

ASX:NHO

28 May 2013

Directors & Management

Gary Steinepreis
Non Executive Chairman

Michael Placha
Chief Executive Officer

Carl Coward
Non Executive Director

Mark Sanders
Non Executive Director

Investment Highlights

High quality fully permitted thermal coal project

Experienced and proven management team

20 year mine life | 2 Mtpa | High margin project

Existing logistics with spare capacity

Port allocation secured

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NHO Engages Leading Investment Bank for Kinney Coal Project

Highlights:

- **Leading resource-focused investment bank engaged**
- **Critical step on path to project finance achieved**

The Board of New Horizon Coal Ltd (ASX: **NHO**, “the **Company**”) has engaged Headwaters MB (“**Headwaters**”) of Denver, Colorado, USA to serve as corporate advisory firm for the financing of the Kinney Coal Project, Utah, USA (“the **Project**”). Headwaters will add valuable advisory experience to the Project and will create a detailed plan to secure project financing.

Project Finance Mandate

The engagement of Headwaters will advance NHO’s efforts in securing project finance for the Kinney Coal Project. Headwaters will leverage its wide access to capital through its merchant banking arm and family office capital to explore debt and equity financing options for the project. Headwaters will also explore possible joint venture, merger & acquisition activities that would enhance the value of NHO and the Kinney Coal Project.

Kinney Coal Project - Path to Production

All Required Permits	100% Complete
JORC Resource Report	100% Complete
Prefeasibility Study	100% Complete
Coal Supply Contract(s)	Underway 50% Complete
Port Terminal Agreement	Underway 75% Complete
Confirmation Drilling Program	Approvals Received
Bankable Feasibility Study	Underway
BLM Reserve Acquisition	In Progress
Project Finance	Underway

With the Bankable Feasibility Study (the “BFS”) underway, Headwaters’ corporate advisory experience will continue to guide the Project forward on its path to production. Per the mandate, Headwaters and NHO will develop a comprehensive financing plan with clear and measurable milestones. The Company expects to announce the financing plan to the market within the next few weeks.



About Headwaters

Headwaters MB is an independent, middle-market investment banking firm providing strategic merger and acquisitions, corporate finance services and merchant banking through proprietary sources of capital. Headwaters is a leading resource-focused investment bank, and its experienced coal team will provide NHO with both enhanced access to financial markets as well as deep advisory services to help develop the Kinney Coal Project. Headwaters brings a proven track record of delivering growth-facilitating transactions in the coal and mineral spheres, including significant experience in western United States coal transactions. Headwaters is headquartered in Denver, Colorado and has global reach through its eight regional offices across the United States and partnerships with fourteen firms across twenty seven countries.

Headwaters Managing Director Peter Gray said, "We're proud to partner with New Horizon Coal to help them finance the Kinney Coal Project. Headwaters will bring its full breadth of capital formation and project finance experience to bear for New Horizon."

Enquiries

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About New Horizon Coal Ltd

New Horizon Coal (“NHO”) is focused on becoming a producer of high-quality thermal coal, with a target of becoming a mid-tier North American coal mining company. Through its US subsidiary, Wasatch Natural Resources (“WNR”), the Kinney Coal Project was acquired in late 2011. The Kinney Coal Project plan involves underground mining of two major coal seams using multiple, continuous miner sections in a room and pillar mining operation. Entry will be via an exposed coal seam outcrop within the already permitted area.

The Kinney Coal Project is a fully permitted thermal coal project located in Utah, USA. The Project is located in a mature mining region which has historically produced more than 30 million tonnes of coal annually. The Kinney Coal Project benefits from world-class infrastructure including three class 1 rail carriers within 30km of the proposed portal, paved roads and state highway maintenance facility directly adjacent to the mine, and an experienced local workforce. Its location provides access to the domestic utility market, with six power stations located in the vicinity of the mine, and to export markets. NHO has also secured a 3 Mtpa port allocation with Texas Deepwater Industrial Port in Houston, Texas and is currently engaged in offtake discussions with multiple traders and end users for domestic and export supply agreements.

With a JORC Resource of over 110 million tonnes and average coal quality of over 6,800 kcal/kg and under 0.8% sulphur, the Kinney Coal Project is well positioned to meet demand for coal in the US domestic and export markets with a high heat, low sulphur product. The Prefeasibility Study, confirming the Project’s technical and economic viability, was completed by John T Boyd Company (“JT Boyd”) in November 2012. NHO has engaged JT Boyd to complete the Bankable Feasibility Study, with completion expected by the end of 2013.

JORC Resource (thousands)

	Measured	Indicated	Inferred	Total
Kinney Coal Project	10,382	37,170	7,193	54,745
Under Application	1,548	26,156	28,113	55,817
Total	11,930	63,326	35,306	110,562

Coal Quality (air dried basis)

Average In Situ Coal Quality	Hiawatha Seam	UP Seam
Moisture	4.02%	4.19%
Ash Content	10.20%	8.12%
Fixed Carbon	44.63%	46.51%
Volatile Matter	41.15%	41.18%
Total Sulphur	0.84%	0.75%
Calorific Value	6,765 kcal/kg	6,856 kcal/kg

Competent Person’s Statement

The information in this report that relates to coal resource estimate and underground mine plans was prepared in conjunction with the JT Boyd PFS. Results were developed by a core team of JT Boyd professionals, including Messrs. John L. Weiss, Paul D. Anderson, and Ronald L. Lewis. Each of these individuals is a Registered Member of the Society of Mining, Metallurgical and Exploration (SME), and has sufficient experience to qualify as a Competent Person as defined in the 2004 Edition of the “Australian Code of Reporting of Exploration results, Mineral Resource and Ore Reserves”. JT Boyd consents to the inclusion of information prepared by JT Boyd in this report.

Kinney Coal Project Location and Regional Power Stations (two not shown)

