

Significant Progress on T3 Copper Project

- Level of environmental assessment reduced for next phase of drilling at T3
- T3 Environmental Management Plan (EMP) to be lodged today
- IP targets to the north and west of T3 and Zone 3 discovery are top drilling priorities
- Airborne EM survey commencing to identify potential new conductors at T3 Dome
- PFS related water bore testing, metallurgical and geotechnical studies, flora/fauna studies and stakeholder meetings progressing well
- Regional exploration focused on large T20 Dome with first results expected soon

MOD Resources Ltd (ASX: MOD) is pleased to announce significant progress on a number of fronts at the T3 Project and on regional exploration, currently focused along the T20 Dome, 120km west of T3.

T3 and T20 form part of the joint venture between MOD (70%) and AIM-listed Metal Tiger Plc (30%) relating to an extensive licence holding in the central and western parts of the Kalahari Copper Belt. The in-country operating company is Tshukudu Metals Botswana (Pty) Ltd (Tshukudu).

On 30 March 2017, MOD announced that the Department of Environmental Affairs (DEA) required an Environmental Impact Assessment (EIA) for the next phase of drilling at T3.

The DEA has since advised that the level of environmental assessment required has been reduced from an EIA to an Environmental Management Plan (EMP) following consultation with Tshukudu's environmental consultants. Key elements of the process are already complete and the EMP will be lodged today. This will be followed by a public review period before being considered for final approval by DEA, with drilling targeted to resume in July.

MOD Managing Director, Mr Julian Hanna, said he was pleased the environmental threshold was reduced.

"We look forward to continuing with drilling for additional resources and prospective targets around T3 as soon as approval is granted," said Mr Hanna. "In the meantime, we will progress the T3 mine PFS, the substantial T3 Dome soil sampling and airborne EM surveys."

"Experience gained from the environmental approval process will also contribute to the permitting required for the T3 mine feasibility studies and put us in good stead to start unlocking the value of other targets on our extensive regional holdings along the Kalahari Copper Belt," he said.

After 12 months non-stop drilling, the recent break has enabled the Tshukudu site team to complete the back-log of core logging, improve the efficiency of support services including assay turnaround and progress regional exploration on other targets.

Planned Near Term Activities

1. Airborne EM survey along T3 Dome test for new ‘T3 Type’ deposits
2. Upgrade T3 resource estimate to include Zone 2
3. Complete T20 Dome soil program to identify drilling targets
4. Drill two potentially significant IP anomalies north of T3
5. Systematic drilling of the Zone 3 mineralised contact below T3
6. Drill MOD’s 100% owned targets, including T1 resource extensions and T5 intrusion
7. Finalise metallurgical, mining and processing studies for T3 PFS

T3 Exploration and Resource Extension Drilling

The EMP relates to a drilling program comprising approximately 30 diamond drill holes. Six drill rigs are available on site when approval is granted to test the following three priority targets around T3;

3D IP Anomalies ~800m North of T3

Two distinctive 3D IP anomalies ~800m north of the resource on the interpreted northern limb of a syncline within the T3 host sediment sequence (Figure 1). These anomalies are interpreted to extend from between 200-500m vertical depth. Two previous drill holes (MO-3R-01D and MO-3R-02D) were drilled too far south to test these anomalies, before the 3D IP data became available.

IP Anomaly Extending West of T3

A distinctive 1500m-long IP anomaly is associated with the T3 resource (Figure 1). The source of the IP anomaly is interpreted to extend below and west of the resource. This is supported by the western most drill hole to test the newly discovered Zone 2 (MO-G-70D) (as announced 30 March 2017), which intersected vein hosted and disseminated sulphides for which assay results are awaited.

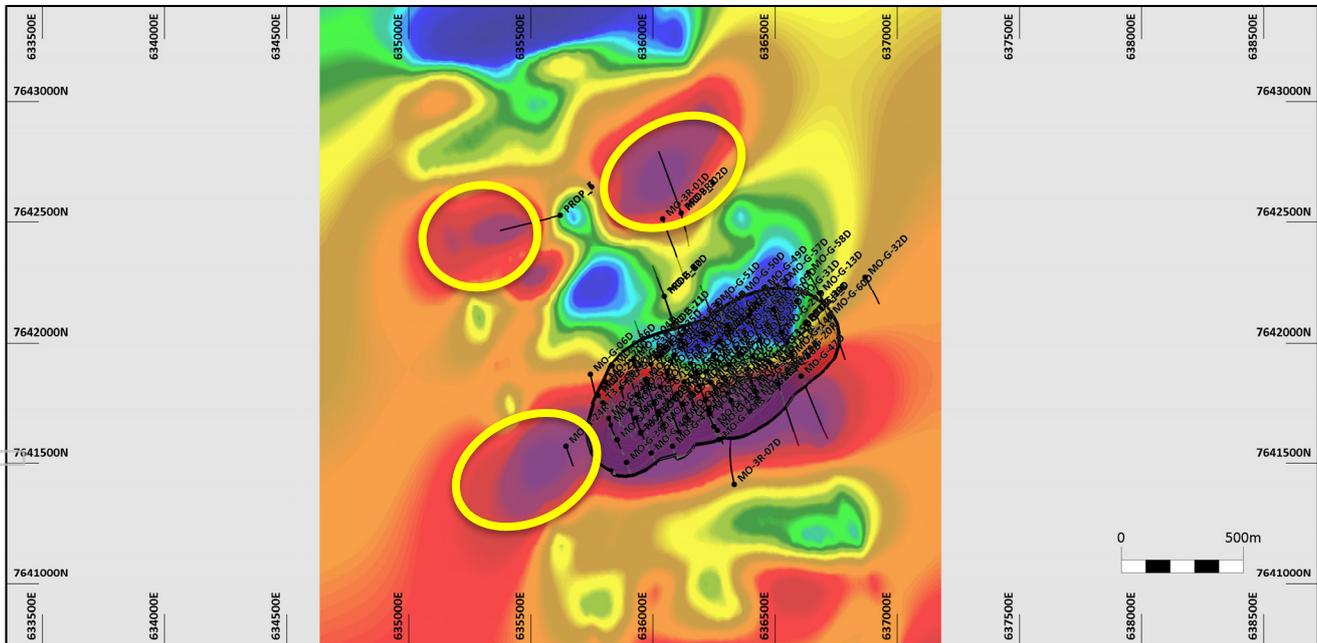


Figure 1: Plan view 3D IP image (795m RL) showing T3 drilling and proposed pit outline. IP targets circled in yellow

Zone 3 Mineralisation below T3

On 24 April 2017, MOD announced the potential regional significance of a near horizontal zone of mineralisation (Zone 3) intersected 300m below the top of the T3 resource. Zone 3 may occur on the same structural contact that hosts the large copper deposits in the eastern part of the Kalahari Copper Belt and MOD’s 100% owned T1 deposit (20km north of T3).

The largest known deposit on this highly prospective contact is Cupric Canyon Capital's 'Zone 5' deposit located 120km northeast of T3. Cupric has announced a resource of approximately 100Mt @ 2% Cu and 20g/t Ag at Zone 5.

Many of the holes in the next phase of drilling will be designed to intersect Zone 3 and target areas of potential structural complexity and veining where the grade may be enhanced. Depending on the success of this program, drilling of the Zone 3 contact may be extended elsewhere along the T3 Dome.

T3 Pre-Feasibility Study (PFS)

PFS related water bore testing, metallurgical and geotechnical studies, flora/fauna studies and stakeholder meetings have progressed in recent weeks.

Assay results have been received from eight geotechnical holes completed around the perimeter of the proposed T3 pit and these will be released when the data have been compiled and interpreted.

Regional Exploration Update

The extensive soil sampling program covering >40km length of the T20 Dome, approximately 120km west of T3, is nearing completion with first results expected shortly. The soil sampling program is being extended ~20km to the northeast to overlap the T4 prospect where MOD intersected significant copper mineralisation in shallow RC drilling, prior to the discovery of T3.

T4 drilling results include **2m @ 6.12% Cu and 111g/t Ag in MO-A-4R from 101m down hole depth** (announced 1 April 2016). T4 remains open at depth and to the southwest along strike and is regarded as a high priority target, after T3.

The T20 Dome commences near the town of Ghanzi and continues 50-60km to the Namibian border. Magnetic data show the major regional structures that appear to be associated with deposits in the northeast part of the Kalahari Copper Belt and in the T3 Dome may extend through the T20 Dome.

Substantial copper exploration including deep drilling has been conducted on the Namibian side of the border by companies targeting the same sediment contact that hosts the Botswana deposits. Results from Namibia (which require confirmation and verification) include high grade copper and silver intersections interpreted to occur on contacts along strike from Tshukudu licences in Botswana.

While Tshukudu is focused on expanding the T3 resource, moving T3 towards mine development, and exploring the highly prospective T3 Dome, the regional exploration program is also progressing with the objective to evaluate the wider potential of the Kalahari Copper Belt.

MOD has expanded the in-country exploration team, via Tshukudu and is well funded to conduct all these programs.

-ENDS-

For and on behalf of the Board.

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About MOD Resources

MOD Resources Ltd (ASX: MOD) is an Australian-listed copper company actively exploring in the Kalahari Copper Belt, Botswana. The Company has a joint venture with AIM-listed Metal Tiger Plc (30%) which includes the T3 copper/silver deposit where a discovery RC drill hole intersected 52m @ 2.0% Cu and 32g/t Ag from shallow depth in March 2016.

MOD announced a substantial maiden copper/silver resource at T3 on 26 September 2016. Total cost of discovery of T3 and delineation of the maiden resource was an exceptionally low US\$1.7 million, equivalent to only US 0.22 cents/lb copper contained within the resource.

On 6 December 2016, MOD announced the results of its scoping study for an open pit mine at T3. A pre-feasibility study (PFS) commenced in early 2017 and is targeted for completion in the December quarter 2017. A revised resource for T3 to include the recently discovered Zone 2 mineralisation is targeted to be completed in July 2017. This is expected to be incorporated into an expanded PFS.

MOD is continuing with the strategy to increase mineral resources and complete a PFS for a potential open pit mine and processing plant at T3 and conduct a substantial regional exploration program exploring for satellite deposits at other priority targets around T3 and on its regional holdings.

Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper/Silver Project, which includes T3 is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), Business Development Manager for MOD Resources Ltd. He is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP) No. 400101/05 and has reviewed the technical information in this report. Mr Janse van Rensburg has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity, which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Janse van Rensburg consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Exploration Targets and Results

This announcement refers to Exploration Targets as defined under Sections 18 and 19 of the 2012 JORC Code. The Exploration Targets quantity and quality referred to in this announcement are conceptual in nature. Apart from T3 and T1, there has been insufficient exploration at other Exploration Targets (for example the "T3 Dome") mentioned in this announcement to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Targets along the T3 Dome being delineated as a Mineral Resource. This announcement includes drill hole intersections, which have been announced by MOD Resources Limited previously.

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of MOD Resources Limited.

Examples of forward looking statements included in this announcement are: 'T3 Environmental Management Plan (EMP) to be lodged today' and 'Airborne EM survey commencing to identify potential new conductors at T3 Dome' and 'Regional exploration focused on large T20 Dome with first results expected soon' and 'Key elements of the process are already complete and the EMP will be lodged today. This will be followed by a public review period before being considered for final approval by DEA, with drilling targeted to resume in July.' and 'We look forward to continuing with drilling for additional resources and prospective targets around T3 as soon as approval is granted.' and 'In the meantime, we will progress the T3 mine PFS, the substantial T3 Dome soil sampling and airborne EM surveys.' and 'Planned Near Term Activities - Airborne EM survey along T3 Dome test for new 'T3 Type' deposits; Upgrade T3 resource estimate to include Zone 2; Complete T20 Dome soil program to identify drilling targets; Drill two potentially significant IP anomalies north of T3; Systematic drilling of the Zone 3 mineralised contact below T3; Drill MOD's 100% owned targets, including T1 resource extensions and T5 intrusion; Finalise metallurgical, mining and processing studies for T3 PFS' and 'Six drill rigs are available on site when approval is granted.' and 'This is supported by the western most drill hole to test the newly discovered Zone 2 (MO-G-70D) (as announced 30 March 2017), which intersected vein hosted and disseminated sulphides for which assay results are awaited.' and 'Zone 3 may occur on the same structural contact that hosts the large copper deposits in the eastern part of the Kalahari Copper Belt and MOD's 100% owned T1 deposit (20km north of T3).' and 'Many of the holes in the next phase of drilling will be designed to intersect Zone 3 and target areas of potential structural complexity and veining where the grade may be enhanced. Depending on the success of this program, drilling of the Zone 3 contact may be extended elsewhere along the T3 Dome.' and 'Assay results have been received from eight geotechnical holes completed around the perimeter of the proposed T3 pit and these will be released when the data have been compiled and interpreted.' and 'Magnetic data show the major regional structures that appear to be associated with deposits in the northeast part of the Kalahari Copper Belt and in the T3 Dome may extend through the T20 Dome.' and 'Results from Namibia (which require confirmation and verification) include high grade copper and silver intersections interpreted to occur on contacts along strike from Tshukudu licences in Botswana.'

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