



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 APRIL 2010

MARCH 2010 QUARTERLY REPORT

The Board of Coalspur Mines Limited ("**Coalspur**" or "**Company**") is pleased to present its March 2010 quarterly report.

Highlights

- Completion of a positive Scoping Study confirming the economic viability of the Company's Hinton Coal Project ("**HCP**" or "**Project**") in Alberta, Canada. Key results of the Scoping Study were as follows:
 - Project can support a minimum annual production rate of 7.4Mtpa run-of-mine ("**ROM**") producing 4.0Mtpa saleable coal for a minimum 14 year mine life.
 - Low operating costs averaging US\$48.40/t free-on-board Ridley Island Coal Terminal ("**FOB Ridley**") over the life-of-mine ("**LOM**").
 - Existing transportation and port infrastructure greatly reduces upfront fixed capital requirements with Capex for the coal handling and process plant ("**CHPP**") and project infrastructure totalling US\$185 million, US\$69 million for the Project's indirect costs and US\$152 for mining equipment.
 - Strong economics on the Project which has the capacity to generate pre-tax cash margins of approximately US\$150 million per annum.
- Announced a placement to the Highland Park Group ("**Highland Park**") who will become a strategic investor in the Company. The placement will significantly strengthen the Company's financial position, provide access to Highland Park's substantial resource management skills, and assist in lifting the Company's profile in North American markets. Key highlights of the transaction are as follows:
 - The placement will involve an equity issue of 60.0 million shares at \$0.50 each to raise a total of \$30.0 million.
 - The key investors in Highland Park include original founders and former executives of Toronto based LionOre Mining International Limited ("**LionOre**"). LionOre was acquired by Norilsk Nickel in 2007 for US\$6.3 billion.
 - The Board has invited Mr Colin Steyn, previously CEO of LionOre, to join the Board of Coalspur following completion of the transaction.
- Completion of the first phase core drilling program on the Project which will provide updated coal quality and washability results to be announced in the June 2010 quarter.

Going Forward

The Company has an exciting quarter ahead with a substantial amount of activity scheduled, including:

- Commencing reporting of the Coal Resource estimates for the Company's Coalspur Project ("CSP") which will be announced progressively over the coming months.
- Commencing the second phase of drill programs on the Project and initiating drill programs on the CSP.
- Reporting of results from washability and quality testing results from core samples obtained in the recently completed first phase exploration drilling program.

At the end of the quarter the Company had cash reserves of approximately \$7.8 million which, together with the funds to be raised from the placement to Highland Park, put the Company in a strong financial position and allow Coalspur to expedite development of its existing Canadian coal assets and provide the ability to pursue related coal acquisitions.

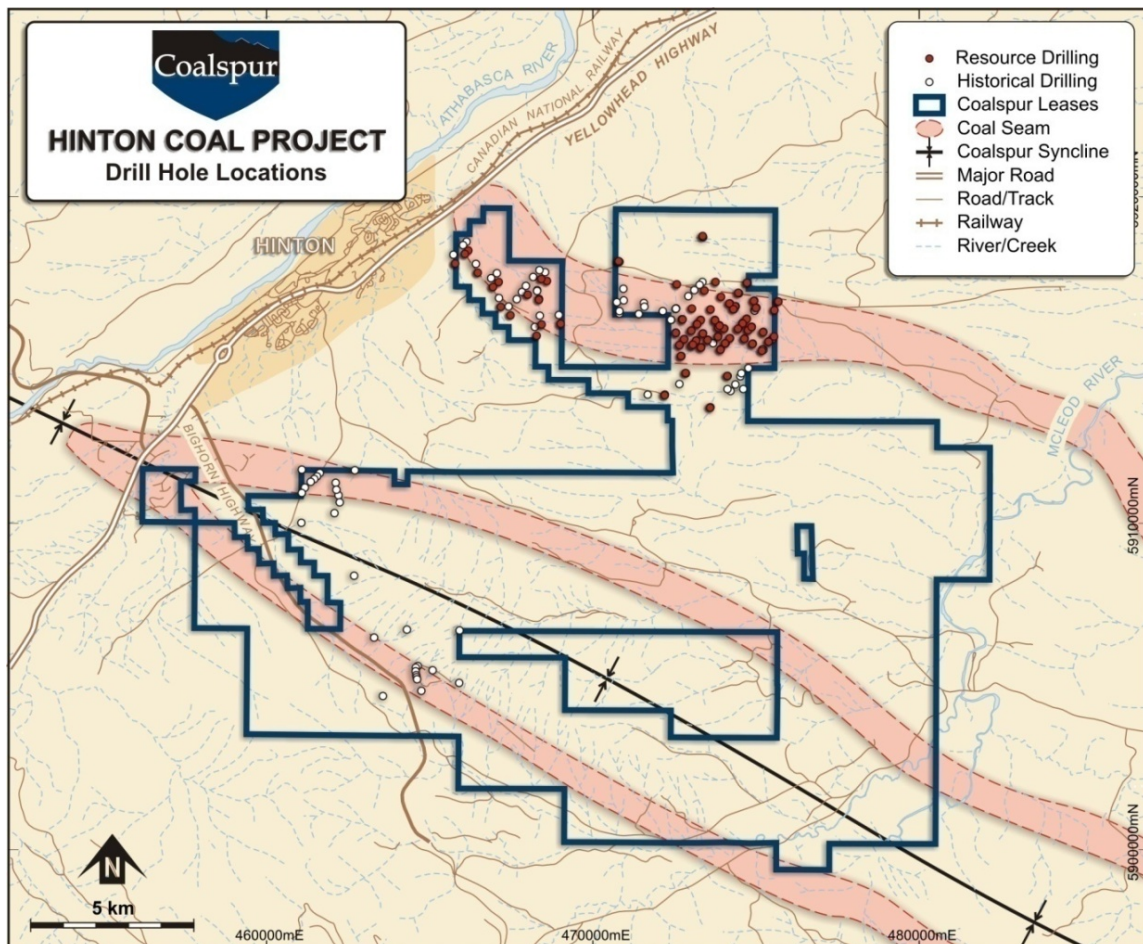


Figure 1: HCP and CSP Location

Enquiries:

Gene Wusaty – Managing Director & CEO

T: +1 403 975 7901

Taso Arima – Executive Director

T: +61 8 9322 6322

CANADIAN COAL PROJECTS

Hinton Coal Project

The Hinton Coal Project (“HCP”) is a large scale, open pit potential, thermal coal project located adjacent to the main line of the CN Rail in Alberta, Canada.

The leases comprising the HCP cover approximately 4,976 hectares and together contain a JORC Coal Resource of approximately 467 million tonnes of low sulphur, high volatile, bituminous C thermal coal. The HCP is split into Hinton East and Hinton West. Hinton East comprises six coal leases covering approximately 3,984 hectares and Hinton West comprises 2 coal leases and 3 coal lease applications covering 992 hectares.

The Coal Resource and associated coal quality assessment have confirmed the HCP’s potential to deliver a large scale, open pit, thermal coal operation producing high quality coal suitable for export to lucrative Pacific Rim market.

HCP Scoping Study

During the quarter Coalspur announced the results of the Scoping Study (the “Study”) conducted on the Coal Resource estimate for the Company’s wholly owned HCP (see Figure 2). The study was managed by Wardrop and included input from a number of recognised coal industry experts.

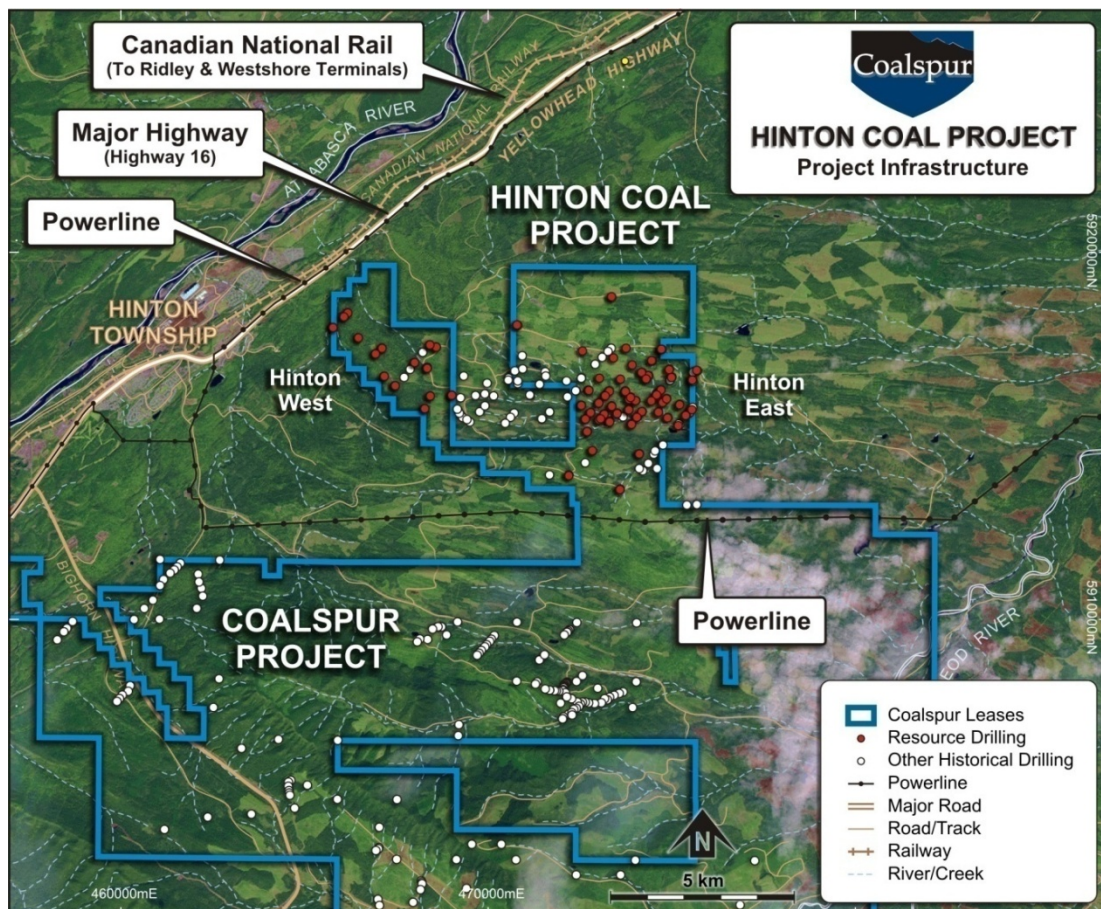


Figure 2: HCP Leases and Project Infrastructure

The Scoping Study result confirms the potential for strong economics on the Project which has the capacity to generate pre-tax cash margins of approximately US\$150 million per annum.

Project Enhancement Opportunities

The Study identified potential opportunities that could enhance the Project economics. During future studies the Company will focus on evaluating these opportunities identified which include:

- Updating the mine plan with additional Coal Resource estimates currently being delineated on the CSP leases. The Study currently focuses only on the HCP Coal Resource estimate which covers 4,967ha whilst the CSP covers an area of 19,671ha;
- Review the potential markets for the sale of the McLeod seam which is currently not included in the saleable mix and totals approximately 5.8Mt due to its high product ash content. Potential markets for this product include local power stations and cement manufacturers;
- Examine the use of a dragline in the mine plan for the potential of lowering operating costs and/or optimise the mining fleet; and
- Review the historical coal quality and process yield of the coal seams post completion of the upcoming coal quality and washability testing.

Scoping Study Parameters

The Study was completed using the following parameters:

Table 1: Scoping Study Parameters	
Mine Life	14 years (minimum)
Clean Coal Production Rate	4.0 million tonnes per annum (" Mtpa ")
Run-of-Mine Coal Production Rate	7.4Mtpa
LOM Average ROM Strip Ratio	4.65 bank cubic metres (" BCM ") : 1.0 tonne ROM coal
LOM Average Clean Strip Ratio	8.62 BCM : 1.0 tonne Clean coal
Clean Coal Yield	54%
LOM Average Coal Price	US\$87/t
C\$:US\$ Exchange Rate	0.87 : 1

The key considerations in the Study were preferred mining plan, coal handling and processing method, scale, throughput rate, project life, operating and capital costs. The minimum life of the Project is 14 years, but has the potential to be significantly increased, the close proximity of the current Study mine plan to the potential resource areas of the CSP leases. The Study is therefore considered a base case scenario.

Operating Costs

The total operating cost per clean coal tonne produced in the initial years will be lower due to lower strip ratios in the initial years. In the first five years of production, the operating cost is estimated to be US\$46.80 per clean coal tonne FOB Ridley. Over the current LOM the

average estimated operating cost is US\$48.40 per clean coal tonne FOB Ridley. The operating costs over the LOM are summarised in Table 2.

Delineation of further coal resources in the CSP is currently underway with a view to define additional low strip ratio coal tonnes. This has the potential to further enhance the economics of the Project by allowing increased production and a longer mine life to be considered.

Table 2: LOM Unit Operating Costs	
Item	US\$/t FOB Ridley
Coal and Waste Mining	21.3
CHPP	3.5
General and Administrative	0.9
Reclamation	0.9
Free-On-Rail ("FOR") Operating Costs	26.6
CN Rail Costs (Hinton - Prince Rupert)	17.4
Ridley Terminal Port Costs	4.4
FOB Prince Rupert Operating Costs	48.4

The Alberta royalty system comprises of a two tiered system with the first tier being a mine mouth royalty payable on 1% of mine mouth revenues from commencement of production. The second tier is a 13% royalty payable on mine mouth revenues based on a formula which initiates the payment of the royalty only after payback of the capital expenditure.

Capital Costs

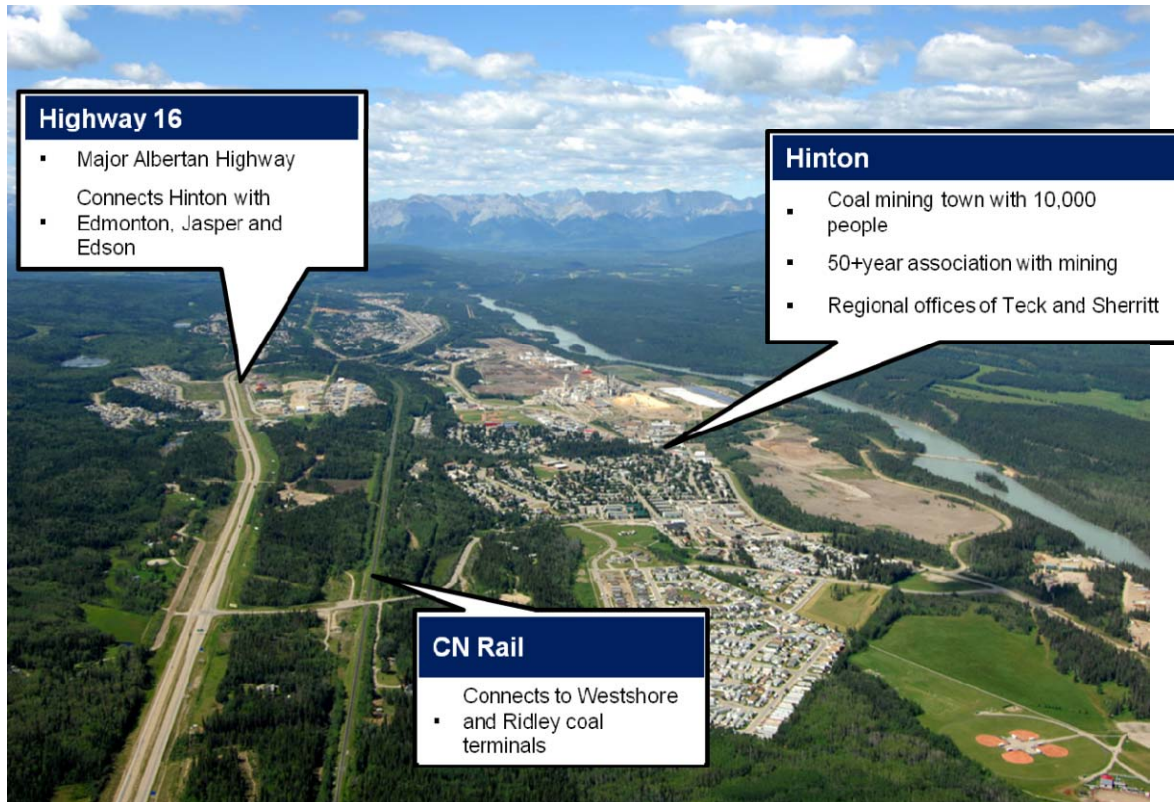
Capital costs (determined to a nominal accuracy of +/-35% and in Q4 2009 dollars) for the CHPP and all other project infrastructure were estimated to total US\$185 million with a further US\$69 million attributable to project indirects including EPCM and owners costs. This brings the total Project's initial infrastructure capital expenditure to US\$254 million.

The capital cost of the initial mining equipment is US\$151.6 million with a further US\$71.3 million in sustaining capital costs for the mining equipment fleet over the LOM (+/- 35% nominal accuracy). The Company will be looking at leasing options for the mining equipment fleet and contract mining options and therefore these costs may not form part of the Project's initial capital expenditure.

In addition a provision for pre production costs in the first year of production has been estimated at US\$19 million.

Community and Employment

The Company is currently working closely with key stakeholders, including the local communities and relevant authorities, in all aspects of the Project. A project office has been opened in the town of Hinton. The Company currently estimates that an ongoing workforce of approximately 363 will be required to operate the Project.



Highway 16

- Major Albertan Highway
- Connects Hinton with Edmonton, Jasper and Edson

Hinton

- Coal mining town with 10,000 people
- 50+year association with mining
- Regional offices of Teck and Sherritt

CN Rail

- Connects to Westshore and Ridley coal terminals

Figure 5: Town of Hinton

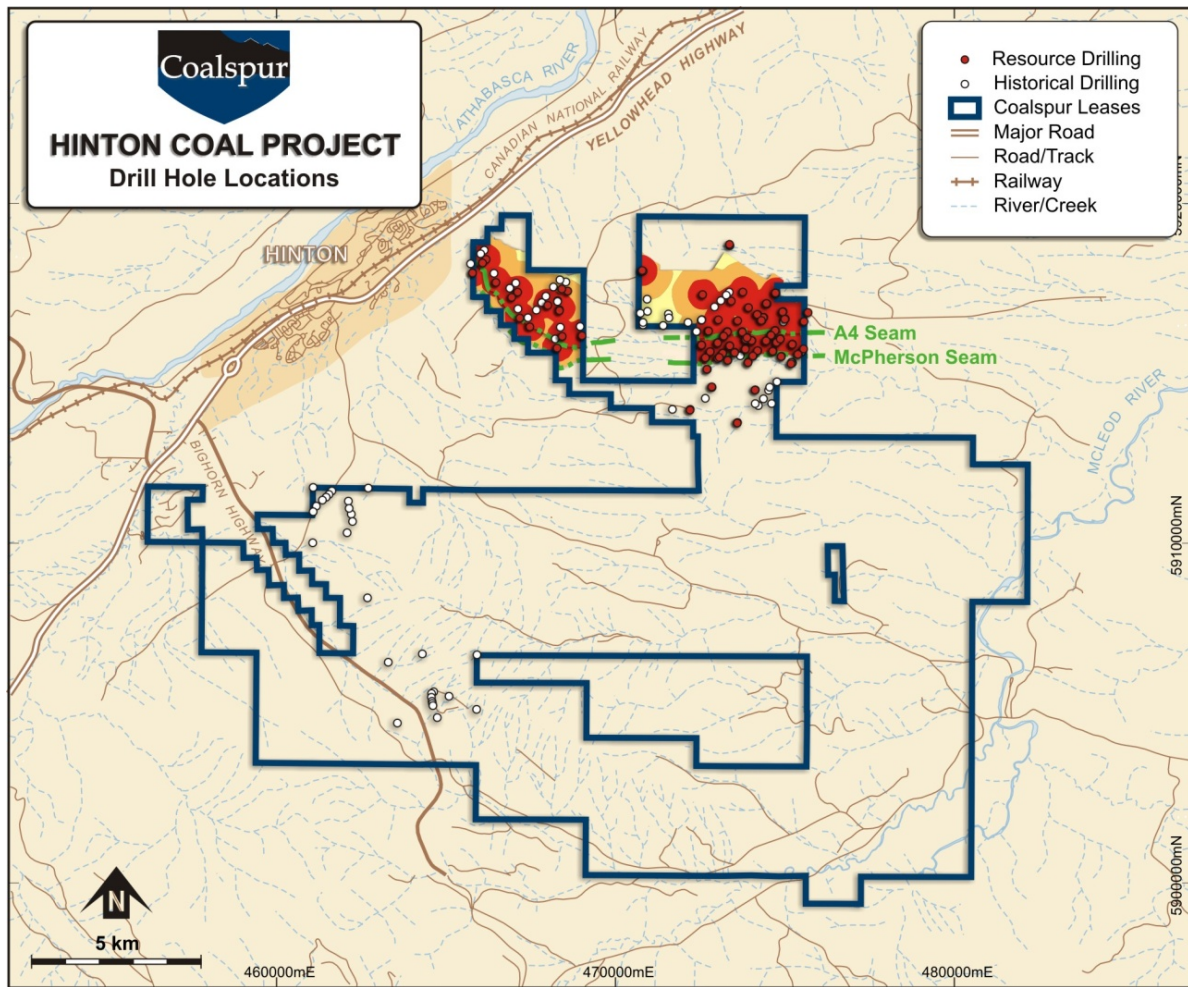
Employees will be largely sourced from the local community and elsewhere within Alberta and Canada, which has long established coal mining experience.

Permitting

The Project will be required to undergo an extensive, four-stage regulatory and environmental assessment application and review process, as mandated by the Alberta Environmental Protection and Enhancement Act. The process involves public disclosures, mine permitting and processing plant approval, mine licensing, and Water Resources Act approvals.

In the upcoming quarter the Company plans to initiate baseline studies which will form part of the Environmental Impact Assessment on the Project as part of the environmental assessment application. The baseline studies will continue throughout 2010 and progress into 2011.

HCP Coal Resource Estimate



The combined Coal Resource estimates for the HCP totals 467 million tonnes of low sulphur, high volatile bituminous C thermal coal. Significantly, the Measured and Indicated Coal Resources of 421 million tonnes represent 90% of the total Coal Resource. A resource estimate for the CSP is currently being undertaken with completion expected in the March 2010 quarter.

Table 1: HCP JORC Coal Resources

	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Indicated & Inferred (Mt)
Hinton East	210.8	85.3	296.1	43.1	339.2
Hinton West	87.6	37.9	125.5	2.6	128.1
Total Coal Resource	298.4	123.2	421.6	45.7	467.3

The Coal Resource estimates have been based on considerable drilling and exploration activities which were undertaken on the HCP by Esso in the 1980's and prepared by respected Canadian independent technical consultants Moose Mountain Technical Services ("MMTS") and is reported in accordance with the 2004 Edition of the 'Australasian Code for

Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("**JORC Code**") and National Instrument 43-101 – 'Standards of Disclosure for Mineral Projects' ("**NI 43-101**").

MMTS have also undertaken an indicative assessment of coal quality based on historical core hole information and coal qualities of nearby mines including Coal Valley and Obed Mountain. Based on this information MMTS has indicated that the washed clean coal product could have the following characteristics with a forecast yield of at least 50%:

Table 2: HCP Washed Clean Coal Quality		
Coal Characteristic	Gross As Received	Air Dried Basis
Moisture	11.5%	4.5%
Ash Content	11.1%	11.9%
Volatile Matter	31.2%	33.7%
Fixed Carbon	46.2%	49.9%
Sulphur	0.3%	0.3%
Calorific Value	5,758 kcal/kg	6,212 kcal/kg

2010 Drill Program

During the quarter the Company completed its first phase of drilling comprising 10 core holes within the proposed mine boundaries developed as part of the Company's recently completed Scoping Study on the HCP. The core samples have been shipped to ALS Laboratory Group in Vancouver, BC for washability and quality testing. Importantly, core recovery was in excess of 90%.

Results are expected by June 2010. The results will verify the seam quality information from historical drilling undertaken in the 1970's and 1980's and will also provide data for the development of a modernised washplant design. The Company has retained Mr Bob Leach, a leading coal metallurgist, to coordinate the washability testing program and washplant design studies.

A second phase of drilling is planned for the June 2010 quarter and will comprise rotary drilling within the Project and the commencement of core and rotary drilling in the CSP.

Coalspur Project and Additional Coal Leases

The Coalspur Project ("**CSP**") comprises coal leases covering an area of approximately 19,671 hectares located approximately 6km south west of the CSP (refer Figure 1).

Areas of the CSP were subject to previous drilling by Denison Mines Ltd in the 1980's. The considerable historical drilling and studies undertaken are expected to provide a solid foundation to assess the coal contained on the leases in accordance with the JORC Code in mid 2010.

Importantly, the proximity to the HCP allows for the CSP to leverage off potential infrastructure that will be developed closer to the town of Hinton and the main line of the CN Railway.

CORPORATE

Key Management Appointments

Coalspur appointed Mr John Innis as Chief Geologist during the quarter. Mr Innis is a professional Geologist with a Masters Degree in Geological Sciences and has over 30 years of extensive coal and oil sands experience with Fording Coal, Gulf Canada Resources and Shell Canada. Mr. Innis will initially focus on accelerating the preparation of additional coal resource estimates and development drilling on the Company's projects.

Coalspur has and continues to develop a strong team of seasoned coal industry experts which will be instrumental in the development of the Project moving forward.

Placement to Strategic Investor

During the quarter Coalspur announced a placement to Highland Park who will become a strategic investor in the Company. The placement will significantly strengthen the Company's financial position as well as provide access to Highland Park's substantial resource management skills and also greatly assist in lifting the Company's profile in North American markets. Funds from the placement will enable the Company to accelerate the development of the Project and pursue related new business development opportunities.

The key investors in Highland Park ("**Highland Park Investors**") include the original founders and former executives of Toronto based LionOre Mining International Limited. LionOre was acquired in 2007 for US\$6.3 billion by Norilsk Nickel. The Highland Park Investors have successfully invested in and supported the development of Mantra Resources Limited (ASX:MRU; TSX:MRL) ("**Mantra**") and Mirabela Nickel Limited (ASX:MBN; TSX:MNB) ("**Mirabela**"). Since the making of these investments, each of these companies has greatly advanced their projects and seen a significant increase in their market capitalisations.

Upon completion of the placement Coalspur's Board has invited Mr Colin Steyn, previously CEO of LionOre, to join the Board of Coalspur. Mr Steyn was a Director of LionOre from 1998 and was appointed President and Chief Executive Officer in 1999. Mr Steyn holds an MBA from Cranfield University, UK and is currently a Director of Mantra and Mirabela.

The placement to Highland Park will involve an equity issue of 60.0 million shares at \$0.50 each to Highland Park and or its nominees to raise a total of \$30.0 million. The shares will be issued in two tranches as follows:

1. Subject to shareholder approval, the first tranche will consist of 45.0 million shares and 22.5 million free attaching listed options on a one for two basis (on the same terms as existing listed options) to raise \$22.5 million on issue; and
2. Subject to the necessary approvals, at Highland Park's election for the purposes of Coalspur funding future business development opportunities, the second tranche will consist of a further 15.0 million shares and 15.0 million free attaching unlisted options on a one for one basis (each exercisable at \$0.70 on or before 31 December 2012) to raise an additional \$7.5 million on issue.

Further details regarding the transaction will be included in a Notice of General Meeting to be sent to shareholders shortly.

The information in this report that relates to the Scoping Study is based on information compiled by Mr. Eugene Wusaty, who is a Member of the Association of Professional Engineers and Geoscientists of Alberta. Mr. Wusaty is a full-time employee of Coalspur Mines Limited. Mr. Wusaty has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 (The JORC Code). Mr. Wusaty consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Coal Resources is based on information compiled by Mr. Robert J. Morris, who is a Member of the Association of Professional Engineers, Geologists and Geophysicists of Alberta. Mr. Morris is a full-time employee of Moose Mountain Technical Services, who are consultants to Coalspur. Mr. Morris has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which 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 (The JORC Code). Mr. Morris consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

COALPSUR MINES LIMITED

ABN

73 003 041 594

Quarter ended ("current quarter")

31 MARCH 2010

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(1,084)	(1,546)
(b) development	-	-
(c) production	-	-
(d) administration	(349)	(702)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	76	126
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) - Business Development	(72)	(213)
Net Operating Cash Flows	(1,429)	(2,335)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(403)
(b) equity investments	-	-
(c) other fixed assets	(25)	(61)
1.9 Proceeds from sale of:		
(a)prospects	-	-
(b)equity investments	-	73
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material) - Net cash inflow on acquisition of subsidiary	-	-
Net investing cash flows	(25)	(391)
1.13 Total operating and investing cash flows (carried forward)	(1,454)	(2,726)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,454)	(2,726)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	488	10,463
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) - capital raising expenses	(17)	(532)
	Net financing cash flows	471	9,931
	Net increase (decrease) in cash held	(983)	7,205
1.20	Cash at beginning of quarter/year to date	8,729	541
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	7,746	7,746

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	144
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Payments include directors' fees, executive remuneration, company secretarial services and provision of a fully serviced office.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Not applicable

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Not applicable

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,057	812
5.2 Deposits at call	6,689	7,917
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,746	8,729

Changes in interests in mining tenements

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

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 Preference +securities <i>(description)</i>	57,500,000	-	\$0.0001	-
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	309,803,443	309,803,443	Not applicable	Not applicable
7.4 Changes during quarter				
(a) Increases through issues	1,000,000	1,000,000	\$0.32	\$0.32
(b) Decreases through returns of capital, buy-backs	2,097,777	2,097,777	\$0.08	\$0.08
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	54,711,823	54,711,823	\$0.08	30 June 2011
	2,750,000	-	\$0.10	31 Dec 2013
	2,750,000	-	\$0.15	30 June 2014
	2,750,000	-	\$0.20	31 Dec 2014
	2,750,000	-	\$0.25	30 June 2015
	600,000	-	\$0.50	31 March 2011
	1,800,000	-	\$0.40	31 Dec 2013
	2,150,000	-	\$0.50	30 June 2014
	2,150,000	-	\$0.60	31 Dec 2014
	350,000	-	\$0.70	30 Jun 2015
	400,000	-	\$0.35	10 Feb 2013
7.8 Issued during quarter			<i>Exercise price</i>	<i>Expiry date</i>
	350,000	-	\$0.50	30 June 2014
	350,000	-	\$0.60	31 Dec 2014
	350,000	-	\$0.70	30 Jun 2015
	400,000	-	\$0.35	10 Feb 2013
7.9 Exercised during quarter	(2,097,777)	(2,097,777)	<i>Exercise price</i>	<i>Expiry date</i>
			\$0.08	30 June 2011
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~/does not*~~ (*delete one*) give a true and fair view of the matters disclosed.

Sign here: Date: 30 April 2010
(~~Director~~/Company secretary)

Print name: MARK PEARCE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

== == == == ==

+ See chapter 19 for defined terms.