

INTERIM MANAGEMENT REPORT

1. Corporate name, seat, foundation, corporate data

Corporate name: HUN Mining Ore and Mineral Processing Investment Public Limited Company

Abbreviated company name: HUN Mining Plc.

Registered seat: H-1143 Budapest Gizella street 51-57

Date of the Articles of Association: 20 July 1983

Date of company registration: 17 July 1984

The Company was registered at the Budapest Metropolitan Court as Court of Registration.

Number of corporate registration: 01-10-041020

Company form: Public Limited Company

Date of the current Articles of Association: 15 August, 2011

Number, date and location of the latest corporate registration: 01-10-041020/232 ; 22 September, 2011, Budapest

The term of the Company: indefinite.

The business year corresponds to the calendar year for the parent company as well as for the subsidiary companies.

The elected auditor: Baker & Tilly Hungary Ltd. represented by Lászlóné Kőszegi

The Company publishes its announcements on the website of BÉT (Budapest Stock Exchange), PSZÁF (Hungarian Financial Supervisory Authority) and on its own corporate website, it sends them to the media and information storage system (www.kozzetetelek.hu) according to the provisions of the law.

2. Operation of the Company in the third quarter of 2011

On 15 August, 2011 the management of Pólus Kincs Co. Ltd. informed the Board of Directors that on 29 June, 2011 the company initiated the desistance from the state subsidy agreement named "Establishment of Refuse Pile Processing Plant" with regard to the financial difficulties, and the Hungarian Economic Development Centre (MAG) Co. Ltd. gave its consent. No upfront payment was received therefore there has been no settlement obligation on the side of the company. At the same time the company requested to extend the deadline for financial settlement of the state subsidy agreement named "Establishment for Open Pit Mine". Due to the lack of sufficient financial resources the realisation of the project is in significant delay – completion level is only 18% - and MAG Co. Ltd. expressed its concerns in connection with the delay.

On 15 August, 2011 the management of Rudagipsz-Mix Co. Ltd. informed the Board of Directors that on 14 July, 2011 MAG Co. Ltd. terminated the agreement for research and development after an infringement procedure due to the delay in the realization of the project. Rudagipsz-Mix Co. Ltd. is obliged to repay the HUF 130,941,000 upfront payment received earlier.

On 15 August, 2011 the management of Pólus Kincs Co. Ltd. and Pólus Szikla Ltd. informed the Board of Directors that the guarantee liability and pledge existing before the contribution in kind dated 14 May, 2010 and taken over by Calypso Mining CC. and Logical Mining CC according to their related statements before that date ceased when the debt was repaid on 8 August, 2011.



The presentation of the promissory notes issued by the main debtor of the Company Genesis Capital Management Ltd. as collateral for its debt and partially endorsed has been failed. The Company made the necessary steps to collect the debt and the promissory notes.

HUN Mining Plc. informs signed a Term Sheet to sell the majority of the subsidiary companies to a Company called Davies Corporation. Due to the turmoil on the global financial markets it was not possible to obtain financing for the mining subsidiaries in the last year and the financial problems caused to the Company by third parties. The execution of the term sheet will take place after an internal restructuring procedure is implemented with the aim to concentrate all intellectual property, land, Baritmix I. II. and III. radiation protective heavy concrete additive product family and exploration rights in the subsidiaries which are to be sold while the majority of the Baritmix I. II. and III. radiation protective heavy concrete additive product family (the minerals) remains with the holding company HUN Mining Plc. The transaction is modeled through escrow accounts to ensure maximum safety for all parties involved. The parties agreed that they will make joint efforts to sell the refuse pile remaining in HUN Mining Plc. to a third party purchaser at the best possible market price and the surplus above the present valuation of the minerals in such a sale is shared between the parties.

Davies Corporation has planned to initially acquire 29% of the shares of HUN Mining Plc. and has negotiated with Servertech Inc., a present large shareholder of HUN Mining Plc., to purchase their 15,475,931 pieces of HUN Mining shares.

The above steps are made in parallel with the earlier published negotiations with 6G Mobile, a Dutch telecommunication company, whereby the shareholders of 6G Mobile intent to acquire HUN Mining Plc. shares and sell to HUN Mining Plc. shares of the 6G Mobile parent company. Upon such acquisition, the election of a new management team will be effectuated. The driving force behind 6G Mobile is Mr. Harry van Streun, the scheduled future President of the Board of Directors and he is a principle of 6G Mobile. The proceeds of the above outlined transactions provide funds to substantiate the new business policy in the area of telecommunication.

Once the down payment indicated in the term sheet is made and Asset Transfer Documentation is finalized, the Board of Directors is going to convoke a General Assembly in order to obtain the approval from the shareholders on the transaction.

Others

Based on the resolution of the Board of Directors the new name of the company effective from 1 June, 2011 is Genesis Mining Ore and Mineral Processing Investment Plc. Later the Board of Directors decided based on strategic point of views to repeatedly change the company name. The new name of the Company effective from 22 September 2011 is HUN Mining Ore and Mineral Processing Investment Plc. (abbreviated name: HUN Mining Plc.).

The new registered seat of the Company effective from 1 June 2011 is 1143 Budapest, Gizella street 51-57. In September, 2011 the Board of Directors passed a resolution to terminate the use of the office in 1137 Budapest, Szent István krt. 18. and merge the offices and the workforce under the new registered seat of the company.

The Board of Directors convoked an Extraordinary General Meeting to 19 September, 2011. The Board of Directors proposed to change the Article of Association as to cease the positions of deputy CEO and general manager.

The Extraordinary General Meeting on 19 September, 2011 had no quorum due to the lack of required presence of shareholders having voting rights. The repeated General Meeting having quorum on 3 October, 2011 rejected to modify the Articles of Association related to the positions of the deputy CEO

and the managing director as well as the related unified text of the Articles of Association according to the proposal of the Board of Directors.

The Hungarian Financial Supervisory Authority (HFSA) initiated a limited review and market supervisory procedure at the Company as a public limited company with regard to the fulfillment of publishing obligations. The aim of the limited review whether in the reviewed period the Company as a public limited company met the obligations set in the Act of Financial Markets and the decree of 24/2008 (VIII.15) Ministry of Finance related to the fulfillment of publishing obligations.

HFSA closed the limited review with its resolution no. KJ-III/B-13/2011. dated 11 July, 2011. The resolution of the limited review states that the Company not fully met the obligations related to publishing requirements therefore HFSA imposed a fine of HUF 3 Million on the Company.

The National Tax and Customs Authority has made a full review of all tax and subsidy payment obligations for the years of 2007 and 2008, and the review has been closed without any findings.

3. Financial Position of the Company

The company does not prepare consolidated financial statements quarterly, the stand-alone financial statements of the holding is not audited, the receivables and payables generated in foreign currency are not revalued.

There was no improvement in the financial position of the company. There is no significant change in the balance sheet compared to the date of the half year report in 2011.

The liquidity risk is still high as there are no sales, and the liquidity depends on whether the company can collect its receivables and the promissory notes given as collateral. Further, the liquidity risk can be decreased if the shareholders structure stabilizes which is also precondition for attracting capital and to change the profile.

The Company has no financial liability related to its subsidiaries. The financing of the mining subsidiaries has not yet been solved, they have no liquidity, and some of them have overdue tax liabilities causing danger of liquidation. According to its shareholder interest the parent company intends to settle the financial situation of the subsidiaries together with the stabilization of its own financial position, too. In order to avoid liquidation the major shareholders provided collaterals to secure the creditors until the liquidity position solved.

4. Management

There have been changes in the management since 30 June, 2011.

The present members of the Board of Directors are as follows:

Name	Position	
Dr. Péter Esztó	Chairman	independent
Dr. Gábor Rényi		dependent
Dr. Béla Fodor		independent
Dr. Tamás Weinzierl		dependent
Dr. Georges Salem Nehme		independent

Dr. Béla Fodor and Dr. Tamás Weinzierl resigned as members of Audit Committee.

On 15 August, 2011 the Board of Directors ceased the Vice President positions in order to streamline the company structure and decrease the costs.

István Varga, Gábor Kálmán and Dr. Edgár Zsolt Rasztoivits have resigned as members of Board of Directors. Dr Edgár Zsolt Rasztoivits has resigned also as a CEO of the Company.

On 19 September, 2011 the two deputy CEO-s, Jenő Kunovits and Gabriella Zádorné Prazsák terminated their employment contract.

After the resignation of Dr. Edgár Zsolt Rasztoivits from the CEO position, the Board of Directors decided not to appoint a new CEO but the operative management is temporarily provided by Dr. Gábor Rényi, member of the Board and István Varga, former member of the Board, consultant under the constant control of the Board of Directors. It is reasoned by the fact that the company faces significant changes effecting its future, financial position and control.

5. Portfolio

5.1. General data

The main data of the subsidiaries on 30 September, 2011:

Name	Registered capital	Shareholders' equity	Profit (loss) 30.09.2011	Currency	Consolidated ownership %
Atombeton Kft.	1 000 000	999 408	- 318	(000)HUF	100
Pólus Szikla Kft.	443 750	793 958	5 214	(000)HUF	100
Pólus Ferroclean Kft.	7 114 980	7 093 786	-6 204	(000)HUF	100
Rudaferrox Kft.	1 299 000	1 298 424	-282	(000)HUF	100
RK Bányatársaság Kft.	3 000	2 280 637	-21	(000)HUF	100
Ferroflock & Ferrobloc Kft.	1 165 000	1 149 409	-297	(000)HUF	100
Rudagipsz-Mix Zrt.	1 199 000	990 991	-34 270	(000)HUF	100
CEMCC Zrt.	431 960	415 566	- 2 298	(000)HUF	100
Pólus Kincs Zrt.	1 345 000	1 254 701	-36 445	(000)HUF	100

5.2. Legal cases

There have been no significant changes in the legal cases of the Company compared to the status of business report accepted and published on 29 April, 2011.



HUN MINING Ore and Mineral Processing Plc.

H-1143 Budapest, Gizella út 51-57.

Company register No.: 01-10-041020

Tax ID: 10181678-2-42

6. Statement by the issuer

The issuer undertakes that the Interim Management Report contains data and statements true to facts and does not suppress any fact which could be significant for the estimation of the position of the issuer.

Budapest, 19 November, 2009

Dr Péter Esztó
Chairman of the Board

Dr. Gábor Rényi
Member of the Board