ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 30 OCTOBER 2009

SEPTEMBER 2009 QUARTERLY REPORT

*The Board of Coalspur Mines Limited ("**Coalspur**" or "**Company**") is pleased to present its September 2009 quarterly activities report. Highlights during the quarter include:*

- *An additional Coal Resource estimate of 128.1 million tonnes of low sulphur, high volatile, bituminous C thermal coal was completed at Hinton West (refer Figure 4).*

- *The Company's total Coal Resource is now 467.3 million tonnes for the Hinton Coal Project ("**HCP**") located in Alberta, Canada. Of this, the Measured and Indicated Resources comprise 421.6 million tonnes or 90.2% of the total Coal Resource*

Hinton Coal Project – 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**

- *Mr Gene Wusaty, a highly respected Canadian coal industry executive, was appointed to the Board as Managing Director and CEO. Mr Wusaty has been responsible for the commissioning of four operating coal mines in the last six years.*

- *The Company commenced work on a scoping study on the HCP which is expected to be completed during the December 2009 quarter.*

- *Following shareholder approval, the Company changed its name to Coalspur Mines Limited (ASX Code: CPL) to reflect its new coal focus and association with the Canadian coal mining industry.*

- *A review of the infrastructure available within the HCP area identified existing critical infrastructure in close proximity to the HCP, including rail, roads, power and other infrastructure.*

The Directors believe that the current Coal Resource and associated coal quality assessment have confirmed the HCP's potential to deliver a large scale, open-pit, thermal coal operation.

Enquiries:

***Gene Wusaty** – Managing Director & CEO* *T: +1 403 975 7901*

***Taso Arima** – Executive Director* *T: +61 8 9322 6322*

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.

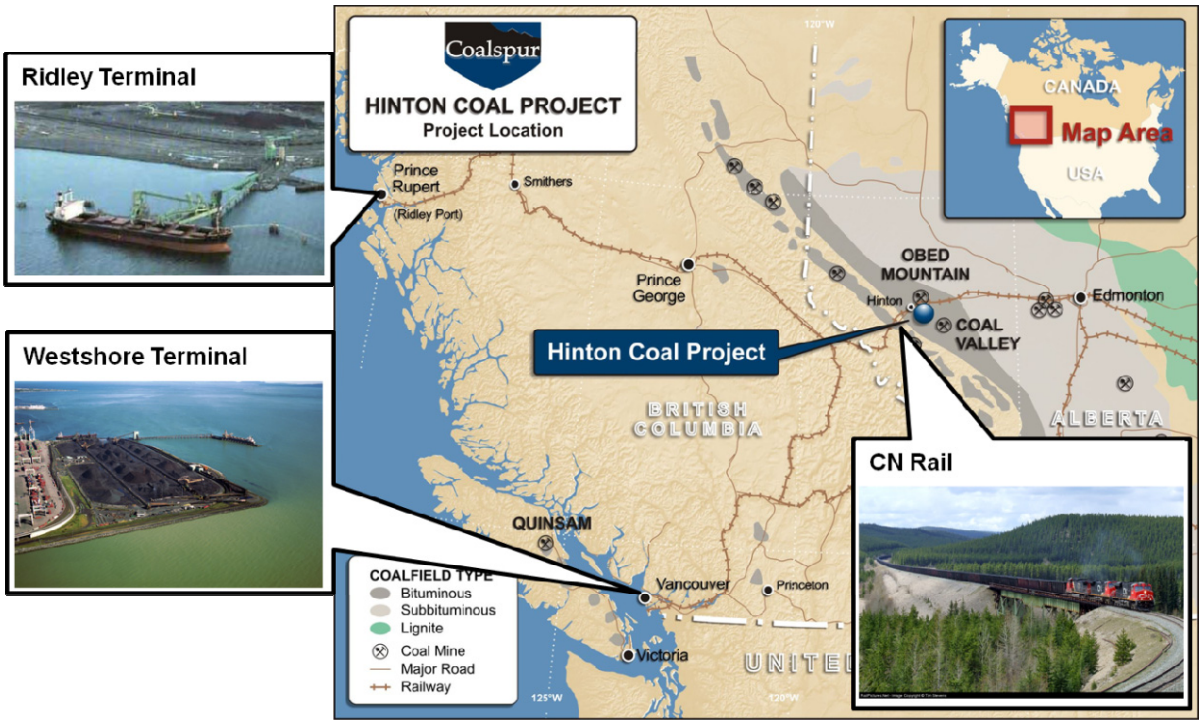

Figure 1: HCP Location

Infrastructure

The HCP is located adjacent to the main line of the CN Railway and is approximately 900km by rail from Westshore Terminals in Vancouver and 1,100km by rail from Ridley Island Coal Terminal at the Port of Prince Rupert. Both the rail and port have excess capacity.

Additionally, the HCP is located adjacent to the town of Hinton which has a population of 10,000 and is a major coal mining town in the province of Alberta with all the necessities required for a coal workforce. Furthermore, power infrastructure is abundant with 138kV High Voltage power running to the North, East and South of the HCP.

Development of the HCP will leverage off the existing infrastructure in this coal region. Western Canada has abundant excess capacity on both rail and port and is equipped to supply the growing Asia Pacific thermal coal markets. This infrastructure is a key competitive advantage over the Company's Australian peers.

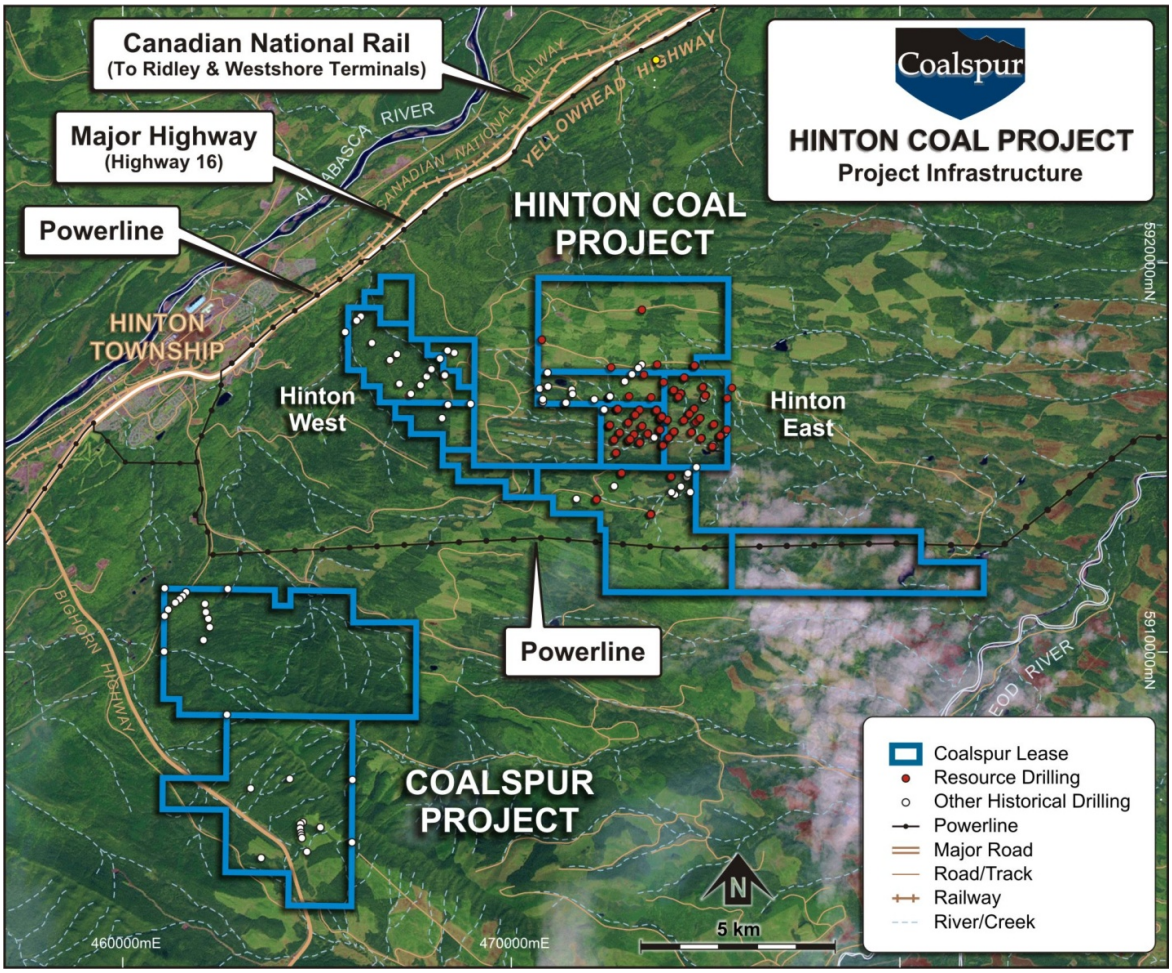

Figure 2: HCP Infrastructure

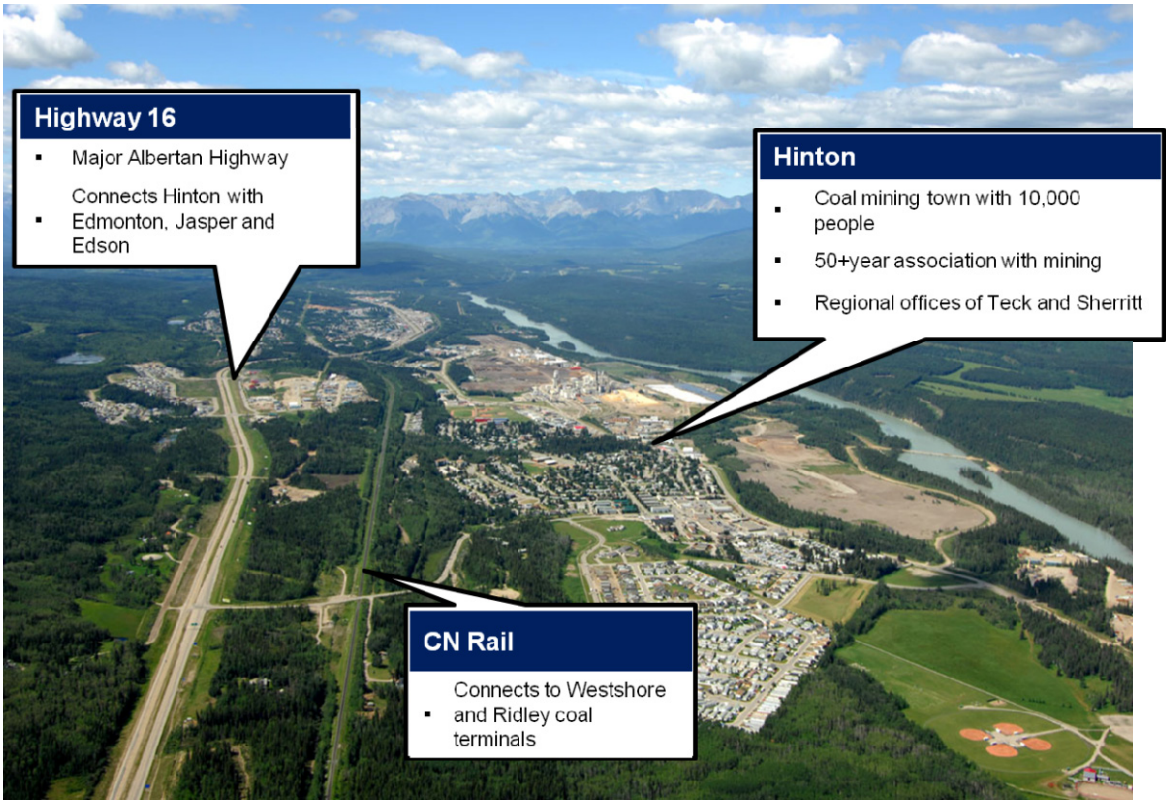

Figure 3: Hinton Township

Coal Resource Estimate

During the quarter the Company completed a Coal Resource estimate on Hinton West., which follows the Coal Resource estimate previously completed on Hinton East.

The combined Coal Resource estimates for the HCP now total 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.

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**").

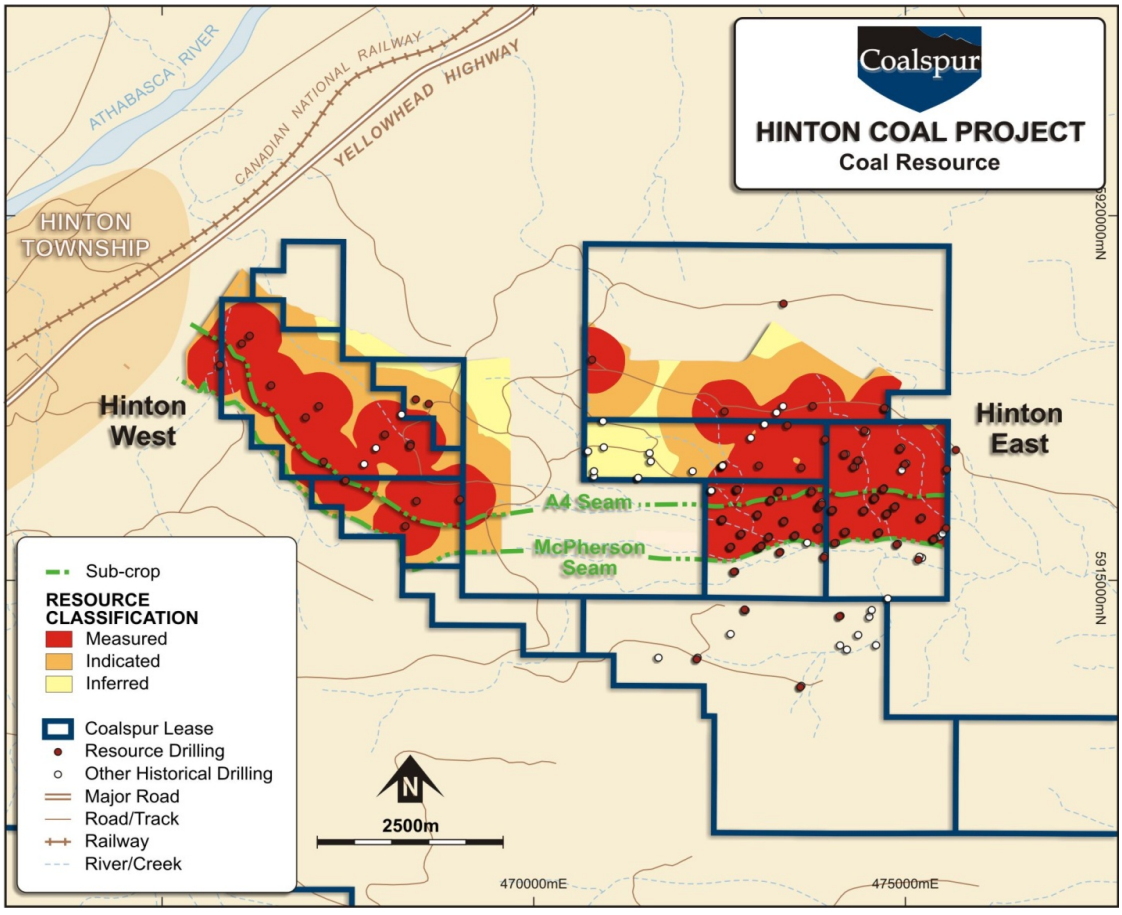

Figure 4: HCP Coal Resources

The Coal Resource estimates prepared by MMTS for the HCP have been based on:

- A total of 57 rotary and diamond drill holes (totalling 9,208m) previously drilled by Esso in the 1980's, comprising 11 diamond drill holes (totalling 1,367m) and 46 rotary drill holes (totalling 7,841m) on Hinton East;
- A total of 17 rotary and diamond drill holes (totalling 2,779m) previously drilled by Esso in the 1980's, comprising 4 diamond drill holes (totalling 470m) and 13 rotary drill holes (totalling 2,309m) on Hinton West;
- A 7.7:1 strip ratio pit (modelled using a 20:1 incremental cut-off strip ratio) and a 8.4:1 strip ratio pit (modelled using a 20:1 incremental cut-off strip ratio) on Hinton West;
- A modelled pit using 45° walls and set up such that only coal within the HCP leases is mined (and assuming that waste in the pit wall can be mined on neighbouring properties);
- A minimum mineable seam thickness of 0.5m. Canadian standards require a minimum mineable seam thickness of 0.45m;
- 8 of the 22 modelled coal seams at Hinton East and 8 of the 22 modelled coal seams at Hinton West were determined by MMTS to be potentially mineable at this stage;
- A minimum removable parting thickness of 0.3m (partings less than 0.3m are included in the coal seam); and
- A range of specific gravity values from 1.38 (for seam B1) to 1.60 (for seams 10, A2, McLeod and McPherson).

The current work plan going forward will include additional interpretation of the Esso data, reclassification of the land category on Hinton West and the commencement of a work program over the HCP to allow us to update our database and apply modern methods to the coal processing and mining scenarios (as all previous data was based on 1980 methods).

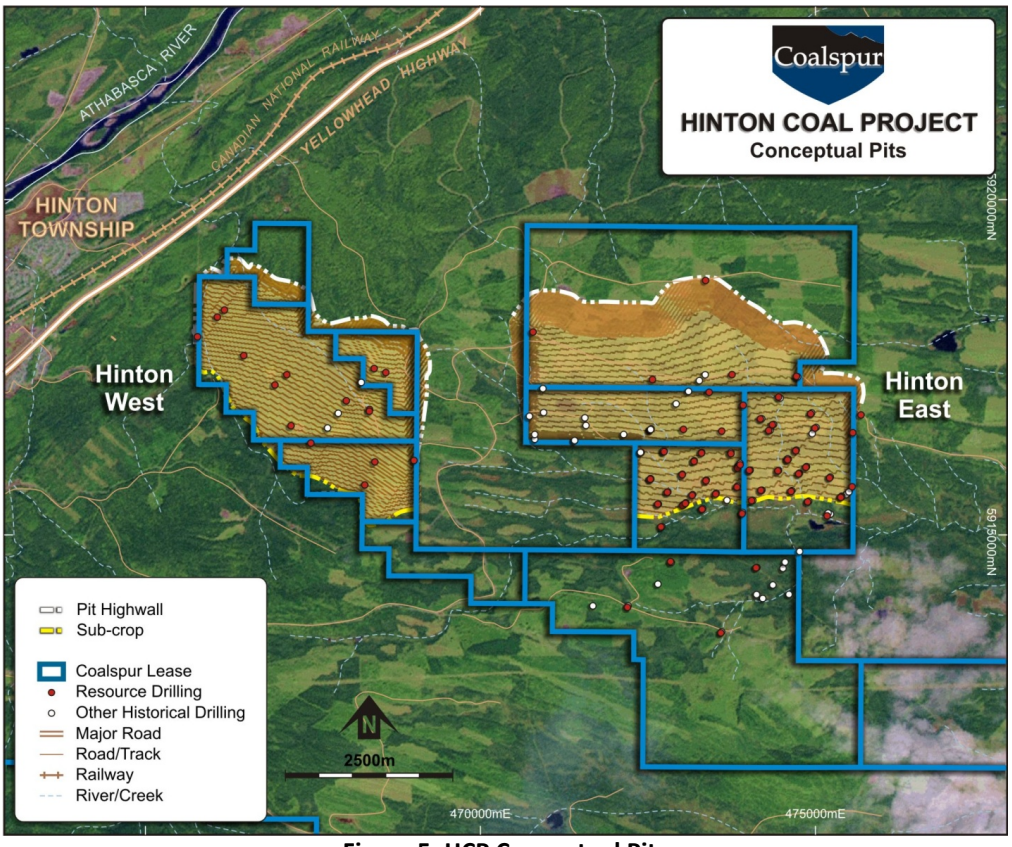

Figure 5: HCP Conceptual Pits

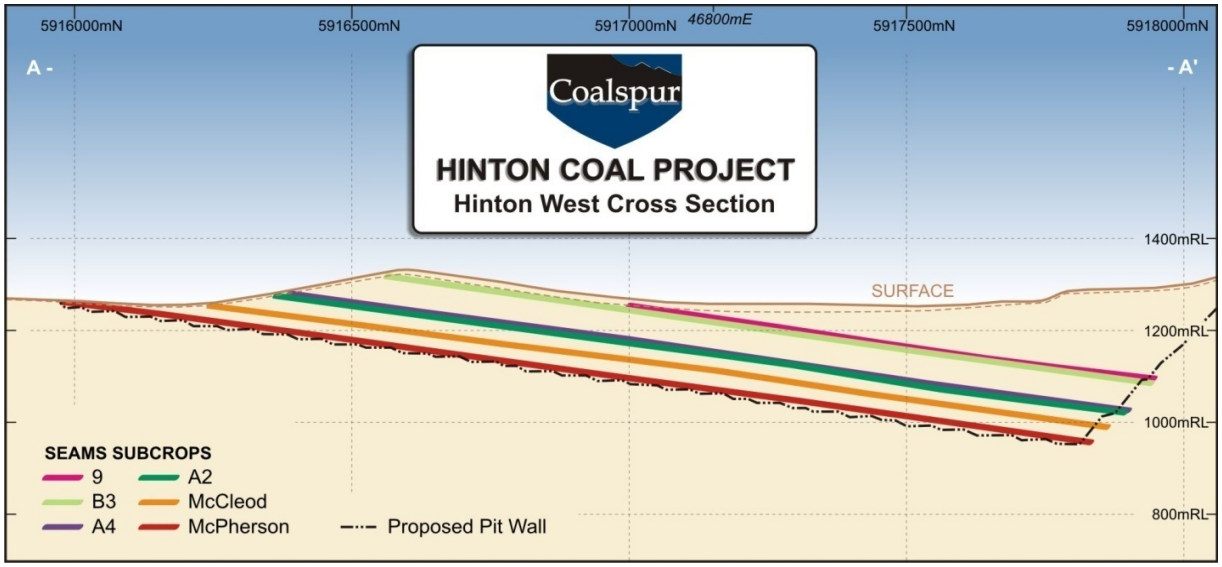

Figure 6: Hinton West Cross Section

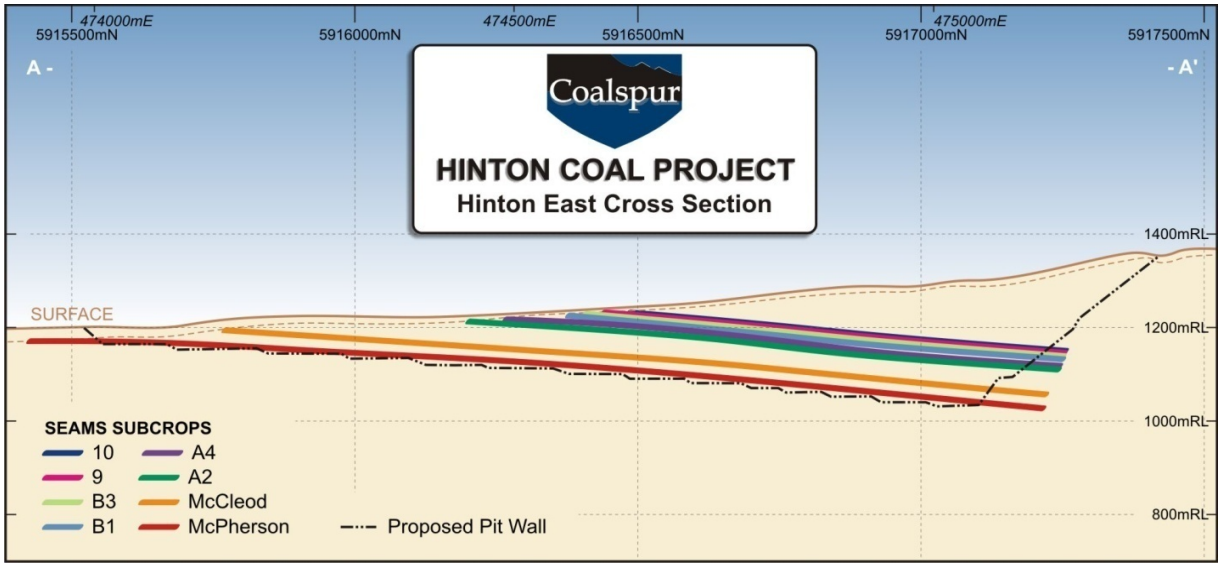

Figure 7: Hinton East Cross Section

Coal Quality

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:

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**

Forecast yield is expected to be at least 50% based on the current Coal Valley operations in the region. It is noted that further test work and engineering will be conducted during the scoping and feasibility studies to confirm these conclusions. Additional core drilling will be carried out in early 2010 with follow-up washability and quality testing.

Importantly, the coal quality of this product is suitable for export into the lucrative Pacific Rim markets with both Coal Valley and Obed exporting a similar quality product into these markets. The qualities of this coal, including the low sulphur content, low ash and calorific value allow it to compete against coals that are currently exported from Australia and Canada into the tier one Japanese and South Korean markets. These markets require high quality bituminous coals and are known for paying premium prices. In addition the HCP is well situated to export into the growing Chinese and South East Asian thermal export markets.

Scoping Study

The Company has commenced work on a mining scoping study on the HCP. The study will focus on the existing defined JORC resource on the HCP and will be completed by international mining industry consultants Wardrop Engineering Inc. ("**Wardrop**").

Wardrop is an internationally recognised multi-disciplined engineering and consulting firm that provides innovative solutions for the natural resource management, energy, and infrastructure markets globally. Wardrop is a subsidiary of Tetra Tech, a leading provider of consulting, engineering, program management, construction and technical services. The combined companies have more than 10,000 employees worldwide and capabilities that span the entire project lifecycle. Wardrop has provided services to a number of major international coal companies.

Wardrop's revised scoping study will examine the following key areas:

- Geology & Resource Modeling;
- Mine Planning and Production;
- Metallurgy (Process Design);
- Process Facilities;
- Infrastructure and Ancillary Facilities;
- Environmental Considerations;
- Regulatory Issues;
- Capital Cost Estimates;
- Operating Cost Estimates;

- Project Development Schedule; and
- Financial Analysis.

The Company previously announced that Norwest Corporation would undertake the scoping study, however the Company's recently appointed Managing Director and CEO, Mr Gene Wusaty, considers that Wardrop's multi-disciplined engineering and technical consulting services provide a 'one-stop shop' for the Company and the ability to take the HCP from concept through design and construction into maintenance and monitoring.

Given Wardrop's existing association with MMTS who prepared the HCP's Coal Resource estimates for the Company, the study is expected to be completed late in the December 2009 quarter. Upon completion of the scoping study the Company will undertake a pre-feasibility study, which is expected to be completed in mid 2010.

Geology

The HCP is located in the outer foothills of the Rocky Mountain thrust belt. The rocks form part of a thick sequence of continental sediments from the Saunders Group that overlies the marine Wapiabi Formation of the Alberta Group. The Upper Cretaceous-Tertiary Saunders Group is over 3,600m thick and is divisible into the Brazeau, Coalspur and Paskapoo formations. Although all three units include carbonaceous partings and thin coal seams, major coal deposits are restricted to the Coalspur and Paskapoo formations.

The Coalspur Formation is approximately 600m thick. A lack of mapable marker horizons, the similarity of lithologies, poor or localized outcrop exposure and incomplete sections have been the challenge of mapping the Coalspur Formation. The coal-bearing portion of the Coalspur consists of about 250m of interbedded sandstones, siltstones, mudstones, bentonitic horizons and coal, very similar to the underlying Brazeau Formation. The only significant difference is the presence of several thick coal zones with a stratigraphic interval of 250m. This coal zone is 275m above the Entrance conglomerate which forms the base of the Coalspur Formation.

The Coalspur Formation outcrops along the eastern margin of the outer foothills belt of the Rocky Mountains. Structurally, the strata in the Hinton-Coalspur area are controlled by two regional folds: the Entrance Syncline and the Prairie Creek Anticline. The regional strike is 300° and the coal dips to the northeast at 6° to 10°. There is a fault southwest of the property called the Pedley Fault that disrupts the Prairie Creek Anticline with movement in the order of 250 metres. However, on the Hinton property only minor thrust faults have been encountered in drillholes.

Coal Valley Region

The HCP is located in the heart of Coal Valley which has been a major Canadian coal mining province since the 1920's having produced in excess of 300 million tonnes of coal. Currently the region produces in excess of 6mtpa of coal for export which is split between two mines: Coal Valley and Cardinal River.

Furthermore, in the second half of 2009 the Obed mine is expected to be brought back into production and will be exporting coal from its rail load-out terminal which is approximately 10km to the North East of the HCP. All the mines in the area are at a mature stage of development with some having been producing and exporting coal for over 30 years. Coalspur may have the opportunity to leverage off these existing assets which may include access to third party infrastructure, mobile equipment and personnel.

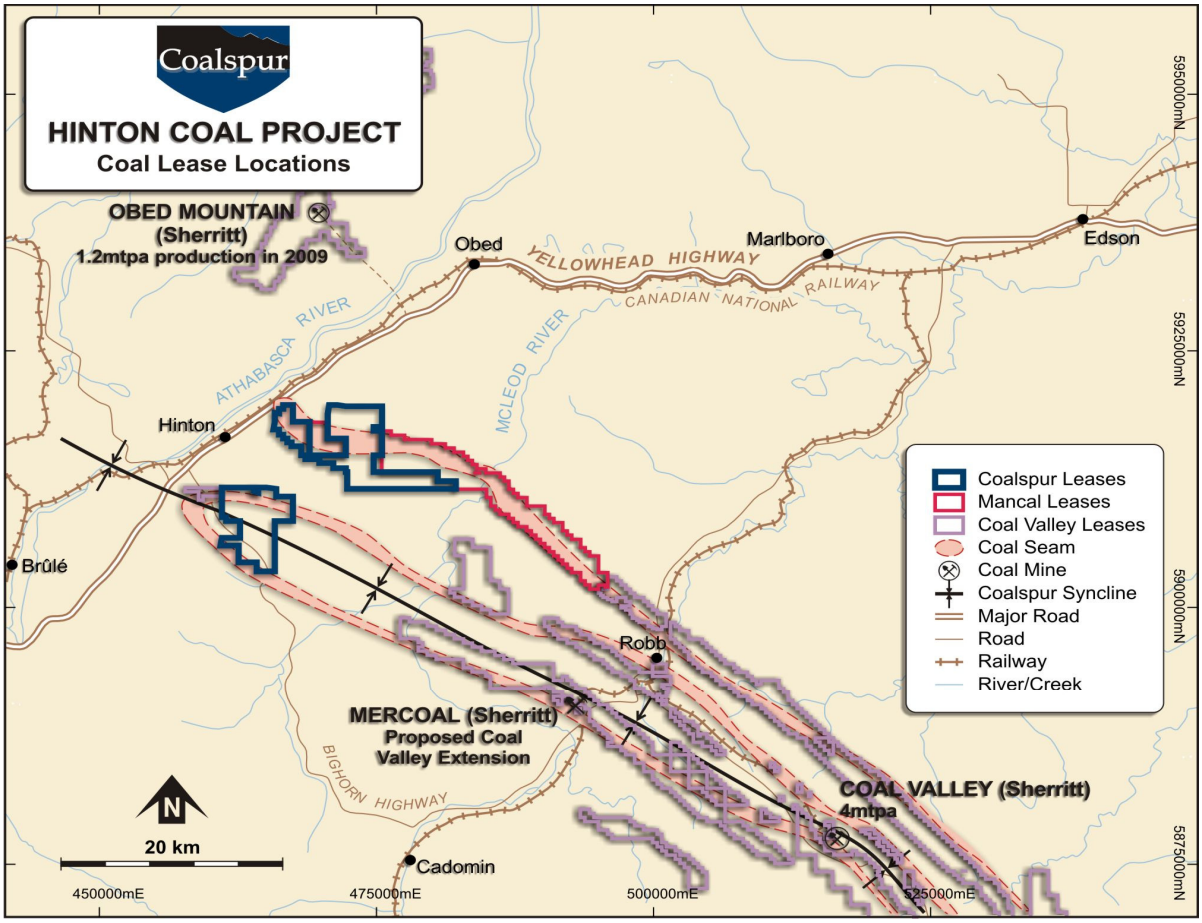

Figure 8: HCP Lease Locations

Thermal Coal Markets

During the quarter thermal coal demand strengthened in the Asia Pacific region with thermal coal prices on the uptrend.

This increased demand has been a result of various factors including a revival in Asian based steel production, particularly China, which has led to a decreased supply of PCI and semi soft coal entering the thermal market, and low Australian export coal stock levels.

The board believes that the HCP is well placed to leverage off the increasing thermal coal demand in the Asia Pacific region.

COALSPUR PROJECT

The Coalspur Project ("**CSP**") comprises coal leases covering an area of approximately 3,424 hectares located approximately 6km south west of the CSP (refer Figure 2).

The CSP was subject to previous drilling by Denison Mines Ltd in the 1980's. A detailed geological review has been initiated and an assessment of the available geological information will be completed during the December 2009 quarter, which will leverage off the existing drilling data available from previous drilling within the CSP leases.

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.

The Company continues to identify other prospective areas in the region.

The information in this report that relates to Exploration Results, Coal Resources or Coal Reserves 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 consultant working for Moose Mountain Technical Services. 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.

Rule 5.3

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")

30 SEPTEMBER 2009

Consolidated statement of cash flows

	Cash flows related to operating activities	Current quarter $A'000	Year to date (3 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for		
	(a) exploration and evaluation	(213)	(213)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(154)	(154)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	9	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)		
	- Business Development	(77)	(77)
	Net Operating Cash Flows	(435)	(435)
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(3)	(3)
1.9	Proceeds from sale of:		
	(a)prospects	-	-
	(b)equity investments	73	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	70	70
1.13	Total operating and investing cash flows (carried forward)	(365)	(365)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(365)	(365)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,200	2,200
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	(76)	(76)
	Net financing cash flows	2,124	2,124
	Net increase (decrease) in cash held	1,759	1,759
1.20	Cash at beginning of quarter/year to date	541	541
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	**Cash at end of quarter**	2,300	2,300

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	102
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.

+ See chapter 19 for defined terms.

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	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	500
4.2	Development	-
	Total	**500**

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	293	241
5.2	Deposits at call	2,007	300
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: cash at end of quarter (item 1.22)	2,300	541

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				
6.2	Interests in mining tenements acquired or increased				

* *Beneficial interest only – legal title will not be transferred to the Company until all contingent payments required under the acquisition agreement have been made.*

+ See chapter 19 for defined terms.

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** *(description)*	82,500,000	-	$0.0001	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	**+Ordinary securities**	256,521,399	256,521,399	Not applicable	Not applicable
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	20,000,000	20,000,000	$0.11	$0.11
7.5	**+Convertible debt securities** (*description)*				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	**Options** *(description and conversion factor)*			*Exercise price*	*Expiry date*
		57,993,867	57,993,867	$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
7.8	Issued during quarter			*Exercise price*	*Expiry date*
		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
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	**Debentures** *(totals only)*				
7.12	**Unsecured notes** *(totals only)*				

+ 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 October 2009
(~~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.

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+ See chapter 19 for defined terms.