



ASX Release

Monday 18 July 2011

HUNNU COAL LIMITED
ABN 83 138 962 124
Level 1 / 33 Richardson Street
WEST PERTH
Australia

Tel: +61 8 9200 4267
Fax: +61 8 9200 4469

Contact:

Matthew Wood
Executive Chairman

E-mail: info@hunnucoal.com

Directors / Officers:

Matthew Wood
George Tumur
Timothy Flavel
Daniel Crennan

Issued Capital:

242.1 million shares

ASX Symbol: HUN

MINING LICENCE GRANTED FOR TSANT UUL PROJECT

Hunnu Coal is very pleased to announce that the Mineral Authority of Mongolia has granted a mining licence MV - 016872 for the Tsant Uul Project, covering total area of 69,233 ha.

- **Targeting commencement of mining in the last quarter of 2011.**
- **Targeting initial production of 1.5Mt of coal in 2012 and 3Mt in 2013.**
- **Owner operator mining fleet currently being purchased with initial purchases including six CAT 773 Dump Trucks and a Hitachi 1200 excavator. Additional purchases underway.**
- **Exploration and development drilling now totaling 56,101 metres of diamond drill core and RC since discovery of the Tsant Uul Deposit in middle of 2010.**
- **Study for a coal haulage access road from Tsant Uul Mine site to the existing coal haulage road has been completed and is currently under Government approval process.**
- **An update of the Tsant Uul Project JORC Resources is being completed. The Company's exploration target for the Tsant Uul Project is for 150 - 200Mt.***
- **Final test work and off take agreements progressing well.**
- **New Coal discovery 7km north of the Tsant Uul Deposit, with drilling currently underway.**

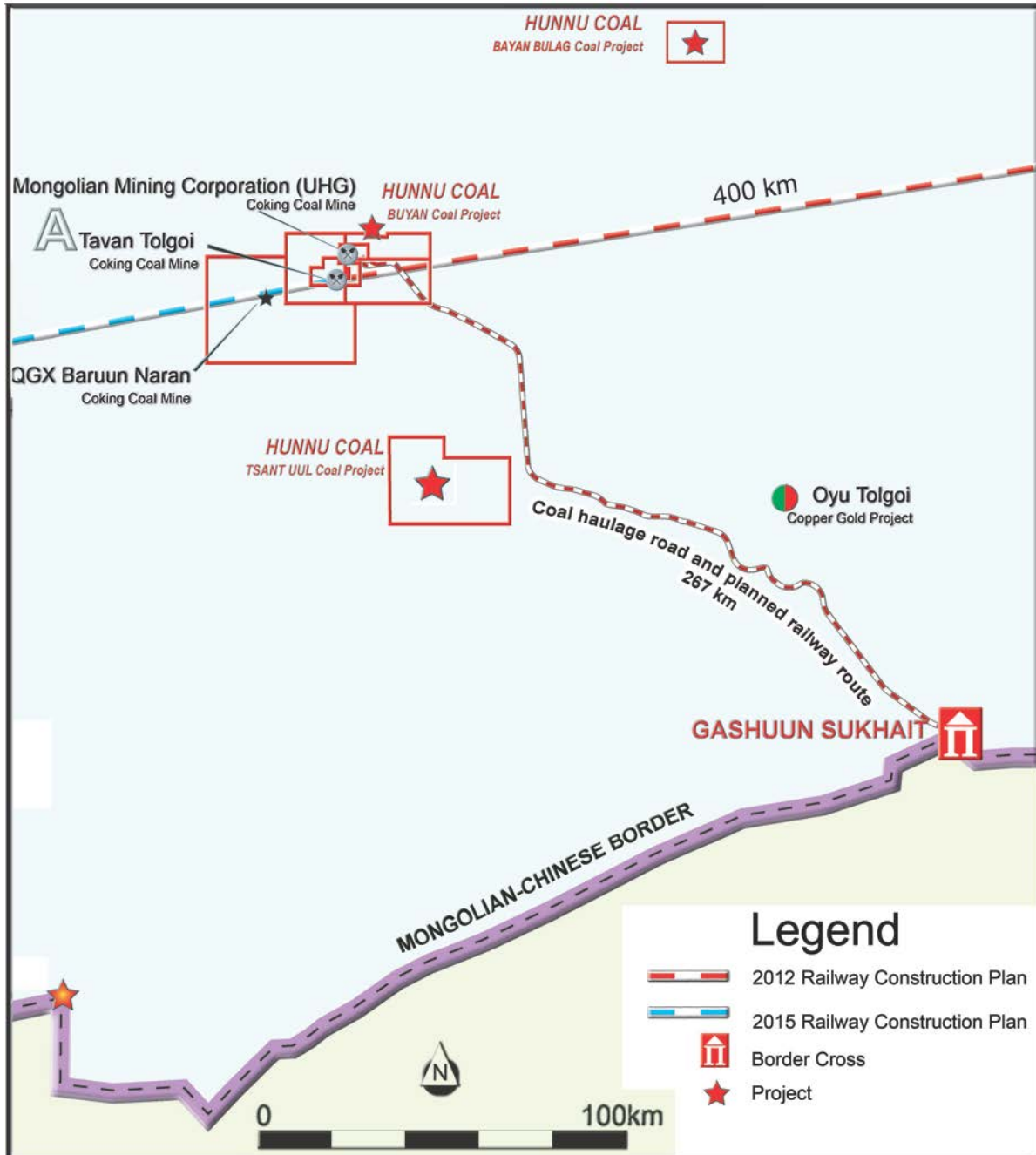
The Tsant Uul Project mining licence has been granted for an initial term of 30 years with an option for twenty years extension twice, providing a total of 70 years of mining operations.

The Tsant Uul Project is located in the World Class South Gobi Coal Province of southern Mongolia, approximately 40km to the south of the giant Tavan Tolgoi Coking Coal Deposit. The Tsant Uul Project has a current JORC compliant resource of 90 Mt, with 61Mt in the Measured and Indicated categories.

Hunnu Coal is aiming to become a major force in the exploration and development of coking and thermal coal deposits in the world class coal provinces of southern Mongolia.

Tsant Uul Deposit JORC Resource Summary

Resource Category	Tonnes Mt
Measured	34.3
Indicated	27.7
Inferred	27.7
TOTAL	89.7



Tsant Uul project location map

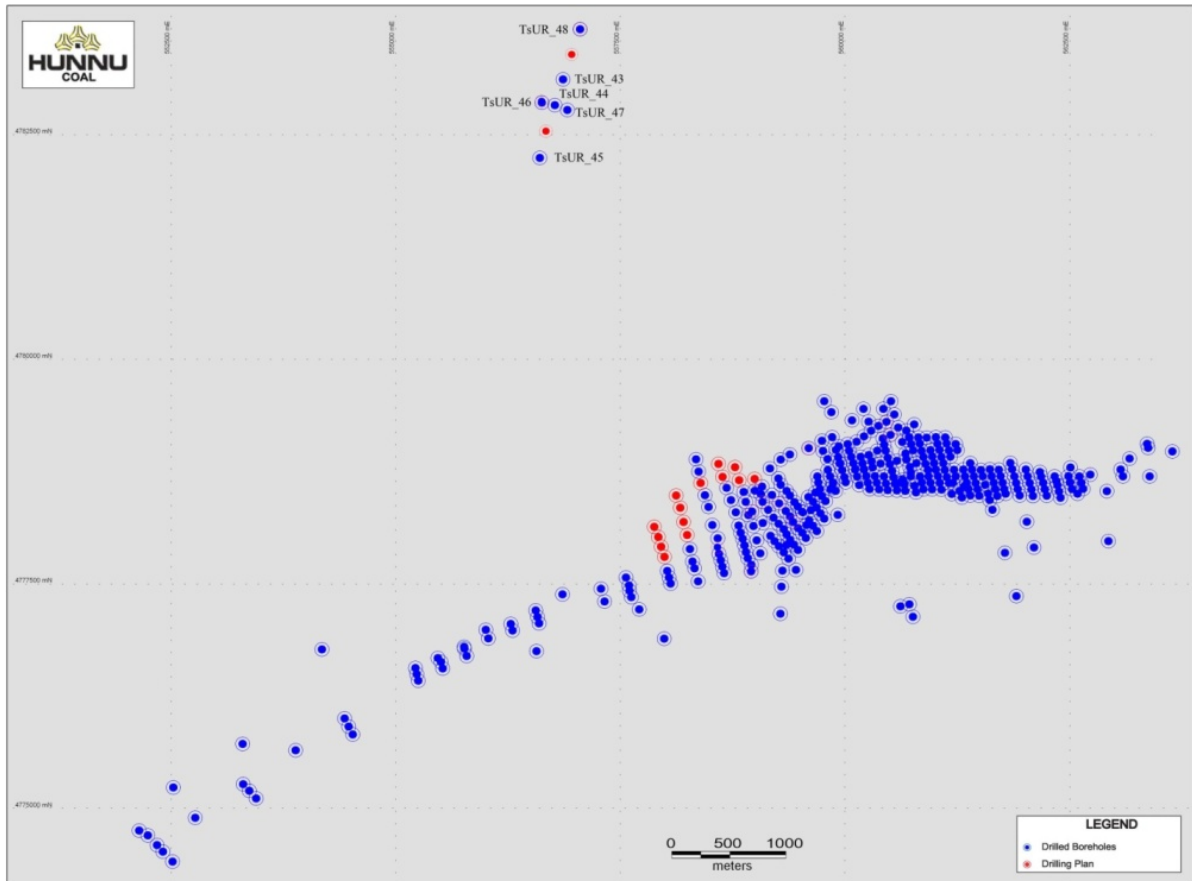


Fig 2. Tsant Uul project drill hole location map

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 150Mt to 200Mt 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.

Competent Person Statement

The information in this report that relates to Exploration Results and Exploration Targets are based on information compiled by Mr George Tumor who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Tumor is the Managing Director of Hunnu Coal Limited. Mr Tumor 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 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Tumor consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.