



ANNOUNCEMENT TO THE AUSTRALIAN SECURITIES EXCHANGE: 13 SEPTEMBER 2010

## **INITIAL DRILLING SUCCESSFULLY COMPLETED AT VISTA SOUTH BULK SAMPLE & DRILLING PROGRAM TO COMMENCE AT VISTA**

*Coalspur Mines Limited ("Coalspur" or "Company") is pleased to announce that it has successfully completed an initial stage 19 rotary hole drilling program at the Vista South Project ("VSP") which has been undertaken to:*

- *Assist the Company in delineating an initial resource estimates for the VSP;*
- *Enhance the geological understanding of the Entrance Syncline coal structure, which occupies the major portion of the VSP area;*
- *Conduct initial drilling activities on the newly acquired coal leases at VSP;*
- *Confirm the validity of the data from the substantial amount of historical drilling that has already been conducted on the VSP in the 1970's and 1980's.*

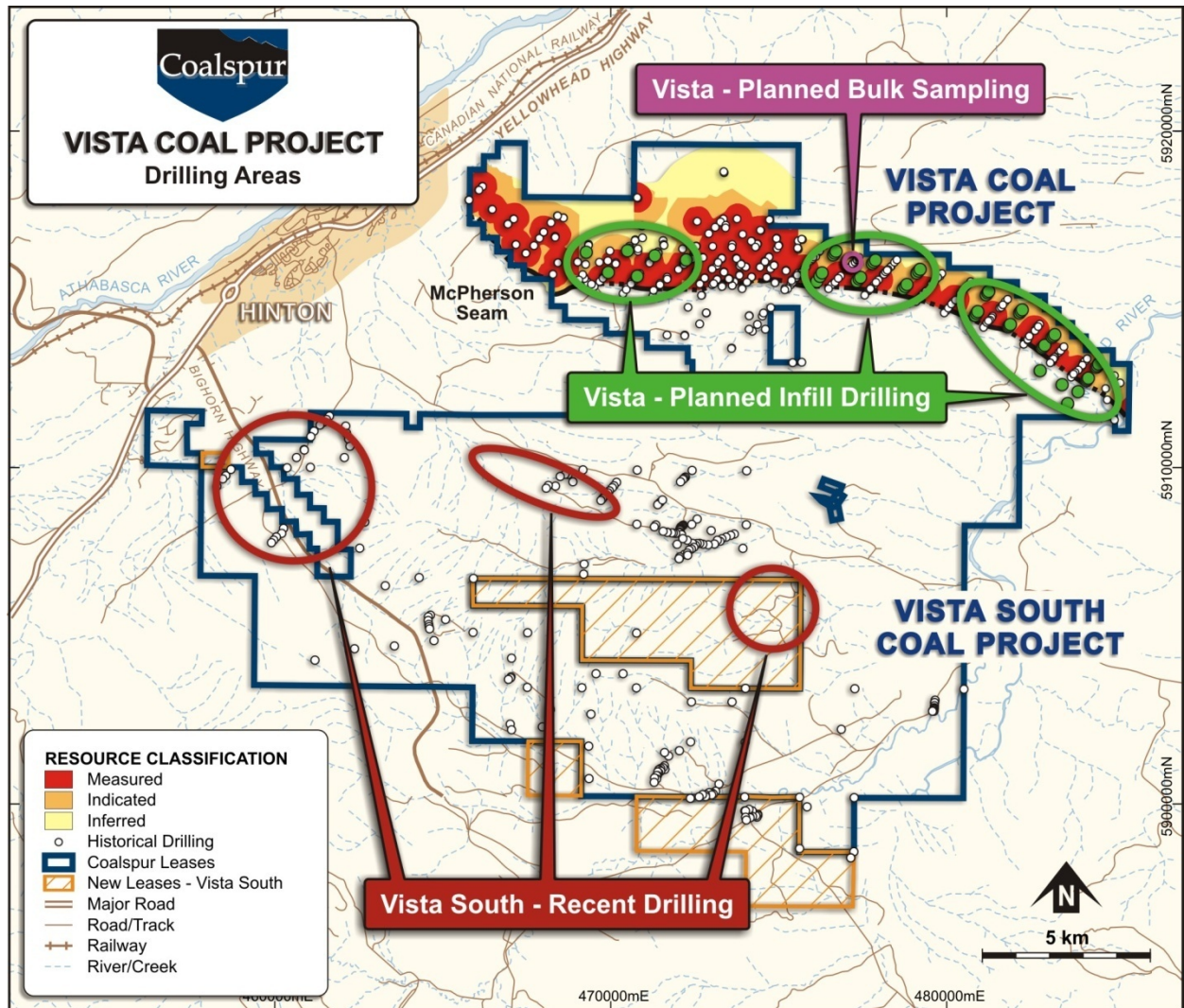
*The drilling rigs have now been mobilized to commence a rotary, core and a coal bulk sample program at the Vista Coal Project ("VCP"). VCP has a Coal Resource of over 900 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal with over 810 million tonnes (90%) of the resource in the Measured and Indicated category (see Table 1).*

*The development drilling program at VCP will include 46 rotary holes, 20 core holes and a bulk sample which is located close to sub-crop and is being completed to:*

- *Upgrade the resource classification of portions of the current Inferred / Indicated Coal Resource Categories to the Indicated / Measured Coal Resource categories;*
- *Allow further assessment of coal quality and product specification information in the initial mining area from the bulk samples;*
- *Deliver core samples for pilot plant testwork;*
- *Provide additional geological and geotechnical information to assist with the current Pre-Feasibility Study and upcoming Bankable Feasibility Study;*
- *Complete sterilisation drilling to determine coal boundaries in potential waste dump and haul road sites.*

*Commenting on the importance of this ongoing exploration activity, Gene Wusaty, Managing Director and CEO, said: "We are very pleased with how the initial drilling has progressed at the Vista South Project. The initial drilling program has been timely as we were also able to carry out some drilling on the newly acquired coal lease at VSP, which will be a great advantage going forward. The indications are positive with the information now being assessed to assist us in developing an initial resource estimate for this project."*

*"Within the week we will commence development drilling at the Vista Coal Project. This program will provide data on geological structure and also additional samples for quality analysis of the coal seams across the newly purchased assets. Washability tests will also be conducted on the samples to provide more data for the development of a process design specification for the Vista Coal Project's coal wash plant and provide technical information on the product to potential future customers."*



**Figure 1: Vista Coal Project Drilling and Bulk Sample Indicative Locations**

## VSP Drilling Program

The VSP is located immediately to the south of the Vista Coal Project. The drilling program (Figure 1) is designed to enhance the geological and resource understanding of the Entrance Syncline coal structure, which occupies the major portion of the VSP area. It involves drilling on the nose area on the northwest end of the property, and along the north limb of the syncline which has a very long strike length of approximately 24 kms.

The initial program includes 19 rotary drill holes targeting three specific areas. Results from this program are expected to be available in the December 2010 quarter and will be combined with the results from the drilling conducted on the VSP in the 1970s and 1980s.





***Figure 2: Drilling Rig at the Vista South Project***

Once the initial data has been interpreted the second phase of drilling will be initiated later in the year. The next phase will include additional rotary drilling for geology structure definition and some initial core drilling for coal quality testing.

### ***VCP Bulk Sampling and Development Drilling Program***

This program is designed to obtain a bulk sample and carry out an infill drilling program around the existing drilling on the newly acquired VCP leases. The drilling will be located within the VCP mine plan boundaries identified in the ongoing Pre-Feasibility Study (“PFS”). VCP has a Coal Resource of over 900 million tonnes of low sulphur, high volatile bituminous, export quality thermal coal with over 810 million tonnes (90%) of the resource in the Measured and Indicated category (see Table 1).

The program, which has now been mobilized includes 46 rotary holes, 20 core holes and a bulk sample. It is located close to sub-crop along the trend of the Val D’Or and McPherson seams which gently dip to the northeast.

The initial core drilling will take approximately one month to complete and lab and washability testing results are expected to be available by year end. The bulk sample will concentrate on the thickest and uppermost Val D’Or seam will be carried out using large diameter (15 cm) core drilling. The bulk sample is expected to be sent out for testing in October 2010.

The rotary holes will form part of the infill drilling required to upgrade the resource classification from Inferred / Indicated Coal Resource categories to Indicated / Measured Coal Resource categories.

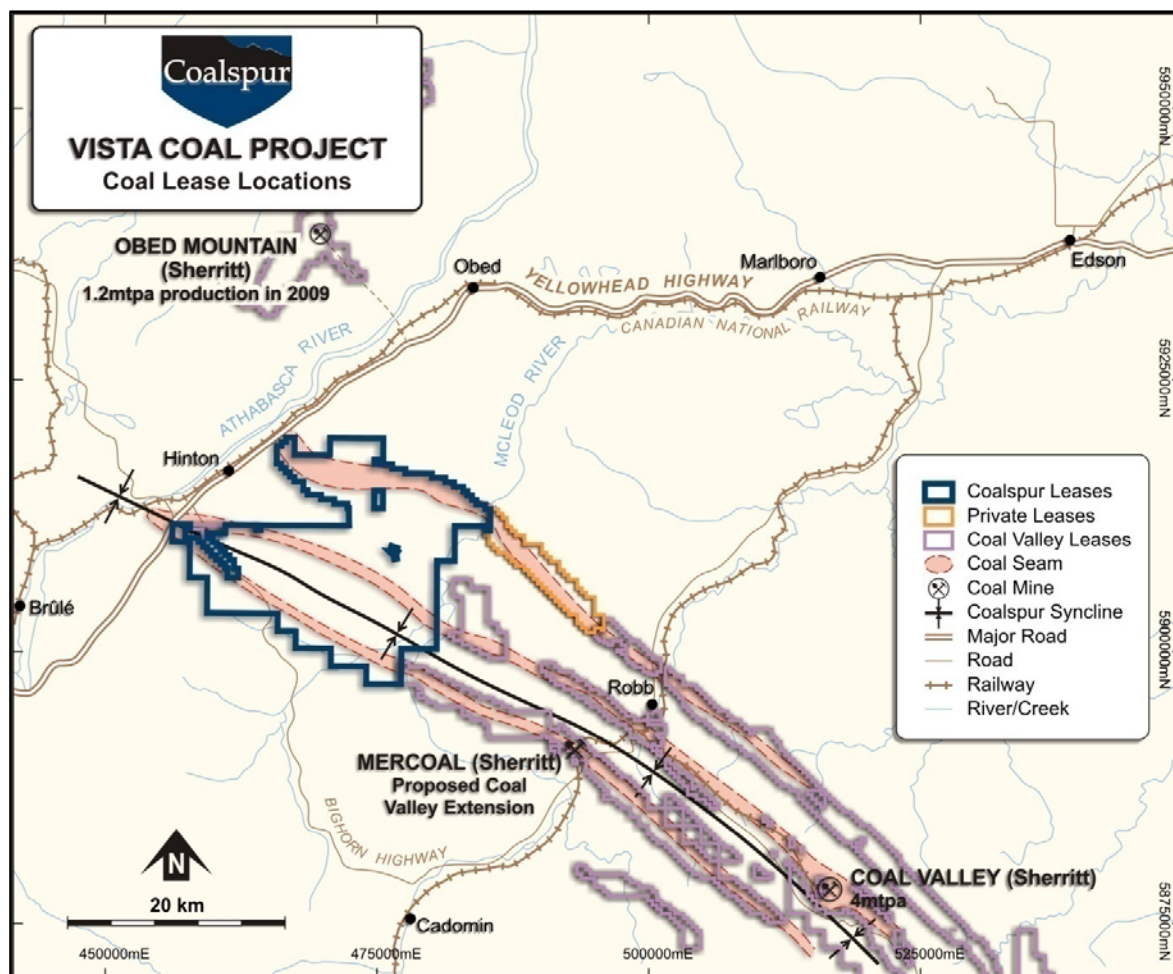


***Figure 3: Drilling Rig at the Vista South Project***



## About Coalspur

Coalspur is a coal exploration and development company with offices in Calgary and Hinton, Alberta, Canada and Perth, Western Australia. The Company has significant coal properties in the Coal Branch Region of west-central Alberta, which are currently the subject of a Pre-Feasibility Study with a goal to develop a major new thermal export coal mine to meet growing energy demands worldwide. The Company is listed on the Australian Securities Exchange ("ASX") under the symbol "CPL" and is pursuing a dual listing on the Toronto Stock Exchange ("TSX").



**Figure 4: Vista Coal Leases**

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<b>Table 1: Coal Resource – Vista Coal Project</b>		
<b>Resource Classification</b>	<b>Million Tonnes</b>	<b>%</b>
Measured	533.3	59%
Indicated	279.3	31%
<b>Measured and Indicated</b>	<b>812.6</b>	<b>90%</b>
Inferred	93.1	10%
<b>Total Measured, Indicated and Inferred</b>	<b>905.7</b>	<b>100%</b>

### **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.*