

DECEMBER 2014 QUARTERLY REPORT

VANCOUVER, British Columbia, Canada, 28 January 2015: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to present its quarterly report for the three months ending 31 December 2014.

Highlights of past quarter

On October 10, 2014, the Company announced receipt of its Mineral Surface Lease (“MSL”) for Phase 1 of the Vista project (“Vista”) from the Alberta Energy Regulator (“AER”). The MSL is the final approval needed to commence construction of Vista, save for a development permit which will be sought by Coalspur from Yellowhead County prior to commencing construction. Upon receipt of the MSL, the Company notified Ridley Terminals Inc. of the termination of the *force majeure* event that was declared in December 2013 due to the prolonged regulatory approval process.

Subsequently, in December 2014, the Company submitted revised plans to the AER in order to address the AER’s requirement that the Company evaluate the economic and technical feasibility of reducing land disturbance. The revised plans, which are consistent with the development and mining plans in the NI43-101 Technical Report published in August 2014, are expected to result in an approximate 25% reduction in land disturbance and greenhouse gas generation. The changes made include eliminating the dragline in favour of trucks and excavators, modifying the mining design to incorporate the terrace mining method, moving the run-of-mine conveyor closer to the processing plant, making changes to the clean coal storage system, eliminating the tailings pond and replacing it with belt press filters, and eliminating the thermal coal dryer. In addition to reducing the land disturbance, these changes are expected to deliver improved capital and operating efficiencies.

Activity continued on the strategic review process announced by the Company on June 23, 2014. The strategic review process, overseen by a Special Committee of the Board of Directors, has the express objective to attempt to maximize value for all stakeholders of Coalspur. During the strategic review process the Company has attempted to develop a range of funding alternatives including the full funding of Vista, the sale of all or a portion of the Company’s assets, formation of a joint venture, the outright sale of the Company, a merger or other transaction involving a third party, and a refinancing and/or recapitalization of the Company. The Company has received a variety of proposals and is in discussions regarding those proposals, but no assurance can be given that any definitive agreements or arrangements will be entered into with any party.

In November 2014, the Company agreed minor variations to the undertakings it has with EIG Global Energy Group (“EIG”) by extending the deadlines for the Vista mining contract and the port agreements from November 15, 2014 to January 15, 2015. Following the end of the quarter, the Company and EIG agreed to extend those same two deadlines to February 15, 2015.

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Coalspur Mines Limited ABN: 73 003 041 594
TSX Code: CPT ASX Code: CPL

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

Forward Looking Information

This report contains forward-looking information concerning Coalspur, including information regarding Coalspur's plans for conducting the strategic review process announced on June 23, 2014, 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 or sufficient consideration will be realized from a sale of Coalspur or some or all of its assets in order to fulfil the Company's obligations to its creditors; (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, amended and maintained 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 or 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, maintenance, amendment 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.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

COALSPUR MINES LIMITED

ABN

73 003 041 594

Quarter ended ("current quarter")

December 31, 2014

Consolidated statement of cash flows

	Current quarter C\$'000	Year to date (12 months) C\$'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for:		
(a) exploration & evaluation	-	-
(b) development	(776)	(2,790)
(c) production	-	-
(d) administration	(643)	(7,994)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	12	28
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other - rental income	93	425
	-	-
Net Operating Cash Flows	(1,314)	(10,331)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(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	-	(7,158)
Net investing cash flows	-	(7,210)
1.13 Total operating and investing cash flows (carried forward)	(1,314)	(17,541)

+ 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)	(1,314)	(17,541)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	13,754
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material): -financing costs	-	(45)
	Net financing cash flows	-	13,709
	Net increase (decrease) in cash held	(1,314)	(3,832)
1.20	Cash at beginning of quarter/year to date	8,006	10,669
1.21	Exchange rate adjustments to item 1.20	4	(141)
1.22	Cash at end of quarter	6,696	6,696

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	167
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

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	-	87,400
3.2 Credit standby arrangements	193	17

Estimated cash outflows for next quarter

	C\$'000
4.1 Exploration and evaluation	-
4.2 Development	30
4.3 Production	-
4.4 Administration	3,209
Total	3,239

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	6,486	3,455
5.2 Deposits at call	210	4,551
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	6,696	8,006

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

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

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: 28 January 2015
(~~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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