other Income				
Interest Income	1,084	36,766	6,060	90,836
Rental income	87,979	106,854	192,296	130,461
	89,063	143,620	198,356	221,297
Other gains and losses				
Net foreign exchange gain (loss)	1,332,578	(161,819)	246,251	(124,503)

5. PREPAYMENTS (Current)

	June 30, 2014	December 31, 2013
	\$	\$
Security deposits	30,987	30,987
Transmission facilities prepayment ¹	623,043	993,166
Prepaid rent	42,784	42,784
	696,814	1,066,937

Notes:

¹ The Company paid a deposit to Fortis Alberta Inc. for preliminary and detailed engineering, environmental assessment, and preparation and filing of facility application for the construction of transmission facilities at Vista.

6. MINE DEVELOPMENT ASSETS

Canadian Dollars	Six Months Ended June 30 2014	Year Ended December 31 2013
Movement in mine development assets		
Vista Project		
Carrying amount at beginning of period	146,751,942	120,387,691
Capitalized development costs	6,178,672	18,808,004
Capitalized finance costs (1)	5,582,280	7,556,247
Carrying amount at end of period	158,512,894	146,751,942

Notes

(1) The Company arranged a \$70 million credit facility with Borrowdale Park (Note 15 to the Financial Statements for the year ended December 31, 2013) to advance the development of Vista. In July 2013 the Company achieved financial close of the senior secured debt facility with EIG (Note 15 to the Financial Statements for the year ended December 31, 2013) 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 (Note 8) and amortised to Mine Development Assets over the life of the credit facility.

7. AGREEMENTS WITH RIDLEY TERMINALS INC.

The Company has contracted with Ridley Terminals to secure port capacity of 2.5 Mtpa in 2015, increasing to 10.7 Mtpa 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	7(b)
Option fee-other asset	\$ 2.5	7(c)
Option fee-expensed	\$ 1.0	7(c)
Total paid to date	\$ 46.3	

**Summary of Minimum
Payments with Ridley**

Year	Minimum Throughput Payment (\$ millions)	Contracted Volume (Mtpa)	Note 7(d)
2013	\$ -	-	
2014	\$ -	-	
2015	\$ 12.6	2.5	
2016	\$ 22.7	4.5	
2017	\$ 37.4	7.4	
2018	\$ 50.0	9.9	
2019	\$ 51.0	10.1	
2020	\$ 54.0	10.7	
2021	\$ 54.0	10.7	
2022	\$ 54.0	10.7	
2023	\$ 54.0	10.7	
2024	\$ 54.0	10.7	
2025	\$ 54.0	10.7	
2026	\$ 54.0	10.7	
2027	\$ 54.0	10.7	
2028	\$ 54.0	10.7	
Total	\$ 659.7	130.7	

(a) Contract cancellation / exercise date

As of December 31, 2013, the Company's total committed port capacity commences with 2.5 Mtpa in 2015 and ramps up to 10.7 Mtpa by 2020.

(b) Deposits

All throughput capacity was 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 totalling 3.5 Mtpa commencing in 2018. During the year ended December 31, 2013 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. \$1.0 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 June 30, 2014, the Company is subject to minimum throughput payments totalling a maximum \$660 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 with an entitlement of 2.5 million tonnes during that year. As a result of various delays in obtaining the necessary regulatory approvals, licenses and permits for the construction and operation of Vista, Coalspur determined on December 18, 2013 to declare force majeure as defined in section 14.2 of the 2011 TSA with Ridley Terminals Inc. The delays resulting from the force majeure are anticipated to result in the inability of Coalspur to meet the declared contract volume of 2.5 million tonnes in 2015 and a portion of the 4.5 million tonnes in 2016.

8. OTHER ASSETS

The amounts shown in the table below pertain to the transaction costs incurred to obtain and close 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 amortised using the effective interest rate method and capitalised to Mine Development Assets until such time the mine is ready for use as intended by management.

Details	June 30, 2014 \$	December 31, 2013 \$
Share-based payments associated with Borrowdale Park facility ("BP")	5,307,000	5,307,000
Warrants issued to EIG and Borrowdale Park (Note 16)	13,889,800	13,889,800
Legal fees incurred for financing	1,647,030	1,647,030
Finance fee paid to BP for bridge loan	45,000	-
Finance fee paid to EIG (US\$7 million)	7,401,240	7,401,240
Amortisation capitalised to Mine Development Assets	(5,907,639)	(4,474,010)
Financing expense on modification of the BP (Note 10)	(2,246,650)	(2,246,650)
Conversion feature on EIG credit facility (Note 10)	940,195	940,195
Closing Balance	21,075,976	22,464,605

9. TRADE AND OTHER PAYABLES

	June 30, 2014	December 31, 2013
	\$	\$
Trade creditors	268,838	717,114
Accrued expenses	758,833	1,893,219
	1,027,671	2,610,333

Normal credit terms range from 14 to 60 days from the invoice date.

10. CREDIT FACILITIES

Continuing operations	June 30, 2014	December 31, 2013
	\$	\$
Credit Facilities and Fees Payable		
Borrowdale Park Credit Facility (Note 16)	33,000,000	30,000,000
EIG Credit Facility	50,109,050	39,568,910
	83,109,050	69,568,910
Interest Payable on Credit Facilities		
Borrowdale Park Credit Facility	3,380,999	1,643,990
EIG Credit Facility	4,442,922	2,059,018
	7,823,921	3,703,008

During the prior year 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 "Borrowdale Park Note"). The modification resulted in a financing expense of approximately \$2.2 million and related principally to the write-off of deferred financing costs on the original Borrowdale Park financing, previously recognized in Other Assets.

Borrowdale Park, see Note 16, is owed \$33 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. The Borrowdale Park Note also becomes payable one month following the repayment of the EIG Facility. 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. Under IFRS this conversion feature is accounted for as an embedded derivative and recorded as a liability at an estimated fair value of \$0.9 million.

The EIG Facility originally had 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. In July 2013, consistent

with the terms of the EIG Facility, Coalspur granted EIG 120 million warrants with an exercise price A\$0.55 each, expiring on the maturity date of the EIG Facility, or earlier, in certain circumstances. These warrants lapse upon full repayment of the EIG Facility by March 31, 2015. The Company has currently drawn down US\$47 million from the EIG Facility.

In March 2014, Coalspur announced that it had amended its EIG Facility with EIG. The EIG Facility previously required that the Company execute a mining contract by March 31, 2014 in order to facilitate the sizing by EIG of the EIG Facility. To secure the contract in this timeframe would have been premature in light of the delayed regulatory approval process for Vista and the date was accordingly extended to March 31, 2015. The revised terms of the EIG Facility provide that, after selecting the preferred mining contractor, EIG would assess the mining costs for Vista and determine the final size of the EIG Facility. Coalspur issued a request for proposals for a mining contractor and selected its preferred mining contractor. The revised terms also included an additional make whole premium that was granted to EIG in the event that Coalspur rejected the resizing under certain conditions.

Coalspur secured an additional US\$10 million funding through a further drawing under its existing senior secured debt facility with EIG, subject to additional undertakings and conditions described in the Company's news release dated June 23, 2014 (the "EIG Letter Agreement"). The US\$10 million working capital loan was drawn down in a single tranche in June, and will be used to progress key activities at Vista and enable Coalspur to conduct a strategic review process. The EIG Letter Agreement, as amended in July 2014, binds Coalspur to additional obligations including agreement in relation to the use of funds and key milestones to ensure continued progress on Vista. Key milestones include the delivery of an updated life-of-mine plan, the maintenance and progress of permits and licenses, continued development of Vista Phase 2 engineering, execution of binding contracts with the preferred EPC and mining contractors, and the completion of an updated Bankable Feasibility Study. EIG may call an event of default and accelerate repayment of the Company's indebtedness in various circumstances, including if these milestones are not achieved.

A deferred fee of US\$3.5 million is payable on the additional funds drawn down under the EIG Facility at the time of prepayment or repayment of the additional funds. The date of payment of the fee will be March 31, 2015, the due date for the EIG Facility repayment. The US\$3.5 fee will be amortized to the statement of profit and loss using the effective interest rate method.

In June 2014, EIG provided Coalspur with a notice providing the final sizing of the overall EIG Facility of US\$175 million. Coalspur determined that it would not accept the EIG funding package as sized as a senior facility of that size is not large enough to enable the Company to fully fund Vista in the current thermal coal market. As a result of Coalspur exercising its right to not accept EIG's debt sizing, the EIG Facility (including all draws, fees and interest) will be due for repayment on March 31, 2015. A make-whole premium of US\$12 million, payable at March 31, 2015, was recorded as a mark to market adjustment in the statement of profit or loss, and is disclosed as an embedded derivative in the statement of financial position.

11. CONTRIBUTED EQUITY

	Six Months Ended June 30, 2014		Year Ended December 31, 2013	
	Volume	C\$	Volume	C\$
(a) Issued capital				
Fully paid ordinary shares	641,394,435	230,124,519	634,123,901	225,856,621
Exercise of unlisted options	-	-	5,625,000	3,161,839
Conversion of share rights	150,020	-	1,645,534	1,106,059
	641,544,455	230,124,519	641,394,435	230,124,519

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

Date	Details	Number of Shares	Average Issue Price C\$	Total C\$
January 1, 2014	Opening Balance	641,394,435	0.36	230,124,519
	Conversion of share rights	150,020	-	-
June 30, 2014	Closing Balance	641,544,455	0.36	230,124,519

12. 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, 2014	Opening Balance	29,315,920	8,048,034	24,500,000
	Options issued to employees during the period	-	-	4,203,012
	Share rights issued to employees and directors during the period	-	12,728,012	-
	Options forfeited ¹	(3,086)	-	(1,052,851)
	Share rights forfeited/cancelled ²	(284,553)	(8,723,384)	-
	Options expired	-	-	(2,600,000)
	Amortization of share based payments	1,065,022	-	-
	Exercise of share rights ³	-	(150,000)	-
	Net movement for the period	777,383	3,854,628	550,161
June 30, 2014	Closing Balance	30,093,303	11,902,662	25,050,161

Notes

- 1) Forfeiture of option upon employee departures from the Company prior to completing the service period required under the employee option plan.
- 2) Forfeiture of share rights upon employee departures from the Company prior to completing the service period required under the share rights plan. As well, tranches 3, 4 and 8 held by employees were cancelled as they were incapable of being fulfilled and lost their value as a performance incentive for employees.
- 3) Organisational structure tranche of share rights were exercised and converted to ordinary shares by establishing a satisfactory organization structure for the development of Vista Project by June 27, 2014.

13. 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 year ended December 31, 2013. There have been no exchange translation differences since the Company adopted Canadian dollars as its reporting currency on February 1, 2012.

14. DIVIDENDS PAID OR PROVIDED FOR

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

15. 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 7, the Company is required to make minimum throughput payments to Ridley Terminals beginning in 2015. The Company has not recognised these commitments as liabilities because it will either claim relief in terms of force majeure (as noted below), utilize the throughput capacity or attempt to sell it to other parties. The contract with Ridley Terminals begins in 2015 with 2.5 Mt of capacity allocation. The minimum throughput payments are considered a contingent liability. In December 2013, Coalspur declared force majeure for the tonnages in 2015 and 2016 as a result of the government delays incurred during the regulatory approval process; see Note 7d to the financial statements for more information.

16. RELATED PARTY TRANSACTIONS

During 2012, the Company entered into a \$70 million Facility Agreement (the "Borrowdale Park Note") with Borrowdale Park S.A. ("Borrowdale Park"), which is associated with Messrs Colin Steyn and William Smart. Under the agreement, Coalspur provided Borrowdale Park with security over its assets, issued eight million options to purchase ordinary shares as a facility fee, and seven million options to purchase ordinary shares as a funding fee, which vest at a rate of one million options per \$10 million drawn on the facility. In addition to obtaining shareholder approval for the issue of security and options on April 26, 2012, the Company initiated a committee of independent directors to evaluate the transaction on behalf of the Board of Directors. Messer's Steyn and Smart abstained from discussion and voting on issues related to the facility. The Company's first draw of \$20 million on the Facility Agreement took place on May 16, 2012, the second draw of \$10 million took place on September 14, 2012 and the third draw of \$10 million took place on March 18, 2013.

Coalspur had a balance owing of \$40 million on its \$70 million Borrowdale Park facility at June 30, 2013. 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, 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, Borrowdale Park will have the option to convert the Borrowdale Park Note into shares at a 50% discount to the 10 day weighted average price at that time. Coalspur currently intends to repay the Borrowdale Park Note prior to reaching 6 Mtpa of production.

In January 2014, Coalspur announced that it had reached an agreement with its major shareholder, Borrowdale Park, for the provision to Coalspur of a bridge loan facility of C\$10 million ("Bridge Facility") by means of an amendment to its existing \$30 million credit facility with Borrowdale Park. The amendment agreements giving effect to the Bridge Facility were signed subsequent to the quarter end on April 2, 2014. The Bridge Facility has an interest rate of 10.5% per annum and reasonable arrangement and commitment fees are payable by Coalspur. The Company made a draw of \$3 million on the Bridge Facility in April 2014. The Bridge Facility expired on June 30, 2014.

All related party transactions are measured at the exchange amounts for services provided or fees paid.

17. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value

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:

	June 30, 2014		December 31, 2013	
	Carrying amount	Fair value	Carrying amount	Fair value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	10,588,297	10,588,297	10,668,872	10,668,872
Accounts receivable	181,138	181,138	114,842	114,842
	<u>10,769,435</u>	<u>10,769,435</u>	<u>10,783,714</u>	<u>10,783,714</u>
Financial liabilities				
Accounts Payable and accrued liabilities	1,027,671	1,027,671	2,610,332	2,610,332
Conversion feature on credit facility	940,195	940,195	940,195	940,195
Credit facility	90,932,971	85,526,919	69,568,910	69,568,910
	<u>92,900,837</u>	<u>87,494,785</u>	<u>73,119,437</u>	<u>73,119,437</u>

The fair value 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 following method was used to estimate the fair values:

- The fair value of cash, receivables, payables, and credit facility approximate their carrying amounts due to the short-term maturities of these instruments.

(b) Fair value hierarchy

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.

The fair value hierarchy of financial instruments measured at fair value on the consolidated statements of financial position is as follows:

	June 30, 2014			December 31, 2013		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	10,588,297	-	-	10,668,872	-	-

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

18. ERROR CORRECTION – QUARTER ENDED MARCH 31, 2014

As discussed in Note 10, the Company announced that it had amended certain terms in the EIG Facility on March 31, 2014. The revised terms included a make whole premium that was granted to EIG in the event that Coalspur rejected the EIG Facility resizing under certain conditions. During the preparation of the June 30, 2014 Financial Report the Company determined that such make whole premium was an embedded derivative and using appropriate valuation models, determined that the fair value of the derivative was US\$5.6 million. Such amount should have been recorded in the Financial Report for the three months ended March 31, 2014. Furthermore, the revised terms included the ability for EIG to issue an exit notice in return for Coalspur paying a fixed sum penalty. That arrangement was also an

embedded derivative and was valued to be US\$2.6 million as at March 31, 2014 and should also have been recorded in Financial Report for the three months ended March 31, 2014.

Due to the fact that on June 23, 2014 Coalspur exercised its right not to accept EIG's debt sizing, the values for the embedded derivatives should also have been reversed entirely during the quarter ended June 30, 2014 as EIG and Coalspur's options expired when Coalspur exercised right not to accept EIG's debt sizing.

The historical financial statements as at and for the three months ended March 31, 2014 have been retrospectively restated in this quarterly filing to correct for errors detected by Coalspur during the preparation of the June 30, 2014 Financial Report as described above. The effect of these error corrections on the statement of operations and the statement of financial position is illustrated in the tables below.

Statement of Financial Position	As reported as at March 31, 2014	As restated as at March 31, 2014
Embedded derivatives	940,195	10,030,803
Accumulated losses	(87,918,180)	(97,008,788)

Statement of Operations	As reported as at March 31, 2014	As restated as at March 31, 2014
Mark to market adjustment on embedded derivatives	-	(9,090,608.00)
Loss for the period	(4,859,075.00)	(13,949,683.00)
Basic and diluted loss per share (cents per share)	(0.77)	(2.17)

19. SUBSEQUENT EVENTS AFTER BALANCE DATE

The following significant events occurred after balance date:

- Mr. Theodore (Ted) Mayers resigned as a Director of the Company on July 1, 2014;
- Mr. Colin Steyn and Mr. Peter Breese resigned as Chairman and Director of the Company (and Messrs. Steyn and Breese's alternate, Mr. Bill Smart), respectively on July 15, 2014. Following the resignation of Mr. Steyn, Mr. Mark Rodda was appointment as Chairman of the Board; and
- A binding EPC contract with Sedgman Canada Limited was executed on August 7, 2014.

Other than disclosed above, there were no significant events occurring after the balance sheet date requiring disclosure.

Independent Auditor's Review Report to the Members of Coalspur Mines Limited

We have reviewed the accompanying half-year financial report of Coalspur Mines Limited, which comprises the condensed statement of financial position as at 30 June 2014, and the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and, the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 19 to 39.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coalspur Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Coalspur Mines Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coalspur Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of matter

Without modifying our conclusion, we draw attention to Note 2 in the half-year financial report which indicates that the consolidated entity incurred a net loss of \$19,632,683 and experienced net cash outflows from operating and investing activities of \$7,418,815 and \$6,230,672 respectively for the half-year ended 30 June 2014, and as of that date, the consolidated entity's current liabilities exceeded its current assets by \$94,325,856. These conditions, along with other matters set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and extinguish its liabilities in the normal course of business.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

D Newman

David Newman
Partner
Chartered Accountants
Perth, 13 August 2014

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 period ended June 30, 2014.
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, 2014 and ended June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Dated: August 13, 2014

“Gill Winckler”

Gill Winckler
Chief Executive Officer

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 period ended June 30, 2014.
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, 2014 and ended on June 30, 2014 that has materially affected, or is reasonably likely to materially affect, the issuer’s ICFR.

Dated: August 13, 2014

“Robert Gough”

Robert Gough
Chief Financial Officer