

HUNNU COAL LIMITED

MONGOLIAN COAL COMPANY



ASX:HUN

DISCLAIMER

Forward-looking statements

This presentation includes certain “forward-looking statements.” All statements, other than statements of historical fact, are forward-looking statements that involve various risks and uncertainties. There can be no assurances that such statements will prove accurate, and actual results and future events could differ materially from those anticipated in such statements. Such information contained herein represents management’s best judgment as of the date hereof based on information currently available. The company does not assume the obligation to update any forward-looking statement.

Qualified Persons

The technical information in this presentation is derived from Hunnu Coal’s ASX releases, each of which has been reviewed by one or more of our Competent Persons as defined in the 2004 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Copies of the releases naming the CPs are available on the ASX or www.hunnucoal.com.

DEVELOPING A NATION WHILE DELIVERING SHAREHOLDER VALUE



HUNNU HIGHLIGHTS

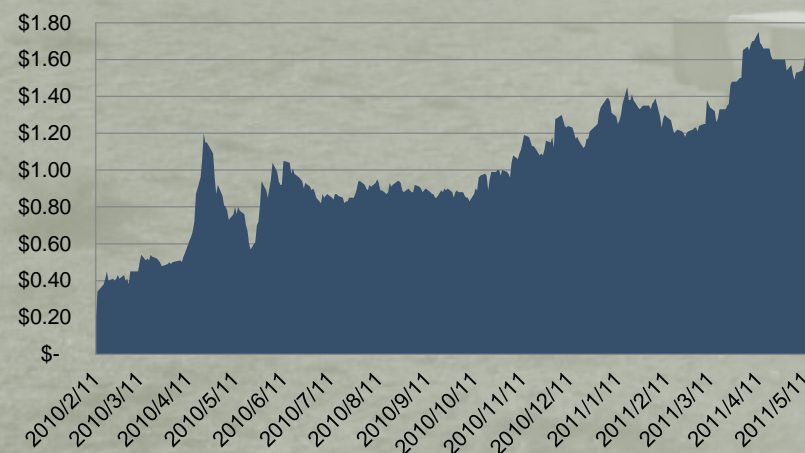
- **Enviably land position in the World Class Southern Mongolian Coal Provinces.**
- **Acquisition of 70% of the Altai Nuurs Premium Coking Coal Project from Rio Tinto:**
 - **Cost of US\$23M plus deferred payments of US\$17M.**
 - **Exploration Target* of between 250 million and 500 million tonnes.**
 - **Premium hard coking coal with an average CSN of 8.5.**
- **Exploration Target* of 800 million to 1 billion tonnes of coal at Tsant Uul & Unst Khudag:**
 - **90Mt JORC Resource for Tsant Uul Coking Coal Project, with 61Mt in Measured and Indicated categories.**
 - **324Mt JORC Resource for Unst Khudag Project based on <30% of available data with 226Mt in Measured and Indicated categories.**
- **First coal production in 2011.**
- **Completed 50,000 metres of drilling in 2010.**
- **Strong cash position A\$43M.**
- **Construction of rail spur at Choir depot to Trans-Mongolian Railway commenced.**
- **Feasibility study commenced into Choir to Unst Khudag rail line.**
- **Off-take agreements in advanced stages for both Tsant Uul and Unst Khudag.**
- **Trial open cut mine completed at Unst Khudag.**
- **Transportation and logistics studies at advanced stage.**

COMPANY SNAPSHOT

Description	ASX listed coal development company with 15 projects throughout Mongolia.
Share price	A\$1.47 (24 May 2011)
Shares	242.1 million
Options	19.3 million
Market cap	A\$356 million
Cash	A\$43 million
JORC Resources	414 million tonnes
Exploration target*	1.05 billion – 1.5 billion tonnes
Key projects	Tsant Uul / Altai Nuurs / Unst Khudag

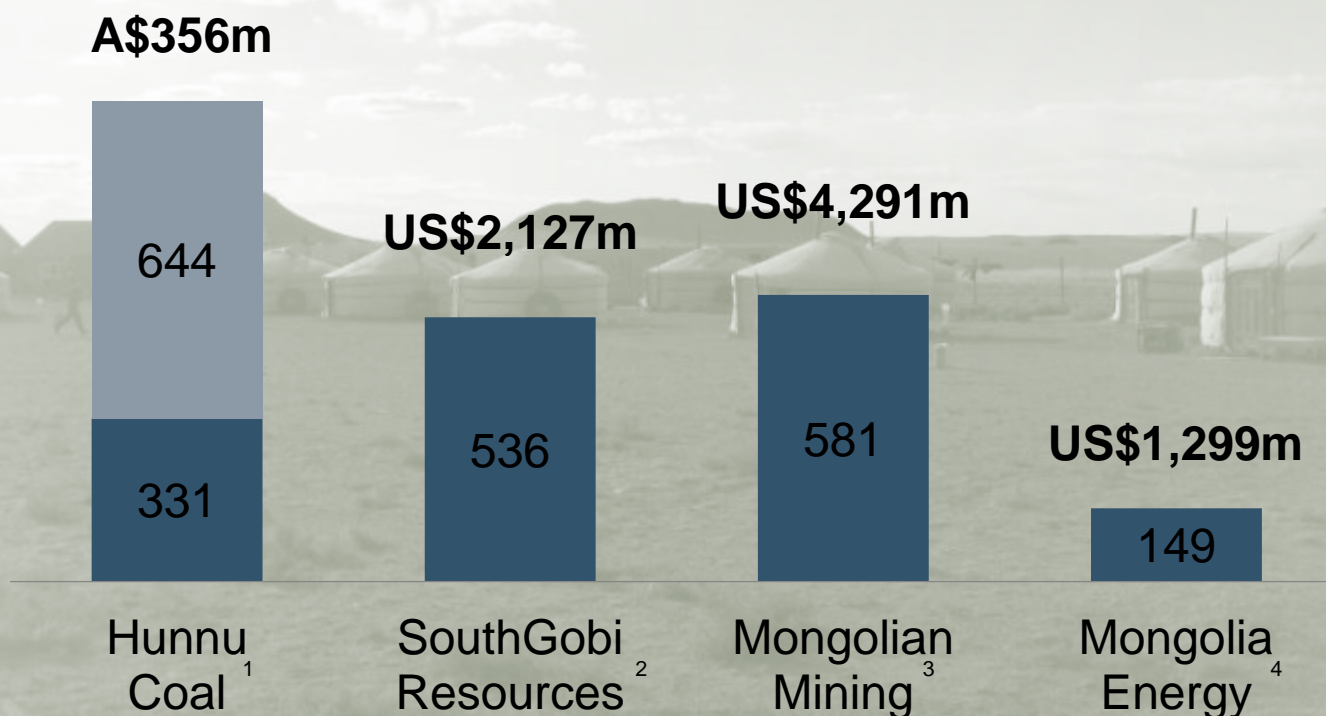
Board	
Executive Chairman	Matthew Wood
Managing Director	George Tumur
Executive Director	Timothy Flavel
Non Executive Director	Daniel Crennan

Share Price History



RESOURCE vs MARKET CAP

■ Resource ■ Exploration target*



1 – Hunnu Coal’s direct interest in the Altai Nuurs, Tsant Uul & Unst Khudag projects.

2 – Southgobi Resources February 2011 Investor Presentation and 30 March 2011 Resource Upgrade.

3 – Mongolian Mining Corporation Prospectus.

4 – Mongolian Energy Corporations April 2011 Investor Presentation.

KEY MANAGEMENT

Key Management

Matthew Wood
Executive Director

- BSc(Hons-Geology), Grad Certificate (Mineral Economics).
- 18+ years experience in the resources sector - extensive experience in project identification, negotiation, acquisition and corporate development.

George Tumur
Managing Director

- MSc(Mining), BSc(Metallurgical), Technical Degree (Mineral Processing).
- Experienced in senior management positions for various Mongolian mining companies, including managing the development of Mongolian Mining Corp's UHG Coking Coal Project.
- An intricate understanding of the political, mining and legal landscape in country.

Timothy Flavel
Executive Director

- Chartered Accountant with 20+ years experience in mining and accounting.
- Expertise in financial management and general corporate advice possessing a strong knowledge of the Australian Securities Exchange requirements and assisting a number of resources companies operating throughout Australia, Mongolia, Africa and South America with financial accounting, stock exchange compliance and regulatory activities.

Daniel Crennan
Non Executive Director

- Barrister practicing in Melbourne and Perth with expertise in Corporations Law, Commercial Law, Trade Practices and Intellectual Property.
- Has made submissions to the Joint Standing Committee on Treaties on behalf of the Law Council of Australia.

Angus Caithness
Chief Financial Officer

- Chartered Accountant, member of the Financial Services Institute of Australasia and currently a Director of Lindian Resources Limited and Company Secretary of Haranga Resources Limited.
- Previously an Executive Director at Ernst & Young and has been providing accounting and transaction advice across the international resources community within established and emerging markets for over 10 years with a particular focus on mining companies looking to list on the London, Australian or Hong Kong Stock Exchanges.

Dr Batjargal Tsog
Chief Operating Officer

- PhD in Technical Science from the Mongolian University of Science and Technology and an MBA from the Asian Institute of Technology in Thailand.
- Over 10 years experience in the energy and power sector and previously in senior management roles at the Mongolian branches of the World Bank/UNDP and the AES. Was also actively involved in the development of infrastructure and energy projects in Mongolia including Mongolian Mining Corp's UHG Coking Coal Project.

Gansukh Turmunkh
General Manager of
Transportation & Logistics

- Masters in Public Management from the Mongolian Academy of Management and a degree in auto mechanical engineering from the University of Roadway and Transportation in Moscow.
- Over 10 years experience in the Mongolian transportation sector and previously the Head of the Transportation Department of the Government Agency for Transportation and Secretary of the Intergovernmental Working Committee for Road Transportation of Mongolia.

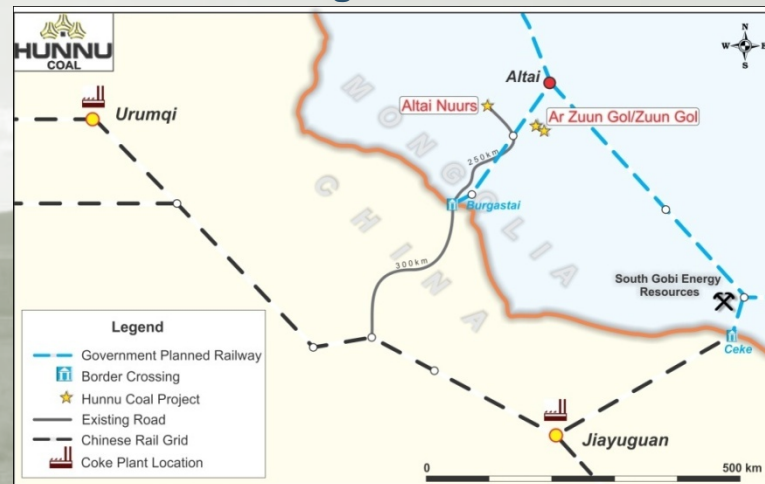
Chinbat Duger
General Manager Operations

- MSc in Mining Technology from the Mongolian University of Science and Technology and a Masters in Public Management from the Mongolian Academy of Management.
- Over 16 years experience in the mining industry including being the General Manager for Mining and Geology at Mongolian Mining Corp's UHG Coking Coal Project.

ACQUISITION - ALTAI NUURS

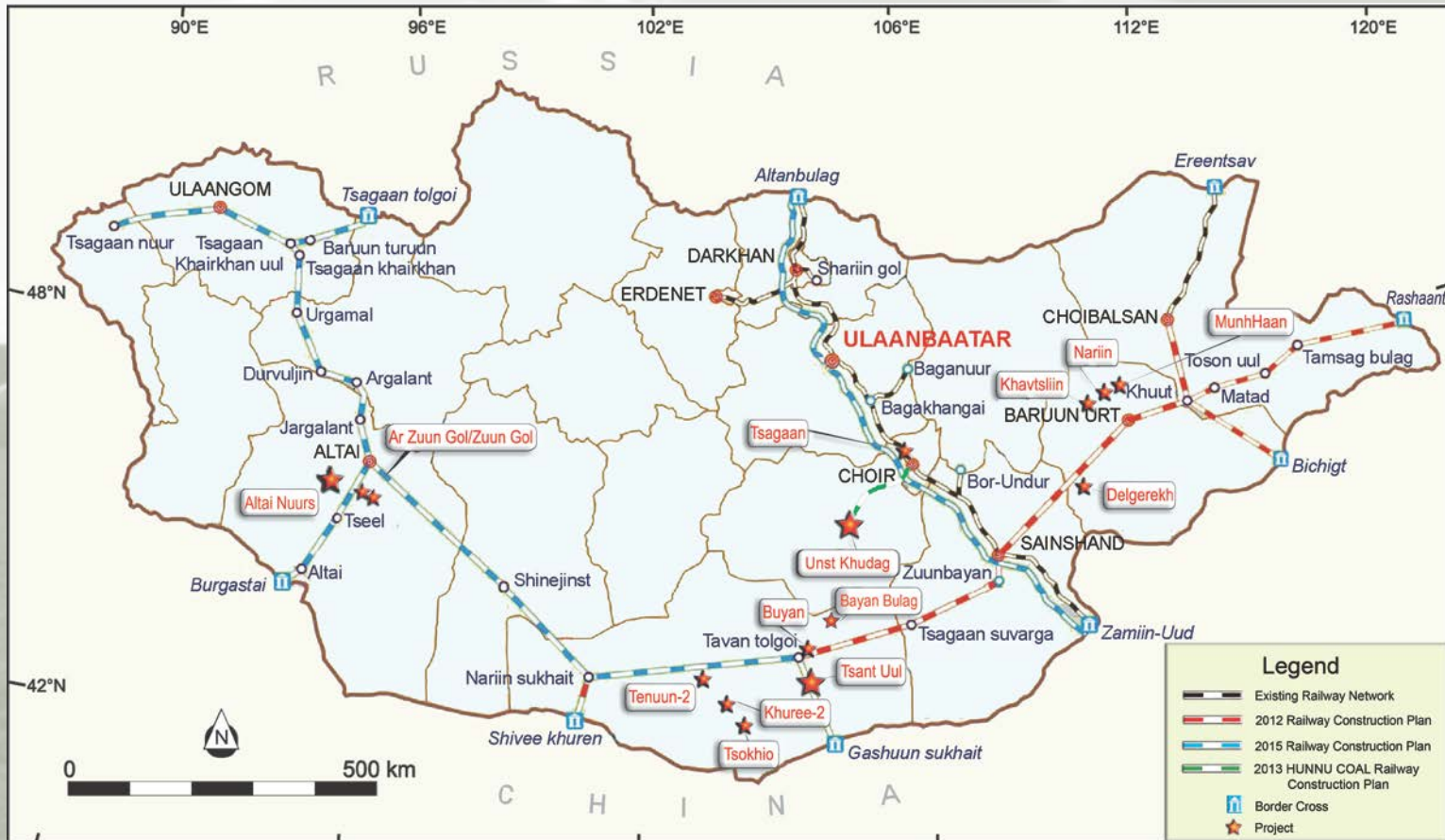
- 70% of the Altai Nuurs Coking Coal Project Aquired from Rio Tinto
- Located in the Gobi Altai Province of south western Mongolia.
- Initial test work indicates a premium hard coking coal with the following average parameters:

- Moisture (%ad): 1.6%
- Ash (%ad): 10.7%
- Volatile matter: 18%
- Calorific Value (Kcal/kg ad): 7,460
- CSN: 8.5
- Total Sulphur (%ad): 0.48
- Phosphorous (%ad): 0.017
- Alkalinity Index: 0.56
- Coke Strength Ratio: +70



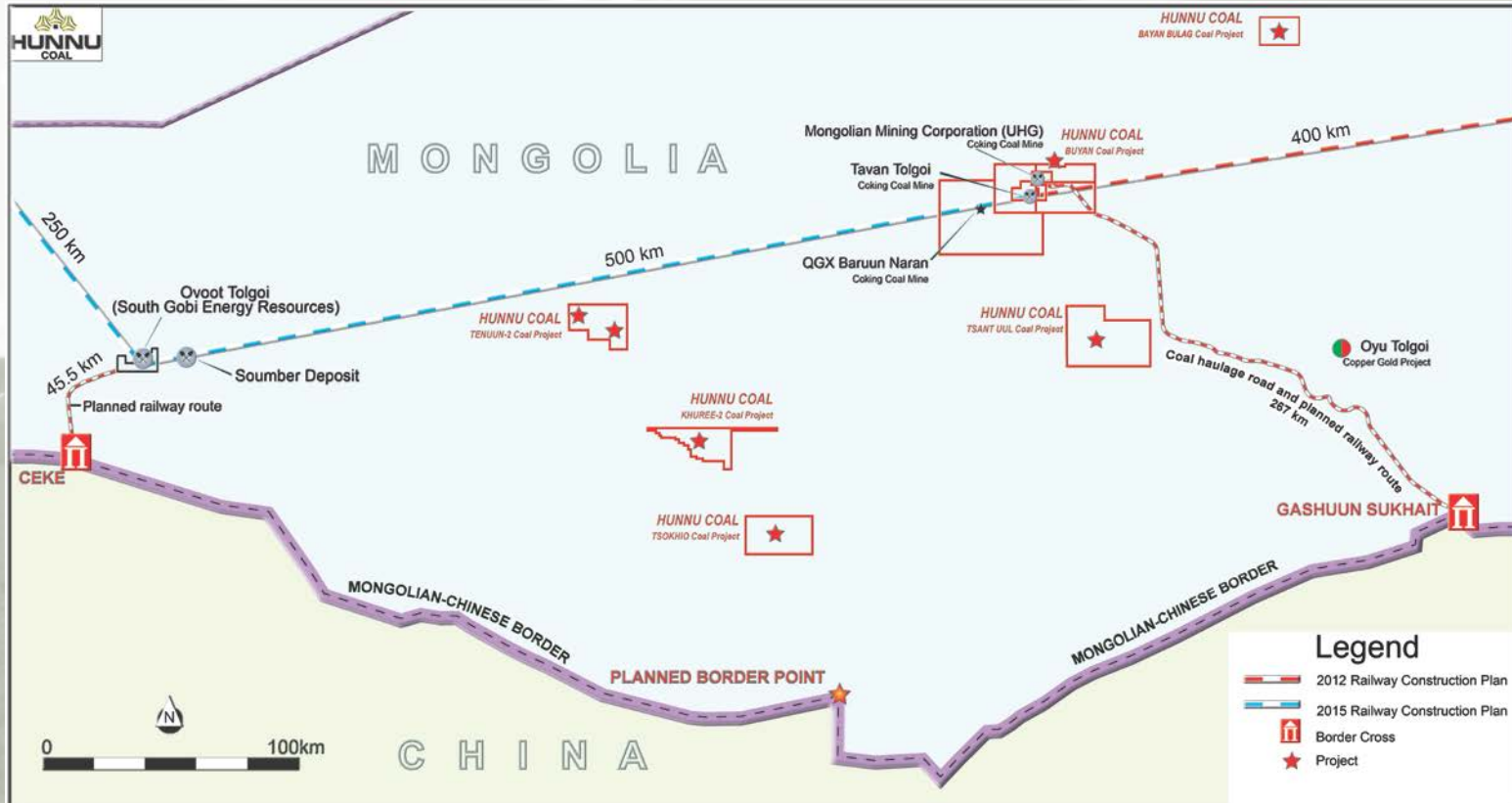
- Exploration Target* based on drilling, coal test work and wireframe modelling of between 250Mt and 500Mt. Hunnu Coal will commence JORC modelling at once.
- 19,437 metres for 107 RC and core drill holes completed.
- Major drilling programmes planned for 2011.
- Granted Mining Licenses with a Fast Track development scenario.
- Preliminary open cut modelling indicates a low strip ratio of 3.5:1 for mine development.
- Close proximity to sale points at either mine gate or trucked approximately 250km by road to the Burgastai border crossing into China.

HUNNU COAL PROJECTS



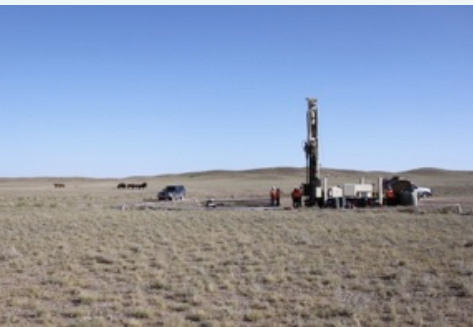
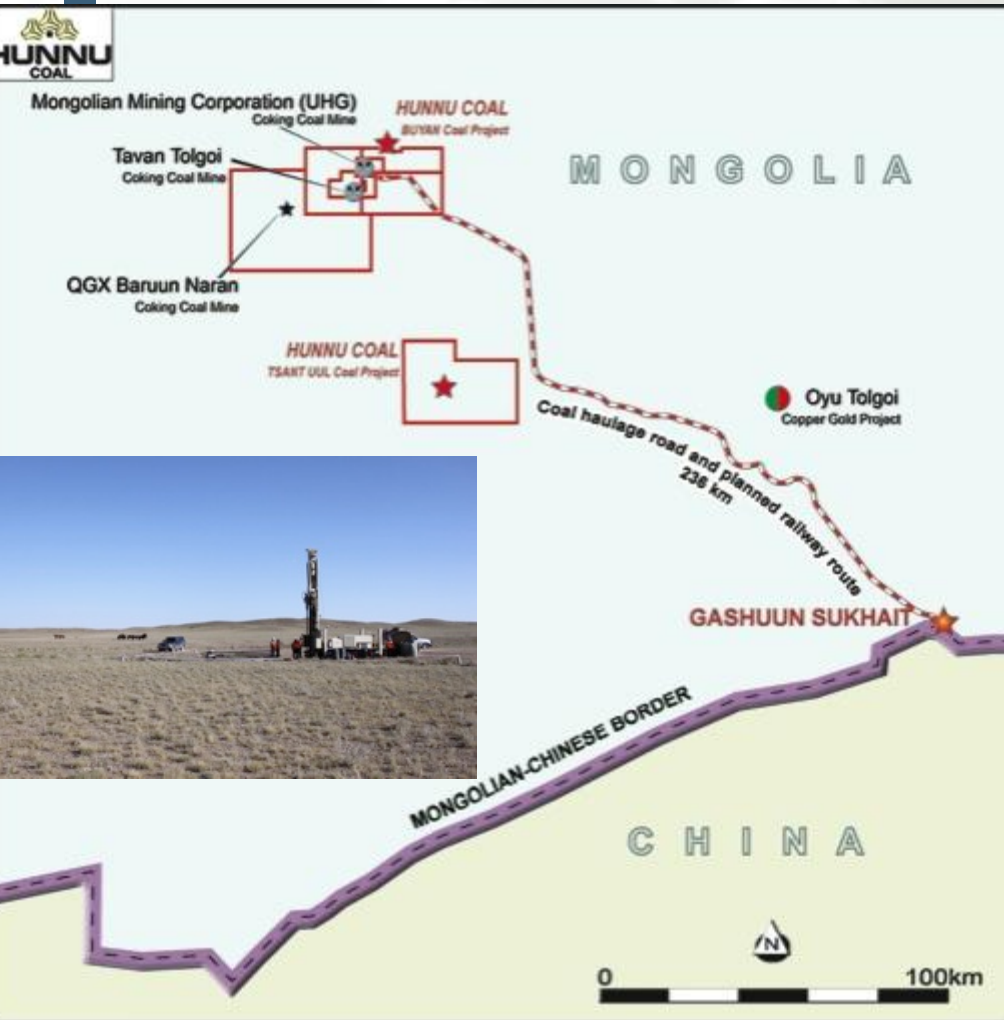
- High quality coal projects located along existing or planned infrastructure.
- Targeting coking coal in the South Gobi and Gobi Altai regions.
- Targeting giant +6,500 Kcal (daf) value thermal coal in the Middle Gobi.

SOUTH GOBI COKING COAL



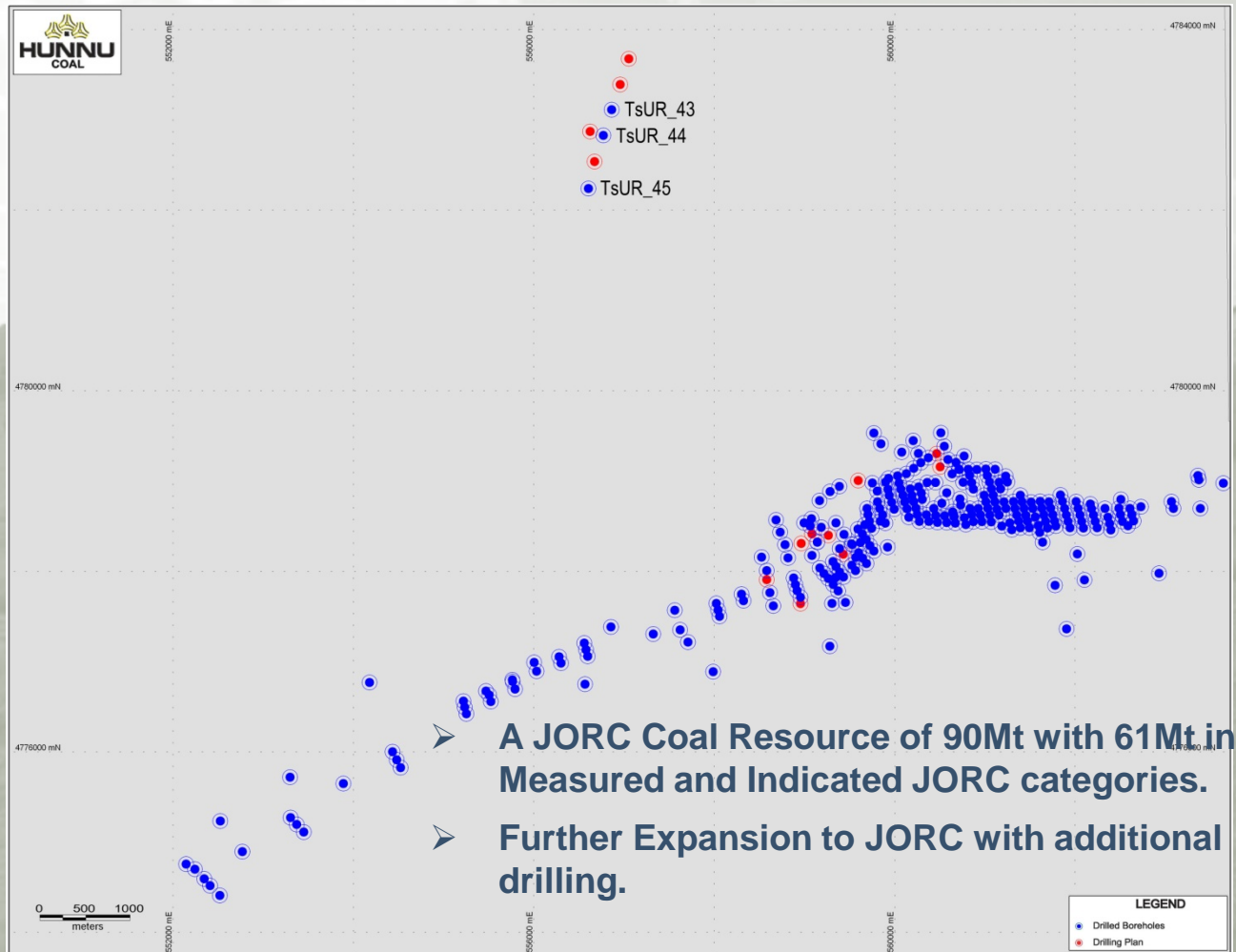
- Located in the coking coal rich South Gobi Province.
- Hunnu is the most active explorer in the South Gobi.
- Aggressive drilling programmes in 2011 at Tsant Uul, Khuree-2, Tsokhio, Buyan and the newly acquired Bayanbulag Projects.
- Fast track mine study progressing well, with production expected this year from Tsant Uul.
- 9 Drilling rigs operating on Hunnu Projects

SOUTH GOBI COKING COAL TSANT UUL PROJECT



- The Tsant Uul Coal Project (69,000Ha) is located 40 km south of Tavan Tolgoi.
- The average coal quality analyses of five coal seam groups from drill core samples showed:
 - Total Moisture = 3.99% - 6.51%
 - Ash = 17.54% - 39.01%
 - Volatile Matters = 22.02% - 42.44%
 - Fixed Carbon = 35.85% - 42.31%
 - Sulfur = 0.28% - 0.65%
 - Gross Qdaf = 7,008 - 7,455 kCal/kg
 - FSI (Raw Coal, including ash) = 1.54 - 1.69
- JORC Coal Resource of 90Mt (34Mt Measured; 27Mt Indicated; 29Mt Inferred).
- Exploration Target* of 100Mt to 200Mt coal.
- 321 holes for 52,365 metres. Expansion of JORC with further drilling.
- Large diameter drilling for full washability and metallurgical characteristics test work.
- The permitting process for the granting of a mining license nearing completion.
- Initial coal production is anticipated to commence in the latter half of 2011.

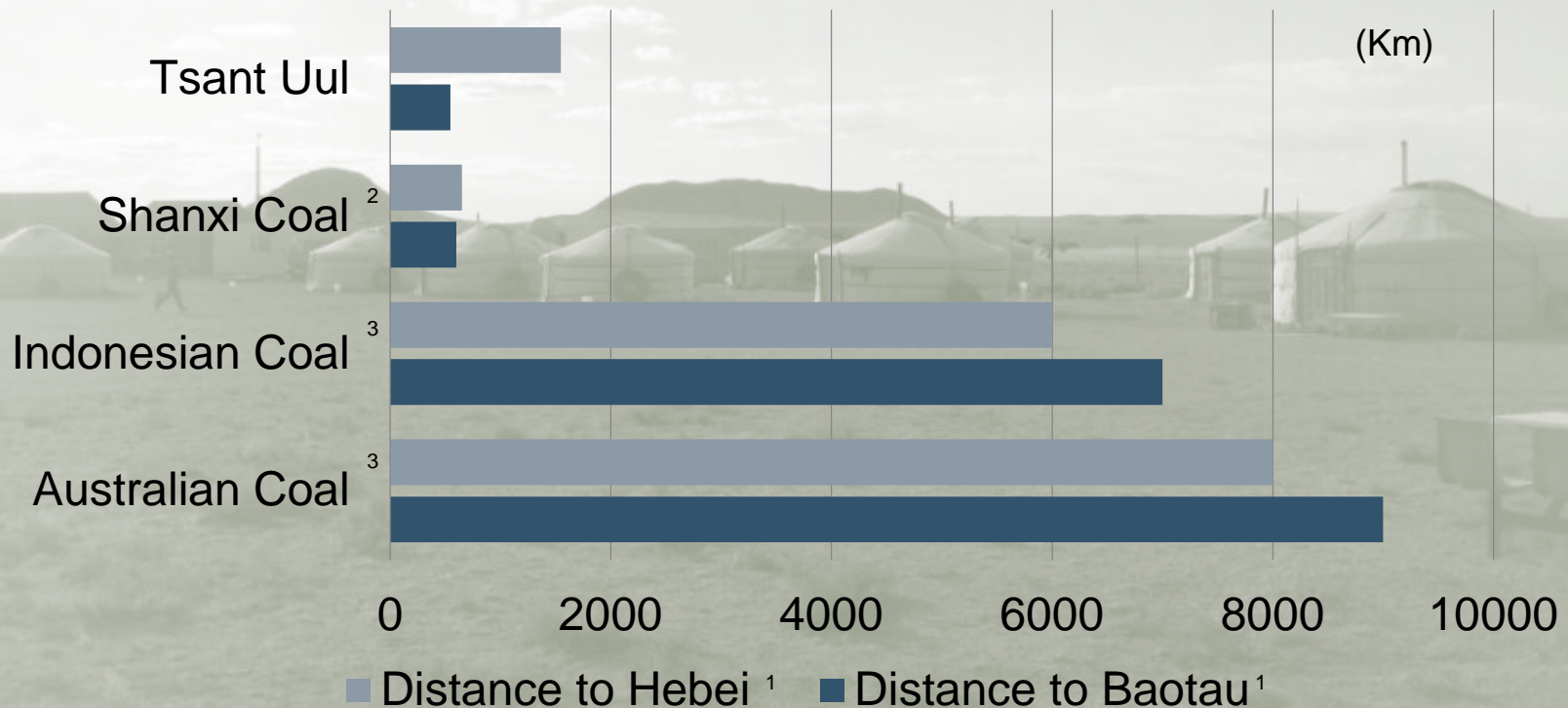
SOUTH GOBI COKING COAL TSANT UUL PROJECT



Drill hole location map of the Tsant Uul Coking Coal Project

STRATEGIC LOCATION

Tsant Uul is strategically located near Baotou the regional Chinese railway hub as well as Hebei which is China's steel capital.



1 - Distance information was estimated according to web resources and company filings.

2 - Uses Taiyuan as the starting point.

3 - Sea distance estimated by World Shipping Register.

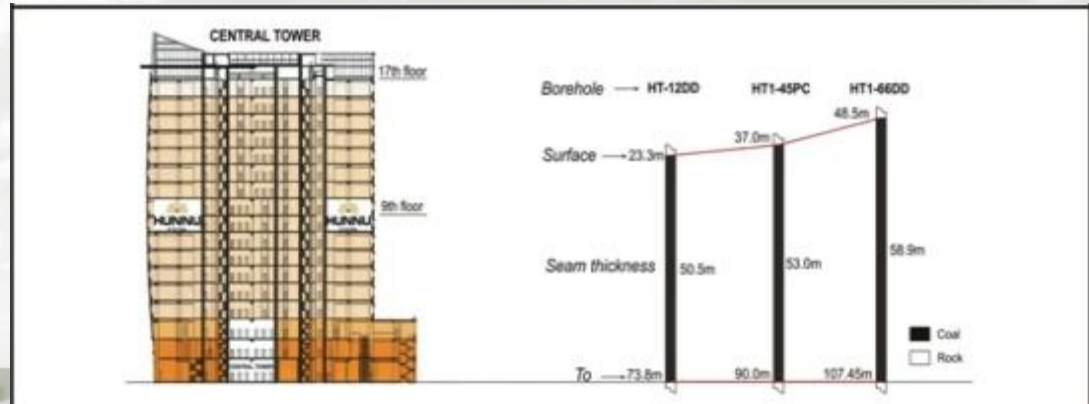
UNST KHUDAG THERMAL COAL



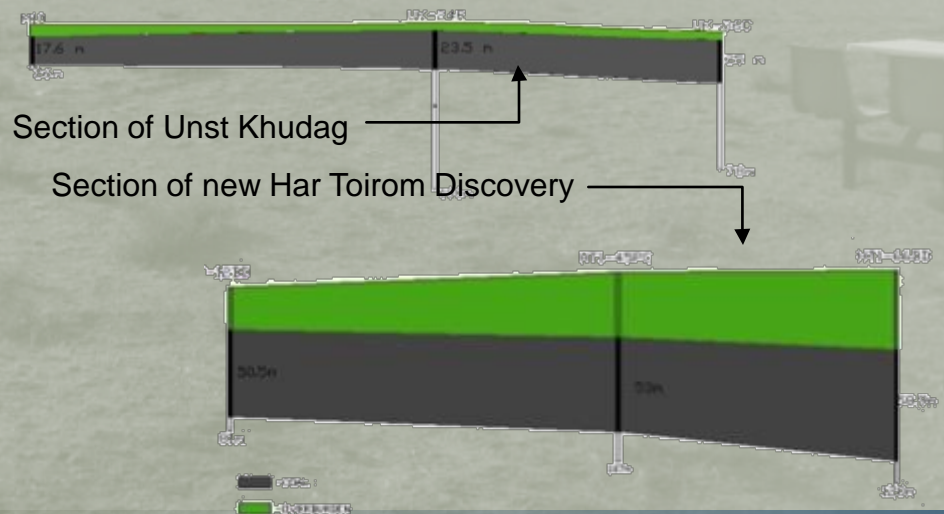
- Consists of two Exploration and one Mining License covering over 59,000Ha area.
- Coal seams up to 58.9 metres in thickness, dipping at 0 to 5 degrees.
- Approved Mining Plan, Feasibility and Environmental Impact Study.
- Low strip ratio mine start up at less than 1:1.
- Trial open cut mine completed.
- Construction of rail spur at Choir depot to Trans-Mongolian Railway commenced.

UNST KHUDAG THERMAL COAL

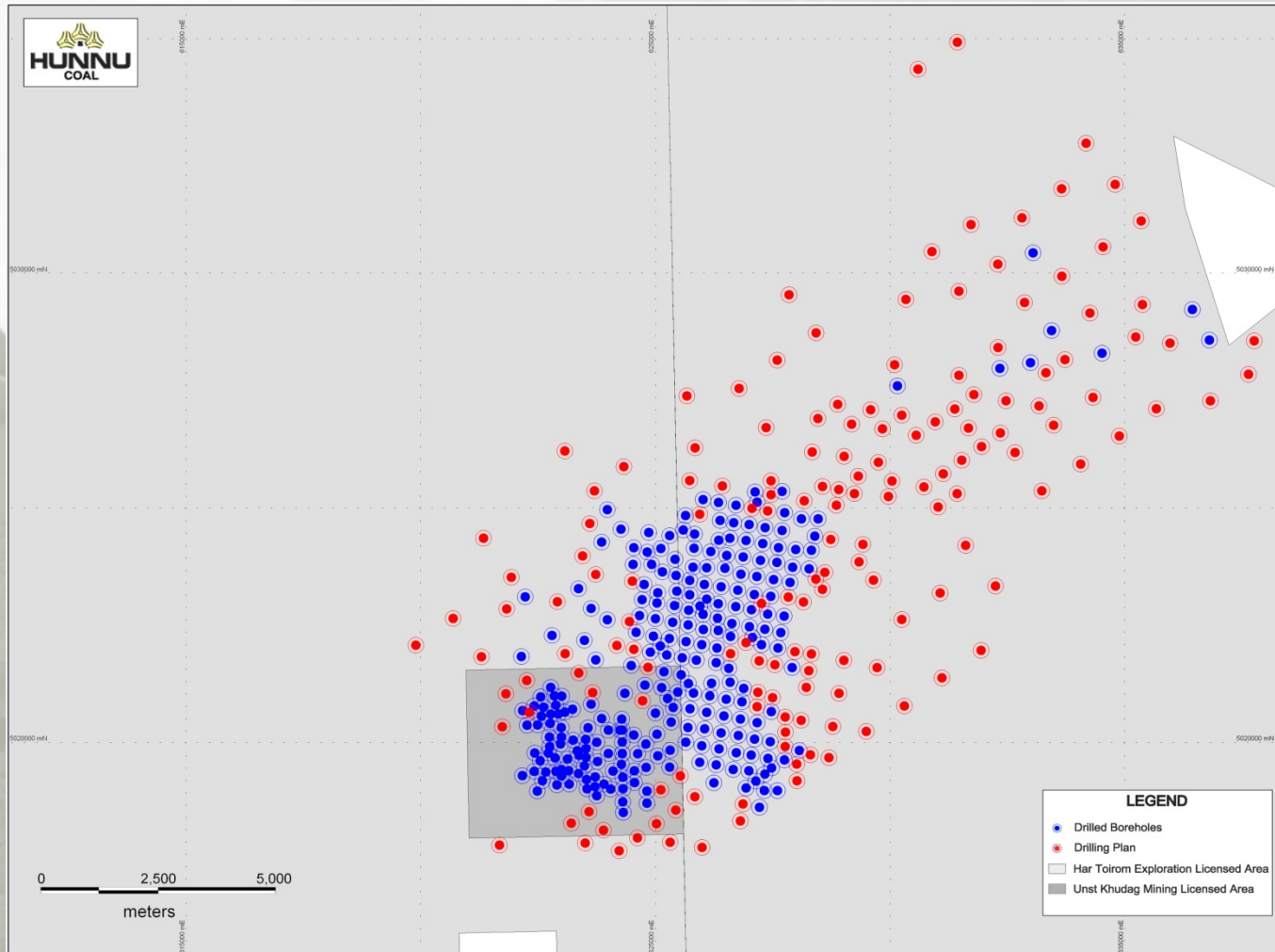
- 324Mt JORC resource
- Exploration Target* of 700Mt to 800Mt coal.
- 10mt to 20Mt per annum coal development
- High grade thermal coal with an average calorific value of 6,784 kcal/kg dry ash free (daf).
- 289 holes drilled for 26,520 metres.
- Fast track mine study well progressed and transportation and logistics study at advanced stage.
- Clear logistic route to China via Erlianhaote border crossing.
- Acquisition of 20,000m² of land at the Choir rail head.
- Construction of rail spur at Choir depot to Trans-Mongolian Railway commenced.
- Feasibility study commenced into Choir to Unst Khudag rail line.



Intersected coal seams, compared to the height of the Hunnu Coal office in Central Tower (Tallest building in Mongolia).



UNST KHUDAG THERMAL COAL



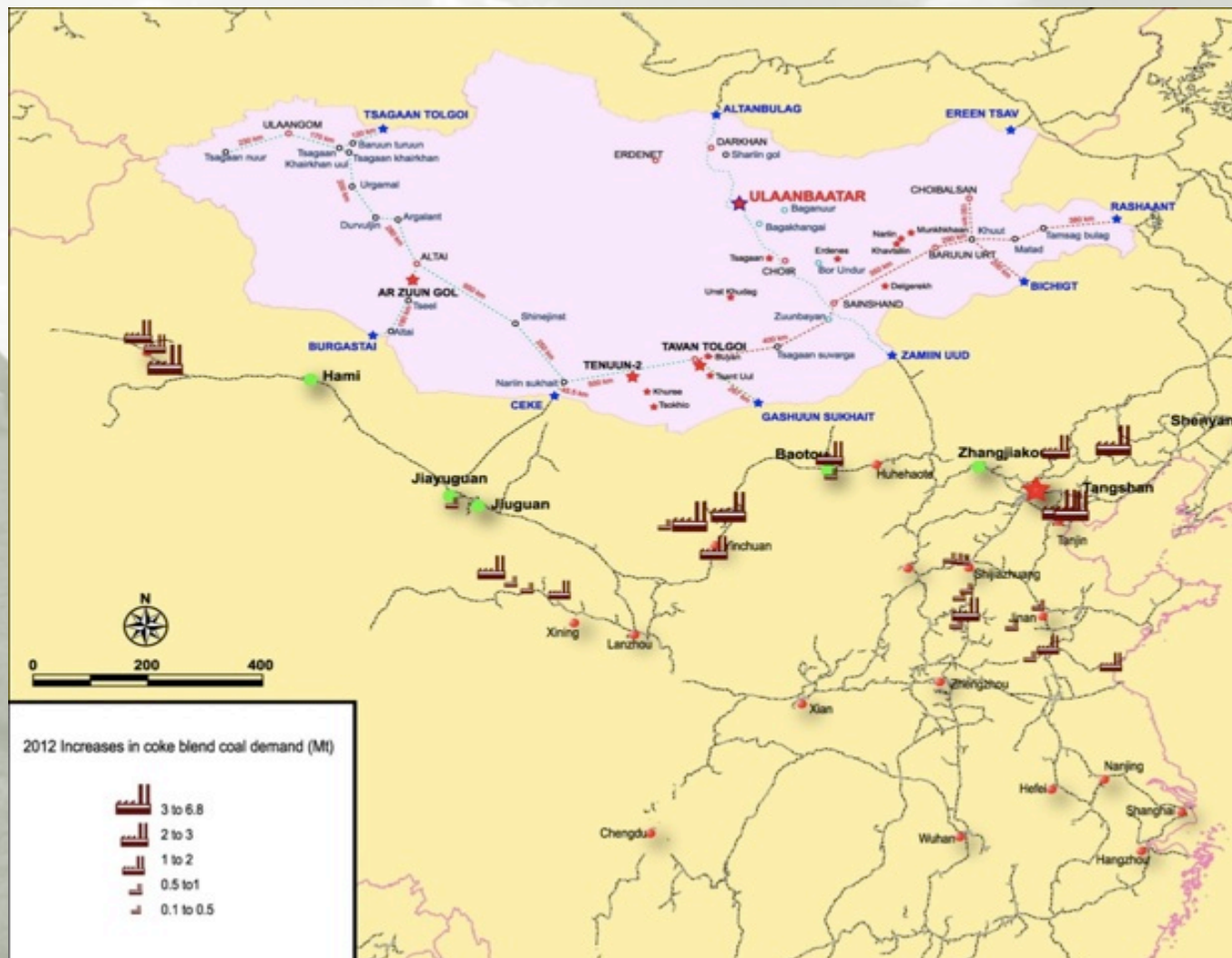
Drill hole location map of the Unst Khudag Thermal Coal Project

GOBI ALTAI COKING COAL

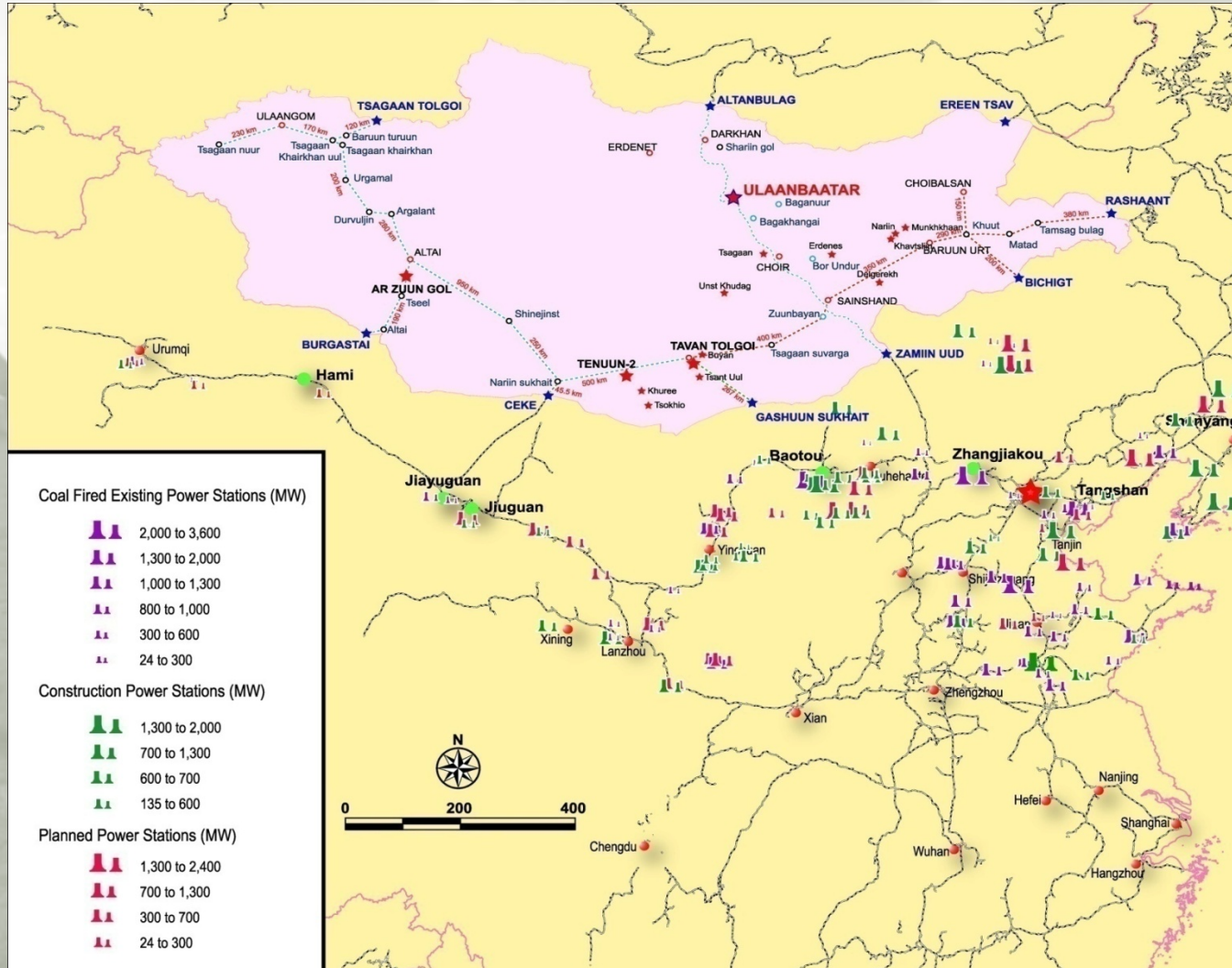


- Major Coking Coal Province outside the South Gobi Province.
- 250 km from the Chinese-Mongolian border.
- Aggressive drilling programmes planned for 2011.
- Newly acquired 70% equity position in Altai Nuurs Coking Coal Project.
 - Exploration Target* of 250Mt to 500Mt coal.
- 70% equity position in Zuun Gol and AR Zuun Gol Coking Coal Projects.
 - Exploration Target* of 150Mt to 250Mt coal.

COKING DEMAND: CHINA



POWER DEMAND: CHINA



CONTACTS

www.hunnucoal.com

Matthew Wood – Executive Chairman
George Tumur – Managing Director

Level 1, 33 Richardson St, West Perth
Tel: +61 8 9200 4468 Fax: 9200 4469
Or

Central Tower, Suite 901
Ulaanbaatar, Mongolia
Tel/Fax: +976 11 321914



Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr George Tumur who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tumur is the Managing Director of Hunnu Coal Limited. Mr Tumur 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 Tumur consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

*** Exploration Target**

This work has not resulted in the definition of any resource which is compliant with the JORC Code but has identified an Exploration Target. With further exploration, this target has potential for between 950Mt to 1,250Mt of coal. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a Mineral Resource in accordance to the JORC Code. As such it is uncertain if further exploration will result in the determination of a Mineral Resource. Further Hunnu cautions that in order to achieve this target, substantial exploration is required to further geologically map, detect, trench and drill test the defined conceptual target. On this basis, Hunnu considers that further work is warranted beyond that previously conducted.