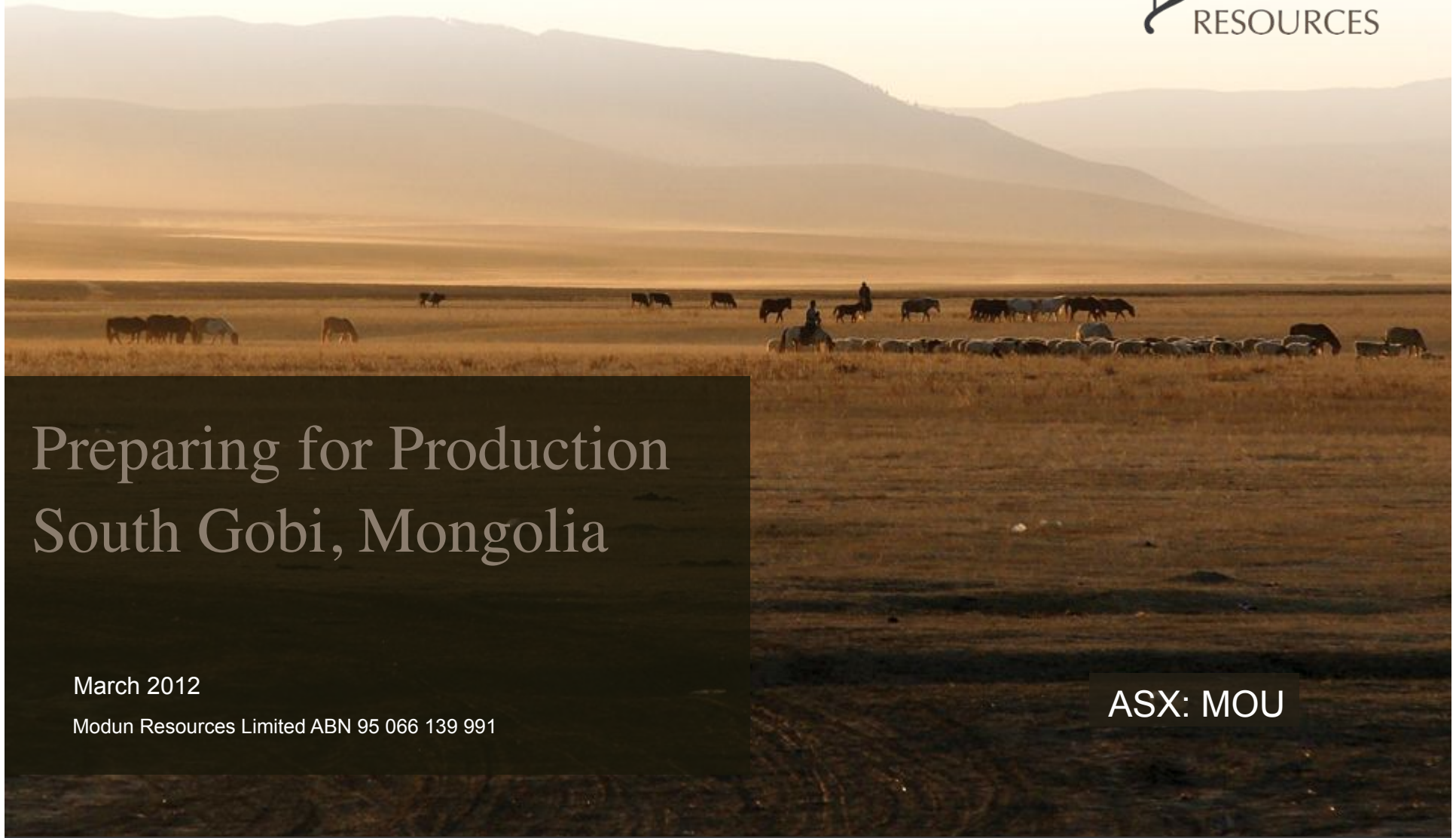


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Preparing for Production South Gobi, Mongolia

March 2012

Modun Resources Limited ABN 95 066 139 991

ASX: MOU

Disclaimer and Competent Persons Statement

Disclaimer

Certain statements made during or in connection with this communication, including without limitation, those concerning the economic outlook for the coal mining industry, expectations regarding coal prices, production, cash costs and to the operating results, growth prospects and the outlook of Modun Resources Ltd's ("Modun") operations including the likely commencement of commercial operations of the Projects and its liquidity and capital resources and expenditure, contain or comprise certain forward-looking statements regarding Modun's exploration operations, economic performance and financial condition. Although Modun believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes in the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. Modun undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Competent Person Statement

The information in this presentation that relates to Mineral Resources is based on information compiled by Mr Geoff Richards of CSA Global Pty Ltd, Western Australia. Mr Geoff Richards, has sufficient experience 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 Mineral Resources and Ore Reserves". Mr Geoff Richards, consents to the inclusion of such information in this presentation in the form and context in which it appears.

The information in this announcement that related to exploration results and exploration targets is based on information obtained from the vendor and Cadastral archives in Mongolia and drilling and trenching activities on site undertaken by the vendor between 2004 and 2008. This information has been reviewed by Mr Geoff Richards of CSA Global Pty Ltd, Western Australia. Mr Richards is a member of the Australian Institute of Geoscientists and 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 Richards consents to the inclusion in the presentation of the matters based on his information in form and context in which it appears

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Who Are We?

- ASX listed coal mining company operating in Mongolia
- Commencing production Dec. 2012 (2 – 3m tonnes per annum with 5,500 kcal_{arb}, 6,000 kcal_{adb} product)
- All projects close to existing rail infrastructure or Chinese border
- Board composition; Geology, Project Development, Engineering, Infrastructure & Mining Finance
- Experienced local Mongolian exploration and development team

Why Coal in Mongolia?

- China now accounts for close to 50% of world's coal consumption
- In 2009 China transitioned from energy self sufficiency to become a net importer of thermal coal
- In 2011 Mongolia overtook Australia as leading supplier of coking coal to China
- Significant investment in Mongolian resource industry by multinationals
- Pro mining, democratic government

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Our Projects

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Tsagaan Tolgoi – Production 2012

- Coal Resource of 45.4m tonnes
- Exploration Target¹ 150m to 250m tonnes, Q_{adb} 5300 kcal/kg to 6500 kcal/kg
- Contract Alliance Outsource Model
- Deliver to stockpile at mine gate
- Initial production rate of 2 – 3m tonnes per annum
- First product 5,500 kcal_{arb}, 6,000 kcal_{adb}
- Sale price of product at gate above USD \$35 per tonne
- Mining cost circa \$15 per tonne
- Capital USD \$21 million
- Potential for 10+ year mine life

¹ It must be noted that this range is an Exploration Target only, the potential quantity and grade is conceptual in nature and it is not to be misconstrued as an estimate of Mineral Resources and that there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

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Pre-production April – Sept.

- Bulk sample for customer evaluation
- Verify pricing assumptions
- Optimise mine plan
- Gain outstanding approvals
- Expand Resource base to +100m tonnes

Production

- October: Build camp & road
- December: First production
- Ramp up to 2 to 3m tonnes per annum over 12 months
- Commence sales at mine gate

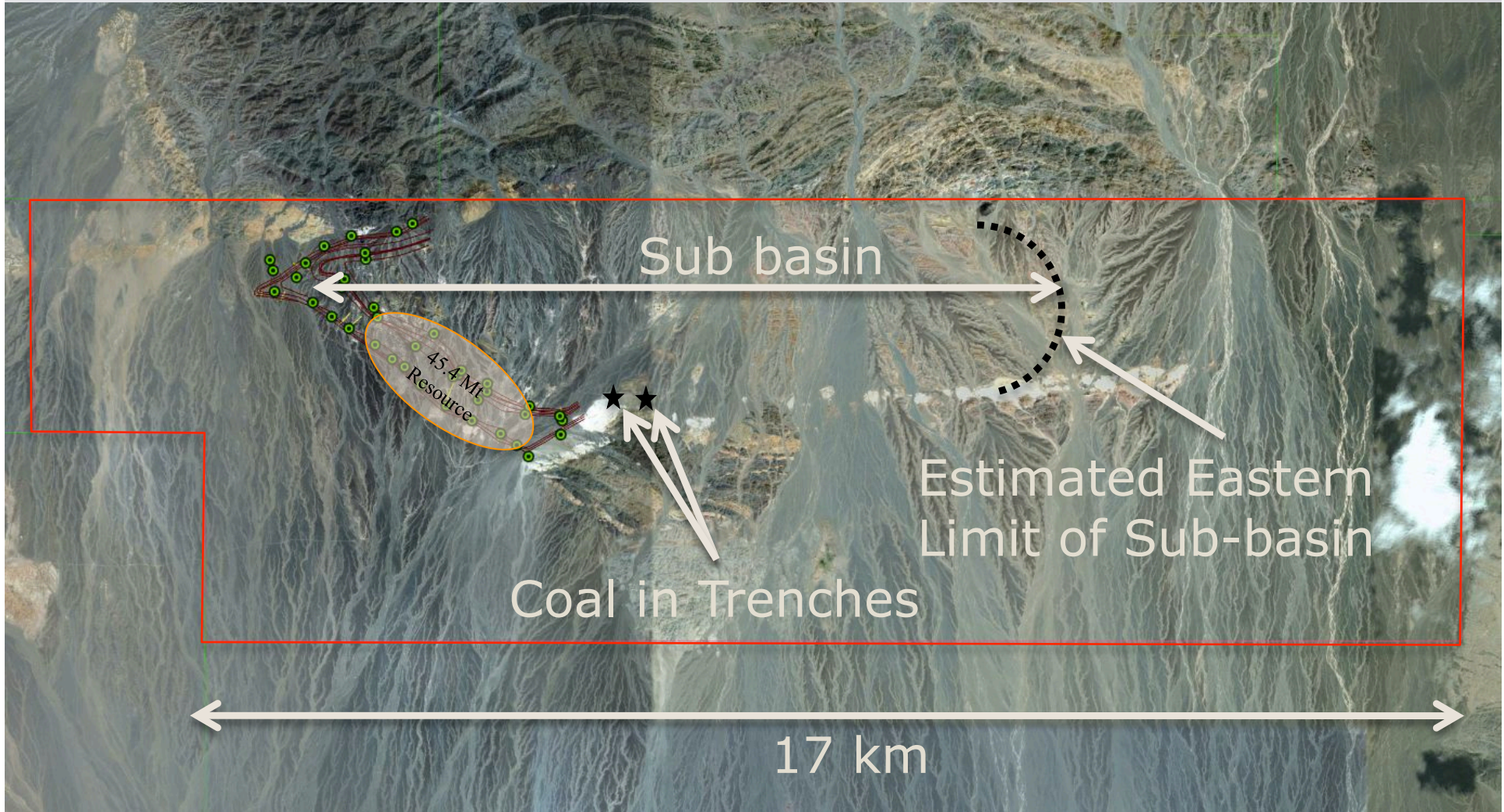
Tsagaan Tolgoi Expansion Strategy

- Optimise mine production rate
- Upgrade transport infrastructure
- Construct Wash-plant
- Optimise product quality through blending
- Sell product at border or direct to customer
- Continue to expand resource base to Target 150m to 250m tonnes

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Tsagaan Tolgoi Exploration Opportunity

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Nuurst Coal Project

- 489m tonne Resource at Nuurst (417m tonnes indicated, 72m tonnes inferred)
- Large scale thermal coal project
- 120 km south of Ulaanbaatar, 610 km from Chinese border
- Commenced Scoping Study
- Preparing mining licence application
- 6 km from rail siding, direct rail access to China
- Surrounds Peabody-Winsway mining licences
- Information sharing arrangement in place between Modun and Peabody-Winsway

Corporate Overview

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Capital Structure

		Current
Ordinary shares on issue	m	844.6
Share price	A\$	\$0.047
Market capitalisation	A\$m	\$39.7
Net cash	A\$m	\$4.7
Undiluted enterprise value	A\$m	\$35.0

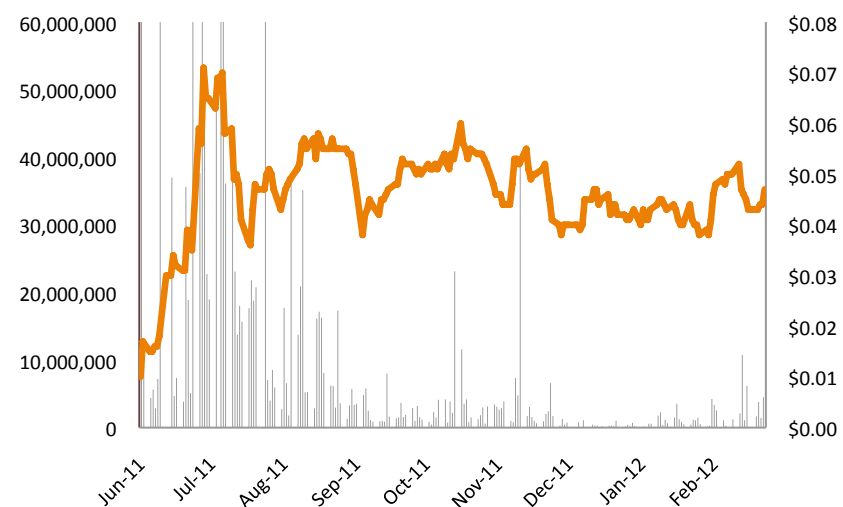
1. Directors and Management includes the shareholding of Elliot Holdings

Substantial Shareholders

Name	% of Shares on Issue
Elliot Holdings	8.3%
Directors & Management ¹	16.5%

SouthGobi to become major shareholder

Share Price History



Appendix 1 – Directors and Management

Hugh Warner, Non-Executive Chairman, BEc

Mr Warner holds a Bachelor of Economics degree from the University of Western Australia. Mr Warner has extensive experience as a public company director having been a director of approximately 25 publicly listed companies involved in the mining, oil & gas, biotechnology and service industries.

Chris Mardon, Managing Director, BEng (Mining), MAusIMM

Mr Mardon has over 20 years experience in the resources industry. He has held senior roles in resource companies and overseen feasibility studies, development and management of a number of mining operations both locally and overseas.

Gerry Fahey, Non-executive Director, BSc (Hons, Geol), FAusIMM, MAIG

Mr Fahey has over 35 years experience in both the international and local minerals industry. He is a specialist in mining geology, mine development and training and worked for 10 years as Chief Geologist Mining for Delta Gold where he was actively involved with the development of Kanowna Belle, Golden Feather, Sunrise and Wallaby projects. Gerry is currently a Director of CSA Global Pty Ltd and a member of the Joint Ore Reserve Committee (JORC) and outgoing Chairman of the WA Branch of the Federal Council for the Australian Institute of Geoscientists (AIG).

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Appendix 1 – Directors and Management

James Thompson, Non-executive Director, B.Comm, LLB, CA, FINSIA

Mr Thompson has 18 years experience in principal investment, investment banking and corporate finance and restructuring related activities. He is a qualified chartered accountant, admitted legal practitioner, Fellow of FINSIA and holds a Bachelor of Commerce and Bachelor of Laws.

Neil Hackett, Company Secretary, BEc FFin CSA GAICD

Mr Hackett has approximately 19 years company secretarial, compliance and corporate governance experience including 7 years ASX200 listed company secretary experience with diversified industrial and financial services entities. Neil holds a Bachelor of Economics and is a Fellow of Finsia, GAICD and Affiliate of Chartered Secretaries Australia.

Daniel Rohr, Chief Financial Officer, B.Comm, CA

Mr Rohr is a member of the Institute of Chartered Accountants and has 20 years management, corporate advisory, finance and accounting experience working for a number of listed and unlisted companies. He has extensive experience in managing the development of high growth and start up companies.

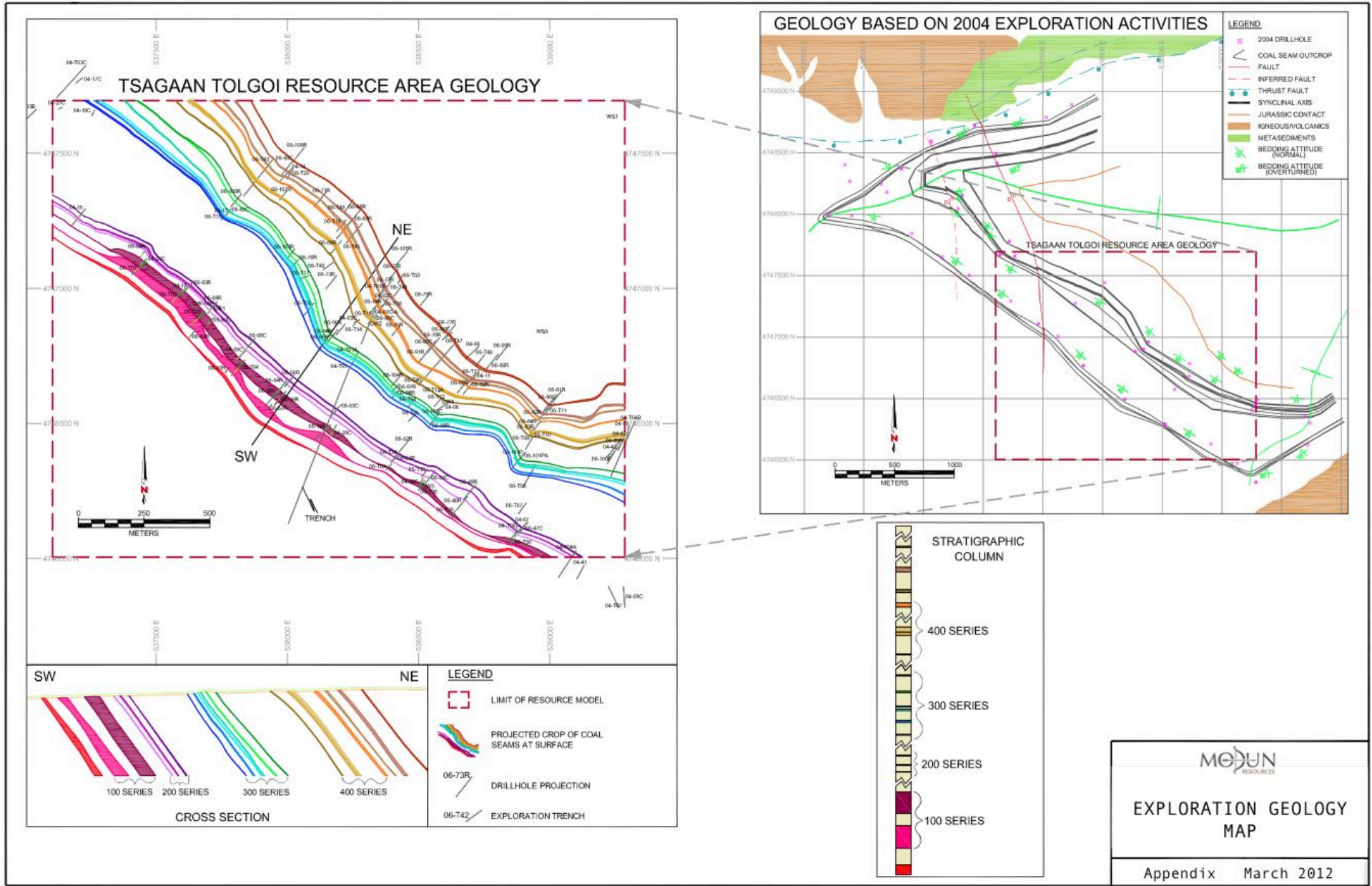
Enkhbayar Batmunkh, Chief Geologist

Mr Enkhbayar has over 35 years experience in the Mongolian coal sector, most recently with Peabody Winsway Resources.

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Appendix 2 - Coal Resource Layout

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Appendix 3 - Peer Comparison

Company	Projects	Location	Coal Type	Resource Coal Quality kcal/kg (adb)	Area (ha)	Infrastructure	Direct Distance to Border	Defined Resource (mt)	Resource target (mt)	Mkt Cap (\$m)	EV (\$m)	EV/Resource (\$/t)
Modun (Sth Gobi)	Tsagaan Tolgoi - Upper	South Gobi	Possible Coking & Thermal	5,537	10,541	Could connect into existing South Gobi infrastructure or Construct own haulroad to border crossing point	95km to Chinese border	18.0	150-250	39.7	35.0	0.067
	Tsagaan Tolgoi - Lower			4,841			95km to Chinese border	27.4				
	Ajlyn Talbia	South Gobi	Possible Coking & Thermal		30,690	directly adjacent to existing sealed road and planned railway line	80km to Chinese border		-			
Modun (Central-Tuv)	Nuurst	Central Mongolia	Thermal	4,113	3,541	6km to existing Trans-Mongolian railway	610km to Chinese border	489.0	-			
Total Modun					44,772			534.4	640 - 740			
Hunnu Coal	Altai Nuurs	Gobi Altai	Hard Coking	(undefined)	46,212	Possible dirt road connection to existing iron ore mine	250km to Chinese border		250.0	481.3	459.3	0.54
	Unst Khudag	Middle Gobi	Thermal	3,995	59,000	Would require 180km rail spur to the existing Trans- Mongolian railway	610km to Chinese border; 760km to Russian border	676.0				
	Tsant Uul	South Gobi	Possible Coking	5,488	69,000	40km to planned railway near Tavan Tolgoi project	140km to Chinese border	167.1				
Draig Resources	Ongi River	Ovorhangay	Possible Coking & thermal	(undefined)	18,106	Truck 250km to planned Gobi Coal road/rail infrastructure, unlikely before 2017; or truck 340km direct to border	340km to Chinese border	N/A		30.2	22.0	N/A
	South Gobi	South Gobi	NA		44,393	Could connect into existing South Gobi road to border	80km to Chinese border	N/A				
Aspire Mining	Ovoot	Northern Mongolia	Hard Coking	6,668	50,000	Proposed 552km rail to the existing Trans-Mongolian railway	852km to Russian border	330.7		284.1	241.9	0.731
Prophecy Resources	Ulaan Ovoo	Northern Mongolia	Thermal	5,040	33,000	Proposed ~120km truck route to the existing Trans- Mongolian railway north into Russia	140km to Russian border	208.8		97.7	92.4	0.4
Guildford Coal	South Gobi	South Gobi	Coking & Thermal	(undefined)	82,600	Could connect into existing South Gobi infrastructure	60km to Chinese border	70.4	892.0	318.7	303.7	0.229
	Middle Gobi	Middle Gobi	NA	(undefined)	36,000	Would require 200km railway to connect to the existing Trans-Mongolian railway	600km to Chinese border	221.4	830.0			
Gobi Coal	Shinejinst	Bayankhong or	Semi-soft Coking	7,530	230,000	On proposed Phase 3 gov railway unlikely before 2017, plan to truck in interim	278km to Chinese border	229.0				
	Zeegt	Gobi Altai	Semi-soft Coking		97,000	On proposed Phase 3 gov railway unlikely before 2017	255km to Chinese border	93.0				
Xanadu Mines	Khar Tarvaga	Central Mongolia	Thermal	3,742	5,370	Would require 37km railway to connect to the existing Trans-Mongolian railway	497km to Chinese border	327.0		49.3	30.0	0.060
	Galshar	Eastern Mongolia	Thermal	3,833	13,152	65km to rail spur which connects to Trans-Mongolian railway	200km to Chinese border	170.0				

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