



Investor Update February 2013

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Exploration Target Size and Target Mineralisation described in this presentation is conceptual in nature and should not be construed as a JORC compliant Mineral Resource. Target mineralisation is based on projections of established grade ranges over appropriate widths and strike lengths having regard for geological considerations including mineralisation style, specific gravity and expected mineralisation continuity as determined by qualified geological assessment. There is insufficient information to establish whether further exploration will result in the determination of a Mineral Resource.

## **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 pending 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 presentation.

# Investment Highlights

- **Advanced thermal coal project**
- **Positive PFS completed by JT Boyd**
- **110.6Mt JORC Compliant Resource (68% M&I) – suitable for export**
- **Proven economics – Strong cash flow, operating margins and capital repayment**
- **Port Capacity Secured – up to 3Mtpa**
- **Numerous Rail Providers – with excess capacity**
- **Upside from Blending Opportunities**
- **Upside from Western US Acquisitions**
- **Upside from Rising Coal Prices**

# Corporate Snapshot

## Current Capital Structure (Post Jan Raising)

Current share price	\$0.08
Shares on issue <sup>1</sup>	118,000,000
Performance Shares <sup>2</sup>	20,000,000
<b>Market capitalisation</b>	<b>\$9,440,000</b>
Cash <sup>4</sup>	≈\$2,000,000
<b>Enterprise Value</b>	<b>\$7,440,000</b>
Current option price	\$0.03
Listed Options (NHOO) on issue <sup>4</sup>	83,000,000

<sup>1</sup> Post March Shareholders meeting

<sup>2</sup> Vesting on completion of positive BFS and first production

## Major Shareholders (Top 10) (Pre Jan Raising)

Mr Carl Coward	10.62%
Lujeta Pty Ltd	8.80%
Tony Brennan	7.04%
Mr Anastasios Arima	7.00%
EDF Trading Ltd	4.30%
Jogchum Brinksma	4.30%
JP Morgan Nominees	3.23%
Ascent Capital Holdings	3.04%
Oakhurst Enterprises	1.62%
Topsfield Pty Ltd	1.47%

<sup>3</sup> Approximately post March Shareholder meeting

<sup>4</sup> December 2014 expiry

# Directors, Management and Consultants



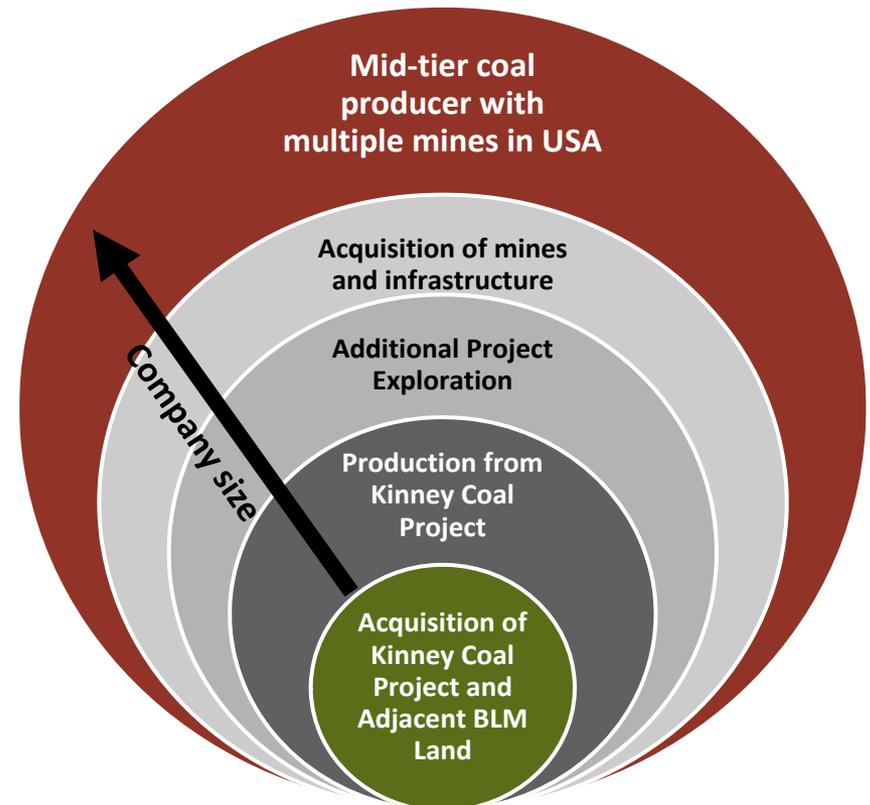
## Management team experienced in developing multi-mine companies:

<p><b>Mr Gary Steinepreis</b> <i>Chairman</i></p>	<ul style="list-style-type: none"> <li>▪ Chartered accountant</li> <li>▪ Corporate management background specialising in IPO and reconstruction work</li> <li>▪ Founder of New Horizon and involved in negotiating the Kinney transaction</li> </ul>
<p><b>Mr Mike Placha</b> <i>Managing Director</i></p>	<ul style="list-style-type: none"> <li>▪ Senior VP with Signal Peak Energy (2005-10). Managed financing and development of a \$350m mine in Montana</li> <li>▪ Former President of Sedgman Canada – constructed two facilities for Western Canadian Coal (now Walter Energy)</li> <li>▪ 16 years in Cyprus Amax Coal Company. Managed operations, engineering and construction, sales and marketing</li> <li>▪ Senior Project Manager, Norwest Resource Consultants</li> </ul>
<p><b>Mr Mark Sanders</b> <i>Non-Executive Director</i></p>	<ul style="list-style-type: none"> <li>▪ Extensive background in global mining and safety equipment</li> <li>▪ Former executive with Joy Mining Machinery and Joy Global</li> <li>▪ Provides insight to minimise capital and operating expenditures through optimised equipment selection</li> </ul>
<p><b>Mr Carl Coward</b> <i>Non-Executive Director</i></p>	<ul style="list-style-type: none"> <li>▪ Investment banking background</li> <li>▪ Previously worked on coal projects in Asia, Africa and North America</li> <li>▪ Responsible for identifying and negotiating the Kinney transaction</li> </ul>
<p><b>Mr Greg Hunt</b> <i>Chief Operating Officer</i></p>	<ul style="list-style-type: none"> <li>▪ 25+ years experience as a coal geologist</li> <li>▪ Former senior Mine Geologist - Bowie Resources, LLC, and Chief Geologist – Cyprus Amax Coal Company</li> <li>▪ Former chief geologist for Cyprus Amax Coal Company</li> <li>▪ Worked on the exploration of the Kinney Coal Project for &gt;10 years</li> </ul>
<p><b>John T Boyd Company</b> <i>PFS/BFS Contractor</i></p>	<ul style="list-style-type: none"> <li>▪ Internationally recognised mining consulting firm serving US and International coal, mineral and gas industries</li> <li>▪ Proven expertise in mine planning &amp; design, equipment selection, mining evaluation, geology and resource valuation, marketing, strategic planning, and financial analysis</li> <li>▪ Extensive project experience in central Utah and western Colorado</li> </ul>

# Company Overview

- **100% ownership of the Kinney Coal Project, Utah**
  - High calorific, low sulphur thermal coal deposit
  - 110.6Mt Total JORC Resource, of which 68% is Measured and Indicated
  - Rail and road infrastructure to reach domestic and export markets
  - MOU signed for 3Mtpa port allocation
  - PFS confirms viable project with low CAPEX and short development timetable
- **Expansion underway at Kinney Coal Project**
  - Adjacent Federal coal lease under application that will expand life of mine to 20+ years
- **Currently evaluating additional high-quality coal project in western USA**
- **\$2m capital raising completed in January 2013**
- **BFS has commenced, and is due for completion Q4 2013**

***New Horizon has significant growth plans, targeting first production at the Kinney Coal Project and transitioning through to a multi-mine, mid-tier coal producer in North America***



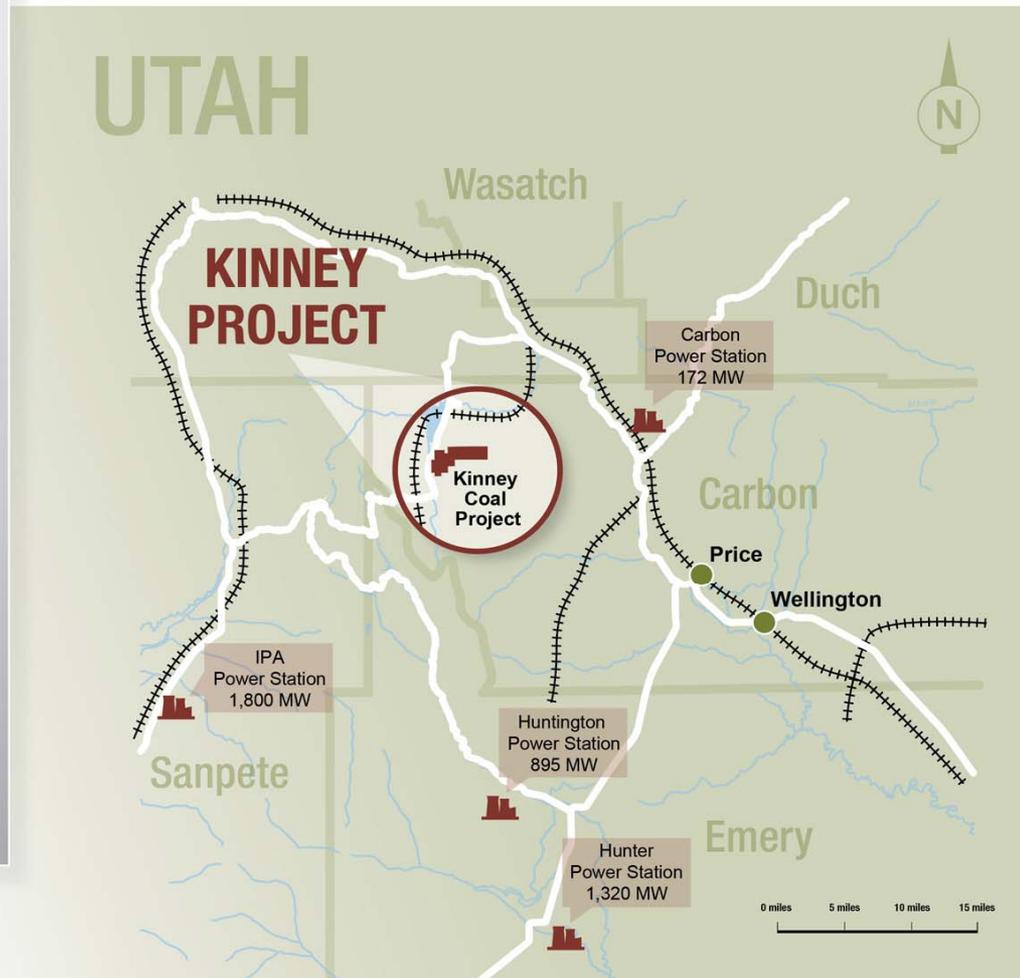
# Attractive Coal Mining Location

NEW HORIZON  
Coal Ltd



Utah

The Kinney Coal Project  
is located in Utah USA.



# Kinney Coal Project Highlights

## Attractive Location in Mature Mining District

- Mine site located 160km from Salt Lake City
- Mature coal mining district: 19Mt annual production/30Mt historically
- 6 power stations in region burning 20Mt coal annually
- Developed infrastructure:
  - Rail spur <1km from Project and 3-carrier mainline located within 30km
  - Paved, well-maintained roadways
  - Experienced workforce

## High Quality, Ready-to-Mine Project

- Fully permitted property
  - 100% of mineral rights under NHO control or application
  - Ownership and lease of required surface access
- Low capital expenditure required to commence production
- Minimal development time
- Superior product comparable to Newcastle quality specifications
- JORC Resource of 110.6Mt (68% measured & indicated)
- Saleable Reserve of 20.7Mt at 6,865 kcal/kg (12,350 Btu/lb)
- Greenfield development, not remnant mine



Coal mine near Kinney Coal Project



UP Rail Spur

# PFS Highlights

## Competitive Operating Cash Costs

- USD \$32/tonne mine cash cost
- USD \$74/tonne FOB vessel cost

## Strong Cash Flows and Rapid Repayment

- USD \$45.9m EBITDA
- Rapid repayment of capital invested

## Low Capital Investment per Tonne of Annual Capacity

- USD \$63m to initial production
- Additional USD \$53m to full production

## Exceptional, High Quality JORC Resource and Reserve

- 110.6Mt JORC Resource (75.2Mt Measured & Indicated)
- 20.7Mt saleable Reserve at 6,865 kcal/kg (12,350 but/lb)

## 2.3Mtpa ROM Production

- 16 year life of mine
- Expected to expand to 20+ with additional drilling

## Rapid Production Development

- Drift access
- Full production within 3 years of initial access

## Secure Port Allocation and Export Logistics

- Multiple rail carriers within 30km
- MOU signed for 3Mtpa port allocation at new, fully permitted facility

# Operating Costs

- **Competitive mine cash costs: USD \$32/tonne**
  - Provides option to sell in domestic or seaborne market
- **Operating costs decrease as mine life expands**
  - Peak production cash costs: USD \$30.49/tonne
  - Additional peak years will be added with 2013 drilling program
- **Logistics options ensure optimal pricing**
  - Multiple rail carriers and trucking companies
  - Port options on West Coast and Gulf Coast

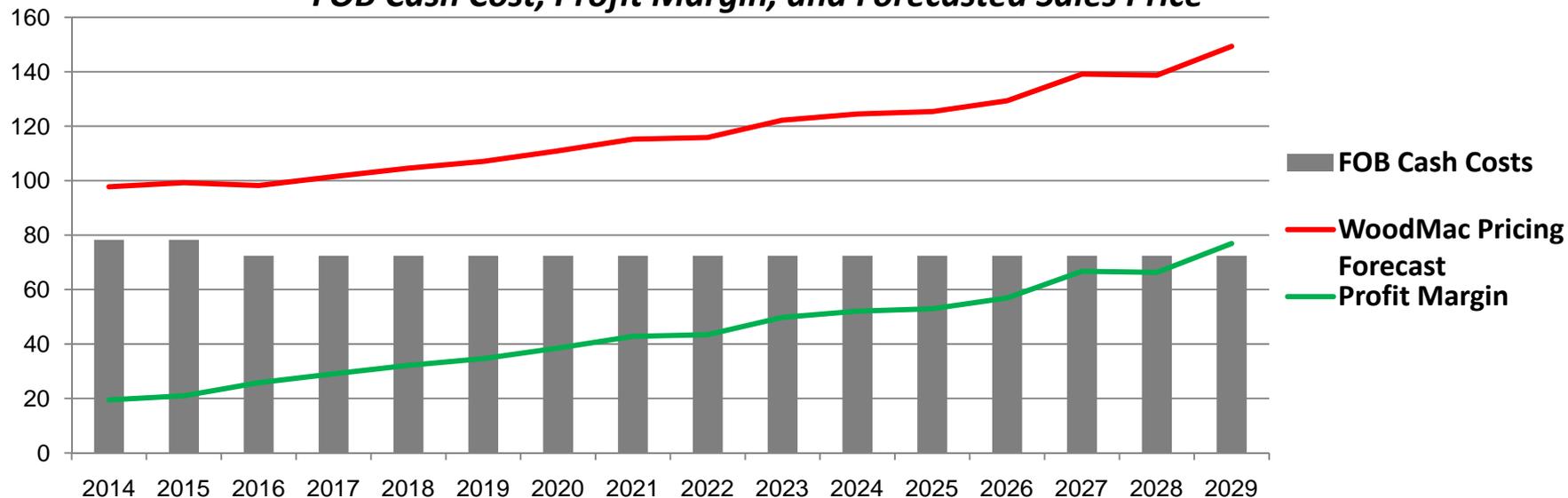
## *Life of Mine Cash Costs (USD \$/saleable tonne)*

Capitalised Development	(0.31)
Labour	12.49
Materials & Supplies	13.66
Preparation & Handling	3.34
General & Administrative	3.24
<b>Mine Operating Cash Costs</b>	<b>32.39</b>
<b>Transportation &amp; Port</b>	<b>41.94</b>
<b>Total Cash Cost, FOB Vessel</b>	<b>74.33</b>

# Cash Flows

- **PFS confirms strong cash flows once production commences**
- **Average annual EBITDA: USD \$45.9 million**
  - Provides for rapid repayment of capital
- **Premium product ensures premium prices**
  - High calorific and low sulphur characteristics
  - Pricing premium anticipated in domestic and export markets

***FOB Cash Cost, Profit Margin, and Forecasted Sales Price***



Source: John T Boyd Company (costs) and Wood Mackenzie (US Gulf Coast base price forecast)

# Capital Expenditures

*Capital Expenditures, by Phase and Area (US\$ '000)*

	Phase I	Phase II	Phase III
Underground	31,220	27,720	17,547
Surface	31,863	8,387	100
<b>Total</b>	<b>63,083</b>	<b>36,107</b>	<b>17,647</b>

- **Kinney Coal Project offers unparalleled opportunities in the Western Bituminous market**
- **Low capital requirements reduce up-front expenditures**
  - Estimated capital expenditures: US\$117m
- **Capital requirements divided into three phases:**
  - Phase I: To Initial Production
  - Phase II: Expanded Production Development
  - Phase III: Increase to Full Production
- **Low capital investment USD \$51/tonne of production capacity at 2.3Mt per annum**
  - Compares favourably to underground developments in USA, Canada and Australia

# JORC Resource and Reserve

## JORC Resource

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

## JORC Reserve

Area	Recoverable Tonnes (thousands)			Marketable Tonnes (thousands)		
	Proved	Probable	Total	Proved	Probable	Total
Kinney Coal Project	4,218	12,640	16,858	3,077	9,620	12,697
Under Application	649	10,329	10,978	425	7,574	7,999
<b>Total</b>	<b>4,867</b>	<b>22,969</b>	<b>27,836</b>	<b>3,502</b>	<b>17,194</b>	<b>20,696</b>

# Coal Quality

## Premium Product

- **High calorific, low sulphur thermal coal**
  - Calorific value over 6,700 kcal/kg ADB
  - Sulphur under 1%
- **Comparable to Newcastle specifications**
- **Suitable to domestic and export markets**
  - Europe, Latin America, Asia

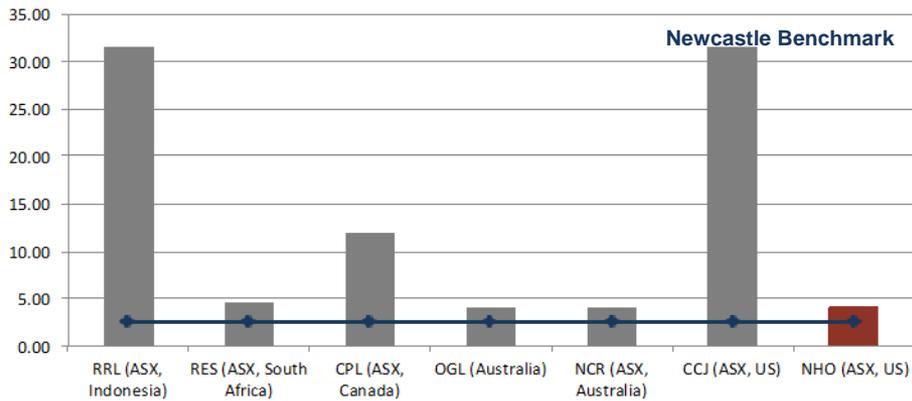


Average In Situ Coal Quality (Air Dried Basis)	Hiawatha Seam	UP Seam
Moisture	4.02%	4.19%
Ash Content	10.20%	8.12%
Fixed Carbon	44.63%	46.51%
Volatile Matter	41.15%	41.18%
Total Sulphur	0.84%	0.75%
Calorific Value	6,765 kcal/kg	6,856 kcal/kg

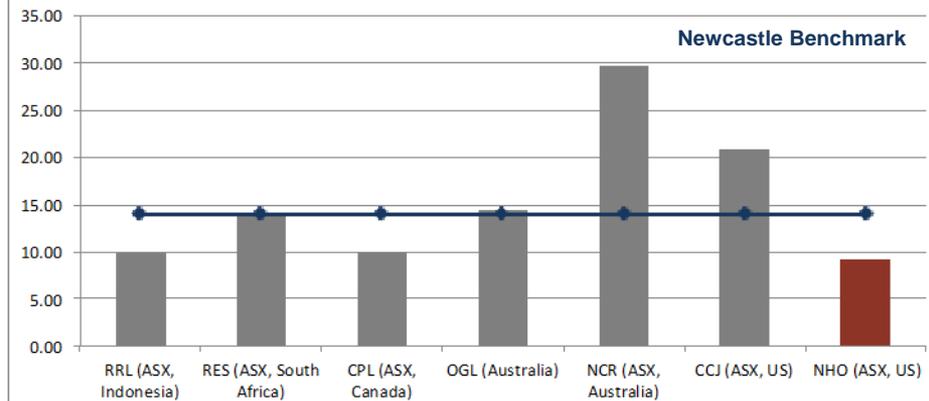
# Coal Quality

## Peer Comparisons<sup>1</sup>

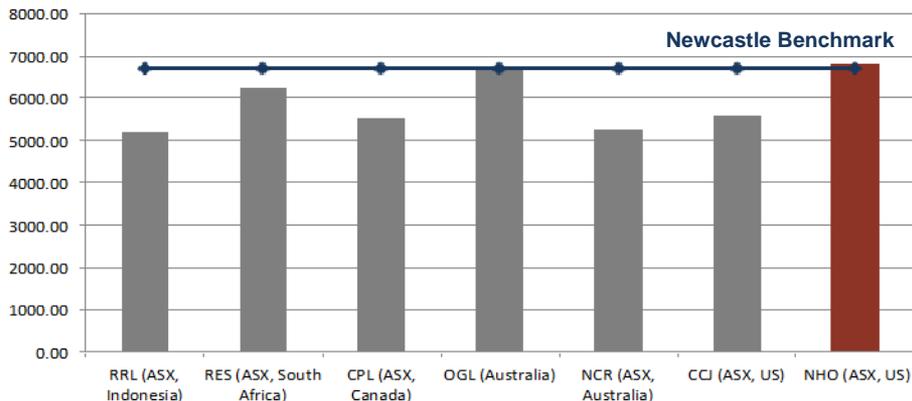
Moisture Content (% adb)



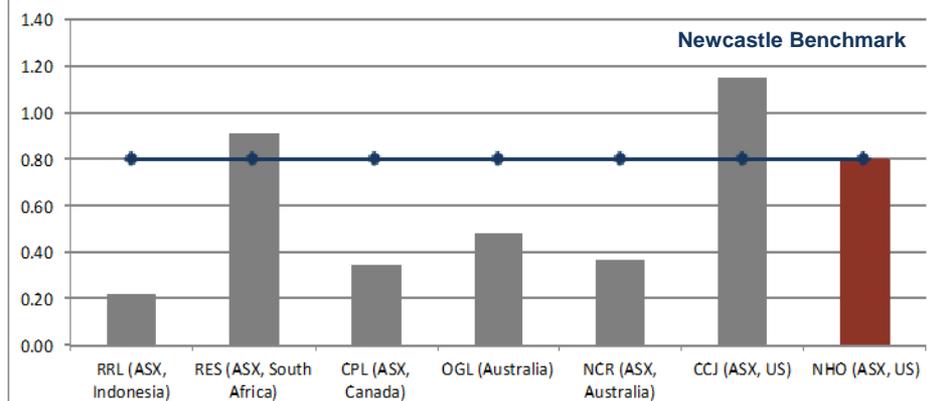
Ash Content (% adb)



Calorific Value (kcal/kg)



Sulphur Content (% adb)



<sup>1</sup> Average saleable coal quality, air dried basis

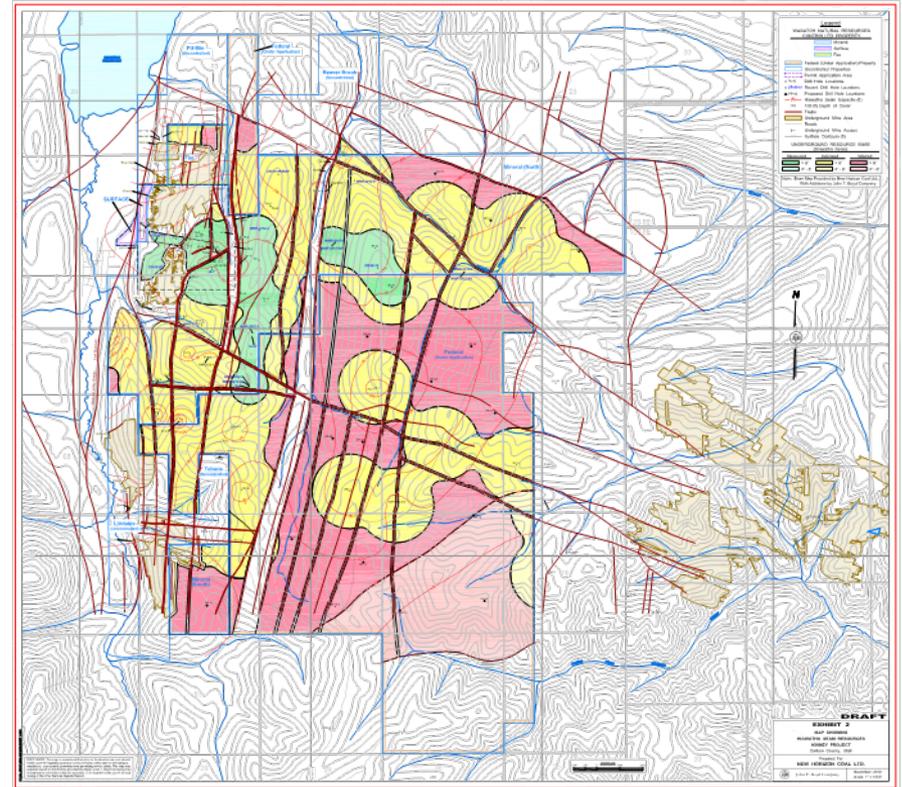
# Drilling Activity and Mine Life

## 2012 Milestones

- **Successfully completed 8-hole drilling program**
- **Supplemented existing quality data for use in the BFS**
  - 129 historical drill holes at the Project site
  - Confirmed high quality of Hiawatha and UP seams
  - Refined understanding of mine geology
- **More than 2,000 metres of rotary and conventional core drilling**
- **Approximately 250 metres of core retrieved**
- **Results used to confirm Reserve quality for PFS and to issue revised JORC Resource**

## 2013 Planned Activities

- **Similar program to be implemented in 2013 on federal land acquisition underway**
- **Expect drilling to reclassify 28Mt inferred resource as Measured and Indicated**
- **Reclassification of JORC resource/reserve is expected to extend mine life from 16 years to a +20-year project life**



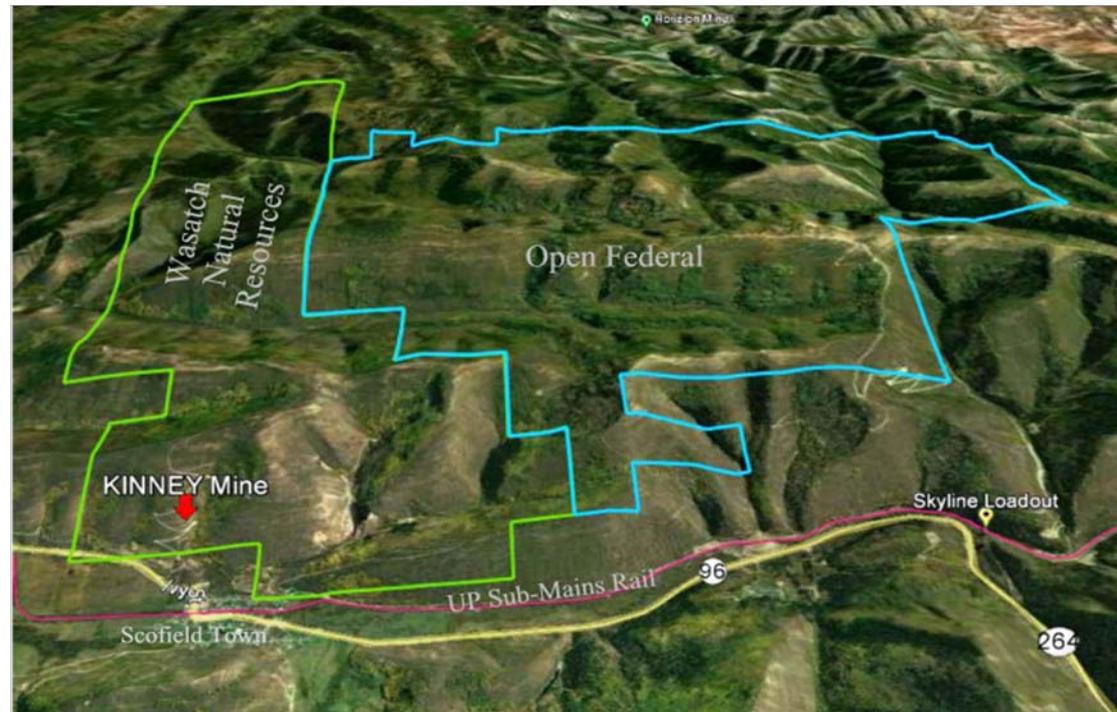
*Kinney Coal Project and Long Canyon LBA JORC Resource map  
Measured (green) – Indicated (yellow) – Inferred (red)*

# Long Canyon LBA

- **Federal mineral lease by application (LBA) initiated by NHO**
- **JORC Resource: 55.8 Mt (49.6% measured & indicated)**
- **Federal tract will be mined as an extension of the Kinney Coal Project**
- **Included in the Resource and Reserve in the Kinney Coal Project PFS due to:**
  - Advanced application with award expected in mid-2013
  - Control of key access points to the tract from the west and north by NHO
  - Limited logical entry points from land not controlled by NHO

 Kinney Coal Project: controlled by NHO

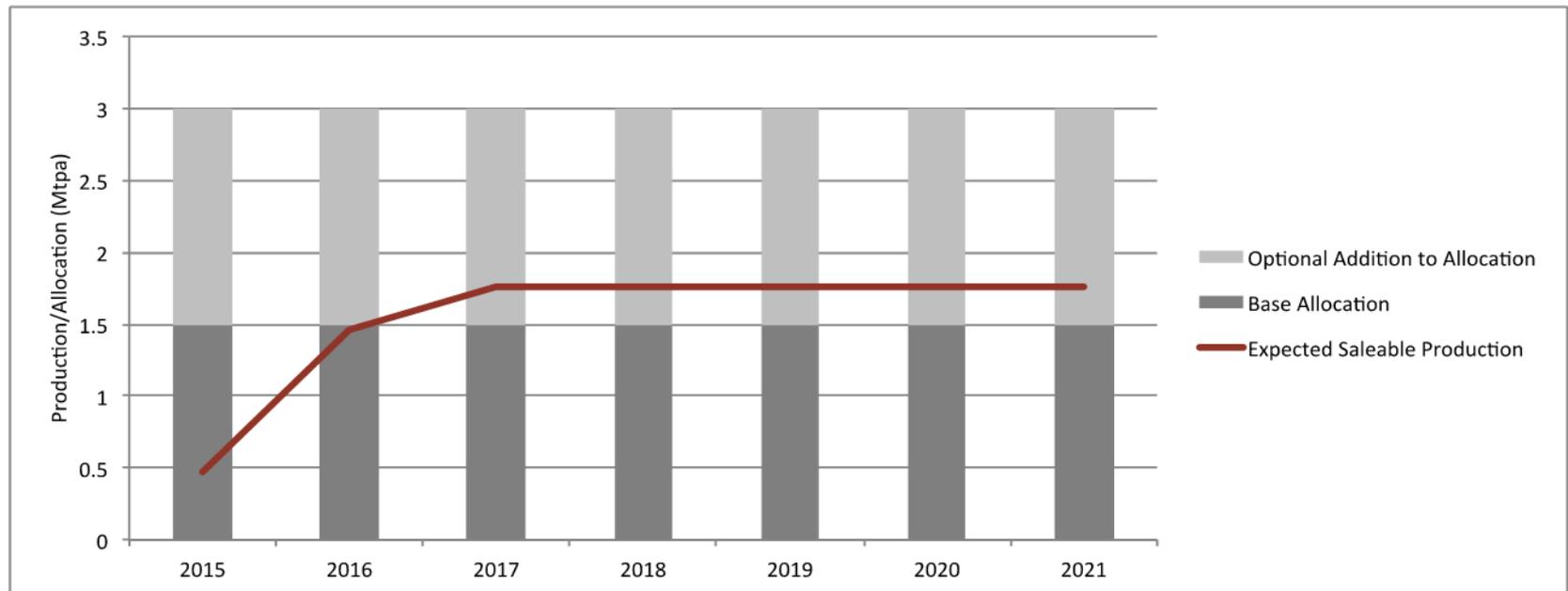
 Long Canyon LBA: Federal coal leases (application filed with BLM)



## Texas Deepwater Industrial Port (TDIP)

- Letter of Intent signed with new 15Mtpa facility located on Houston Ship Channel, US Gulf of Mexico
- Port is fully permitted; first ship due to load in 2014
- 1.5Mtpa initial allocation for NHO, expandable to 3Mtpa
- To accommodate Panamax and small Cape Size ships
- Access to Europe, Asia, and Latin America
- Provides NHO flexibility to blend product from Kinney Coal Project or export from additional projects as company grows
- Secure port allocation provides leverage for preferred rail rates

### *Port Allocation and Expected Production at Kinney Coal Project*



## Rail Carriers

- Detailed discussions commenced with Class 1 rail carriers serving the region
- TDIP aiding in negotiations
- NHO jointly exploring construction of a loadout facility on the mainline
  - Loadout site will provide service options with multiple railroads
- Multiple, viable loadout alternatives evaluated in prefeasibility study
  - New and existing facilities
- The Project is located approximately 500m from the Union Pacific Rail (“UP”) spur line
- The UP spur line provides rail access to most existing and proposed ports throughout North America, and also interchanges traffic with the Canadian rail systems
- Discussions with rail carriers have confirmed competitive rates to US Gulf Coast



*Dual-track mainline located less than 30km from Kinney Coal Project*

# Marketing and Logistics

- Largest increases in US coal supply on the export market expected from Illinois and Powder River Basins
- Low sulphur and high CV specifications of Kinney coal, present significant blending opportunities with high sulphur low CV Powder River Basin Coals
  - Illinois Basin: bituminous coal; mid-range CV (5,850 - 6,250 kcal/kg); high sulphur
  - Powder River Basin: sub-bituminous coal; low CV (5,000 – 5,200 kcal/kg); high moisture
- Both basins are the largest in the US and considered to have the longest future
- Port allocation in Houston increases attractiveness: “one stop shop” to blend and export



Source: American Coal Foundation

# Kinney - Development Timeline

## Key value drivers for next 24 months:

- Completion of Bankable Feasibility Study
- Acquisition of adjacent BLM reserve
- Rail, port and customer off-take negotiations (both domestic and export)
- Commencement of production

## New Horizon has an aggressive but achievable development timetable in place

	2012				2013				2014				Progress	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
JORC Resource	█												✓	Completed Q1, 2012
Pre-Feasibility Study	█	█	█	█									✓	Completed Nov 2012
Bankable Feasibility Study	█	█	█	█	█	█	█						✓	Commenced Feb 2012
Confirmation drilling for quality		█	█			█	█							Phase I Completed
BLM land application/acquisition		█	█	█	█	█	█							Commenced Mar 2012
Construction							█	█	█					
First production										█	█	█		

# New Horizon Coal – 2013 Milestones



	2013												Progress
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Kinney Bankable Feasibility Study	█	█	█	█	█	█	█	█	█	█			
Drilling Program for Kinney BFS					█	█	█	█					<b>Commence following Long Canyon LBA</b>
Long Canyon LBA Acquisition	█	█	█	█	█								<b>EA report Feb 2013</b>
Execute Port Allocation Agreement – Texas Deepwater	█	█	█										<b>MOU in place, finalize agreement March</b>
Agreement for sub-bituminous reserve development	█	█	█	█	█	█	█	█	█				<b>Negotiate agreement to develop reserve</b>
Exploration Drilling Program						█	█	█	█				<b>Program developed</b>
JORC Resource Report									█	█	█		
Additional properties being evaluated	█	█	█	█	█								<b>Mineral Lease</b>

# NHO Investment Drivers

- **Low cost entry into the US thermal coal sector**
- **Strong management team in place with proven track record**
- **Exceptional resource quality with 110.6 Mt JORC Resource**
- **Fully permitted project ready for rapid development at low capital cost**
- **Favourable transportation routes providing access to markets**
- **Well-positioned for entry to domestic and export markets**
- **Crucial port allocation secured**
- **Concrete steps being taken to secure additional coal assets in Western US**



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