ASX Code: MOU
15 October 2012

Commencement of Managing Director

The Board of Modun Resources Ltd (ASX: MOU) is pleased to announce the commencement today of Mr Rick Dalton as Modun's Managing Director. Mr Dalton is an experienced coal mining engineer with an extensive background in mine planning, strategy, operations and logistics at large scale open cut coal mines. During his career he has also been responsible for leading numerous feasibility studies on expansion and development of new coal mining projects. His background and skills are an ideal fit for Modun as it moves into its next phase of development.

Mr Dalton's Initial Director's Interest Notice – Appendix 3X follows. The key terms of Mr Dalton's employment contract include, subject to shareholder approval, the granting of options over ordinary shares of the Company as follows:

- 10,000,000 options at an exercise price of $0.04 expiring 31/12/15
- 10,000,000 options at an exercise price of $0.06 expiring 31/12/15
- 10,000,000 options at an exercise price of $0.10 expiring 31/12/15

Strong Cash Position, JORC Reportable Coal Resource

Modun remains in a strong financial position with total cash reserves of $2.9 million to complement its JORC Reported Coal Resource at Nuurst of 489 million Tonnes (417 million tonnes Indicated, 72 million tonnes Inferred) which continues to progress towards obtaining a mining license.

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For further information, please contact:

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Managing Director
Modun Resources Ltd
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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 34.5 square kilometre licence area. In late 2011, Modun announced a maiden 489 million tonne JORC reported Coal Resource at Nuurst (417 million tonnes Indicated, 72 million tonnes Inferred). The Nuurst Coal Project is located 120 kilometres south of Mongolia's capital Ulaanbaatar, 600kms north of the Chinese border and six kilometres from existing rail infrastructure.

Competent Person Statement

The information in this announcement that relates to the Nuurst Coal Resource is based on 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 Exploration Results, 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.