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INITIAL JORC RESOURCE DEFINED AT THE KINNEY COAL PROJECT

Highlights:

- Underground mineable Resource of 26.1Mt
- 92% of the Resource in the Measured and Indicated Category, of which 51% is Measured
- Indicative coal quality of a high calorific, bituminous coal
- Potential for similar tonnage acquisition on lands adjacent to the Kinney Coal Project Lease
- JORC Resource defined within two (2) months of NHO acquiring the Kinney Coal Project
- First stage of Bankable Feasibility Study “BFS” to commence this quarter

New Horizon Minerals Ltd (**NHO** or the **Company**) is pleased to announce a maiden JORC resource at the Kinney Coal Project in Utah, USA, which is owned by its wholly owned subsidiary Wasatch Natural Resources LLC. Importantly, the JORC Resource indicates 92% is in the Measured and Indicated Category which underpins the Company and the Company Management’s belief that the Kinney Coal Project is the first step in the direction of becoming a Mid Tier US Coal Company.

The Kinney Coal Project is in an ideal location strategically located directly adjacent to all infrastructures, including rail, power and water and with a clear route to take advantage of both the strong domestic and export coal markets.

The JORC resource confirms management’s estimates and supports the potential for up to a 2 million tonne per annum coal operation.

The maiden Coal Resource for Kinney Coal Project has been prepared by Behre Dolbear Group Inc (“BD”), which is one of the oldest mining industry advisory firms in the world.

TABLE 1				
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				

The Coal Resource is based on considerable drilling by previous landowners in the 1970's and 80's. A database of more than 70 drill holes has been used to develop the geological data. Figure 1 (page 4) shows the locations of the drill holes supporting the initial JORC Resource. Further exploration upside exists outside the current defined JORC Resource area in parcels controlled by the Company.

Coal Quality

BD have undertaken a preliminary, indicative assessment of the coal quality based on limited historical core hole information which concluded that Kinney coal could have the following characteristics:

TABLE 2								
2006 DRILLING PROGRAM HIAWATHA SEAM QUALITY SUMMARY								
(dry basis)								
Core Hole ID	Thickness feet (metres)	Ash %	Sulfur %	V.M. %	F.C. %	Btu/lb	kcal/kg	lbs SO₂ per million Btu
CR-06-01	7.6 (2.3m)	11.04	0.69	40.02	48.95	12,575	6,986	1.09
CR-06-02	8.5 (2.6m)	8.45	1.04	41.99	49.57	12,883	7,158	1.62
CR-06-05-A	7.5 (2.3m)	14.01	0.80	39.28	46.70	12,114	6,730	1.32
CR-06-09-BLW	10.9 (3.3m)	4.29	0.67	42.31	53.40	13,506	7,504	0.99
CR-06-10	9.0 (2.7m)	5.30	1.02	42.71	51.98	13,506	7,504	1.51
Average	8.7 (2.6m)	8.62	0.84	41.26	50.12	12,917	7,176	1.31

Bankable Feasibility Study

The Company is currently in discussions with 4 major mining consulting firms to award the first stage of the Bankable Feasibility Study. It is envisaged a consultant will be formally commissioned by the end of the 1st quarter 2012.

Chairman's comments

Mr Steinepreis said, "The Company is extremely pleased with the quick delineation of a maiden resource on the Kinney Coal Project. The fact that 92% of the coal is in the measured and indicated category also proves the high quality of prior work performed by Greg Hunt during the 10 years he has been associated with the property."

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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.

NEW HORIZON COAL LTD OVERVIEW

Introduction

New Horizon Coal Ltd is an ASX listed company focused on becoming a high quality coal producer and eventually becoming a mid tier North America focused coal miner.

New Horizon Coal Ltd has recently acquired a thermal coal project in Utah called the Kinney Coal Project. The acquisition was finalised in November 2011. With the initial JORC resource and the soon to be commencing BFS, the company is on its way to become the next coal producer in a very mature coal producing region.

Coal Resource

BD were commissioned by NHO and its wholly owned subsidiary Wasatch Natural Resources LLC in late 2011 to prepare a Coal Resource in accordance with the JORC Code. BD has a longstanding reputation in the US as one of the countries leading mining consultants.

Considerable exploration and drilling has been done on the property over the last 40 years with most of the drill data collected in the 1970's and 1980's.

Key points from BD work are as follows:

- Maiden JORC resource of 26.1 million tonnes of which 92% (23.9m) is the measured and indicated category
- The two main seams, the Hiawatha Seam and UP seam have been evaluated
- The Hiawatha seam ranges from 1.8-3.7 metres in thickness whilst the UP seam is up to 9.1 metres thick

Background

The Kinney Coal Property is located in the Wasatch Plateau Coal Field in Carbon County, Utah, just east of the town of Scofield, Utah.

The Project is located in a very mature coal-producing region, which has been producing over 30 million tonnes per annum for decades. Production in the region has typically consisted of high quality low sulphur thermal coal which has been a premium product for both domestic and export markets.

The Union Pacific rail-spur runs adjacent to the property (less than 1km) and two additional, Class 1, rail carrier lines, located less than 20km away, can be accessed by a major paved highway. All three rail lines provide rail access to existing and proposed ports in North America as well as domestic utility markets.

The property consists of Carbon County Coal Leases and fee coal interests controlled by Wasatch Natural Resources, LLC, a wholly owned subsidiary of New Horizon Coal Ltd. In addition to the Kinney leasehold, there are unleased federal and private coal resources adjacent to the property. The Company has commenced discussions with the Bureau of Land Management ("BLM") to lease adjacent parcels of coal bearing land as well as other leases in the area.

Geology

UP Seam

The lower most potentially mineable coal bed in the Kinney Coal Project is the UP seam, which can be correlated over most of the Kinney Coal Project. The UP seam is up to 19.2 metres thick on the West of the Kinney Coal Project where it has been mined.

Hiawatha Seam

The Hiawatha seam occurs approximately 30.5 metres above the UP seam and is the uppermost potentially mineable coal bed in the Kinney Coal Project. The Hiawatha seam ranges in thickness from about 1.8 metres to 3.7 metres inside the JORC identified mining blocks. The run-of-mine coal quality is regarded as suitable for export steam coal markets.

FIGURE 2: OVERVIEW OF UTAH COAL INDUSTRY

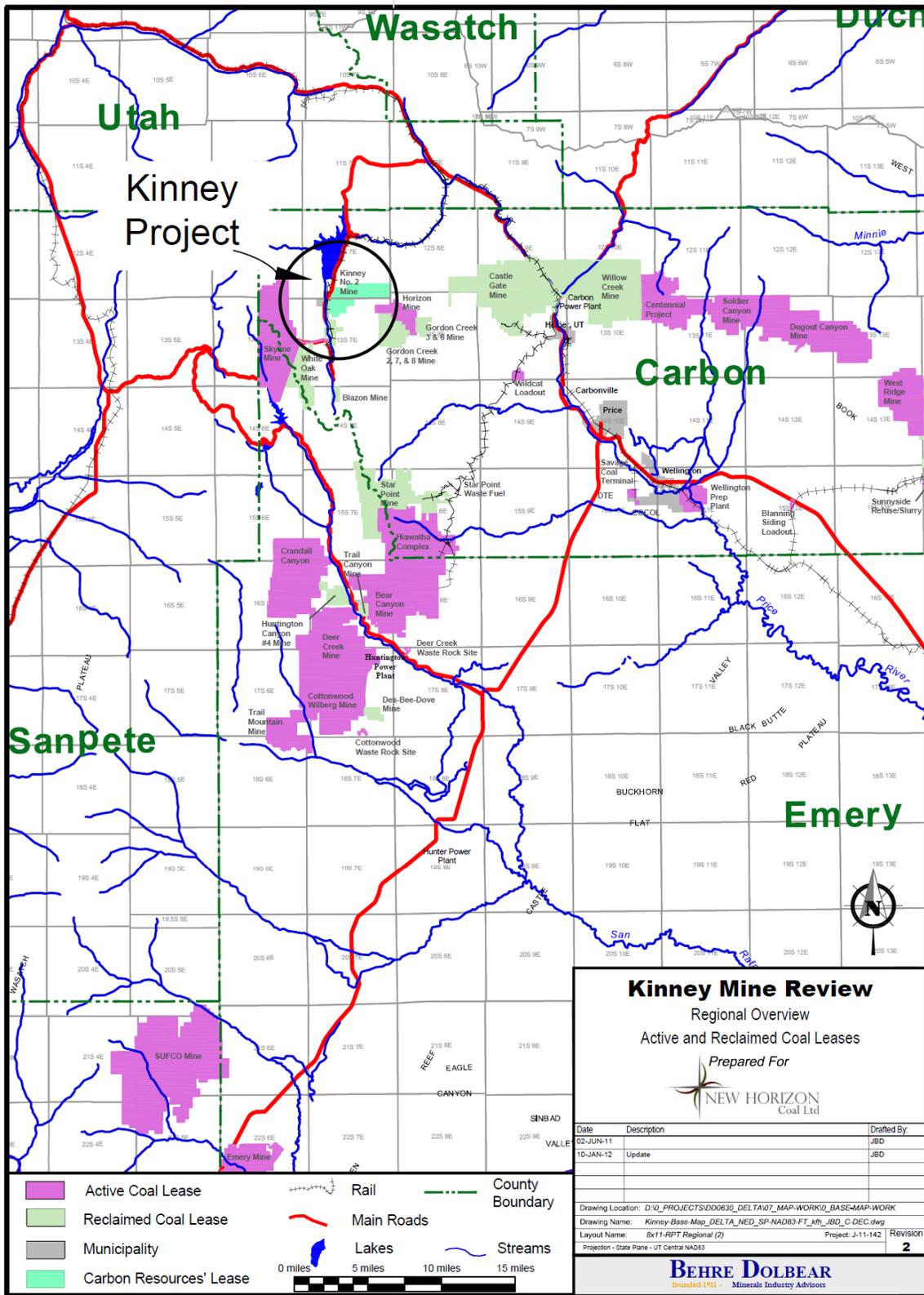


FIGURE 3: GEOLOGIC CROSS SECTION OF KINNEY COAL PROJECT

