

## **Mongolian feasibility study lodged with Mineral Resources Authority of Mongolia**

### **Highlights:**

- **Mongolian feasibility study on the Nuurst Project prepared independently and according to Mongolian standards is lodged with the Mineral Resources Authority of Mongolia (MRAM)**

Coal explorer Modun Resources Ltd (**ASX: MOU**) (**Modun**) is pleased to announce that it has submitted its Mongolian feasibility study for the Nuurst Project to MRAM. The Mongolian feasibility study is prepared according to Mongolian standards and is required to be completed and submitted to MRAM for review prior to MRAM mining permit applications to commence mining. In parallel, Modun Resources is working through the requirements to produce an internationally recognised Bankable Feasibility Report, subject to raising appropriate finance.

The Mongolian feasibility study was independently prepared by Absolute Mining LLC who have a strong knowledge of local conditions and costs. The study has identified the potential for a 136.9Mt mine of sub-bituminous thermal coal for a 30 year mining operation, with production ramping up to 4.9Mt of raw coal per annum and 500Kt of dried coal briquettes by the 4<sup>th</sup> year of operation. Indicative production costs are estimated at \$US11.50 per tonne for raw coal over the life of the mine, at today's costs, reflecting the low overall mining ROM strip ratio of 2.4:1.

Rick Dalton, the Managing Director of Modun said "the results from the Mongolian feasibility study provides further confidence in the viability of developing the Nuurst Coal Project into a low cost producing mine. This study will also be used as a basis for completing the more detailed feasibility work required to secure financing for the development of the Project".

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### **About Modun Resources**

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 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.

## **Competent Person Statement**

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