

ASX Code: MOU  
31 October 2014

## September 2014 Quarterly Report

### Highlights:

- **New Board members and executive team**
- **Placement to sophisticated investors raising \$1,000,000**

The Directors of Modun Resources Ltd (ASX: MOU) (**Modun**) provide you with an update of activities during the September 2014 quarter.

### Board Structure

During the quarter, Modun continued to review and assess other opportunities available to it to bring value to its Shareholders. To help drive this process, Mike Hill was appointed as the Executive Chairman of Modun and Andrew Gray and Philip Kapp were appointed as non-executive Directors of Modun on 1 September 2014. This provides Modun with more than 30 years private equity investment experience that will be used to accelerate the transformation of Modun.

In addition, Rick Dalton resigned as a non-executive Director of the Company. The Company wishes to thank Rick for his significant contribution to the company especially in relation to his work in developing the Company's Nuurst Thermal Coal Deposit and the conversion of this asset into a Mining Licence status.

### Placement

On 1 September 2014, the Company received commitments to subscribe for new shares at 0.2c per share to raise \$1,000,000 in additional equity via a share placement to Sophisticated Investors.

On 17 September 2014, the Company completed the first tranche of the share placement of 347,500,000 ordinary shares to raise \$695,000 at a placement price of 0.2 cents. On 21 October 2014, shareholder approval was obtained to issue the second tranche of shares to related parties of the Company and a further 152,500,000 ordinary shares were issued raising \$305,000. Shareholders also approved the issue of 350,000,000 options over ordinary shares to Directors. Allotment of the second tranche of shares and the grant of options occurred on 29 October 2014.

### Nuurst Thermal Coal Project

During the quarter, Modun has continued to focus on sourcing a local partner to help fund the development of the Nuurst Thermal Coal Project. Discussions with a number of potential

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partners remain ongoing.

Modun also held discussions with the relevant authorities in relation to its dispute with the Mongolian Tax Authority for additional withholding tax to be paid as a result of the acquisition of the Nuurst Licence in 2011. A date for the hearing is expected to be set in the near future. Modun continues to believe that no additional withholding tax is required to be paid and is defending its position.

### **Tenement Schedule**

At the date of this report, Modun has an interest in one tenement as follows and there have been no changes during the quarter:

<b>Tenement</b>	<b>Project</b>	<b>Location</b>	<b>% Interest</b>
MV 017349	Nuurst Thermal Coal	Mongolia	100

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### **About Modun Resources Limited**

ASX-listed Modun Resources (ASX: MOU) is developing the 100%-owned Nuurst Coal Project in central Mongolia. Nuurst is a thermal coal project, which encompasses a 2,497 hectare Mining Licence area. In November 2012, Modun announced a 478 million tonne JORC Code 2004 reported Coal Resource at Nuurst (326 million tonnes Measured, 104 million tonnes Indicated, 48 million tonnes Inferred). The Nuurst Coal Project is located 120 kilometres south of Mongolia's capital Ulaanbaatar and six kilometres from existing rail infrastructure which links directly into China. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

### **Competent Person Statement**

*The information in this announcement that relates to the Nuurst Coal Resource is based on and fairly represents information compiled by Mr Dwiyoko TU. Taruno of CSA Global Pty Ltd, who is a member of the Australasian Institute of Mining and Metallurgy. Mr. Dwiyoko TU. Taruno 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 Dwiyoko TU. Taruno consents to the inclusion of such information in this report in the form and context in which it appears.*