ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 10 AUGUST 2010

INDEPENDENT STUDY CONFIRMS COAL QUALITY

*The Directors of Coalspur Mines Ltd. ("**Coalspur**" or "**Company**") are pleased to announce the completion of work on a coal quality study on the Company's Vista Coal Project (the "**Project**") located in Alberta, Canada. The program has successfully confirmed the export quality of the coal and importantly the test results have verified the reliability of the initial historical quality data which has been previously published by Coalspur. The Vista Coal Project contains 906 million tonnes JORC/43-101 resource of low sulphur, high volatile bituminous thermal coal of which 90% is in the measured and indicated categories.*

The study was completed by internationally recognized coal industry consultant Bob Leach. The evaluation, carried out on the Hinton East and West areas of the Vista Coal Project, was based on the core drilling program completed earlier this year and historical coal quality data. A prefeasibility study is currently underway which will incorporate the entire consolidated Vista Coal Project area and will be completed in the December 2010 quarter.

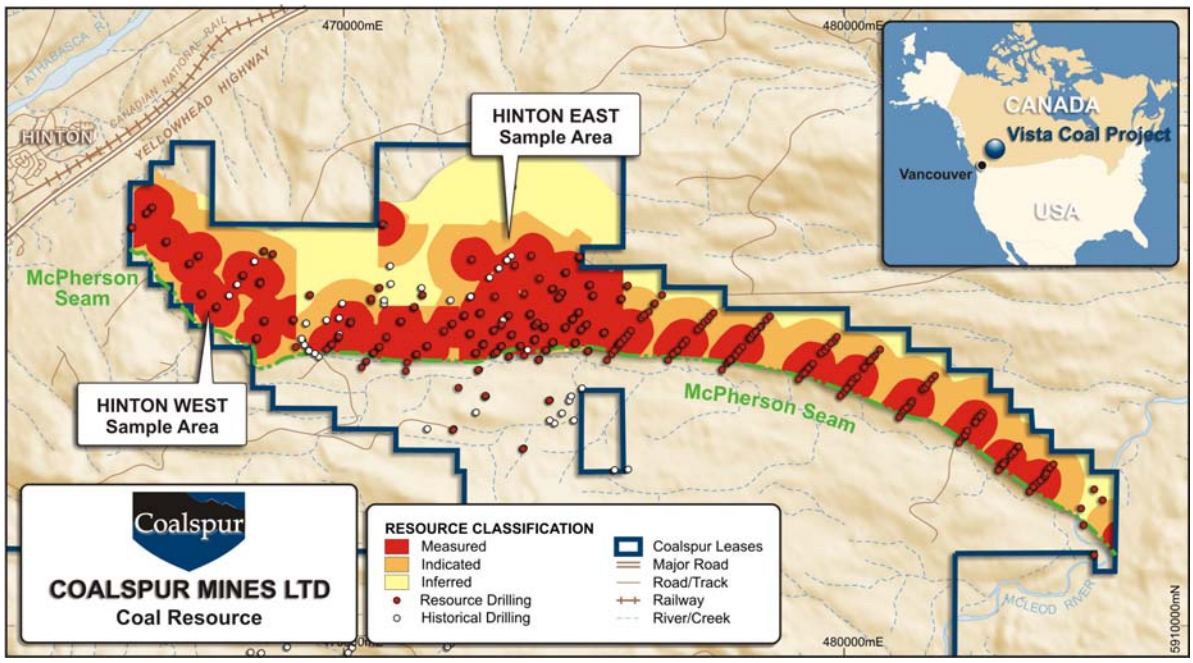

Figure 1: Vista Coal Project Coal Quality Indicative Locations

"The results validate the historical coal quality data from work completed in the 1981–1985 timeframe which was used in the recently completed Scoping Study," stated Gene Wusaty, Coalspur's Managing Director. "This updated information will now be incorporated into the prefeasibility study which recently commenced in July this year. A new drilling and bulk sample program is planned for later this year in preparation for the bankable feasibility study which is scheduled to start in early 2011."

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A preliminary product specification has been developed from the initial clean coal data from the 2010 program and the Esso historical clean coal results (see Table 1 below); a more detailed preliminary product specification can be found in Table 3. The product targets a calorific value of 5,750Kcal/kg to 5,850Kcal/kg at maximum 12.5% total moisture (gross as received ("gar") basis). Ash will typically be 9% to 11% gar. The product has low total sulphur (0.25% to 0.35% air dried ("ad") basis) and low chlorine (0.02% to 0.04% ad).

Table 1: Vista Coal Project Clean Coal Quality

Coal Characteristic	Basis	Specification
Total Moisture		11.5 – 12.5%
Air Dried Moisture		6.0 – 7.0%
Ash Content	gar	9.0 – 11.0%
Total Sulphur	ad	0.25 – 0.35%
Calorific Value	gar	**5,750 – 5,850 kcal/kg**

The specific seam yield information for the former Hinton East and West is included in Table 4. Val D'Or and McPherson Seams will be dedicated to the export thermal market. Arbour and McLeod seams (<10% of the deposit) will likely target a slightly lower energy product (5,400Kcal/kg to 5,500Kcal/kg gar). The Arbour Seam is only found in the west part of the deposit and is not always mineable due to thinning. At this time the McLeod Seam is planned to be marketed regionally. It was not included in the economics of the original Scoping Study but will now be included in the current Pre-Feasibility Study.

In summary, including 0.1m dilution and 0.1m coal loss, Val D'Or seam realised 54% and 57% yield (West and East Blocks respectively), 1.55 density cutpoint at CV_{gar} of approximately 5,800Kcal/kg. Run of mine ("ROM") ash increased from 29% to 33% and 26% to 30% (West and East Blocks respectively) on application of dilution and coal loss over the clean coal (no dilution) case.

McPherson seam realised 56% and 54% yield (respectively West and East Blocks) at a CV_{gar} of 5,720Kcal/kg to 5,750Kcal/kg. ROM ash increased from 29% to 33% and 27% to 29% (West and East Blocks respectively) on application of dilution and coal loss over the clean coal case.

The Arbour Seam in West Block realised 46% yield at 5,700Kcal/kg CV_{gar} and the McLeod Seam averaged 40% yield (both blocks) at approximately 5,450Kcal/kg.

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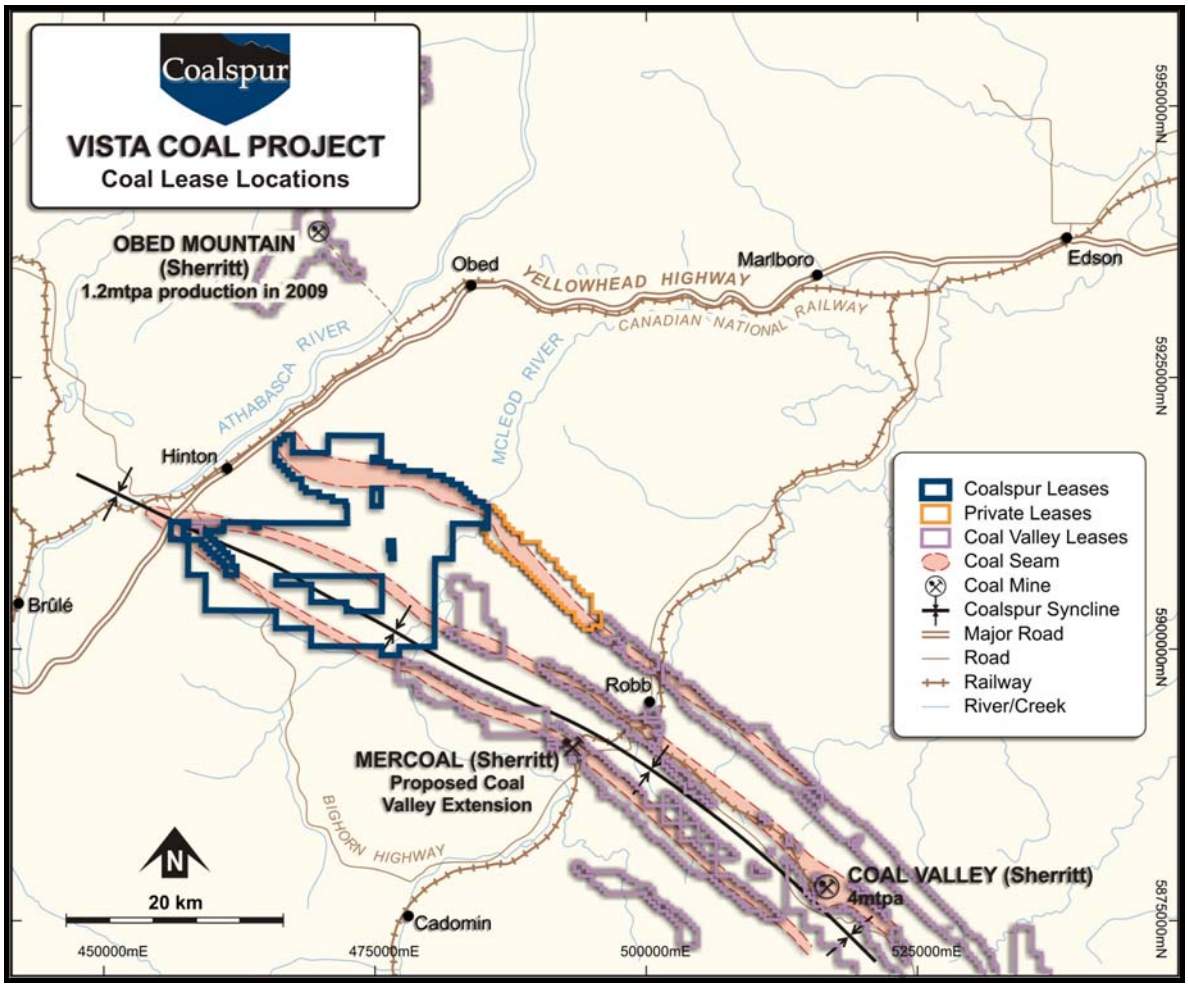
Managing Director & CEO



Coalspur Mines Limited is a coal exploration company focused on mining development of the Vista Coal Project in Alberta, Canada. The large bituminous thermal coal deposits in the Hinton, Alberta area are suited for export into the Asia coal markets. The location of the projects close to existing infrastructure and a major transportation corridor provides for a strategic project advantage.

The large bituminous thermal coal deposits in the Hinton, Alberta area are suited for export into the Asia coal markets. The location of the Vista Coal Project being close to existing infrastructure and a major transportation corridor provides for a strategic advantage over other export thermal coal developments globally.

Table 2: Coal Resource – Vista Coal Project

Resource Classification	Million Tonnes	%
Measured	533.3	59%
Indicated	279.3	31%
Measured and Indicated	**812.6**	**90%**
Inferred	93.1	10%
Total Measured, Indicated and Inferred	**905.7**	**100%**

Table 3: Preliminary Product Specification		
	Basis	**Specification**
Equilibrium Moisture %		9.5 – 10.5
Total Moisture %		11.5 – 12.5
Ash %	gar	9.0 – 11.0
Calorific Value Kcal/kg	**gar**	**5,750 – 5,850**
Calorific Value Kcal/kg	**daf**	**7,450 – 7,550**
Proximate Analysis		
Air Dried Moisture %		6.0 – 7.0
Ash %	ad	10.0 – 12.0
Volatile Matter %	ad	32.0 – 35.0
Volatile Matter %	daf	39.0 – 42.0
Total Sulphur %	**ad**	**0.25 – 0.35**
Ultimate Analysis		
Carbon %	daf	77.5 – 79.0
Hydrogen %	daf	4.8 – 5.2
Nitrogen %	daf	1.05 – 1.15
Sulphur %	daf	0.3 – 0.4
Oxygen %	daf	15.0 – 15.5
HGI	d	43 – 46
Ash Fusion (Reducing)		
Initial Deformation Temperature °C	d	1,210 – 1,260
Flow Temperature °C	d	1,440 – 1,480
Ash Chemistry (Oxide in Ash)		
Silicon %	d	58.0 – 62.0
Aluminium %	d	19.0 – 22.0
Iron %	d	3.0 – 4.0
Calcium %	d	4.0 – 8.0
Sodium %	d	2.0 – 2.7
Chlorine %	ad	0.02 – 0.04
Vitrinite RoMax	d	0.60 – 0.65

d – dry basis

daf – dry, ash free basis

Table 4: Practical Clean Coal Yield Case (including dilution)

Block	Seam	Feed		Product Centrifuge Discharge					Thermal Dryer Discharge			
		ROM Ash % (gar)	Total Moisture %	DMC Cut Point	Wet Yield %	Total Moisture %	Ash % gar	Calorific Value Kcal/kg gar	Wet Yield %	Total Moisture %	Ash % gar	Calorific Value Kcal/kg gar
West	Val D'Or	32.9	11.0	1.55	55.2	13.3	11.0	5693	**54.4**	**12.0**	**11.2**	**5779**
West	Arbour	40.8			43.2	13.4	12.3	5610	**42.5**		**12.5**	**5698**
West	McLeod	42.1			38.2	13.5	15.4	5370	**37.5**		**15.7**	**5465**
West	McPherson	30.8			57.1	13.3	12.1	5665	**56.2**		**12.3**	**5751**
East	Val D'Or	29.5	11.0	1.55	57.6	13.2	9.3	5750	**56.8**	**12.0**	**9.4**	**5832**
East	McLeod	43.5			39.6	13.4	15.3	5350	**39.0**		**15.5**	**5436**
East	McPherson	29.4			55.1	13.3	11.8	5637	**54.3**		**11.7**	**5720**

Note: Val D'Or and McPherson seams will be targeted for the export market whilst McLeod seam will target the domestic market

Competent Person Statements

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.

The information in this report that relates to Coal Quality is based on information compiled by Mr. Robert Leach, who is a Member of AusIMM Mr. Leach is a full-time employee of Bob Leach Pty Ltd, and is a consultant to Coalspur. Mr. Leach 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. Leach consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.