



**COALSPUR MINES LIMITED**

ABN 73 003 041 594

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**NOTICE OF GENERAL MEETING**

**A General Meeting of the Company will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 10 June 2011 at 10am (WST).**

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*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

***Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on (08) 9322 6322.***

# COALSPUR MINES LIMITED

ABN 73 003 041 594

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## NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Coalspur Mines Limited (**Company**) will be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 10 June 2011 at 10am (WST) (**Meeting**).

The Explanatory Memorandum and Management Information Circular to this Notice provide additional information on matters to be considered at the Meeting. The Explanatory Memorandum, Management Information Circular and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 8 June 2011 at 5pm (WST).

Terms and abbreviations used in this Notice, Explanatory Memorandum and Management Information Circular are defined in Schedule 1.

## AGENDA

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### 1. Resolution 1 – Ratification of Placement

To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

*"That, pursuant to and in accordance with Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 24,000,000 Shares each at an issue price of C\$1.85 to institutional and retail investors primarily in North America on the terms and conditions in the Explanatory Memorandum accompanying this Notice (**Public Placement**)."*

#### Voting Exclusion

The Company will disregard any votes cast on this resolution by a person or their associate, who participated in the issue of the Public Placement and might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (ii) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 2. Resolution 2 – Authority to Issue Placement Shares to Highland Park Group

To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,000,000 Shares each at an issue price of C\$1.85 to the Highland Park Group on the terms and conditions in the Explanatory Memorandum accompanying this Notice (**Highland Park Placement**)."*

### Voting Exclusion

The Company will disregard any votes cast on this resolution by a person or their associate, who may participate in the issue of the Highland Park Placement and might obtain a benefit, (except a benefit solely in their capacity as holder of ordinary securities), if the resolution is passed.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (ii) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## 3. Resolution 3 – Approval of the Coalspur Employee Performance Rights Plan

To consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

*"That for the purposes of Listing Rule 7.2, Exception 9, as an exception to Listing Rule 7.1, and for the purposes of section 613 of the TSX Company Manual, and for all other purposes, the Shareholders approve the performance rights plan for employees (including Directors) of the Company known as the "Coalspur Employee Performance Rights Plan" and the grant of Performance Rights and the issue of Shares under such Employee Plan, which Employee Plan is summarised in the Explanatory Memorandum and Management Information Circular."*

### Voting Exclusion

The Company will disregard any votes cast on this resolution by any person who may participate in the Employee Plan or any associate of such a person.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (ii) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **4. Resolution 4 – Approval of the Coalspur Contractor Performance Rights Plan**

To consider, and if thought fit, to pass with or without amendment as an ordinary resolution the following:

*"That for the purposes of Listing Rule 7.2, Exception 9, as an exception to Listing Rule 7.1, and for the purposes of section 613 of the TSX Company Manual, and for all other purposes, the Shareholders approve the performance share rights plan for contractors of the Company known as the "Coalspur Contractor Performance Rights Plan" and the grant of Performance Rights and the issue of Shares under such Contractor Plan, which Contractor Plan is summarised in the Explanatory Memorandum and Management Information Circular."*

The Company will disregard any votes cast on this resolution by any person who may participate in the Contractor Plan or any associate of such a person.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (ii) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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#### **5. Resolution 5 – Approval of the Grant of Performance Rights to a Director – Mr Gene Wusaty**

To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

*"That, conditional upon Resolution 3 being approved, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, the Directors be and are hereby authorised to grant up to 600,000 Performance Rights under the Employee Plan, for no consideration, to Mr Gene Wusaty on the terms and conditions in the Explanatory Memorandum and Management Information Circular."*

##### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by Mr Wusaty or any associate of Mr Wusaty.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or

- (ii) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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## **6. Resolution 6 – Approval of the Grant of Performance Rights to a Director – Mr Denis Turcotte**

To consider, and if thought fit, pass the following resolution as an ordinary resolution with or without amendment:

*"That, conditional upon Resolution 3 being approved, pursuant to and in accordance with Listing Rule 10.14, and for all other purposes, the Directors be and are hereby authorised to grant up to 100,000 Performance Rights under the Employee Plan, for no consideration, to Mr Denis Turcotte on the terms and conditions in the Explanatory Memorandum and Management Information Circular."*

### **Voting Exclusion**

The Company will disregard any votes cast on this resolution by Mr Turcotte or any associate of Mr Turcotte.

However, the Company will not disregard a vote if:

- (i) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (ii) it is cast by the person chairing the General Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 6 May 2011

**BY ORDER OF THE BOARD**



**MARK PEARCE**  
Company Secretary

# COALSPUR MINES LIMITED

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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders of the Company in connection with the business to be conducted at the Meeting to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia on 10 June 2011 at 10am (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice and Management Information Circular. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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### 3. Background Information on Placement

#### 3.1 Placement

On 15 April 2011 the Company announced that it will issue a total of 30,000,000 Shares each at an issue price of C\$1.85 to raise a total of C\$55.5 million before costs, under the Public Placement and the Highland Park Placement (**Placement**). The Company engaged the Agents to act as agents for the Public Placement.

The Placement comprises of two tranches as follows:

- (i) The Public Placement, consisting of a public offering of 24,000,000 Shares each at an issue price of C\$1.85 to raise C\$44.4 million before costs. The Public Placement was completed on 3 May 2011. Resolution 1 seeks Shareholder ratification of the issue of the 24,000,000 Shares pursuant to the Public Placement.
- (ii) A private placement to Highland Park Group, consisting of 6,000,000 Shares each at an issue price of C\$1.85 to raise an additional amount of C\$11.1 million before costs, is subject to Shareholder approval. Resolution 2 seeks

Shareholder approval to issue the 6,000,000 Shares pursuant to the Highland Park Placement.

Following the Placement, the revised capital structure of the Company will be:

<b>Shares</b>	
Number of Shares as at the date of the Notice	503,593,428
Number of Shares issued in the Placement	30,000,000
<b>Total</b>	<b>533,593,428</b>

Note:

(1) In addition to the abovementioned Shares, as at the date of this Notice, there are currently approximately 46.2 million listed options, 51 million unlisted options which are subject to exercise prices ranging from \$0.10 to \$1.05 and expiry dates ranging from 31 December 2013 to 30 June 2015, and 57.5 million performance shares.

### 3.2 Proceeds of the Public Placement

Assuming the completion of the Public Placement, the estimated net proceeds to be received by the Company from the Public Placement will be approximately C\$41.6 million. The Company intends to use the net proceeds from the Public Placement as follows:

Bankable feasibility study on the Vista Coal Project	C\$ 11.2 million
Exploration at the Vista Coal Project and Vista South Project	C\$ 6.2 million
Regulatory and environmental studies on the Vista Coal Project	C\$ 6.8 million
Construction planning for the Vista Coal Project	C\$ 2.4 million
Staff and internal consultant expenses	C\$ 7.4 million
Corporate and administrative expenses	C\$ 4.2 million
Other general working capital	C\$ 3.4 million
<b>Total:</b>	<b>C\$ 41.6 million<sup>(1)</sup></b>

Note:

(1) Gross proceeds of the Public Placement less the Agents' fee and estimated expenses of the Public Placement.

### 3.3 Further details of the Placement

Further details of the Placement are contained in the Company's announcements dated 15 April 2011, including a copy of the final short form prospectus which is available at [www.sedar.com](http://www.sedar.com).

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## 4. Resolution 1 – Ratification of Placement

### 4.1 Background

Resolution 1 seeks Shareholder ratification pursuant to Listing Rule 7.4 of the issue of the Public Placement, consisting of 24,000,000 Shares each at an issue price of C\$1.85 to raise C\$44.4 million before costs.

Further details of the Public Placement are outlined above in Section 3 – Background Information on Placement.

The Shares under the Public Placement were issued within the 15% annual limit permitted under Listing Rule 7.1, without the need for Shareholder approval. The effect of Shareholders passing Resolution 1 by ratifying the issue of the Shares will be to

restore the Company's ability to issue further capital to the maximum 15% limit during the next 12 months.

Resolution 1 is an ordinary resolution.

## **4.2 Specific Information Required by Listing Rule 7.5**

For the purposes of Shareholder ratification of the Public Placement and the requirements of Listing Rule 7.5, information is provided as follows:

- (a) 24,000,000 Shares were issued on 3 May 2011;
- (b) the Shares were issued at a price of C\$1.85 each to raise a total of C\$44.4 million before costs;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing shares on issue;
- (d) the Shares were issued pursuant to a final prospectus (lodged in Canada) dated 25 April 2011 to clients of the Agents who are not related parties of the Company;
- (e) the funds from the Public Placement will predominantly be used in connection with the Company's Vista Coal Project, Vista South Project, for general working capital and in accordance with Section 3.2; and
- (f) a voting exclusion statement is included in the Notice.

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## **5. Resolution 2 – Authority to Issue Placement Shares to Highland Park Group**

### **5.1 Background**

Resolution 2 seeks Shareholder approval pursuant to Listing Rule 10.11 for the issue and allotment of 6,000,000 Shares each at an issue price of C\$1.85 to the Highland Park Group to raise C\$11.1 million before costs.

The issue of the Highland Park Placement is subject to and conditional upon the following conditions being satisfied on or before 12 June 2011:

- (a) the Company completing the issue of the Public Placement. This condition was satisfied on 3 May 2011;
- (b) the Company obtaining the approval of Shareholders at a general meeting for the issue of Shares pursuant to the Highland Park Placement;
- (c) if required under the Foreign Acquisitions and Takeovers Act 1975 (**FATA**), Highland Park Group obtaining within the forty (40) day period referred to in section 25(2) of the FATA (or such later date as specified by the Treasurer under the FATA):
  - (i) notice from the Treasurer of the Commonwealth of Australia that there is no objection under the Federal Government's foreign investment policy or under the FATA to the acquisition by Highland Park Group of the Shares under the Highland Park Placement; or



- (ii) the time within which the Treasurer is empowered under the FATA to make an order in relation to such acquisition expires.

The table below shows the number of Shares of Highland Park Group as at the date of the Notice and following the Highland Park Placement:

Shares	Number	Percentage
Shares as at the date of the Notice	104,733,333	19.85%
Shares issued in the Highland Park Placement	110,733,333	20.75%

Highland Park also currently holds:

- (a) 13,400,000 listed options exercisable at \$0.08 each on or before 30 June 2011;
- (b) 14,933,333 unlisted options exercisable at \$0.70 each on or before 31 December 2012; and
- (c) 15,000,000 unlisted options exercisable at \$0.80 each on or before 30 August 2013.

Further details of the Highland Park Placement are outlined above in Section 3 – Background Information on Placement.

## **5.2 Listing Rule 10.11 – Shareholder approval to issue securities to a Related Party**

Listing Rule 10.11 provides, subject to certain exceptions, that Shareholder approval is required for any issue of securities by a listed company to a related party.

Highland Park Group is associated with Mr Colin Steyn, a Director of the Company. Therefore, Highland Park Group is considered to be a related party of the Company. As none of the exceptions contained in Listing Rule 10.12 apply, Shareholder approval is being sought for the Highland Park Placement in accordance with Listing Rule 10.11.

Shareholder approval is sought under Listing Rule 10.11 and as such approval under Listing Rule 7.1 is not required.

Resolution 2 is an ordinary resolution.

## **5.3 Specific information required by Listing Rule 10.13**

For the purposes of Shareholder approval of the Highland Park Placement and the requirements of Listing Rule 10.13, information is provided as follows:

- (a) the Shares will be issued to Highland Park Group;
- (b) the maximum number of Shares the Company can issue under Resolution 2 is 6,000,000 Shares;
- (c) the Company will issue and allot the Shares no later than 1 month after the date of the Meeting (or such longer period of time as ASX may, in its discretion, allow pursuant to a waiver of the Listing Rule 10.13.3);

- (d) Highland Park Group is an associate of Mr Colin Steyn, a Director of the Company;
- (e) the Shares will be issued at an issue price of C\$1.85 each to raise C\$11.1 million before costs;
- (f) the Shares to be issued are fully paid ordinary shares in the capital of the Company and rank equally with the Company's existing Shares;
- (g) the funds from the Highland Park Placement will predominantly be used in connection with the Company's Vista Coal Project, Vista South Project and for general working capital; and
- (h) a voting exclusion statement is included in the Notice.

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## **6. Resolutions 3 and 4 – Approval of Plans**

### **6.1 Background**

The Plans provide for the issuance of Performance Rights which, upon a determination by the Board that the performance conditions (if any) attached to the Performance Rights have been satisfied, will result in the issue of a Share for each Performance Right.

The Company wishes to exempt issues of securities under the Employee Plan from contributing towards the rolling annual limit of 15% of issued Shares prescribed by Listing Rule 7.1. This limit otherwise applies to all new issues of equity securities made without Shareholder approval. Shareholder approval of the Employee Plan is therefore sought under Listing Rule 7.2, Exception 9, whereby the Shareholders may approve in advance the issue of securities made under the plan as an exception to the limit under Listing Rule 7.1. Shareholder approval of both Plans is also required pursuant to the TSX Company Manual.

No securities have been issued under the Plans and the Plans have not previously been approved by Shareholders. The Company has not previously had in existence any employee share or performance rights plan.

Pursuant to the rules of the ASX and TSX, Shareholders must re-approve the Plans and all unallocated Performance Rights issuable pursuant thereto every three years.

Further information about the Plans is set out below. A copy of the Plans can be obtained by contacting the Company.

#### **Reasons for the new Plans**

To achieve its corporate objectives, the Company needs to attract and retain its key staff, whether employees or contractors. The Board engaged a Canadian firm, Watermark Human Consultants, to advise on the suitability of performance rights plans. The Board has now concluded that grants made to eligible participants under the Plans will assist with the Company's employment strategy, and that the implementation of the Plans will:

- (a) enable the Company to recruit, incentivise and retain key management personnel and other eligible employees and contractors recently recruited to assist with the completion of the bankable feasibility study for the Vista Coal Project and obtain the necessary approvals and as otherwise needed to achieve the Company's strategic objectives;

- (b) link the reward of eligible participants with the achievements of strategic goals and the long term performance of the Company;
- (c) align the financial interests of eligible participants of the proposed Plans with those of Shareholders; and
- (d) provide incentives to eligible participants of the Plans to focus on superior performance that creates Shareholder value.

### **Overview of the Plan Rules and terms and conditions**

The Board is cognizant of general Shareholder concern that long-term equity based rewards for staff should be linked to the achievement by the Company of a performance condition. Performance Rights granted under the Plans to eligible participants will be subject to performance conditions as determined by the Board from time to time. These performance conditions must be satisfied in order for the Performance Rights to vest. Upon Performance Rights vesting, Shares are automatically issued.

The Employee Plan and the Contractor Plan differ only in respect of the class of individuals who are eligible for participation. The main features of the Plans (and the terms and conditions to be attached to the Plans) are summarised as follows:

**Eligible Participants:** The eligible participants under the Employee Plan are (i) full time employees and permanent part-time employees of the Company and its subsidiaries, (ii) Directors and the company secretary of the Company and its subsidiaries; and (iii) any other person who is determined by the Board to be an eligible employee.

As noted above, the initial participants in the Employee Plan will be the CEO, direct reports to the CEO, selected senior managers within the Company and certain recently appointed non-executive Directors. Messrs Middlemas, Steyn, Pearce and Anastasios (all current Directors) are not eligible to participate in the Plan.

In accordance with the Listing Rules, prior Shareholder approval will be required before any Director or related party of the Company can participate in the Employee Plan and be granted Performance Rights.

The eligible participants under the Contractor Plan are contractors engaged by the Company as determined by the Board. The Board intends to issue Performance Rights to specialist consultants and include performance conditions that are tailored to the term and nature of a contractor's engagement.

**Ineligible Participants:** Messrs Middlemas, Steyn, Pearce and Anastasios (all current Directors) are not eligible to participate in the Employee Plan.

**Limits on Entitlements:** An offer of Performance Rights may only be made under the Plans if the number of Shares that may be acquired on exercise of those Performance Rights, when aggregated with:

- (a) the number of Shares which would be issued if each outstanding offer, right or option to acquire unissued Shares, being an offer made or right or option acquired pursuant to the Plans or any other incentive scheme, was to be accepted or exercised (as the case may be); or
- (b) the number of Shares issued during the previous 5 years pursuant to the Plans or any other incentive scheme; but

- (c) disregarding an offer made, or Performance Rights acquired or Shares issued by way of or as a result of:
  - (i) an offer to a person situated at the time of receipt of the offer outside Australia;
  - (ii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or
  - (iii) an offer made under a disclosure document;

does not exceed 5% (or such other maximum permitted under any ASIC Class Order providing relief from the disclosure regime of the Australian Corporations Act) of the total number of issued Shares as at the time of the offer.

**Individual Limits:** The Plans do not set out a maximum number of Shares that may be made issuable to any one person or company, other than specifying a maximum percentage of Shares available to Insiders (as defined by the TSX Company Manual) of the Company. The maximum number of Shares that may be issued to Insiders within any one year period and issuable to Insiders at any time, pursuant to the Plans or when combined with any other security based compensation arrangement shall not exceed 10% of the total number of Shares issued and outstanding.

**Consideration Payable:** Performance Rights will be issued for no consideration and no amount will be payable upon exercise thereof.

**Offer and Performance Conditions:** Performance Rights issued under the Plans to eligible participants will be subject to performance conditions, determined by the Board from time to time and expressed in a written offer letter (the **Offer**) made by the Company to the eligible participant at the beginning of each cycle. The performance conditions may include one or more of (i) service to the Company of a minimum period of time (ii) achievement of specific performance conditions by the participant and/or by the Company on or before the milestone date (iii) a minimum vesting period following satisfaction of performance conditions before the Performance Rights vest (if required), or (iv) such other performance conditions as the Board may determine and set out in the Offer. Except for a performance condition that requires the passage of a minimum service period, the Board in its absolute discretion determines whether performance conditions have been met and whether Performance Rights have vested.

**Milestone Date, Expiry Date & Lapse:** Performance Rights will have an expiry date as the Board may determine in its absolute discretion and specify in the Offer. The Board is not permitted to extend an expiry date without shareholder approval.

The performance conditions of Performance Rights will have a milestone date as determined by the Board in its absolute discretion and will be specified in the Offer. The Board shall have discretion to extend a milestone date where the Board (in its sole discretion) considers that unforeseen circumstances or events have caused a delay in achieving the performance condition by the milestone date. The Board shall not be permitted to extend the milestone date beyond the expiry date of the Performance Rights.

If a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Rights will lapse, unless the Board determines the participant ceases to be an eligible employee for the purposes of the Employee Plan or ceases to be an eligible contractor for the purposes of the Contractor Plan for any reason (other than as a result of retirement, disability, bona fide redundancy or death).

**Retirement, Disability, Redundancy or Death:** Under the Plans, upon the retirement, total and permanent disability, bona fide redundancy or death of a participant, then:

- (a) Performance Rights in respect of which the performance conditions have been satisfied but the vesting period (if any) has not expired will automatically vest and be converted into the equivalent number of Shares; and
- (b) Performance Rights in respect of which one or more of the relevant performance conditions have not been satisfied (but have not lapsed) may be deemed to automatically vest at the discretion of the Board and be converted into the equivalent number of Shares.

**Forfeiture:** If a participant acts fraudulently or dishonestly or is in breach of his or her obligations to the Company at any time, the Performance Rights then held by him or her will automatically lapse or if such Performance Rights have been exercised any Shares acquired upon exercise thereof will be automatically forfeited and the participant will either (i) be deemed to have agreed to sell such Shares to the Company pursuant to an Employee Share Scheme Buy-Back (as defined in the Corporations Act) for no consideration or (ii) be deemed to have appointed any officer of the Company as his or her agent to sell such Shares on market. In the event the underlying Shares have been sold by the participant the participant will be required to pay all or part of the net proceeds of that sale to the Company.

**Assignment:** Without approval of the Board, Performance Rights may not be transferred, assigned or novated, except, upon death, a participant's legal personal representative may elect to be registered as the new holder of such Performance Rights and exercise any rights in respect of them.

**Takeover Bid or Change of Control:** All Performance Rights automatically vest in the event of:

- (a) a Court approval of a merger by way of scheme of arrangement (but shall not include a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, sub-division, reduction or return) of the issued capital of the Company);
- (b) a takeover bid (as defined in the Corporations Act) is announced, has become unconditional and the person making the takeover bid has a relevant interest in 50% or more of the shares in the Company; or
- (c) any person acquires a relevant interest in 50.1% or more shares in the Company by any other means.

**Alteration in Share Capital:** Appropriate adjustments will be made to Performance Rights in the event of a reconstruction of the share capital of the Company, such as a share consolidation, share split or other reduction of capital.

**Pro Rata Issue of Securities:** A participant may only participate in a new issue of Shares or other securities of the Company to holders of Shares if the Performance Right has been exercised in accordance with its terms before the record date for determining entitlements to the issue.

**Bonus Issue:** If, during the term of any Performance Right, the Company completes a bonus issue, the number of Shares each Performance Rights holder is then entitled, shall be increased by that number of securities which the holder would have been issued if the Performance Rights then held by the holder were exercised immediately prior to the record date for the bonus issue.

**Participation in other Opportunities:** There are no participation rights or entitlements inherent in the Performance Rights though the Company will use its reasonable endeavours to ensure that each holder is given an opportunity to participate on the same basis as if his or her Performance Rights had been exercised.

**Amendments Without Shareholder Approval:** The Plans provide that the Board may make the following amendments without Shareholder approval:

- (a) amendments of a “housekeeping” or ministerial nature including without limiting the generality of the foregoing, any amendment for the purpose of curing any ambiguity, error or omission in a Plan or any terms and conditions or to correct or supplement any provision of a Plan or any terms and conditions that is inconsistent with any other provision of a Plan or any terms and conditions;
- (b) amendments necessary to comply with the provisions of applicable law (including without limitation, the Listing Rules);
- (c) amendments respecting administration of a Plan;
- (d) amendments respecting termination provisions of a Plan or the terms and conditions attached to a Plan;
- (e) amendments respecting the offer of any financial assistance by the Company under a Plan;
- (f) include or modify a cashless exercise feature;
- (g) amendments necessary to suspend or terminate a Plan;
- (h) amendments to address possible or actual adverse tax implications in respect of a Plan arising from, amongst other things, adverse rulings from the Commissioner of Taxation, changes to tax legislation (including an official announcement by the Commonwealth of Australia) and/or changes in the interpretation of tax legislation by a court of competent jurisdiction; and
- (i) any other amendment, whether fundamental or otherwise, which does not require shareholder approval under a Plan (refer to the list in the paragraph below for a list of amendments that require shareholder approval) or applicable law (including without limitation, the Listing Rules).

**Restrictions on Amendments:** The Plans provide that the following amendments must be approved by Shareholders:

- (a) amendments to the maximum number of Performance Rights issuable under a Plan;
- (b) any amendment which reduces the exercise price (if any) of a Performance Right or allows the cancellation and reissuance of a Performance Right with a lower exercise price, in either case, if such amendment benefits an Insider;
- (c) any amendment extending the term of a Performance Right held by an Insider beyond its original expiry date if such amendment benefits an Insider;
- (d) any amendment to remove or exceed the Insider participation limit of 10% of the total number of Shares issued and outstanding;
- (e) any amendment to the amendment provision of a Plan; and

- (f) amendments required to be approved by shareholders under applicable law (including without limitation, the Listing Rules).

**Suspension or Termination:** The Board may terminate or suspend the Plans at any time provided such termination or suspension shall not affect the rights of Participants who were granted Performance Rights prior to such termination or suspension

Resolution 3 and Resolution 4 are ordinary resolutions.

## 6.2 Initial performance conditions

The Board is intending to initially grant Performance Rights in four tranches based on milestones linked to the Vista Coal Project as follows:

Tranche	Performance Condition	Milestone Date	Initial allocation to eligible participants*	Relevant Financial Year
1.	Bankable Feasibility Study Milestone	31 January 2012	1,000,000	2012
2.	Project Construction Milestone	30 September 2012	1,000,000	2013
3.	Initial Production Milestone	30 June 2014	1,000,000	2014
4.	Ramp-up Production Milestone - 4 mtpa equivalent for a 3 month period	30 June 2015	1,000,000	2015
	<b>Total</b>		<b>4,000,000</b>	

\* 100,000 Performance Rights issued to Mr Denis Turcotte have not been included in the initial allocation. The initial allocation is based on the current intention of the Board and is subject to change or amendment should new appointments be made.

The Performance Rights shall have the following expiry dates: Tranche 1 shall expire on 31 July 2012, Tranche 2 shall expire on 30 June 2013, Tranche 3 shall expire on 30 June 2015 and Tranche 4 shall expire on 30 June 2016.

If a performance condition of a Performance Right is not achieved by the earlier of the milestone date or the expiry date then the Performance Right will lapse.

## 6.3 Specific Information Required by Listing Rule 7.2 and TSX Company Manual

In accordance with the requirements of Listing Rule 7.2 Exception 9(b) and for the purposes of the TSX Company Manual, the following information is provided:

- (a) the material terms of the Plans are summarised above;
- (b) this is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plans;
- (c) no securities have been issued under the Plans. However, upon shareholder approval, up to 700,000 Performance Rights will be granted under the Plans to

Messrs Gene Wusaty and Denis Turcotte (who are Directors) on the terms set out in this Explanatory Memorandum and Management Information Circular; and

- (d) a voting exclusion statement has been included for the purposes of Resolutions 3 and 4.

## 7. Resolution 5 – Approval of the Grant of Performance Rights to a Director – Mr Gene Wusaty

### 7.1 Background

The Company proposes to grant a total of 600,000 Performance Rights (0.10% of the Company's issued and outstanding Shares as of the date of this Explanatory Memorandum) to Mr Wusaty, a Director, under the Employee Plan. The principal terms of the Employee Plan are summarised in Resolution 3 above.

In the Company's present circumstances, the Board considers that the incentive to Mr Wusaty that will be represented by the grant of these Performance Rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Wusaty and are consistent with the strategic goals and targets of the Company.

The Performance Rights will be granted under the Employee Plan. The principal terms and conditions of the Performance Rights to be granted to Mr Wusaty are summarised in Resolution 3 above. The total number of Performance Rights is 600,000 and will be granted in four tranches of equal number with performance conditions that are linked to the Vista Coal Project as set out in Section 6.2 of the Explanatory Memorandum as follows:

Tranche	Performance Condition	Milestone Date	Allocation to Mr Wusaty
1.	Bankable Feasibility Study Milestone	31 January 2012	150,000
2.	Project Construction Milestone	30 September 2012	150,000
3.	Initial Production Milestone	30 June 2014	150,000
4.	Ramp-up Production Milestone - 4 mtpa equivalent for a 3 month period	30 June 2015	150,000
	<b>Total</b>		<b>600,000</b>

If the performance condition of a Performance Right is satisfied prior to the relevant milestone date, those Performance Rights will vest. If the performance condition of a Performance Right is not achieved by the relevant milestone date, those Performance Rights will lapse.

The Performance Rights granted to Mr Wusaty shall have the following expiry dates: Tranche 1 shall expire on 31 July 2012, Tranche 2 shall expire on 30 June 2013, Tranche 3 shall expire on 30 June 2015 and Tranche 4 shall expire on 30 June 2016.



Shareholder approval is required under Listing Rule 10.14 because Mr Wusaty is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

Resolution 5 is an ordinary resolution and is conditional upon Resolution 3 being approved.

## **7.2 Specific information required by Listing Rule 10.15**

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- (a) the Performance Rights will be granted to Mr Wusaty, a Director of the Company;
- (b) the maximum number of Performance Rights to be granted to Mr Wusaty pursuant to Resolution 5 is 600,000. The actual number of Performance Rights that vest is dependent on the achievement of the performance conditions as described above;
- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for no monetary consideration. Further, the exercise price of the Performance Rights will also be for nil consideration;
- (d) there have not been any Performance Rights granted under the Employee Plan to date;
- (e) under the rules of the Employee Plan, only eligible employees (which are determined by the Board) are entitled to participate in the Employee Plan. Mr Wusaty has been determined to be an eligible employee for the purposes of the Employee Plan;
- (f) a voting exclusion statement is included in the Notice;
- (g) no loan has been provided for Mr Wusaty to acquire the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.

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## **8. Resolution 6 – Approval of the Grant of Performance Rights to a Director – Mr Denis Turcotte**

### **8.1 Background**

The Company proposes to grant a total of up to 100,000 Performance Rights (0.02% of the Company's issued and outstanding Shares as of the date of this Explanatory Memorandum) to Mr Turcotte, a Director, under the Employee Plan. The principal terms of the Employee Plan are summarised in Resolution 3 above.

Mr Turcotte's entitlement to be granted performance rights formed part of his appointment and was announced by the Company on 22 December 2010.

In the Company's present circumstances, the Board considers that the incentive to Mr Turcotte that will be represented by the grant of these Performance Rights, are a cost effective and efficient reward for the Company to make to appropriately incentivise the continued performance of Mr Turcotte and are consistent with the strategic goals and targets of the Company.

The Performance Rights will be granted under the Employee Plan. The principal terms and conditions of the Performance Rights to be granted to Mr Turcotte are summarised in Resolution 3 above. The total number of Performance Rights is 100,000 and will be granted in four tranches of equal number with performance conditions that are linked to the Vista Coal Project as set out in Section 6.2 of the Explanatory Memorandum:

<b>Tranche</b>	<b>Performance Condition</b>	<b>Milestone Date</b>	<b>Allocation to Mr Turcotte</b>
1.	Bankable Feasibility Study Milestone	31 January 2012	25,000
2.	Project Construction Milestone	30 September 2012	25,000
3.	Initial Production Milestone	30 June 2014	25,000
4.	Ramp-up Production Milestone - 4 mtpa equivalent for a 3 month period	30 June 2015	25,000
	<b>Total</b>		<b>100,000</b>

If the performance condition of a Performance Right is satisfied prior to the relevant milestone date, those Performance Rights will vest. If the performance condition of a Performance Right is not achieved by the relevant milestone date, those Performance Rights will lapse.

The Performance Rights granted to Mr Turcotte shall have the following expiry dates: Tranche 1 shall expire on 31 July 2012, Tranche 2 shall expire on 30 June 2013, Tranche 3 shall expire on 30 June 2015 and Tranche 4 shall expire on 30 June 2016.

Shareholder approval is required under Listing Rule 10.14 because Mr Turcotte is a related party of the Company.

As Shareholder approval is sought under Listing Rule 10.14, approval under Listing Rule 7.1 is not required.

Resolution 6 is an ordinary resolution and is conditional upon Resolution 3 being approved.

## **8.2 Specific information required by Listing Rule 10.15**

Listing Rule 10.15 requires that the following information be provided to Shareholders for the purpose of obtaining Shareholder approval for the grant:

- (a) the Performance Rights will be granted to Mr Turcotte, a Director of the Company;
- (b) the maximum number of Performance Rights to be granted to Mr Turcotte pursuant to Resolution 6 is 100,000. The actual number of Performance Rights

that vest is dependent on the achievement of the performance conditions as described above;

- (c) the Performance Rights will be granted as incentive Performance Rights and will be granted for no monetary consideration. Further, the exercise price of the Performance Rights will also be for nil consideration;
- (d) there have not been any Performance Rights granted under the Employee Plan to date;
- (e) under the rules of the Employee Plan, only eligible employees (which are determined by the Board) are entitled to participate in the Employee Plan. Mr Turcotte has been determined to be an eligible employee for the purposes of the Employee Plan;
- (f) a voting exclusion statement is included in the Notice;
- (g) no loan has been provided for Mr Turcotte to acquire the Performance Rights; and
- (h) the Company will grant the Performance Rights no later than 12 months after the date of the Meeting or such longer period of time as ASX may in its discretion allow.

# MANAGEMENT INFORMATION CIRCULAR

Coalspur Mines Limited (the **Company**) is a reporting issuer in Canada. Accordingly, pursuant to the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators, the following disclosure is required to be included with the Explanatory Memorandum.

## **Purpose of Solicitation**

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the General Meeting of shareholders of the Company (the **Meeting**). The Meeting will be held at Plaza Level, BGC Centre, 28 The Esplanade, Perth, Western Australia, on 10 June 2011 at 10am (Perth WST) for the purposes set forth in the Notice accompanying this Management Information Circular.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile or in person by directors, officers and employees of the Company who will not be additionally compensated therefore. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by the Company.

## **Appointment of Proxies by Registered Shareholders**

Enclosed herewith is a form of proxy for use at the Meeting. **A Shareholder has the right to appoint up to two persons (who need not be Shareholders) to attend and act for the Shareholder and on the Shareholders' behalf at the Meeting other than the person designated in the form of proxy and may exercise such right by inserting the full name of the desired person(s) in the blank space provided in the form of proxy.**

A proxy will not be valid unless it is signed by the Shareholder or by the Shareholder's attorney duly authorised in writing or, if the Shareholder is a corporation, executed by a duly authorised officer or officers in accordance with the instructions attached on the enclosed form of proxy. The proxy to be acted upon must be delivered: (a) in respect of Shareholders registered in the Company's Australian share register, prior to 5.00pm on 8 June 2011, by mail to PO Box Z5083, Perth, 6831, Western Australia or by facsimile at +61 (8) 9322 6558 or by delivery to the registered office of the Company at Level 9, BGC Centre, 28 The Esplanade, Perth, Western Australia, 6000; and (b) for Shareholders registered on the Company's Canadian share register, not later than 48 hours prior to the Meeting by mail to Computershare Investor Services Inc., attention Proxy Department, at 100 University Avenue, Toronto, Ontario, MSJ 2Y1 or by facsimile at +1 416 263 9524.

## **Revocation of Proxies**

A Shareholder executing and delivering a proxy has the power to revoke it in accordance with the provisions of the Corporations Act, which provides that every proxy may be revoked by an instrument in writing executed by the Shareholder or by his or her attorney authorised in writing and delivered either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof at which the proxy is to be used, or to the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or in any other manner permitted by law.

## **Voting of Proxies**

The form of proxy accompanying this Explanatory Memorandum and Management Information Circular confers discretionary authority upon the proxy with respect to any amendments or

variations to the matters identified in the Notice of Meeting and any other matters that may properly come before the Meeting. At the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter.

Shareholders must either mark the boxes directing its proxy how to vote or mark the box indicating that it does not wish to direct its proxy how to vote, otherwise this appointment of proxy form will be disregarded. If the Shareholder marks the box indicating that it does not wish to direct its proxy how to vote, the proxy may vote at his or her discretion. If the Shareholder marks the abstain box, it is directing its proxy not to vote on that item on a show of hands or on a poll and that its Shares are not to be counted in computing the required majority on a poll.

### **Advice for Beneficial Holders**

Shares may not be registered in the Shareholder's name but in the name of an intermediary (which is usually a bank, trust company, securities dealer or broker, or a clearing agency in which an intermediary participates). **A non-registered shareholder cannot be recognised at the Meeting for the purpose of voting his Shares unless such holder is appointed by the applicable intermediary as a proxyholder.**

The Company has distributed copies of the Meeting materials to intermediaries for distribution to non-registered Shareholders. Intermediaries are required to deliver these materials to all non-registered Shareholders of the Company who have not waived their rights to receive these materials, and to seek instructions as to how to vote the shares. Often, intermediaries will use a service company to forward these meeting materials to non-registered Shareholders.

Non-registered Shareholders who received meeting materials will be given a voting instruction form (a **VIF**) which must be completed and signed by the non-registered Shareholder in accordance with the instructions noted on it. In this case, the mechanisms described above for registered Shareholders cannot be used and the instructions on the VIF **must** be followed (which in some cases may allow completion of the VIF by telephone or the Internet). The VIF is provided instead of a proxy. By returning the VIF in accordance with its instructions, a non-registered owner is able to instruct the registered Shareholder how to vote on behalf of the non-registered owner.

The purpose of these procedures is to allow non-registered Shareholders to direct the voting of the shares that they own but that are not registered in their name. Should a non-registered Shareholder wish to attend and vote at the Meeting in person (or have another person attend and vote on his behalf), the non-registered Shareholder should carefully follow the instructions provided on the VIF.

Proxies returned by intermediaries as "non-votes" because the intermediary has not received instructions from the non-registered Shareholder with respect to the voting of certain shares or, under applicable stock exchange or other rules, the intermediary does not have the discretion to vote those shares on one or more of the matters that come before the Meeting, will be treated as not entitled to vote on any such matter and will not be counted as having been voted in respect of any such matter. Shares represented by such broker "non-votes" will, however, be counted in determining whether there is a quorum.

The shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

### **Voting Shares and Record Date**

In respect of the Shareholders registered in the Company's Canadian share registry, the directors of the Company have fixed 4 May 2011 as the record date for determining the

Shareholders of the Company entitled to receive the Notice of Meeting and for determining the Shareholders of the Company entitled to vote at the Meeting.

As of 4 May 2011 the Company has 527,593,428 Shares issued and outstanding which are entitled to be voted at meetings of shareholders of the Company. The Shares are the only shares of the Company entitled to be voted at the Meeting and subject to certain exclusions of votes described above, each Share is entitled to one vote at the Meeting.

A simple majority of votes cast are required to approve all matters to be submitted to a vote of Shareholders at the Meeting.

### Principal Holders of Shares

As of the date of this Management Information Circular, to the knowledge of the directors and senior officers of the Company, no person beneficially owns, directly or indirectly, or exercises control or direction over, shares carrying more than 10% of the voting rights attaching to all issued and outstanding shares of the Company, except as follows:

Name	Total Number of Shares Owned, Controlled or Directed	Percentage of Voting Shares
Highland Park Group	104,733,333	19.85%

### Indebtedness of Directors and Executive Officers

As of the date of this Management Information Circular, no executive officer, director, employee or former executive officer, director, employee of the Company or any subsidiary is indebted to the Company or its subsidiary in connection with a purchase of securities or otherwise. In addition, as of the date of this Management Information Circular, there is no indebtedness owing to the Company from any of its executive officers or directors or former directors or executive officers or any associate of such person, including in respect of indebtedness to others where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement provided by the Company or a subsidiary of the Company.

### Interest of Certain Persons or Companies in Matters to be Acted Upon

No person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, nor any associate or affiliate of the foregoing persons, has a material interest, direct or indirect, in the matters to be acted upon at the Meeting other than as follows:

Name	Interest in Resolution #
Mr Colin Steyn	2
Mr Gene Wusaty	3, 5
Mr Denis Turcotte	3, 6

## **Interest of Informed Persons in Material Transactions**

Apollo Group Pty Ltd (**Apollo Group**), a company controlled by Mr Mark Pearce, the Chief Financial Officer and a Director of Coalspur, receives a monthly retainer of \$19,000 for the provision of administrative and accounting services and the provision of a fully serviced office to Coalspur. Apollo Group also receives, from time to time, consulting fees for additional services provided.

Following shareholder approval in November 2010, the Company converted 45,000,000 convertible notes each with a face value of \$0.80 into 45,000,000 ordinary shares. Of the convertible notes converted, 36,000,000 ordinary shares were issued to Borrowdale Park S.A. (part of the Highland Park Group), a company associated with Mr Colin Steyn.

Other than as disclosed, since the commencement of the Company's most recently completed financial year there were no transactions and there are no proposed transactions that have materially affected or would materially affect the Company or any of its subsidiaries in which any informed person of the Company, or any proposed director of the Company or any associate or affiliate of any informed person, or any proposed director of the Company has any material interest (direct or indirect).

## **Auditors**

The Company's auditor is Deloitte Touche Tohmatsu. Deloitte was first appointed as auditor of the Company on 30 November 2009.

## **Additional Information**

Financial information regarding the Company is provided in the Company's comparative financial statements for its most recently completed financial year. The Company will provide to any person, upon request to the Company Secretary, one copy of the Company's 2010 Annual Report which includes the financial statements of the Company for the most recently completed financial year and the audit opinion issued thereon.

Copies of the above documents will be provided free of charge to Shareholders. The Company may require the payment of a reasonable charge by any person or company who is not a Shareholder of the Company, and who requests a copy of such document. Additional information relating to the Company can be found at [www.asx.com.au](http://www.asx.com.au) or at [www.sedar.com](http://www.sedar.com).

## **Enquiries**

Shareholders can contact Mr Mark Pearce, Company Secretary, at +61 (8) 9322 6322 if they have any queries in respect of the matters set out in these documents.

## **Approval of this Management Information Circular**

The contents and the sending of this Management Information Circular have been approved by the directors of the Company.

## **BY ORDER OF THE BOARD**



Mark Pearce  
Company Secretary  
Dated 6 May 2011

## Schedule 1 - Definitions

In this Notice, Explanatory Memorandum and Management Information Circular:

**\$** means Australian Dollars.

**Agents** mean Haywood Securities Inc., BMO Nesbitt Burns Inc., RBC Dominion Securities Inc. and Salman Partners Inc.

**ASIC** means Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Board** means the board of Directors.

**C\$** means Canadian Dollars.

**Coalspur** and **Company** means Coalspur Mines Limited ACN 003 041 594.

**Constitution** means the Constitution of the Company.

**Contractor Plan** means the Coalspur Contractor Performance Rights Plan.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Director** means a director of the Company.

**Employee Plan** means the Coalspur Employee Performance Rights Plan.

**Explanatory Memorandum** means the explanatory memorandum attached to the Notice.

**FATA** has the meaning in Section 5.1 of this Explanatory Memorandum.

**Highland Park Group** means Borrowdale Park S.A. or its nominees.

**Highland Park Placement** has the meaning in Resolution 2 of the Notice.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means this notice of meeting.

**Performance Right** means a performance right granted under a Plan.

**Placement** has the meaning in Section 3.1 of this Explanatory Memorandum.

**Plan or Plans** means either or both the Employee Plan and Contractor Plan (as the context requires).

**Proxy Form** means the proxy form attached to the Notice.

**Public Placement** has the meaning in Resolution 1 of the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Notice.



**Section** means a section contained in this Explanatory Memorandum.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a shareholder of the Company.

**TSX** means the Toronto Stock Exchange.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In this Notice, Explanatory Memorandum and Management Information Circular words importing the singular include the plural and vice versa.

**COALSPUR MINES LIMITED**  
**ACN 0 0 3 0 4 1 5 9 4**

**PROXY FORM**

The Company Secretary  
 Coalspur Mines Limited

**By delivery:**  
 Level 9, 28 The Esplanade  
 PERTH WA 6000

**By post:**  
 PO Box Z5083  
 PERTH WA 6831

**By facsimile:**  
 +61 8 9322 6558

I/We <sup>1</sup> \_\_\_\_\_

of \_\_\_\_\_

being a Shareholder/Shareholders of the Company and entitled to \_\_\_\_\_

votes in the Company, hereby appoint <sup>2</sup> \_\_\_\_\_

or failing such appointment the chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Meeting of the Company to be held at the Plaza Level, BGC Centre, 28 The Esplanade, Perth on 10 June 2011 at 10am (WST) and at any adjournment thereof in the manner indicated below or, in the absence of indication, as he thinks fit. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is \* [ ]% of the Shareholder's votes\*/ [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

**Instructions as to Voting on Resolution**

The chairman of the Meeting intends to vote undirected proxies in favour of all of the Resolutions.

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Ratification of Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Authority to Issue Placement Shares to Highland Park Group	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Approval of the Coalspur Employee Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Approval of the Coalspur Contractor Performance Rights Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of the grant of Performance Rights to a Director – Mr Gene Wusaty	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Approval of the grant of Performance Rights to a Director – Mr Denis Turcotte	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Authorised signature/s**

This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

\_\_\_\_\_  
 Contact Name

\_\_\_\_\_  
 Contact Daytime Telephone

\_\_\_\_\_  
 Date

<sup>1</sup> Insert name and address of Shareholder

<sup>2</sup> Insert name and address of proxy

\*Omit if not applicable

**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding:                    where the holding is in more than one name all of the holders must sign.

Power of Attorney:            if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                      a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate 'Certificate of Appointment of Representative' should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the Perth office of the Company (Level 9, 28 The Esplanade, Perth, WA, 6000, or by post to PO Box Z5083, Perth, WA, 6831 or Facsimile (08) 9322 6558 if faxed from within Australia or +618 9322 6558 if faxed from outside Australia) not less than 48 hours prior to the time of commencement of the Meeting (WST).