

**NEWS RELEASE**

April 18, 2013

**COALSPUR CONCLUDES FUNDING ARRANGEMENT FOR UP TO US\$350 MILLION TO FUND MAJORITY OF VISTA PHASE 1 DEVELOPMENT CAPITAL**

**Highlights:**

- *Senior debt facility from EIG Global Energy Partners to provide up to US\$350 million, increased from previously announced US\$300 million*
- *Access to funding under this Facility maintains forecast construction schedule and first production in 2015*
- *Existing Borrowdale Park facility to be restructured into subordinated note*
- *Coalspur retains all off-take and marketing rights, allowing it to preserve strategic flexibility and to maximise value for Coalspur shareholders in the future*
- *100% ownership of Vista asset retained*

**CALGARY, Alberta: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT)** is pleased to announce that it has entered into binding agreements with EIG Global Energy Partners (“EIG”) to provide a senior secured debt facility of up to US\$350 million (the “Facility”). Proceeds from the Facility are expected to fund the majority of development capital for Stage 1 of the Company’s Vista Coal Project (“Vista”), which has an estimated capital cost of C\$445 million. Vista Stage 1 will produce approximately three million tonnes per annum (“Mtpa”) of clean coal with production commencing in 2015.

The Facility gives Coalspur access to funding which allows Vista to maintain its development schedule. Construction is expected to commence following regulatory approval, which is expected at approximately the same time as shareholder approval of the funding arrangements.

With the majority of Vista Stage 1 funding secured and the coal marketing and off-take rights retained, Coalspur has preserved Vista’s strategic value for shareholders. Coalspur will continue to advance joint venture, marketing and off-take arrangements with interested parties to secure the remaining funding for Vista. These discussions will be given further impetus by the continued development of Vista, the expected satisfaction of further development milestones and the support of EIG, and Coalspur’s major shareholder Borrowdale Park.

Commenting on the funding package, President and CEO, Gill Winckler said,

*“Coalspur has achieved a major milestone in entering into these agreements for the majority of funding for the first stage of Vista. The increased level of the Facility as well as the flexibility that has been afforded the Company by EIG reflects their belief in Vista. EIG is an astute investment group with an excellent track record and their support for Vista, along with the*

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*continued support of our major shareholder, Borrowdale Park, will enable us to begin construction activities, as planned, in the coming months.*

*“To have secured this level of funding in the current challenging market conditions reflects the quality of Vista, as well as of the entire Coalspur team who have worked tirelessly over many months to reach this point. The funding also allows Coalspur to retain 100% ownership of this world class project, which provides flexibility for the future.*

*“This is an exciting juncture for the Company. We are in the final stages of our regulatory approval process for Vista and remain on schedule to move into construction shortly after the shareholder meeting which will be held to vote on these funding arrangements. It is expected that shareholders will be asked to approve these funding arrangements in June.”*

### **EIG Facility Key Terms**

The key terms and conditions of the Facility are as follows:

- Facility of up to US\$350 million provided by investment funds advised and managed by EIG
- Maturity date of eight years following the first draw down
- First ranking security
- Interest rate of 8% per annum in cash plus 3% per annum which can be capitalised or paid in cash. The cash payments will not start until Coalspur is in production
- Conditions precedent to funding, covenants and warranties typical for a facility of this nature, including maintenance of certain financial ratios
- Make-whole premium payable on voluntary redemption
- EIG has the right to appoint an observer on the Coalspur Board of Directors
- Subject to TSX and shareholder approval, EIG’s investment funds will be granted 120 million warrants with an exercise price of A\$0.55. These warrants expire on the maturity date of the Facility, or earlier in certain circumstances (“**EIG Warrants**”)

The final size of the Facility will be determined following the execution of a mining contract (expected in early 2014). Drawdown under the Facility has been structured in several phases to accommodate the Vista development schedule:

- An initial US\$37 million can be drawn down following, among other conditions precedent:
  - Necessary approvals of the Facility and EIG Warrants, including Coalspur shareholder and Foreign Investment Review Board approvals; and
  - Restructuring of the existing facility with Borrowdale Park.
- A further US\$120 million can be drawn down following receipt of necessary regulatory approvals to commence construction on Vista and other customary conditions precedent for a facility of this nature.
- Subsequent drawdowns, which on the current spending profile are anticipated in the first half of 2014, are subject to further funding arrangements for the construction of Vista Stage 1 and certain other conditions precedent.

### **Borrowdale Park Note**

Coalspur has currently drawn C\$40 million of the C\$70 million loan facility that it has with Borrowdale Park. Coalspur will repay C\$10 million of this outstanding amount and restructure the remaining C\$30 million as a subordinated debt obligation of Coalspur (the “**Borrowdale Park Note**”).

The Borrowdale Park Note can be repaid at any time with a final maturity date of one month following the maturity date of the Facility. If the Borrowdale Park Note is not repaid by 31 December 2017, Borrowdale may elect to convert the Borrowdale Note into Coalspur shares at

a discount to the 10 day volume weighted average price at that time. Upon receiving Borrowdale's election, Coalspur has 60 business days in which to refinance the Borrowdale Park Note or issue Coalspur shares.

As part of this transaction, and subject to TSX and shareholder approvals, Borrowdale Park will be issued with 14 million warrants with the same terms as the EIG Warrants.

### **Next Steps**

In the coming months Coalspur will move to satisfy various conditions of the Facility, fully document the Borrowdale Park Note, finalize regulatory approvals and begin construction on Vista.

Coalspur will convene a shareholder meeting, anticipated to be held early in June 2013, to vote on the Facility and the Borrowdale Park Note. All issuances of securities pursuant to the transactions are subject to TSX approval.

The regulatory process for Vista continues to advance and approvals are expected within the next few months. This timing coincides with the expected approval of the Facility and Borrowdale Park Note and will allow Coalspur to begin construction on Vista shortly thereafter.

### **About EIG ([www.eigpartners.com](http://www.eigpartners.com))**

EIG is a leading institutional investor in the global energy sector, with US\$10.4 billion under management as of December 31, 2012. EIG specializes in private investments in energy, resources and related infrastructure and was formerly the Energy & Infrastructure Group of Trust Company of the West. During its 31-year history, EIG has invested over US\$14 billion in the sector through more than 290 projects or companies in 33 countries on six continents. EIG's clients include many of the leading pension plans, insurance companies, endowments, foundations and sovereign wealth funds in the United States, Asia and Europe. EIG is headquartered in Washington, DC, with offices in Houston, London, Sydney, Hong Kong, Seoul and Rio de Janeiro.

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## About Coalspur

Coalspur Mines Limited ("**Coalspur**" or "**Company**") is a coal exploration and development company with approximately 55,000 hectares of coal leases located within the Hinton region of Alberta, Canada. Coalspur's flagship coal project is the Vista Coal Project ("**Vista**") which has the potential to be the largest export thermal coal mine in Canada.

Vista covers approximately 10,000 hectares and provides a large scale, surface mineable, thermal coal project. Vista has the advantage of leveraging off established first world infrastructure with CN Rail's main line, located adjacent to Vista, which is substantially underutilised and provides a rail line suitable for the transport of coal to deepwater ports on Canada's west coast. Coalspur has also secured a port allocation agreement with Ridley Terminals Inc., which is essential to the logistics supply chain necessary to export coal from Vista to the growing demand from the Asia Pacific Rim countries, including China, Japan and Korea.

<b>JORC / NI 43-101 Coal Resources</b>				
	<b>Measured (Mt)</b>	<b>Indicated (Mt)</b>	<b>Measured &amp; Indicated (Mt)</b>	<b>Inferred (Mt)</b>
Vista Coal Project	686.0	369.9	<b>1,055.9</b>	460.9
Vista South Coal Project	210.6	259.9	<b>470.5</b>	604.5
Vista Extension	6.5	167.2	<b>173.7</b>	969.3
<b>Coalspur Total Resources</b>	<b>903.1</b>	<b>797.0</b>	<b>1,700.1</b>	<b>2,034.7</b>

*Note: Vista Extension Coal Resource estimates effective May 8, 2012, Vista Coal Project Coal Resource estimates effective May 8, 2012 and Vista South Coal Project Coal Resource estimates effective May 22, 2010.*

Vista is designed to reach a maximum clean coal production rate of 12.0 Mtpa, has a long mine life of 29 years and will be developed over two phases. Phase 1 will be developed in two discrete stages: the first stage will produce 3.0 Mtpa of clean coal at a capital cost of approximately C\$445 million and the second will provide for a further 2.0 Mtpa of production. Phase 2 will add an additional 7.0 Mtpa to take Vista to its maximum design capacity of 12.0 Mtpa by 2019. Marketable Coal Reserves on Vista are 313 Mt from a Recoverable Coal Reserve of approximately 566 Mt.

<b>JORC / NI 43-101 Compliant Coal Reserves</b>						
<b>Coal Seam</b>	<b>Recoverable Coal Reserve</b>			<b>Marketable Coal Reserve</b>		
	<b>Proven (Mt)</b>	<b>Probable (Mt)</b>	<b>Proven &amp; Probable (Mt)</b>	<b>Proven (Mt)</b>	<b>Probable (Mt)</b>	<b>Proven &amp; Probable (Mt)</b>
Val d'Or and McPherson	429.3	45.9	<b>475.2</b>	248.5	26.5	<b>275.0</b>
McLeod	74.4	16.0	<b>90.3</b>	31.5	6.9	<b>38.4</b>
<b>Coalspur Total Reserves</b>	<b>503.7</b>	<b>61.8</b>	<b>565.5</b>	<b>280.0</b>	<b>33.3</b>	<b>313.4</b>

*Note: Coal Reserve estimates effective December 13, 2011*

## **Regulatory Disclosures**

For further information regarding the Vista Coal Project and Vista Extension, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the projects, please refer to the technical report titled "Coalspur Mines Limited: Updated Resource Estimate for the Vista Coal Project" dated September 12, 2012. For further information regarding the Vista South Coal Project, 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 for the Vista Coal Project, the Vista South Coal Project, and Vista Extension are compliant with National Instrument 43-101 – "Standards of Disclosure for Mineral Projects" ("NI 43-101") and are available for review on SEDAR at [sedar.com](http://sedar.com).

## **Competent Person / Qualified Person Statements**

The information in this news release that relates to Coal Resources on the Vista Coal Project and Vista Extension, mining engineering, Recoverable Coal Reserves, capital costs, mining operating costs, and economic financial analysis, process capital costs and associated infrastructure, and all other scientific and technical information in this Report is based on information compiled by Mr. David Leslie, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Leslie is a full-time employee of Coalspur. Mr. Leslie has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"), and a "Qualified Person" under NI 43-101. Mr. Leslie has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

The information in this news release that relates to coal quality and process yield estimates to derive Marketable Coal Reserves is based on information compiled by Mr. Gordon Mudryk, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Mudryk is a full-time employee of Coalspur. Mr. Mudryk has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Mudryk has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

The information in this news release that relates to Coal Resources on the Vista South Coal Project is based on information compiled by Mr. John Innis, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Innis is a full-time employee of Coalspur. Mr. Innis has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the JORC Code, and a "Qualified Person" under NI 43-101. Mr. Innis has approved and consents to the inclusion of such information in this news release in the form and context in which it appears.

## **Forward Looking Statements**

This news release contains forward-looking statements concerning Coalspur, including statements regarding the EIG Facility, the Borrowdale Park Note, the construction of Vista, regulatory, shareholder and stock exchange approvals, Coalspur's plans for its mineral projects, development plans and timing, development and operating costs, production, regulatory approvals, exploration and development activities, and other matters. These statements relate to analyses and other information that is based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management. Actual results could differ materially from the conclusions, forecasts and projections contained in these forward-looking statements.

Statements concerning Mineral Resource Estimates may also be deemed to constitute "forward-looking statements" to the extent that they involve estimates of the mineralization that will be encountered if a given property is developed. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects", "is expected", "anticipates", "plans", "projects", "estimates", "assumes", "intends", "strategy", "goals", "objectives", "potential" or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions) are not statements of historical fact and may be forward-looking statements. Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to materially differ from those reflected in the forward-looking statements, including that the financing conditions to the EIG Facility will not be met or maintained, the investment by Borrowdale Park Note will not be met, that required approvals will not be obtained and those risk factors referred to in the Company's Annual Information under the heading "Description of the Business - Risk Factors", and elsewhere.

Coalspur's forward-looking statements are based on the beliefs, expectations and opinions of management as of the date hereof and which Coalspur believes are reasonable in the circumstances, but no assurance can be given that these expectations will prove to be correct. In making the forward-looking statements the Company has applied several material assumptions which may prove to be incorrect, including, but not limited to: (1) that all required third party approvals will be obtained for the development, construction and production of its properties; (2) that additional financing will be available on reasonable terms; (3) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment or otherwise; (4) permitting, development and expansion proceeding on a basis consistent with the Company's current expectations;

*(5) currency exchange rates being approximately consistent with current levels; (6) certain price assumptions for coal; (7) production forecasts meeting expectations; (8) the accuracy of the Company's current mineral resource and reserve estimates; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) assumptions made and judgments used in engineering and geological interpretation.*

*Coalspur disclaims any intention or obligation to update or revise forward-looking statements if circumstances or management's beliefs, expectations or opinions should change, except as required by law. For the reasons set forth above, undue reliance should not be placed on forward-looking statements.*