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3rd QUARTER ACTIVITIES REPORT

FOR THE QUARTER ENDED 31 MARCH 2012

The Board of New Horizon Coal Ltd (**NHO** or **Company**) is pleased to present its quarterly report for the three months ending 31 March 2012:

Company Highlights for the 3rd Quarter

- Completed a JORC Resource Report for the newly acquired Kinney Coal Project. The JORC report defined an underground, mineable resource of 26.1Mt, of which 92% of the resource is in the Measured and Indicated Category.
- Commenced a pre-feasibility study (**PFS**) on the Kinney Coal Project. NHO selected John T. Boyd Company (**JT Boyd**), an internationally recognized mining consulting firm, to complete the PFS.
- Submitted a Lease-by-Application on 17 February 2012 for Federal coal leases adjacent to the Kinney Coal Project. The applied-for area encompasses approximately 2,248 hectares of Federal coal rights contiguous with the Kinney Coal Project.
- Released an updated Management Presentation to the ASX on 20 February 2012.
- Initiated off-take discussions for the transport and marketing of coal from the Kinney Coal Project with parties including:
 - Two Class 1 rail carriers located within 30km of the Kinney Coal Project
 - Export terminals on the US west coast and Gulf of Mexico
 - An internationally-recognized marketing consultant
- Identified and initiated due diligence on two additional thermal coal projects located within the Western United States, including:
 - An underground coal reserve covering approximately 7,885 hectares of contiguous underground mining reserves containing two major coal seams
 - A major surface mine with significant reserves at a strip ratio of 2.5:1

4th Quarter Targets

During the upcoming Quarter, NHO will continue its PFS on the Kinney Coal Project, with results expected in 3rd Quarter CY 2012. Additional target activities include:

- Submit a Lease-by-Application for 1,750 hectares of underground Federal coal leases approximately 50km from the Kinney Project.
- Commence environmental due diligence for Federal coal leases adjacent to the Kinney Coal Project.

Kinney Coal Project

Introduction

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 conventional, continuous miner sections. 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.

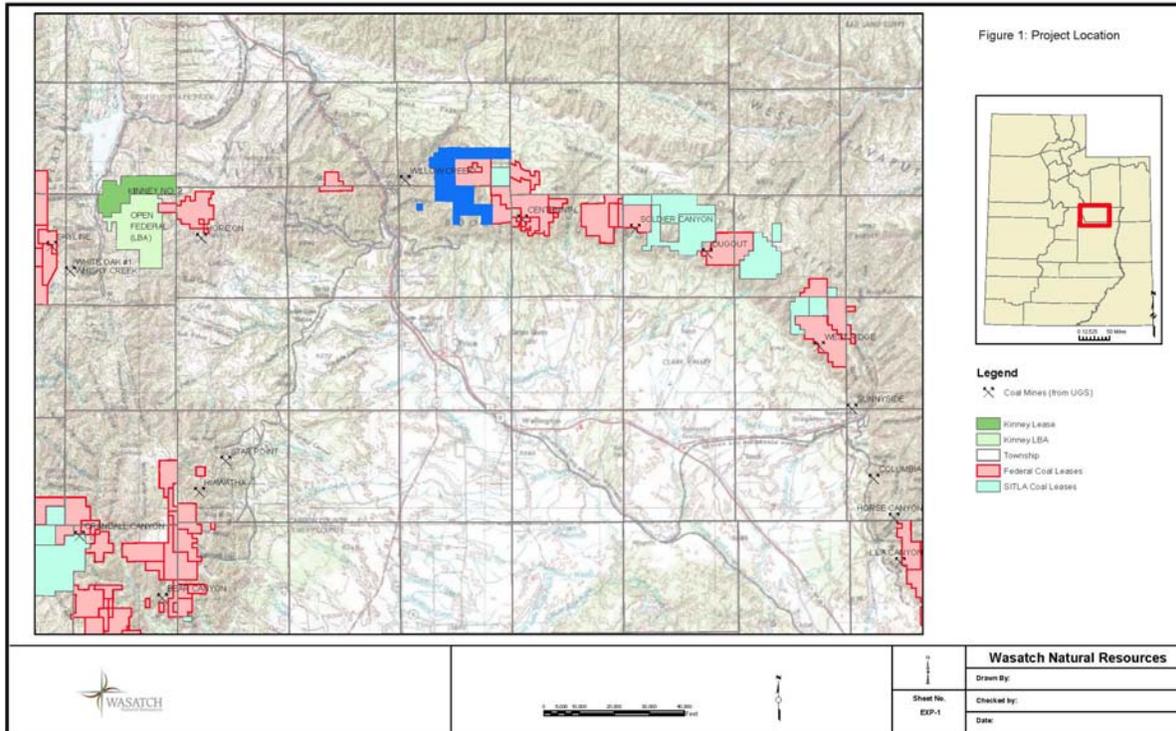


Figure 1: Kinney Coal Project Location

JORC Resource Report Completion

During the 3rd Quarter, NHO released the initial JORC Resource report. Highlights of the JORC Resource Report include:

- Underground, mineable resource of 26.1Mt
- 92% of the Resource in the Measured and Indicated Category
- Indicative coal quality of a high calorific, bituminous coal
- JORC Resource defined within two (2) months of NHO's acquisition of the Kinney Coal Project

Commencement of Pre-Feasibility Study for the Kinney Coal Project

During the Quarter, NHO contracted with John T. Boyd Company, an internationally recognized mining consulting firm, to commence the pre-feasibility study (PFS) for the Kinney Coal Project. The PFS represents NHO's first stage of the Bankable Feasibility process, which commenced after project acquisition. The PFS follows the completion and announcement of the JORC Resource report on 2 February 2012. Additionally, NHO has engaged Taggart Global to work alongside JT Boyd in preparing design, capital and operating costs related to coal handling, processing and loadout facilities for the Kinney Coal Project.

The PFS is expected to be completed in the third calendar quarter 2012 and will focus on:

- Project Annual Capacity
- Coal Reserves
- Coal Quality
- Mine Planning, Scheduling and Sequencing
- Transportation and Market Price Forecast
- Infrastructure, Transport and Logistics
- Capital and Operation Cost Estimate

Lease by Application to Expand Kinney Coal Project Resource

NHO through its US subsidiary, WNR, currently controls over 2,100 hectares of mineral rights (land tenements) for the Kinney Coal Project's two mineable coal seams. During the 3rd Quarter, WNR submitted a Lease-by-Application to the US Bureau of Land Management (BLM) to acquire 2,248 hectares of additional Federal coal rights located adjacent to the Kinney Coal Project (see Figure 2 – "Open Federal"). The Federal coal rights contain the same two mineable seams located on the Kinney Coal Project. BLM has accepted WNR's application and subsequently WNR has commenced studies related to this LBA, designated "Long Canyon LBA", with completion expected in CY2013.

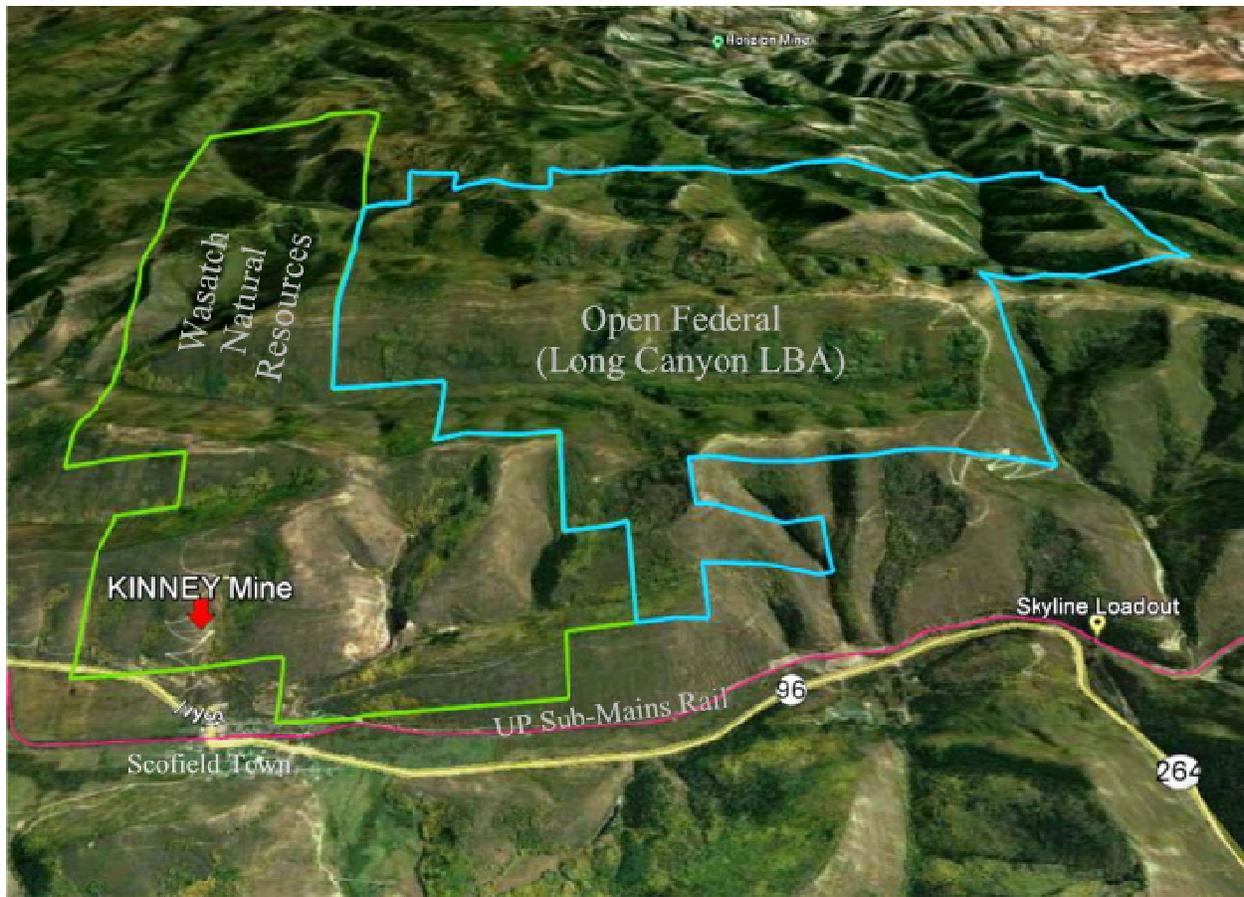


Figure 2: Kinney Coal Project and Lease-by-Application Boundaries

Updated Management Presentation

During the Quarter, NHO has updated and released to investors its Management Presentation. Major components included in this latest presentation:

- Investment Highlights
- Overview
- Capital Structure
- JORC Resource Results
- Rail and Port Options
- Peer Comparison
- Development Timeline

Additional Growth Prospects

With the Kinney Coal Project permitted and at an advanced stage of development with production scheduled in late 2013, NHO has targeted additional resource acquisition(s) that will transform the Company into a multi-mine, mid-tier coal producer in North America.

The Company has identified and initiated due diligence on two additional projects located within the Western United States. If acquired, these projects will complement Kinney's production, coal quality,

sales and marketing aspects. One of the two properties currently being evaluated covers approximately 7,885 hectares of contiguous underground mining reserves containing two major coal seams. A second property contains a sizable reserve of surface-minable coal at strip ratios as low as 2.5:1. NHO will continue to evaluate additional mining opportunities in the Western US as they arise, with the goal of becoming a mid-tier coal producer.

JORC Resource

KINNEY PROPERTY JORC RESOURCE (METRIC)				
(million tonnes)				
Seam	Measured	Indicated	Inferred	Total
Hiawatha Seam	9.0	7.2	2.0	18.2
UP Seam	3.3	4.4	0.2	7.9
Total	12.3	11.6	2.2	26.1
Resource Estimate per JORC criteria				

Competent Person's Statement

The information in this report that relates to Exploration Targets and Exploration Results, is based on information compiled by Mr James Kohler, who is a Registered Member of the Society of Mining, Metallurgy and Exploration (SME) and independent consultant to the Company. Mr Kohler is an Associate of Behre Dolbear & Company (USA), Inc and has over 35 years of exploration and mining experience in a wide variety of mineral deposit styles including coal. Mr Kohler 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 Kohler consents to the inclusion in the presentation of this information in the form and context in which it appears.