24 August 2011

Elizabeth Harris
Principal Advisor, Listings (Perth)
ASX Compliance Pty Limited
Level 8 Exchange Plaza
2 The Esplanade
PERTH WA 6000

Dear Elizabeth

MODENA RESOURCES LIMITED ("THE COMPANY")

In reference to your letter dated 19 August 2011 in regard to the Company's Appendix 5B for the period ended 30 June 2011, I can provide the following information:

1. The Company anticipates being in a position to make an announcement on its capital raising initiatives shortly. As such, the Company will have sufficient funds to fund its activities.

2. In the future the Company expects to continue to have future negative cash flows for the foreseeable future as is normal for a resource company conducting exploration and pre-production activities. As stated in 1 above, the Company will announce its capital raising initiatives shortly.

3. The Company is of the opinion that it is in a position once the capital raising initiatives are completed to continue to meet its business objectives and to fund its minimum expenditure commitments. As part of its internal processes, the Company continually reviews its expenditure commitments and in the event that additional funds are required, the Company will actively pursue further fund raising initiatives.

4. The Company can confirm that it is in compliance with listing rules, in particular listing rule 3.1.

5. The Company is of the opinion that it is in compliance with listing rule 12.2, for the reasons as outlined above, and further that the Company:

   a. has sufficient cash and realisable resources to meet its current activities;
   b. has reasonable expectation that it will be able to fund its planned future activities; and
   c. will pursue access to further funding, should there be a requirement.

Yours sincerely

Jay Stephenson
COMPANY SECRETARY

ASX Compliance Pty Limited
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19 August 2011

Jay Stephenson
Company Secretary
Modena Resources Limited
1186 Hay Street
WEST PERTH WA 6005

By email: jay@wolfstargroup.com.au

Dear Jay

Modena Resources Limited ("Company")

I refer to the Company's Quarterly Report in the form of Appendix 5B for the period ended 30 June 2011, released to ASX Limited ("ASX") on 29 July 2011, (the "Appendix 5B").

ASX notes that the Company has reported the following.

1. Receipts from product sales and related debtors of nil.

2. Net negative operating cash flows for the quarter of $322,000.

3. Cash at end of quarter of $61,000.

The Company also announced on 11 July 2011 that the funding facility with the JC Long Term Value Fund had been terminated.

In light of the information contained in the Appendix 5B and the Company's announcement of 11 July 2011, please respond to each of the following questions.

1. It is possible to conclude on the basis of the information provided that if the Company were to continue to expend cash at the rate for the quarter indicated by the Appendix 5B, the Company may not have sufficient cash to fund its activities. Is this the case, or are there other factors that should be taken into account in assessing the Company's position?

2. Does the Company expect that in the future it will have negative operating cash flows similar to that reported in the Appendix 5B for the quarter and, if so, what steps has it taken to ensure that it has sufficient funds in order to continue its operations at that rate?

3. What steps has the Company taken, or what steps does it propose to take, to enable it to continue to meet its business objectives?

4. Can the Company confirm that it is in compliance with the listing rules, and in particular, listing rule 3.1?

5. Please comment on the Company's compliance with listing rule 12.2, with reference to the matters discussed in the note to the rule.

Listing rule 3.1

Listing rule 3.1 requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in the rule.

In responding to this letter you should consult listing rule 3.1 and the guidance note titled "Continuous disclosure: listing rule 3.1".

If the information requested by this letter is information required to be given to ASX under listing rule 3.1 your obligation is to disclose the information immediately.

Your responsibility under listing rule 3.1 is not confined to, or necessarily satisfied by, answering the questions set out in this letter.

This letter and your response will be released to the market. If you have any concerns about your response being released, please contact me immediately. Your response should be sent to me on **facsimile number (08) 9221 2020 or email Elizabeth.Harris@asx.com.au**. It should <u>not</u> be sent to the Company Announcements Office.

Unless the information is required immediately under listing rule 3.1, a response is requested as soon as possible and, in any event, not later than **3.00 p.m WST on Tuesday 23 August 2011**.

If you are unable to respond by the time requested you should consider a request for a trading halt in the Company's securities.

If you have any queries please let me know.

Yours sincerely,

[sent electronically without signature]

Elizabeth Harris
<u>Principal Adviser, Listings (Perth)</u>