



HUNNU COAL

A NEW MONGOLIAN COAL COMPANY

Mines and Money, Beijing
June 2010

ASX:HUN

Company Profile

- Dedicated to developing coking and thermal coal projects in Mongolia.
- 160M shares issued.
- Management holds ~11 %.
- \$13M in cash and no debt to fund aggressive exploration programme and mine scoping study.
- Perth and Ulaanbaatar based, with operations team resident in Mongolia.
- Strong management team with a proven history of delivering successful coal projects.
- Dual listing on Hong Kong Stock Exchange in 12-18 months to increase the company's profile and awareness to international investors

Board of Directors

<p>Matthew Wood</p> <p>Executive Chairman</p>	<ul style="list-style-type: none"> ▪ BSc (Hons - Geology), Grad Certificate (Mineral Economics) ▪ 18+ years experience in the resources sector - both major and junior resource companies ▪ Currently a Director of Avanco Resources, Signature Metals, Copper Range, Laguna Resources and Voyager Resources 	<ul style="list-style-type: none"> ▪ 7.7m shares ▪ 500k options
<p>George Tumur</p> <p>Managing Director</p>	<ul style="list-style-type: none"> ▪ MSc (Mining), BSc (Metallurgical), Technical Degree (Mineral Processing) ▪ Experienced in senior management positions for various Mongolian mining companies, recently managed the development of a large coking coal deposit with over 400mt of reserves ▪ An intricate understanding of the mining and legal landscape in Mongolia ▪ Currently a Director of Voyager Resources 	<ul style="list-style-type: none"> ▪ 6.0m shares ▪ 500k options
<p>Timothy Flavel</p> <p>Executive Director / Company Secretary</p>	<ul style="list-style-type: none"> ▪ CA with 20+ years experience in mining and accounting ▪ Currently a Director of Signature Metals, Copper Range and Voyager Resources and Company Secretary of Copper Range, Voyager Resources and Black Range Minerals 	<ul style="list-style-type: none"> ▪ 4.9m shares ▪ 500k options
<p>Daniel Crennan</p> <p>Non Executive Director</p>	<ul style="list-style-type: none"> ▪ Barrister practicing in Melbourne and Perth with expertise in Corporations Law, Commercial Law, Trade Practices and Intellectual Property ▪ Has made submissions to the Joint Standing Committee on Treaties on behalf of the Law Council of Australia 	<ul style="list-style-type: none"> ▪ 0.2m shares ▪ No options

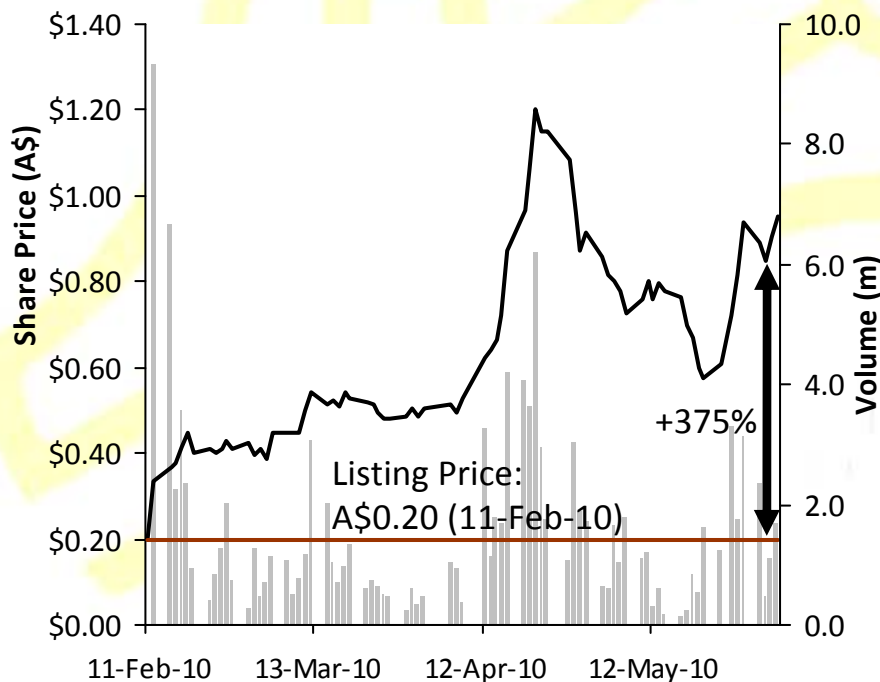
Trading Overview



Hunnu Coal's share price has significantly increased since listing in February 2010.

Share price / volume history (A\$; millions)

	High since listing	Listing price	30 day VWAP
Date	21-Apr-10	11-Feb-10	
Share price	\$1.28	\$0.20	\$0.90



Key statistics (A\$)

Ordinary shares on issue	3-Jun-10	160.5m
Fully diluted shares on issue ¹	3-Jun-10	177.5m
Share price	3-Jun-10	\$0.95
Market cap.	3-Jun-10	\$152.5m
Fully diluted market cap.	3-Jun-10	\$168.6m
Net debt / (cash)	31-Mar-10	\$(16.9)m
Undiluted enterprise value		\$135.5m
Diluted enterprise value²		\$148.3m

Directors' interests

Directors collectively hold 11.75% of the securities on issue

Major Shareholders

	No of Shares.	%
Matthew Wood	7,600,000	4.7%
George Tumur	6,000,000	3.7%
Azure Capital Investments	5,000,000	3.1%

1. All issued options are currently in-the-money.
 2. Includes A\$3.4m from the exercise of in-the-money options.
 Source: Bloomberg as at 3 June 2010, Company Announcements.

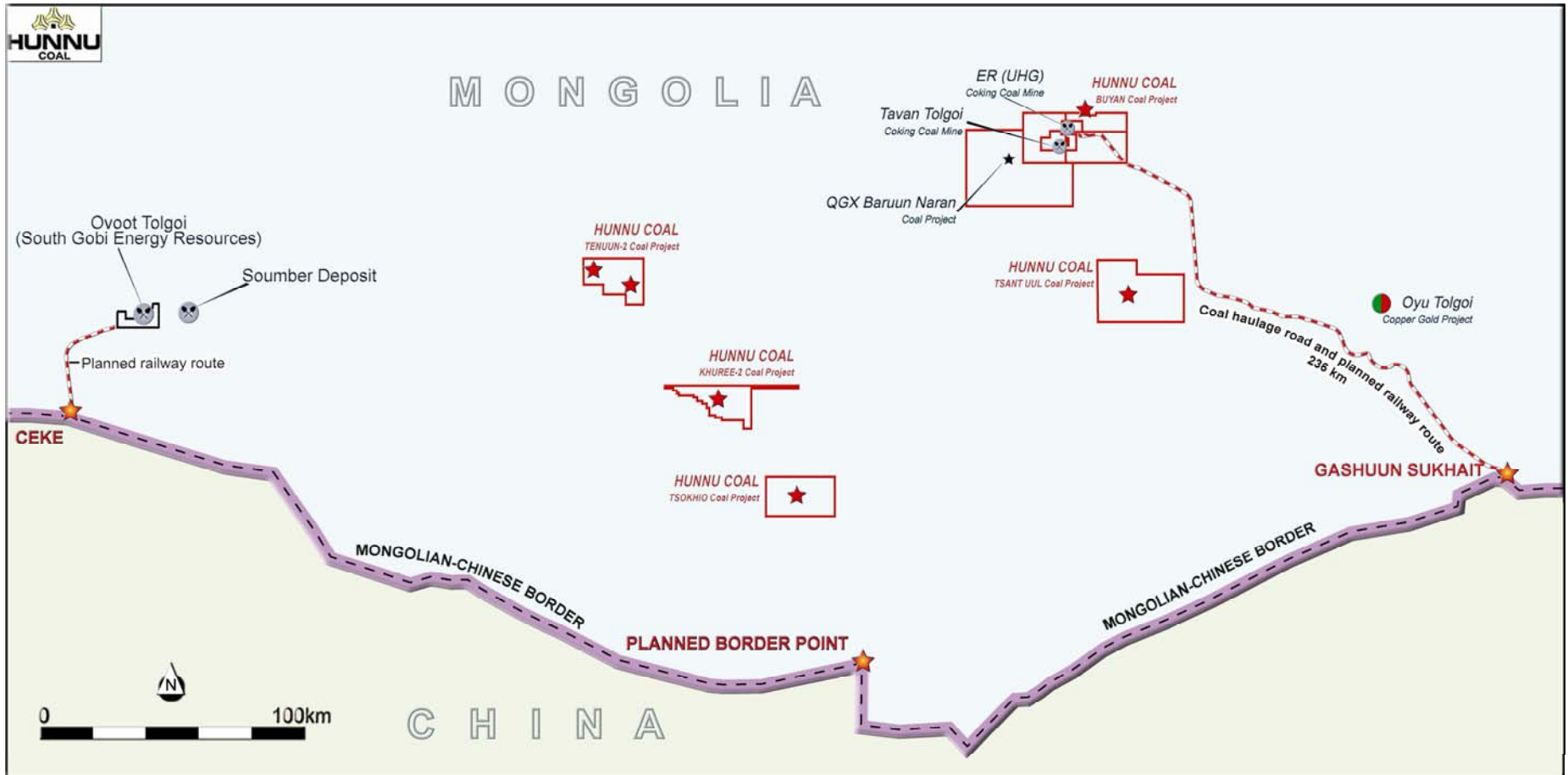
Hunnu Coal Projects



- South Gobi region: Tenuun-2 & Khuree-2, Toshio, Buyan and Tsant Uul
- Gobi Altai region: Ar Zuun Gol & Zuun Gol

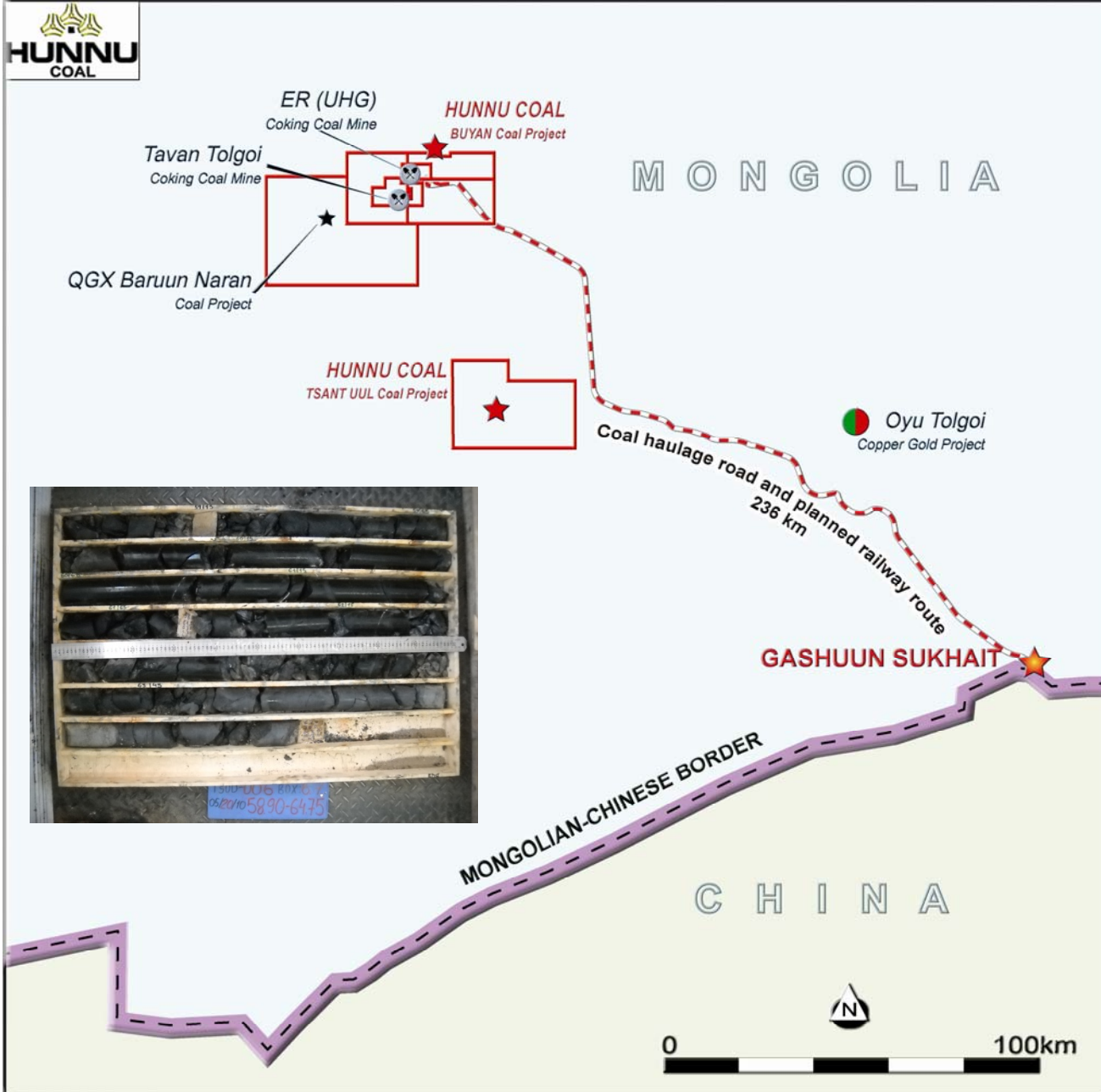
- South Eastern region: Unst, Erdenes, Tsagaan & Delgerekh
- Eastern region: Nariin, Munhhaan & Khavtsal

South Gobi Coal Projects



- Located in the coking coal rich South Gobi Province
- Aggressive exploration programmes commenced in May, 2010, targeting 100Mt to 150Mt* coal
- Initial JORC resource statement for Tenuun 2 to be released in the coming weeks.

South Gobi Coal Projects



- The Buyan Coal Project is located in 5 km north of the UHG Coking Coal Mine, developed by Energy Resources LLC
- Strategic location within the Giant Tavan Tolgoi Coking Coal Field
- The Tsant Uul Coal Project is located 40 km south of the Tavan Tolgoi Coking Coal Deposit and has a license area of 69,000Ha.
- 5 out of 7 drill holes completed in May by Hunnu intersected multiple coal seams, up to 22.8m in thickness.

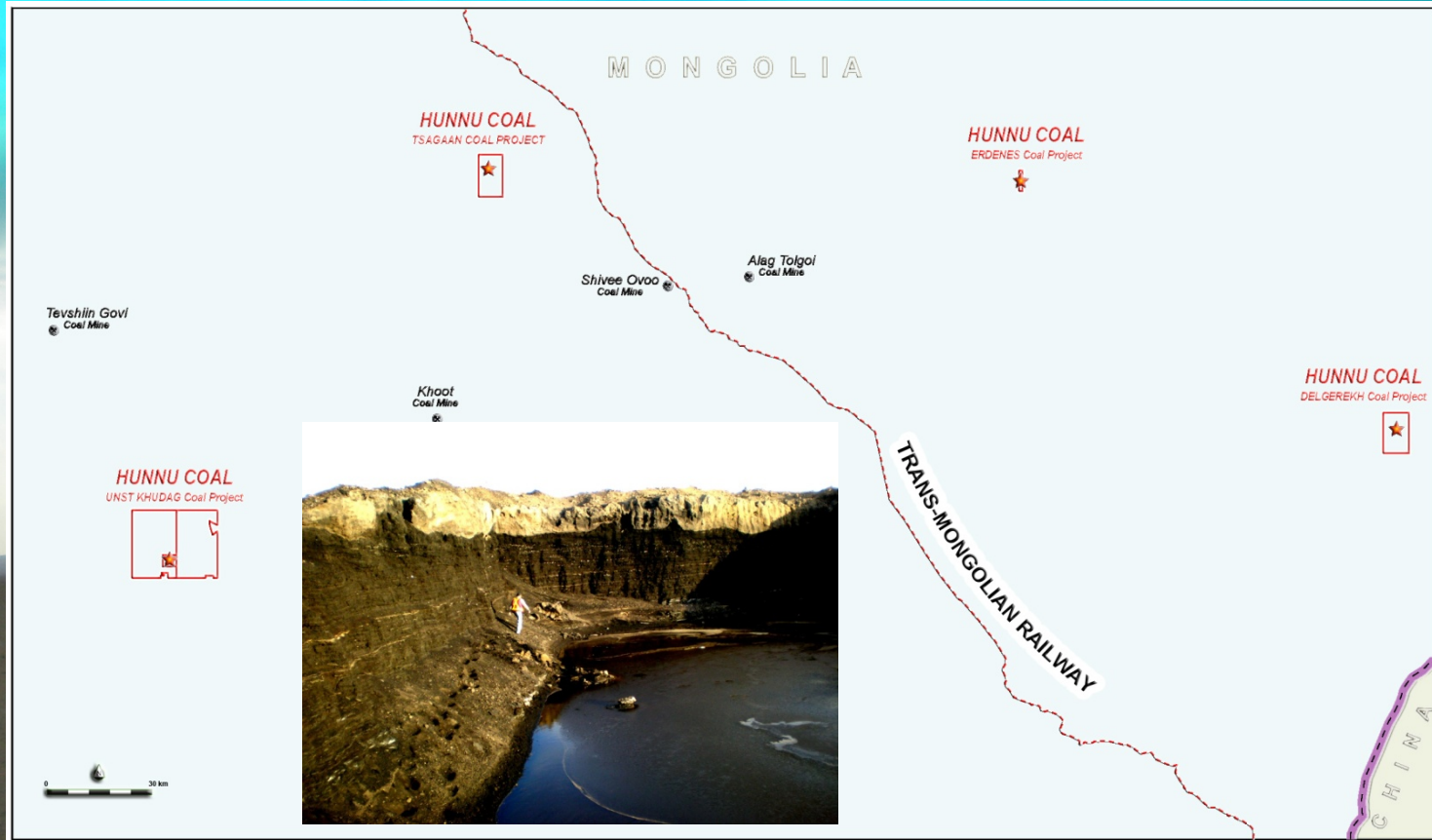
Unst Khudag Mine



- Consists of two Exploration Licenses and one Mining License covering over 59,000 hectares of area.
- Approved Mining Plan and Feasibility Study for the mining of 98.7Mt of coal.
- Hunnu is targeting first production from the Unst Khudag Coal Mine in the latter half of 2010.
- Exploration Target* of 250Mt to 500Mt.
- Exploration drilling programmes focused on expanding the size of the deposit to commenced this quarter.

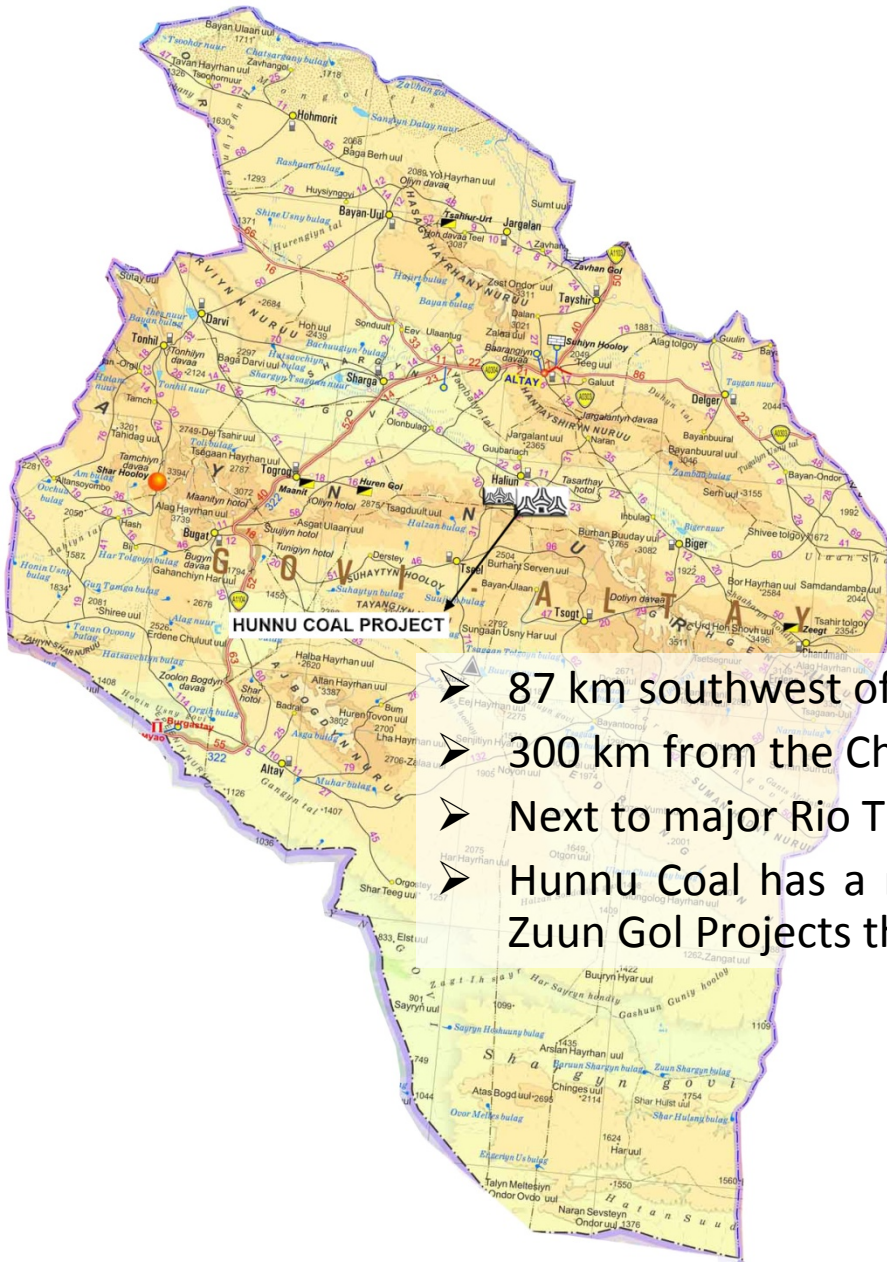


Unst Khudag Mine



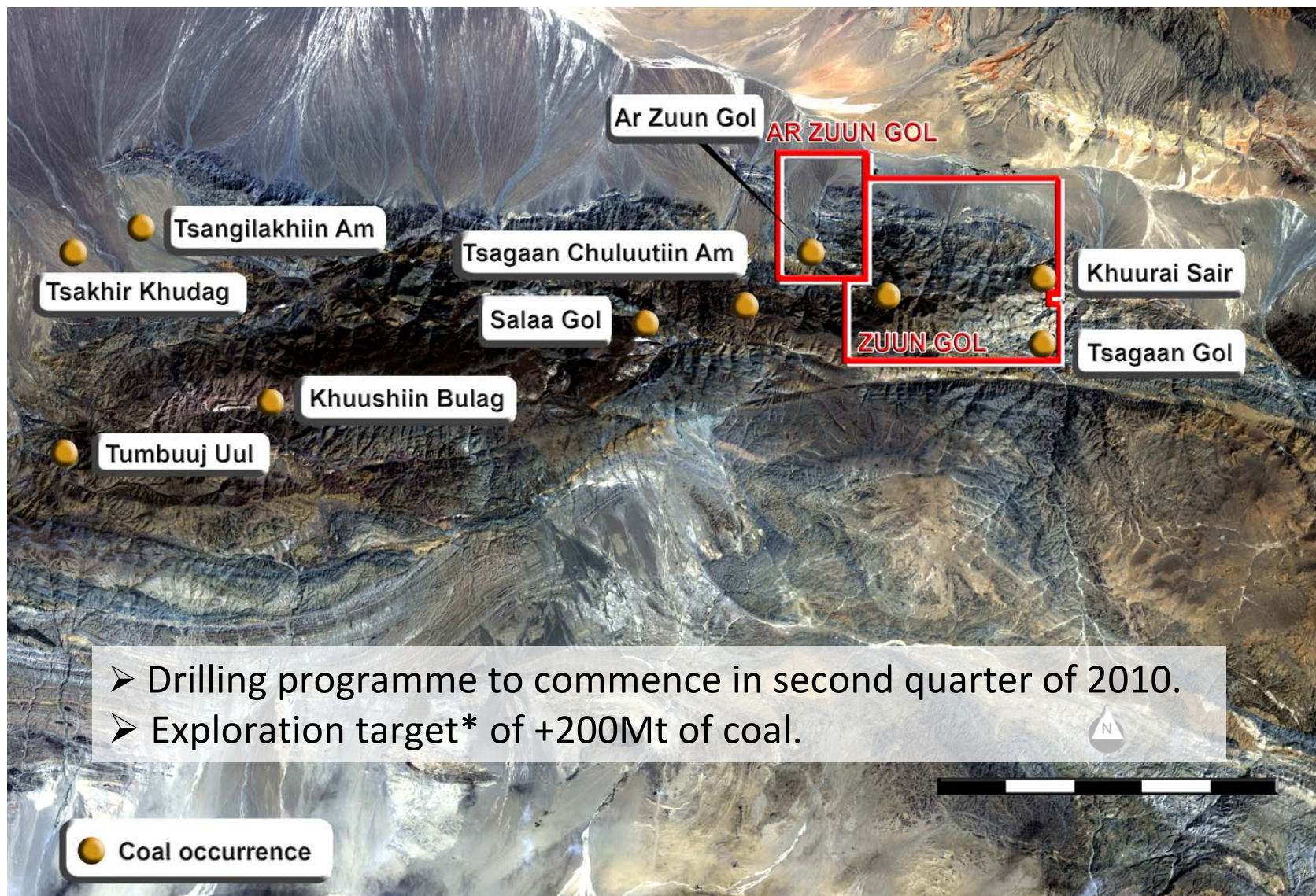
- Single coal seam with average thickness of 20 metres dipping at 0 to 5 degrees
- Low strip ratio mine start up at less than 1:1
- Coal analyses reveals a high quality thermal coal with quality parameters in average $Q^{\text{daf}} = 6,460$ kCal/kg, Ash = 13.9% and Moisture content = 23.9%.

Gobi-Altai Coal Projects

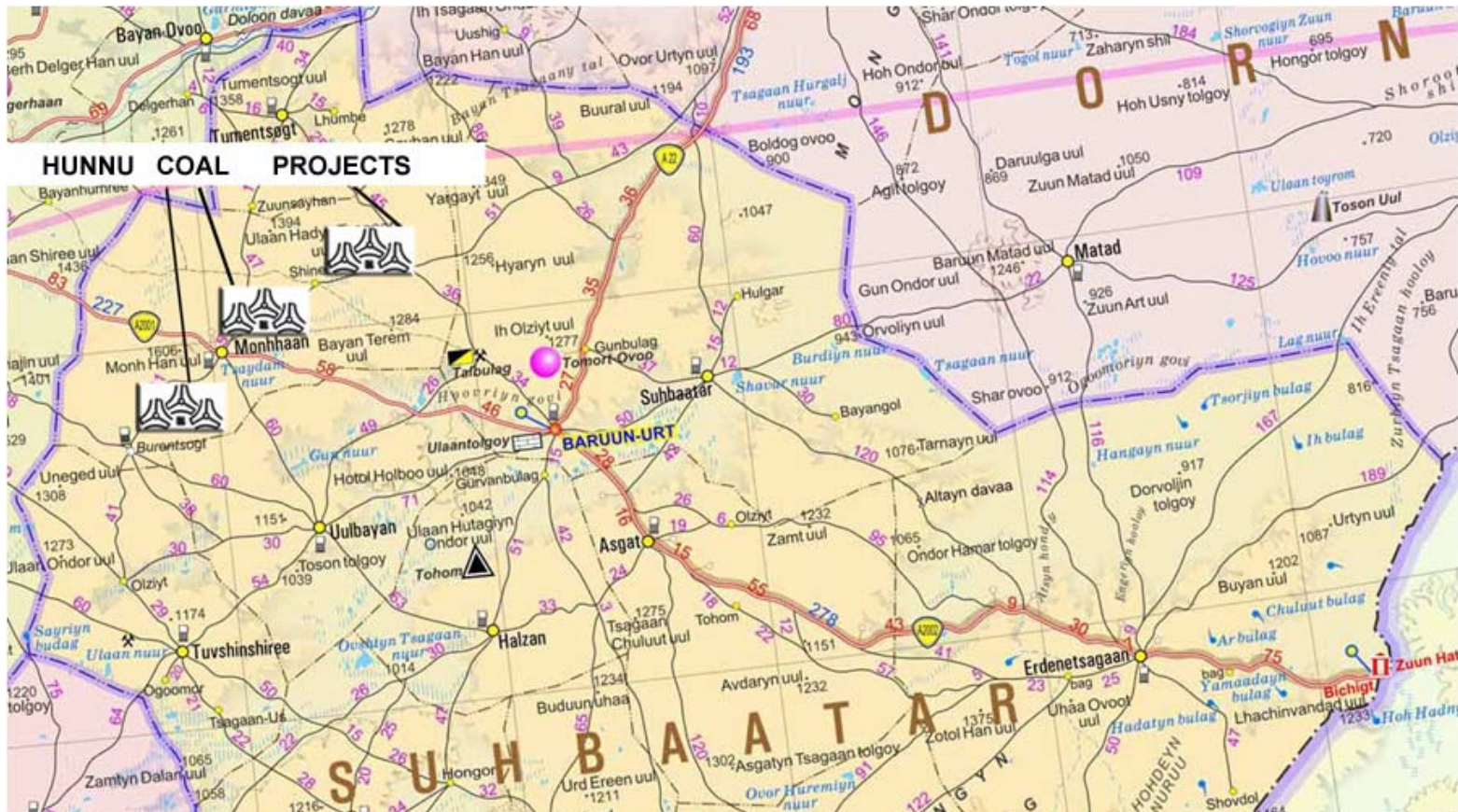


- 87 km southwest of the provincial centre of Gobi Altai.
- 300 km from the Chinese-Mongolian border.
- Next to major Rio Tinto coal exploration projects.
- Hunnu Coal has a right to earn a 70% interest in the Ar Zuul Gol & Zuun Gol Projects through staged payments and expenditure.

Gobi-Altai Coal Projects

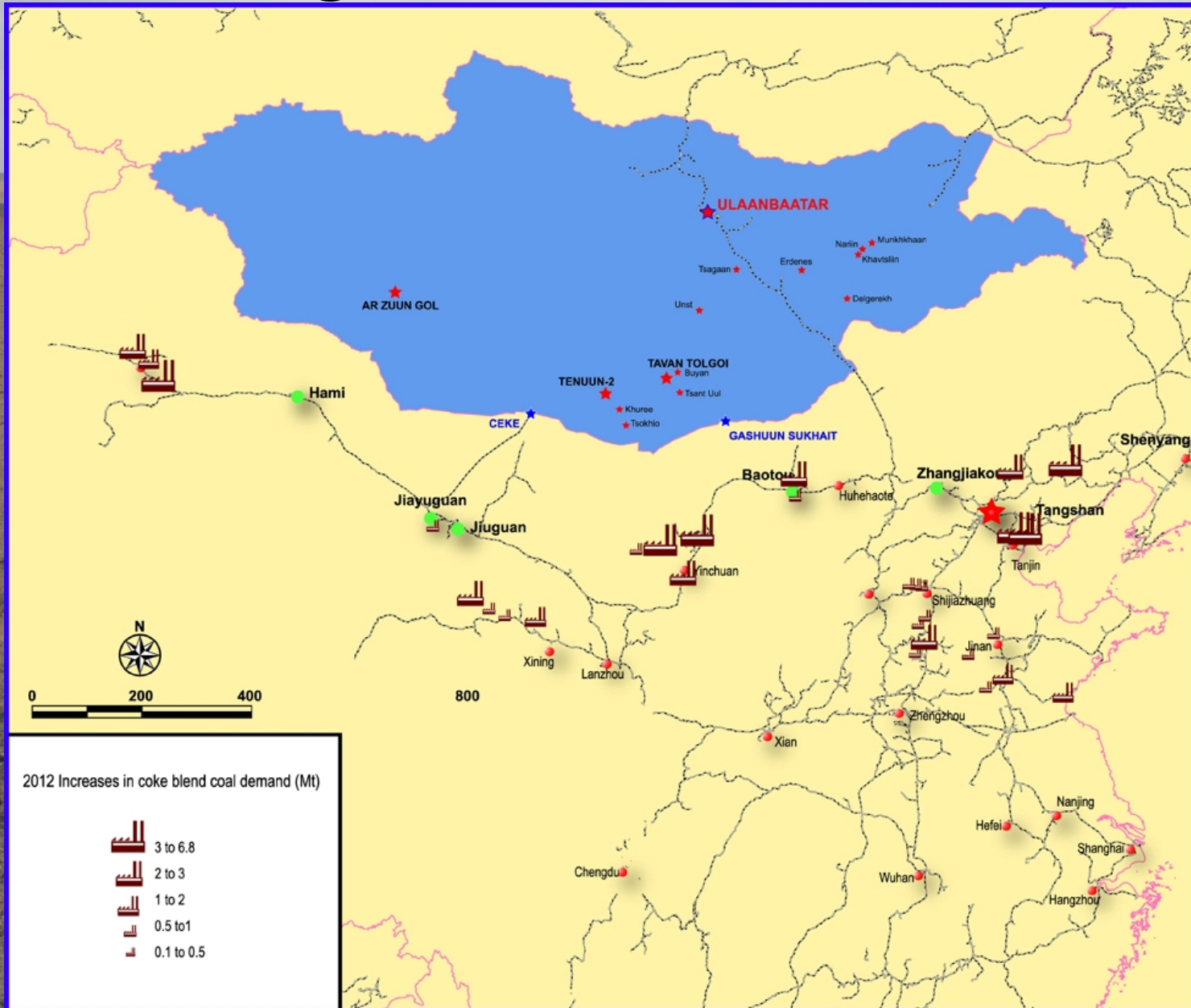


Coal Projects in Eastern Mongolia

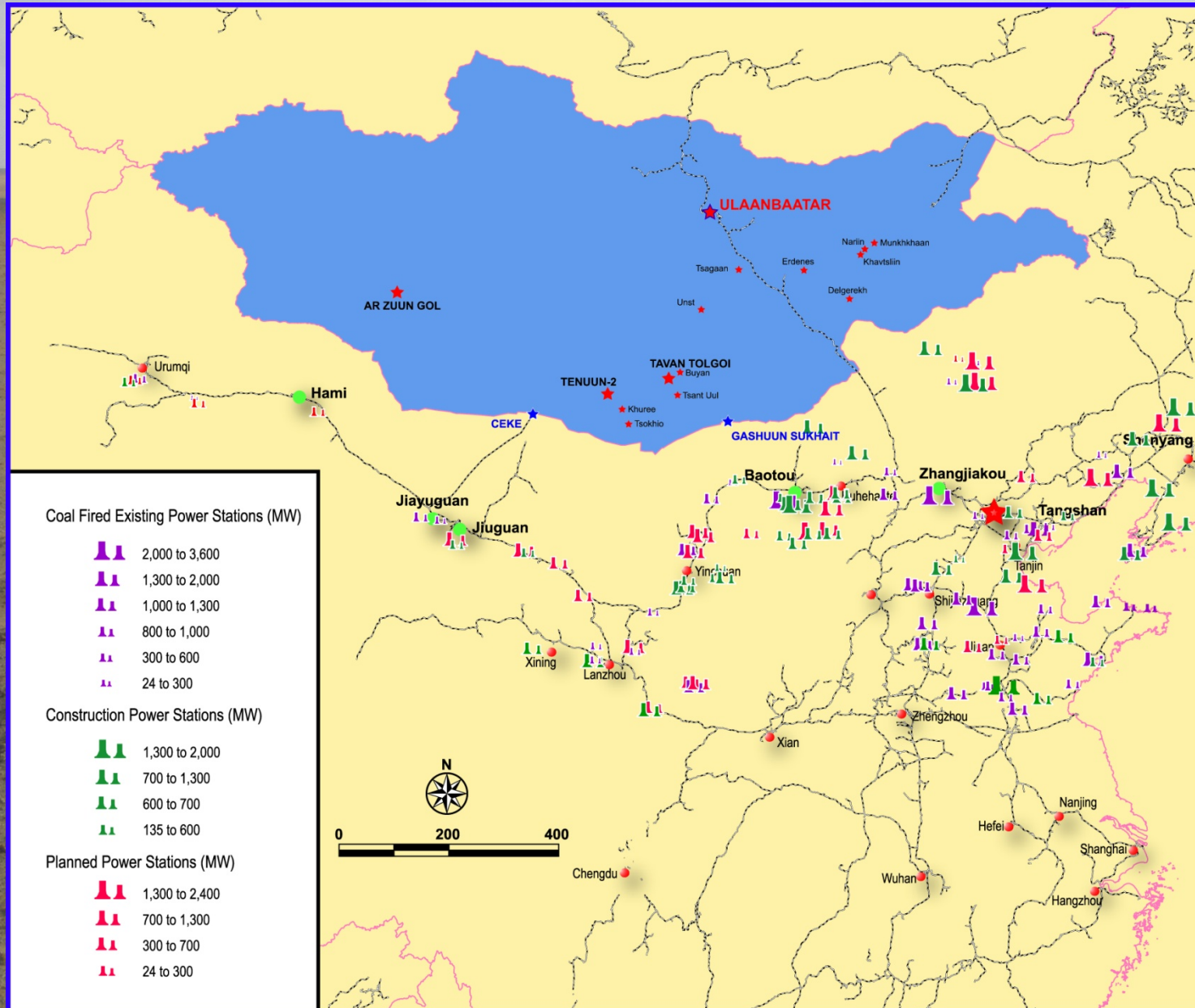


- Located in a prolific thermal coal basin
- Operating coal mines in region
- Exploration target* for +5,000 kCal/kg thermal coal of 50-100Mt
- Exploration programmes commenced in May, 2010
- Hunnu Coal has a right to earn between 60% and 85%

Coking Coal Demand in China



Power Demand in China



- 
- Aggressive exploration programme throughout 2010.
 - Off-take agreements to be signed in the coming months for Unst Khudag production.
 - Total Exploration Targets* of 600Mt to 1Bt of coal.
 - Initial JORC resources to be released for Tenuun 2 and Unst Khudag in the coming weeks.
 - Recent acquisitions have resulted in Hunnu having a strong and enviable position in the world class South Gobi Coal Province.
 - Dual listing on Hong Kong Stock Exchange within 12-18 months.
 - First coal production targeting 2nd half 2010.
 - Development of three mines in four years.



Hunnu Coal Contacts:

Matthew Wood – Executive Chairman
Level 1, 33 Richardson St, West Perth
Tel: +61 8 9200 4468 Fax: 9200 4469

George Tumur – Managing Director
Central Tower Ste901
Ulaanbaatar, Mongolia

www.hunnucoal.com

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr George Tumur who is a Member of the Australian Institute of Mining and Metallurgy. Mr Tumur is the Managing Director of Hunnu Coal Limited. Mr Tumur 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'. Mr Tumur consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

EXPLORATION TARGET

**This work has not resulted in the definition of any resource which is compliant with the JORC Code but has identified an Exploration Target. With further exploration, this target has potential for between 600Mt to 1Bt of coal. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance to the JORC Code. As such it is uncertain if further exploration will result in the determination of a Mineral Resource. Further Hunnu cautions that in order to achieve this target, substantial exploration is required to further geologically map, detect, trench and drill test defined conceptual targets. On this basis, Hunnu considers that further work is warranted beyond that previously conducted.*

