



COALSPUR MINES LIMITED

**FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2009**

ABN 73 003 041 594

CORPORATE DIRECTORY

Directors

Mr Ian Middlemas – Chairman
Mr Eugene (Gene) Wusaty – Managing Director & CEO
Mr Anastasios (Taso) Arima – Executive Director
Mr Mark Pearce – Non-Executive Director

Company Secretary

Mr Mark Pearce

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Solicitors

Hardy Bowen Lawyers

Auditor

Deloitte Touche Tohmatsu

Bankers

Australia and New Zealand Banking Group Limited

Stock Exchange Listing

Australian Securities Exchange
ASX Codes: CPL – Ordinary Shares
CPLO – Listed Options

CONTENTS

	Page
Directors' Report	1
Directors' Declaration	7
Condensed Statement of Comprehensive Income	8
Condensed Statement of Financial Position	9
Condensed Statement of Changes in Equity	10
Condensed Statement of Cash Flows	11
Notes to the Financial Statements	12
Auditor's Independence Declaration	17
Independent Auditor's Review Report	18

DIRECTORS' REPORT

The Board of Directors of Coalspur Mines Limited present their report on Coalspur Mines Limited ("Company" or "Coalspur") and the entities it controlled during the half year ended 31 December 2009 ("Consolidated Entity").

DIRECTORS

The names and details of the Company's directors in office at any time during the financial year or since the end of the financial year are:

Mr Ian Middlemas	Non-Executive Chairman
Mr Eugene (Gene) Wusaty	Managing Director and Chief Executive Officer (appointed 17 August 2009)
Mr Anastasios (Taso) Arima	Executive Director
Mr Mark Pearce	Non-Executive Director and Company Secretary
Mr Peter Woodman	Non-Executive Director (resigned 31 August 2009)

Unless otherwise stated, Directors held their office from 1 July 2009 until the date of this report.

REVIEW AND RESULTS OF OPERATIONS

Review of Operations

During the half year, the Company continued the aggressive exploration and development of its Hinton Coal Project ("HCP" or "Project") located in Alberta, Canada.

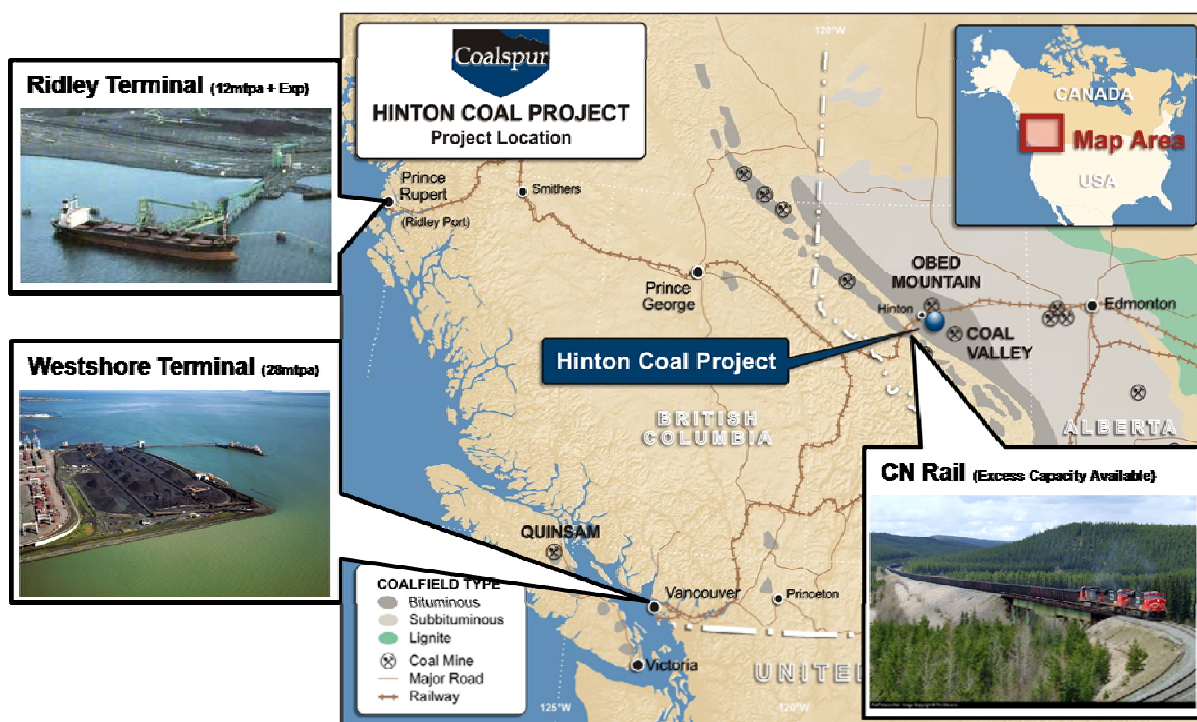


Figure 1: Hinton Coal Project Location



REVIEW AND RESULTS OF OPERATIONS (Continued)

Review of Operations (Continued)

Highlights during the half year and since the end of the half year include:

- Completed a Scoping Study on the Project which confirms the technical and economic viability of the Project, based on an annual production rate of 7.4Mtpa run-of-mine producing 4.0Mtpa saleable coal for a minimum 14 year mine life;
- Defined an additional Coal Resource estimate of 128.1 million tonnes of low sulphur, high volatile, bituminous C thermal coal, increasing the Company's total Coal Resource to 467.3Mt for the Project;
- Acquired additional coal leases covering 16,247 hectares adjacent to Coalspur's existing leases in Alberta, increasing the total size of the Company's projects to 24,647 hectares;
- Appointed Mr Gene Wusaty, a highly respected Canadian coal industry executive, as Managing Director and Chief Executive Officer;
- Appointed additional key management personnel, including Mr Denis Lehoux as Vice President, Operations and Mr Dermot Lane as Vice President, Development; and
- Completed placement of 25 million shares at \$0.32 each to raise \$8.0 million before costs.

The Company is currently completing a drill program on the HCP with coal quality and washability results expected to be released over the coming months. In addition the Company is assessing the potential for further Coal Resources on the Coalspur Project ("**CSP**").

Hinton Coal Project

The 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.

HCP Scoping Study

Wardrop Engineering Inc. ("**Wardrop**") recently completed a Scoping Study on the Project based on an annual production rate of 7.4Mtpa run-of-mine producing 4.0Mtpa saleable coal for a minimum 14 year mine life.

The Scoping Study concentrated on the Hinton East and West regions of the HCP consisting of an area of 4,967 ha which has a current Coal Resource estimate of 467.3 million tonnes of low sulphur, high volatile, bituminous C thermal coal.

Favourable geology, low strip ratios and existing infrastructure allow for low operating costs of approximately US\$46.80/t in the first five years of production and averages approximately US\$48.40/t free-on-board Ridley Island Coal Terminal over the life-of-mine. The costs are based on existing CN Rail haulage capacity and existing capacity at Ridley Island Coal Terminal at the Port of Prince Rupert.

The existing infrastructure has greatly reduced the Project's upfront fixed capital requirements, with capital expenditure for the coal handling and process plant and project infrastructure totalling US\$185 million. Wardrop has allowed a further US\$69 million for the Project's indirect costs, engineering, procurement and construction management ("**EPCM**") and Company costs during the development period. The Company will be looking at the use of a mining contractor or leasing options for an additional US\$151.6 million included in the study for mining equipment capital.

DIRECTORS' REPORT (Continued)



REVIEW AND RESULTS OF OPERATIONS (Continued)

Hinton Coal Project (Continued)

HCP Scoping Study (Continued)

Production Parameters	
ROM Coal Production Rate	7.4Mtpa
Saleable Coal Production Rate	4.0Mtpa
Life of Mine ("LOM")	14 years

Operating Costs	
US\$/t FOB Ridley Island Coal Terminal	
Coal and Waste Mining	21.3
Coal Handling and Processing	3.5
General and Administrative	0.9
Reclamation	0.9
Rail Transportation (CN Rail)	17.4
Port Costs (Ridley Island Coal Terminal)	4.4
FOB Operating Costs	48.4

Capital Costs	
	US\$ million
Breaker Station & Stockpiles	13.9
Coal Wash Plant	30.7
Clean Coal Dryer	18.4
Clean Coal Rail Load-out	21.4
Belt Conveyors	56.6
Overall Site	22.3
Miscellaneous Site	14.1
CN Rail Siding	7.2
Project CHPP & Infrastructure Capital	184.6
Project Indirects, EPCM & Owners Costs	69.3
Mining Equipment	151.6 million
Leasing and/or Contract Mining Options are being considered	

The Scoping Study did not include an additional 19,671 ha in the CSP leases which are now being evaluated for additional coal resources.

HCP Coal Resource

The combined Coal Resource estimates for the HCP totals 467.3 million tonnes of low sulphur, high volatile bituminous C thermal coal. Significantly, the Measured and Indicated Coal Resources represents 90% of the total Coal Resource.

HCP JORC Coal Resources					
	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	Inferred (Mt)	Measured, Ind. & 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").

DIRECTORS' REPORT (Continued)



REVIEW AND RESULTS OF OPERATIONS (Continued)

Hinton Coal Project (Continued)

HCP 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 with a forecast yield of at least 50%:

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

Coalspur Project and Additional Coal Leases

The CSP comprises coal leases covering an area of approximately 19,671 hectares located approximately 6km south west of the CSP and includes the additional coal leases acquired by the Company on 3 December 2009 in the Alberta governments public offering of crown coal lands.

The CSP was 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 early to 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.

A resource estimate for the CSP is currently being undertaken with completion expected in the March 2010 quarter.

Corporate

The following material corporate events occurred during the half year ended 31 December 2009:

- On 14 August 2009, the Company issued 20,000,000 ordinary shares at \$0.11 each to sophisticated investors to raise \$2.2 million before costs. This placement was ratified by shareholders at a General Meeting held on 30 September 2009;
- On 17 August 2009, Mr Eugene Wusaty was appointed Managing Director and Chief Executive Officer of the Company;
- On 31 August 2009, Mr Peter Woodman resigned as a Non-Executive Director of the Company;
- Following shareholder approval at a General Meeting held on 30 September 2009 the Company changed its name from "Xenolith Resources Limited" to "Coalspur Mines Limited";

DIRECTORS' REPORT (Continued)



REVIEW AND RESULTS OF OPERATIONS (Continued)

Corporate (Continued)

- Following shareholder approval at a General Meeting held on 30 September 2009 the Company granted the following Incentive Options to Mr Eugene Wusaty, Managing Director and Chief Executive Officer:
 - 2,750,000 Incentive Options exercisable at \$0.10 each on or before 31 December 2013, vesting immediately;
 - 2,750,000 Incentive Options exercisable at \$0.15 each on or before 30 June 2014, vesting after 8 months service;
 - 2,750,000 Incentive Options exercisable at \$0.20 each on or before 31 December 2014, vesting after 16 months service; and
 - 2,750,000 Incentive Options exercisable at \$0.25 each on or before 30 June 2015, vesting after 24 months service;
- On 30 September 2009, the Company granted 600,000 Incentive Options exercisable at \$0.50 each on or before 31 March 2011 to key consultants of the Company;
- On 9 October 2009, the Company issued 25,000,000 ordinary shares upon the conversion of 25,000,000 C class performance shares after achieving an independent estimation of 400Mt of coal resources that can be reported in accordance with the JORC Code; and
- On 24 November 2009, the Company completed the first tranche of a placement of 25,000,000 ordinary shares at \$0.32 each to raise \$8,000,000 before costs, consisting of 24,000,000 ordinary shares at \$0.32 each to predominately institutional investors. This first tranche of the placement was ratified by shareholders at a General Meeting held on 12 January 2010.

Operating Results

Net operating loss after tax for the half year ended 31 December 2009 was \$3,902,648 (2008: \$571,604). This loss is largely attributable to:

- (i) The Consolidated Entity's accounting policy of expensing exploration and evaluation expenditure incurred by the Consolidated Entity subsequent to the acquisition of the rights to explore and up to the commencement of feasibility studies. During the half year, exploration expenditure totalled \$2,239,071 (which includes non-cash share-based payment expenses of \$1,594,423); and
- (ii) The Consolidated Entity's accounting policy of expensing the value (estimated using a Binomial option pricing model) of share options granted to key employees and consultants. The value is measured at grant date and recognised over the period during which the option holders become unconditionally entitled to the options. During the half year, non-cash share-based payment expenses (excluding those classified as exploration costs) totalled \$1,224,247.

It is noted that all of the options granted to key employees and consultants during the half year had exercise prices above the respective share price of the Company at the time that the options were agreed to be granted.



SIGNIFICANT POST BALANCE DATE EVENTS

- On 15 January 2010, the Company issued 1,000,000 ordinary shares at \$0.32 each being the second tranche of a placement of 25,000,000 ordinary shares to raise \$8 million before costs. Shareholder approval for this second tranche of the placement was obtained at a General Meeting held on 12 January 2010 as the second tranche was to Mr Gene Wusaty and/or his nominees.
- On 10 February 2010, the Company announced the completion of a positive Scoping Study which confirmed the economic viability of the Company's Hinton Coal Project, based on an annual production rate of 7.4Mtpa run-of-mine producing 4.0Mtpa saleable coal for a minimum 14 year mine life.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors, Deloitte Touche Tohmatsu, , to provide the directors of Coalspur Mines Limited with an Independence Declaration in relation to the review of the half year financial report. This Independence Declaration is attached to and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read "Eugene Wusaty", written over a horizontal line.

EUGENE WUSATY
Managing Director & CEO

5 March 2010

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.

DIRECTORS DECLARATION



In accordance with a resolution of the Directors of Coalspur Mines Limited, I state that:

In the opinion of the Directors:

- (a) the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including:
 - (i) section 304 (compliance with accounting standards and Corporations Regulations 2001); and
 - (ii) section 305 (true and fair view); and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read "E. Wusaty", with a horizontal line drawn through it.

EUGENE WUSATY
Managing Director & CEO

5 March 2010

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2009



	Note	Half Year Ended 31 December 2009 \$	Half Year Ended 31 December 2008 \$
Continuing operations			
Interest revenue	3	51,708	63,853
Other income	3	16,136	-
Administration costs		(219,440)	(86,813)
Exploration and evaluation costs		(2,239,071)	(72,172)
Corporate costs		(1,351,747)	(117,750)
Business development costs		(154,655)	(246,029)
Other expenses	3	(5,579)	(112,693)
Loss before income tax		(3,902,648)	(571,604)
Income tax expense		-	-
Loss for the period		(3,902,648)	(571,604)
Other comprehensive income			
Net fair value gain/(loss) on available for sale financial assets		(7,885)	35,373
Net realised gains on available for sale financial assets transferred to income statement		(16,136)	-
Exchange differences on translation of foreign operations		1,307	(89)
Impairment losses on available for sale financial assets transferred to income statement		5,579	-
Income tax on other comprehensive income		-	-
Other comprehensive income for the period, net of tax		(17,135)	35,284
Total comprehensive loss for the period		(3,919,783)	(536,320)
Loss attributable to members of Coalspur Mines Limited		(3,902,648)	(571,604)
Total comprehensive loss attributable to members of Coalspur Mines Limited		(3,919,783)	(536,320)
Basic loss per share (cents per share)		(1.45)	(0.56)
Diluted loss per share (cents per share)		(1.45)	(0.56)

The above Condensed Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED 31 DECEMBER 2009



	Note	31 December 2009 \$	30 June 2009 \$
ASSETS			
Current Assets			
Cash and cash equivalents		8,728,598	540,567
Trade and other receivables		66,172	34,713
Total Current Assets		8,794,770	575,280
Non-Current Assets			
Exploration and evaluation assets		6,064,271	5,660,124
Property, plant and equipment		62,973	3,393
Available for sale financial assets		-	81,193
Total Non-Current Assets		6,127,244	5,744,710
TOTAL ASSETS		14,922,014	6,319,990
LIABILITIES			
Current Liabilities			
Trade and other payables		453,862	217,756
Provisions		9,407	600
Total Current Liabilities		463,269	218,356
TOTAL LIABILITIES		463,269	218,356
NET ASSETS		14,458,745	6,101,634
EQUITY			
Issued capital	4	25,614,113	16,155,889
Reserves		2,460,769	(340,766)
Accumulated losses		(13,616,137)	(9,713,489)
TOTAL EQUITY		14,458,745	6,101,634

The above Condensed Statement of Financial Position should be read in conjunction with the accompanying notes.

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2009

	Ordinary Shares \$	Performance Shares \$	Option Premium Reserve \$	Foreign Currency Translation Reserve \$	Investments Available For Sale Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2008	11,192,902	750	-	2,599	(23,373)	(7,785,449)	3,387,429
Net loss for the period	-	-	-	-	-	(571,604)	(571,604)
Net fair value gains on available for sale financial assets	-	-	-	-	35,373	-	35,373
Exchange differences on translation of foreign operations	-	-	-	(89)	-	-	(89)
Total comprehensive loss for the period	-	-	-	(89)	35,373	(571,604)	(536,320)
Balance at 31 December 2008	11,192,902	750	-	2,599	(23,373)	(7,785,449)	3,387,429
Balance at 1 July 2009	15,330,139	825,750	-	(359,208)	18,442	(9,713,489)	6,101,634
Net loss for the period	-	-	-	-	-	(3,902,648)	(3,902,648)
Net fair value losses on available for sale financial assets	-	-	-	-	(7,885)	-	(7,885)
Net realised gains on available for sale financial assets transferred to income statement	-	-	-	-	(16,136)	-	(16,136)
Impairment losses on available for sale financial assets transferred to income statement	-	-	-	-	5,579	-	5,579
Exchange differences on translation of foreign operations	-	-	-	1,307	-	-	1,307
Total comprehensive loss for the period	-	-	-	1,307	(18,442)	(3,902,648)	(3,919,783)
Transactions with owners recorded directly in equity							
Issue of ordinary shares	9,880,000	-	-	-	-	-	9,880,000
Share issue costs	(516,517)	-	-	-	-	-	(516,517)
Issue of ordinary shares on exercise of listed options	94,741	-	-	-	-	-	94,741
Issue of ordinary shares on conversion of performance shares	825,000	(825,000)	-	-	-	-	-
Recognition of share-based payments	-	-	2,818,670	-	-	-	2,818,670
Balance at 31 December 2009	25,613,363	750	2,818,670	(357,901)	-	(13,616,137)	14,458,745

The above Condensed Statement of Changes in Equity should be read in conjunction with the accompany notes.



CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009



	Half Year Ended 31 December 2009 \$	Half Year Ended 31 December 2008 \$
Cash flows from operating activities		
Payments to suppliers and employees	(1,012,809)	(592,314)
Interest received	50,140	63,853
GST refunded	44,478	23,795
Net cash outflow from operating activities	(918,191)	(504,666)
Cash flows from investing activities		
Payments for exploration and evaluation assets	(420,605)	(201,735)
Payments for property, plant and equipment	(24,299)	-
Proceeds from sale of available for sale assets	73,307	-
Net cash outflow from investing activities	(371,597)	(201,735)
Cash flows from financing activities		
Proceeds from issue of shares	9,974,741	-
Payments for share issue costs	(514,648)	-
Net cash inflow from financing activities	9,460,093	-
Net increase/(decrease) in cash and cash equivalents held	8,170,305	(706,401)
Net foreign exchange differences	17,726	(89)
Cash and cash equivalents at the beginning of the half year	540,567	2,391,087
Cash and cash equivalents at the end of the half year	8,728,598	1,684,597

The above Condensed Statement of Cash Flows should be read in conjunction with the accompany notes.



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This general purpose financial report for the interim half year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report of Coalspur Mines Limited for the year ended 30 June 2009 and any public announcements made by Coalspur Mines Limited and its controlled entities during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Basis of Preparation of Half Year Financial Report

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

The accounting policies and methods of computation adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the company's annual financial report for the year ended 30 June 2009, other than as detailed below.

In the current year, the Consolidated Entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2009. The adoption of these new and revised standards has not resulted in any significant changes to the Consolidated Entity's accounting policies or to the amounts reported for the current or prior periods.

As a consequence of the adoption of AASB 101 *Presentation of Financial Statements (2007)* and its associated amending standards, the Consolidated Entity now presents a statement of comprehensive income.

2. SEGMENT INFORMATION

The Consolidated Entity has adopted AASB 8 *Operating Segments* with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

The Consolidated Entity operates in one operating segment and one geographical segment, being coal exploration in Canada. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Entity.

As a result, following the adoption of AASB 8, there has been no change in the Consolidated Entity's reportable segments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009



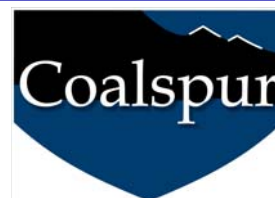
3. REVENUE, INCOME AND EXPENSES

	31 December 2009 \$	31 December 2008 \$
(a) Revenue		
Interest revenue	51,708	63,853
(b) Other income		
Net gains of disposal of available for sale financial assets	16,136	-
(c) Other expenses		
Impairment losses	(5,579)	(112,570)
Foreign exchange losses	-	(123)
	(5,579)	(112,693)
(d) Share-based payments		
Share-based payments included in exploration and evaluation costs	(1,594,423)	-
Share-based payments included in corporate costs	(1,224,247)	-
	(2,818,670)	-

4. EQUITY SECURITIES ISSUED

	31 December 2009 \$	30 June 2009 \$
(a) Issued Capital		
306,705,666 (30 June 2009: 236,521,399) fully paid ordinary shares	25,613,363	15,330,139
Nil (30 June 2009: 25,000,000) C Class Performance Shares	-	825,000
25,000,000 (30 June 2009: 25,000,000) D Class Performance Shares	-	-
25,000,000 (30 June 2009: 25,000,000) E Class Performance Shares	-	-
7,500,000 (30 June 2009: 7,500,000) convertible performance shares	750	750
	25,614,113	16,155,889

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2009



4. EQUITY SECURITIES ISSUED (Continued)

	31 December 2009 \$	30 June 2009 \$
(b) Options		
56,809,600 (30 June 2009: 57,993,867) \$0.08 listed options expiring 30 June 2011	-	-
2,750,000 (30 June 2009: Nil) \$0.10 unlisted options expiring 31 December 2013	1,105,500	-
2,750,000 (30 June 2009: Nil) \$0.15 unlisted options expiring 30 June 2014	604,864	-
2,750,000 (30 June 2009: Nil) \$0.20 unlisted options expiring 31 December 2014	297,971	-
2,750,000 (30 June 2009: Nil) \$0.25 unlisted options expiring 30 June 2015	197,759	-
1,800,000 (30 June 2009: Nil) \$0.40 unlisted options expiring 31 December 2013	426,600	-
1,800,000 (30 June 2009: Nil) \$0.50 unlisted options expiring 30 June 2014	43,062	-
1,800,000 (30 June 2009: Nil) \$0.60 unlisted options expiring 31 December 2014	21,714	-
600,000 (30 June 2009: Nil) \$0.50 unlisted options expiring 31 March 2011	121,200	-
	2,818,670	-

(b) Movements in Ordinary Shares during the Past Six Months

Date	Details	Number of Ordinary Shares	Issue Price \$	\$
1 Jul 09	Opening Balance	236,521,399	-	15,330,139
14 Aug 09	Placement	20,000,000	0.110	2,200,000
9 Oct 09	Conversion of C class performance shares	25,000,000	0.033	825,000
20 Nov 09 to 24 Nov 09	Placement	24,000,000	0.320	7,680,000
1 Jul 09 to 31 Dec 09	Exercise of listed options	1,184,267	0.080	94,741
	Share issue costs	-	-	(516,517)
31 Dec 09	Closing Balance	306,705,666	-	25,613,363



4. EQUITY SECURITIES ISSUED (Continued)

(c) Movements in Performance Shares during the Past Six Months

Date	Details	Number of Performance Shares	Issue Price \$	\$
1 Jul 09	Opening Balance	82,500,000	-	825,750
9 Oct 09	Conversion of C class performance shares	(25,000,000)	0.033	(825,000)
31 Dec 09	Closing Balance	57,500,000	-	750

(d) Movements in Options during the Past Six Months

Date	Details	Number of Listed Options	Number of Unlisted Options	\$
1 Jul 09	Opening Balance	57,993,867	-	-
30 Sep 09	Grant of \$0.10 unlisted options	-	2,750,000	1,105,500
30 Sep 09	Grant of \$0.10 unlisted options	-	2,750,000	604,864
30 Sep 09	Grant of \$0.10 unlisted options	-	2,750,000	297,971
30 Sep 09	Grant of \$0.10 unlisted options	-	2,750,000	197,759
30 Sep 09	Grant of \$0.10 unlisted options	-	600,000	121,200
9 Oct 09	Exercise of \$0.08 listed options	(300,000)	-	-
30 Oct 09	Exercise of \$0.08 listed options	(700,000)	-	-
24 Nov 09	Exercise of \$0.08 listed options	(184,267)	-	-
24 Nov 09	Grant of \$0.10 unlisted options	-	1,800,000	426,600
24 Nov 09	Grant of \$0.10 unlisted options	-	1,800,000	43,062
24 Nov 09	Grant of \$0.10 unlisted options	-	1,800,000	21,714
31 Dec 09	Closing Balance	56,809,600	17,000,000	2,818,670

5. CONTINGENT LIABILITIES

There have been no changes to the contingent liabilities disclosed in the most recent annual financial report of the Company.

6. DIVIDENDS PAID OR PROVIDED FOR

No dividend has been paid or provided for during the half year (31 December 2008: nil).



7. SUBSEQUENT EVENTS AFTER BALANCE DATE

- On 15 January 2010, the Company issued 1,000,000 ordinary shares at \$0.32 each being the second tranche of a placement of 25,000,000 ordinary shares to raise \$8 million before costs. Shareholder approval for this second tranche of the placement was obtained at a General Meeting held on 12 January 2010 as the second tranche was to Mr Gene Wusaty and/or his nominees.
- On 10 February 2010, the Company announced the completion of a positive Scoping Study which confirmed the economic viability of the Company's Hinton Coal Project, based on an annual production rate of 7.4Mtpa run-of-mine producing 4.0Mtpa saleable coal for a minimum 14 year mine life.

Other than as disclosed above, at the date of this report there were no significant events occurring after balance date requiring disclosure.

The Board of Directors
Coalspur Mines Limited
Level 9, BGC Centre
28 The Esplanade
Perth WA 600

5 March 2010

Dear Board Members

Coalspur Mines Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Coalspur Mines Limited.

As lead audit partner for the review of the financial statements of Coalspur Mines Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants

Independent Auditor's Review Report to the Members of Coalspur Mines Limited

We have reviewed the accompanying half-year financial report of Coalspur Mines Limited, which comprises the condensed statement of financial position as at 31 December 2009, and the condensed statement of comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, selected explanatory notes and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the end of the half-year or from time to time during the half-year as set out on pages 7 to 16.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Coalspur Mines Limited's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Coalspur Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Auditor's Independence Declaration

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Member of
Deloitte Touche Tohmatsu

Deloitte.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Coalspur Mines Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Deloitte Touche Tohmatsu
DELOITTE TOUCHE TOHMATSU



Leanne Karamfiles
Partner
Chartered Accountants
Perth, 5 March 2010