

NEWS RELEASE

June 19, 2013

BOARD APPROVES VISTA PROJECT WITH DEVELOPMENT CAPITAL OF C\$458M FOR 6 MTPA CAPACITY

Highlights:

- Board-approved development plan will deliver a 6 Mtpa clean coal capacity operation in one stage for C\$458M, a capital efficiency of C\$76 per tonne of capacity
- Significant improvement over the prior plan which called for a two-stage development to 6 Mtpa, for a cost of C\$655M
- Competitive and robust process with globally recognised EPC contractors resulted in an optimised project and confidence around development costs, schedule and project delivery
- Terms agreed with the selected EPC contractor de-risk the capital budget by locking in ~50% (US\$221M) of total development capital and also de-risk schedule to first production
- Construction of Vista to begin following regulatory approval, which is anticipated in the next few months, and shareholder approval of EIG and Borrowdale Park funding arrangements
- Schedule is robust and forecasts first coal in mid 2015
- EIG facility to provide up to US\$350M of funding, with balance expected to be secured by way of strategic project level investment and/or marketing or offtake arrangements

VANCOUVER, British Columbia: Coalspur Mines Limited (“Coalspur” or “Company”) (ASX: CPL, TSX: CPT) is pleased to announce the finalisation and Board approval of the development plan (the “Development Plan”) for its Vista coal project (“Vista”). The Development Plan for Phase 1 of Vista involves:

- Constructing and commissioning a six million tonnes per annum (“Mtpa”) capacity thermal coal facility by mid-2015, with the capability to expand to 12 Mtpa;
- A development capital cost of C\$458 million, with a lump sum turn-key contract covering US\$221 million (approximately C\$226 million) of this expenditure; and
- Constructing the 6 Mtpa facility in one stage as opposed to the previously envisaged two stages. This accelerated development is the result of a modified execution strategy and efficient re-engineering of the materials handling infrastructure and process flowsheet and presents significant savings (approximately C\$197 million).

This final Phase 1 facility and design is consistent with Coalspur’s regulatory application for Vista Phase 1 which is currently under final review with the Alberta regulators.

President and CEO Gill Winckler said “We are extremely pleased with the Development Plan that the Board has approved as it significantly enhances shareholder value. Shareholders will benefit from reduced capital requirements and a faster production ramp up than previously contemplated. Furthermore, being able to construct the facility in one stage as opposed to the previously envisaged two stages provides for more effective project execution and delivery.

“The current downturn in the commodities industry with the associated pressure on commodity prices and service industries afforded us considerable opportunity as we finalised our project execution strategy and capital. This is evident through our capital efficiency of C\$76 per tonne of capacity, which is very competitive with comparable thermal coal greenfield and brownfield expansion projects.

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"We are pleased to have selected an EPC contractor, Taggart Global, who have an extensive track record in North America in designing, constructing and commissioning coal preparation and material handling plants. We are confident that the combination of Taggart, together with our management and Owner's team, which has been significantly strengthened over the last 12 months, will ensure Vista is constructed on time and within budget.

"We continue to make good progress with the Alberta regulators. The regulatory approval process is taking longer than anticipated, however the review process is in its final stages and we remain confident that we will be able to commence construction in the coming months and deliver our first coal in mid 2015."

Project Execution Strategy

Over the past few months Coalspur completed a competitive front-end engineering and design ("FEED") process with reputable contractors as it finalised its development plans for Vista. The FEED process included a review of the engineering design and an evaluation of the process alternatives for Vista, with the aim of delivering a fully costed proposal to engineer, procure and construct the major raw and clean coal handling components of the project. The process resulted in the development of Vista being significantly de-risked through an enhanced process flow and provided a high degree of certainty around capital costs and schedule.

Taggart Global ("Taggart") has been selected as the preferred engineering, procurement and construction ("EPC") contractor for a fixed price contract of US\$221 million, and a fixed date of mid-2015 for first production. Taggart will be responsible for the design, construction and commissioning of the coal handling, preparation and processing plant ("CHPP"), the overland conveyors and the load-out infrastructure.

Coalspur's Owner's team will manage the development components that Taggart is not responsible for, which include site development and utilities. Site development activities incorporate the rail siding, access corridor, plant site and all water management structures to support construction and operations, all of which have been re-estimated using tender prices from preferred bidders. The contracts for installation of high voltage power connections, a communications network and the mine infrastructure area are prepared and await execution upon receipt of regulatory approvals.

Development Plan

The Development Plan focuses on Phase 1 of Vista and will support a 6 Mtpa capacity thermal coal facility. The facility will be completed in mid-2015 and produce three million tonnes of clean coal in 2015 and be capable of producing 6 Mtpa from 2016 onwards.

Final Development Plan Capital Cost Summary (excluding mobile mining equipment)	
Item	(C\$M)
EPC	235.7
Site Preparation	84.6
Rail siding	29.3
Infrastructure and Utilities	54.6
Owner's Costs	26.4
Equipment	7.0
Contingency	20.4
Total	458.0
Capital Efficiency at 6 Mtpa	C\$76.3 / clean tonne

The decision to construct a 6 Mtpa facility in one stage as opposed to two stages was chosen when the FEED process resulted in significant capital savings compared with the previous plan. The process resulted in capital for a 3 Mtpa coal facility of C\$437 million (compared with the previous estimate of C\$445 million for a 3 Mtpa facility), and capital for a 6 Mtpa facility of C\$458 million (compared with a 6 Mtpa facility in two discrete stages for a total capital of C\$655 million). The economics were clearly in favour of developing the larger coal facility in one stage, which is consistent with the design phasing of the regulatory application.

The capital estimate for the Development Plan of C\$458 million, which excludes mobile equipment as it assumes the use of mining contractors, is approximately C\$197 million lower than that in the previous development plan. The savings have been achieved through the optimisation of the mine and plant design as well as a refocussed execution strategy. Savings were also possible due to reductions in raw material supply costs and construction inputs which have come about through a downturn in development activity worldwide.

The Development Plan includes the ability to efficiently expand to 12 Mtpa as the FEED studies and design optimisation focused on extracting maximum infrastructure capacity in the first stage of development. For example, the overland conveyor and train load out will be constructed with 12 Mtpa capacity in Phase 1 and the coal processing plant will be modular and able to expand to 12 Mtpa.

EPC Contract

Coalspur has agreed the key terms for a fixed price, fixed term EPC contract with Taggart, who have extensive expertise in turnkey design, supply, construction and commissioning of coal preparation plants and material handling systems. During 2007 to 2012 Taggart constructed 23 greenfield CHPP projects in North America.

Taggart will be responsible for the design optimisation, construction and commissioning of the CHPP, the overland conveyors and the load-out infrastructure. The contract will be for a fixed price of US\$221 million and a fixed completion date of mid 2015, on the condition that construction commences before 2014. The EPC contract will contain liquidated damages related to plant performance and project schedule and offer incentives for early completion. This strategy with the EPC contractor has significantly de-risked the capital budget and schedule to first production.

Other significant development expenditure includes over C\$103 million for civil earthworks and the rail siding. Capital estimates for these components are based on unit price rates and payments linked to milestones which provide Coalspur budget certainty.

Regulatory Approval Process

The Company previously disclosed that it anticipated regulatory approvals by 30 June 2013. The approval process for Vista Phase 1 is now nearing completion; however progress has been slower than anticipated. Decisions are required in the following key areas:

- Aboriginal Affairs Branch of Alberta's Sustainable Resources and Environmental Management department: A decision regarding the adequacy of Coalspur's consultation with various First Nations' groups. This decision is expected shortly, and no issues have been identified by the government to date.
- Energy Resources Conservation Board ("ERCB"): Decision on the technical completeness of the Company's application. Coalspur is well advanced with respect to this element and the Company's Environmental Impact Assessment has been deemed complete. The technical completeness discussions are far advanced and the Company is addressing final technical questions from the ERCB.
- ERCB: Decision on the standing of the filers of Statements of Concern and Statements of Objection. In this regard, the Company continues to engage with all relevant parties and is close to agreement with a number of Aboriginal groups.

- Canadian Transportation Agency (“**CTA**”): Decision to proceed with construction of the rail siding. CN Rail is advancing these discussions with CTA and a decision is expected in early Q3 2013. A temporary field authorisation was already obtained for the siding and the forest clearing in this area has been completed.

Coalspur continues to make progress with all the relevant parties relating to the above decisions. The Company expects to receive full approvals to enable construction on Vista Phase 1 in accordance with the timeline set out below, maintaining the schedule to achieve first production in 2015.

Project Funding

On 18 April 2013 the Company announced that it had entered into a senior debt facility with EIG Global Energy Partners (“**EIG**”) for up to US\$350M. This facility, subject to shareholder approval on 27 June 2013 and other conditions, will provide approximately 80% of the total development capital expenditure for Coalspur to construct the Vista Phase 1. Funding under the EIG debt facility will be available following shareholder approval. Vista Phase 1 is accordingly substantially funded with the company confident of securing the remaining funding over the next nine to twelve months by way of a strategic partner, marketing or off-take related transaction.

Timeline

With the contract with Taggart finalised, Coalspur has developed a timeline to first production. The timeline envisages on-site construction, subject to regulatory approvals and permits, in September 2013 and first coal in mid-2015 as follows:

- EPC award – July 2013
- Commence construction, subject to regulatory approval – anticipating September 2013
- Mining mobilization – early 2015
- First coal – mid 2015.

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Regulatory Disclosures

For further information regarding Vista 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 Vista South, including a description of Coalspur's quality assurance program, quality control measures, the geology, samples collected and testing procedures in respect of the project, please refer to the technical report titled "Resource Estimate for the Vista South Coal Property" dated June 25, 2012. The technical reports are compliant with National Instrument 43-101 - "Standards of Disclosure for Mineral Projects" ("NI 43-101") and the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") and are available for review on SEDAR at sedar.com.

Competent Person / Qualified Person Statements

The information in this news release that relates to mining infrastructure and associated capital costs, is based on information compiled by Mr. Richard Tremblay, who is a Member of the Association of Professional Engineers and Geoscientists of British Columbia. Mr. Tremblay is a full-time employee of Coalspur, and has sufficient experience which is relevant to the style of infrastructure and type of deposit under consideration and to the activity he is undertaking to qualify as a "Competent Person" as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code"), and a "Qualified Person" under NI 43-101. Mr. Tremblay 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, coal processing and related capital costs, and 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.

Forward Looking Statements

This news release contains forward-looking statements concerning Coalspur, including statements regarding 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 those 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.