

17 October 2012

## UPGRADED JORC RESOURCE AT KINNEY COAL PROJECT

Further to the announcement of 16 October 2012, the Board of New Horizon Coal Ltd (**NHO or Company**) provides the revised JORC Resource in further detail splitting measured, indicated and inferred resources below:

### Kinney Coal Project JORC Resource Upgrade

The JORC Resource upgrade to 51.6 million tonnes is the result of independent evaluation of the Kinney Coal Project by John T Boyd Company (**JT Boyd**). The recent coal resource determination is part of the pending Prefeasibility Study (**PFS**) being prepared by JT Boyd for release in November. All Coal Resources identified and confirmed by JT Boyd lies on mineral rights controlled exclusively by NHO.

**Table 1: Kinney Coal Project Revised JORC Resource**  
(million tonnes)

	Initial JORC Resource	Revised JORC Resource	Change
<b>Measured</b>	12.3	11.3	- 1.0
<b>Indicated</b>	11.6	33.5	+ 21.9
<b>Inferred</b>	2.2	6.8	+ 4.6
<b>Total</b>	26.1	51.6	+ 25.5

The increase in the reported Coal Resource is the result of: use of the full thickness of the UP Seam, incorporation of the recently completed 2012 exploration program results, and the expansion of the coal resource area which allowed several major coal blocks controlled by NHO to be included in the revised Resource. The Resource has been evaluated in accordance with the criteria set forth in the JORC Code (2004).

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## **About New Horizon Coal Ltd**

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 lies in a mature mining region which has historically produced over 30 million tonnes of coal annually from underground mines. 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. The Kinney Coal Project is well positioned to meet demand for coal in the domestic and export markets with a high heat, low sulphur product.

## **Competent Person's Statement**

The information in this report that relates to coal resource estimates prepared in conjunction with the pending JT Boyd PFS, is based on information compiled by Mr Paul Anderson, who is a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) and independent consultant to the Company. Mr Anderson is Director of Geological Services of John T Boyd Company and has over 37 years of exploration and mining experience in a wide variety of mineral deposit styles including coal. Mr Anderson 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 Anderson consents to the inclusion information prepared by Mr. Anderson in this presentation.