

Coalspur Mines Limited and CN Sign Definitive Rail Transportation Agreement

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Alberta, Canada (ABN Newswire) - [Coalspur Mines Limited](#) (ASX:CPL) (TSE:CPT) is pleased to announce that it has reached a definitive agreement with CN (TSE:CN) (NYSE:CNI) for the transportation of thermal coal from its Vista Coal Project ('Vista') to Ridley Terminals Inc., as well as final agreement with CN regarding the construction of the railway line to serve the mine.

Definitive Rail Transportation Agreement

The Agreement with CN is for a seven-year period, effective from 1 January 2013 and extending through to 31 December 2019. Pursuant to the terms of the Agreement, as with most western Canadian coal producers, CN will supply the equipment to carry Coalspur's coal to tidewater. The key elements of the Agreement are consistent with the terms announced by Coalspur on 14 December 2012 and include transportation of up to 12 million tonnes per annum ('Mtpa') of coal; and defined rates with agreed escalation and fuel surcharge calculations.

As a result of signing this Agreement, Coalspur is able to confirm that its logistics costs for Vista will be as outlined in the Coalspur press release date 20 December 2012. Total FOB operating costs for Vista are projected to be C\$56.98 per tonne in the first five years of production, C\$59.55 per tonne in the first ten years of production and C\$66.40 per tonne over the life of the mine.

Rail Line Construction Agreement

Coalspur and CN have also signed an agreement which will govern the construction of a 6.5km long railway line providing CN access to Coalspur's loading site. The rail line will enable Coalspur to load the entire train in one continuous load. Subject to regulatory approval construction activity is expected to begin in Q3 2013 and be completed in early 2015. CN will ensure the rail line meets their design and construction specifications.

'We are very pleased to have finalized these contracts with CN,' said Gill Winckler, Coalspur President and CEO. 'The agreements provide further clarity and stability over our operating costs in the initial years of mining at Vista. Rail and port logistics costs account for approximately 50% of Coalspur's FOB cash costs, which are now under contracted rates.'

'Coalspur continues to deliver on its milestones. We are in the final stages of detailed negotiations for the funding arrangements for Vista and remain engaged with regulatory agencies so that we can secure regulatory approvals for Vista Phase 1, enabling us to commence construction in the second quarter of 2013.'

For a table of JORC / 43-101 Compliant resources, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-CPL-629851.pdf>

About Coalspur Mines Limited:

[Coalspur Mines Limited](#) (ASX:CPL) (TSE:CPT) 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.

A feasibility study was completed on Vista in January 2012, which defined a two phased approach to project development. Detailed engineering has commenced and is scheduled for completion in early 2013. Phase 1 envisages production of 5.0Mtpa at a capital cost of approximately C\$870 million. Phase 2 will increase production by a further 7.0Mtpa and will utilize free cash flow from Phase 1 to fund the estimated additional development costs of approximately C\$373 million. The Vista mine plan defines a 28 year mine life with forecast annual production capacity of 12.0Mtpa. Marketable Coal Reserves on Vista are 313Mt from a Recoverable Coal Reserve of approximately 566Mt.

Coalspur has offices in Calgary and Hinton in Canada as well as in Australia. The Company is dual listed on the Toronto Stock Exchange ("TSX") under the symbol 'CPT' and on the Australian Securities Exchange ('ASX') under the symbol 'CPL'.

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