

MOD raises \$18 Million to Turbo Charge Growth

- MOD has received firm commitments to raise \$12 million in an oversubscribed share placement to institutions and sophisticated investors (before costs)
- The Placement will be followed by a fully underwritten rights issue to raise \$6.3 million to existing shareholders on the same terms

MOD Resources Limited (ASX: MOD) today announced it had welcomed a number of institutional investors onto its share register as a result of a \$12 million oversubscribed share placement (the Placement).

Placement

Joint Lead Managers to the Placement were Blue Ocean Equities and Ashanti Capital. The Placement was conducted using the Company's existing Listing Rule 7.1 placement capacity and the issue price represented a discount of 9.8% to the 15-day VWAP.

The Placement, which remains subject to the clearance of funds, is a result of the issue of 255,319,148 fully paid ordinary shares at \$0.047 per share to raise \$12 million before costs.

Rights Issue

The Company is also pleased to announce a fully underwritten non-renounceable rights issue entitling shareholders to subscribe for one new share for every 16 shares held at the same issue price as the Placement of \$0.047 per share (Rights Issue) to raise approximately \$6.3 million (before costs).

The Rights Issue has been fully underwritten by Blue Ocean Equities and will have a record date which allows the investors under the Placement to participate in the Rights Issue. LIM Advisors, a prominent Hong Kong investment fund, have contracted to sub-underwrite the Rights Issue. Further details including an indicative timetable will be advised shortly.

Application of Funds

The majority of funds raised from the Placement and Rights Issue will be applied to a major expansion of exploration activities along the T3 Dome, T20 Dome and across the Company's wider 12,600km² of regional holdings (Figure 1).

This will complement the Company's current drilling underway designed to advance three resource projects (T3 Pit extension, T3 Underground, T1 Underground) and test the T-Rex exploration target. Eight drill rigs are operating at T3 and T1 and this number is expected to increase to test other targets.

Starting early in the June quarter MOD plans to commence drilling of high priority targets identified within the extensive T3 Dome area and subsequently in the T20 Dome, 100km to the west.

MOD Managing Director, Mr Julian Hanna said "The Company is well funded to complete the T3 Pit feasibility study and conduct a major expansion to the exploration campaign with numerous identified drill ready targets across our vast regional licence holding."

This coincides with a greatly improved understanding of the geology and potential of the Kalahari Copper Belt, and the successful application of airborne EM to generate new targets over large areas.

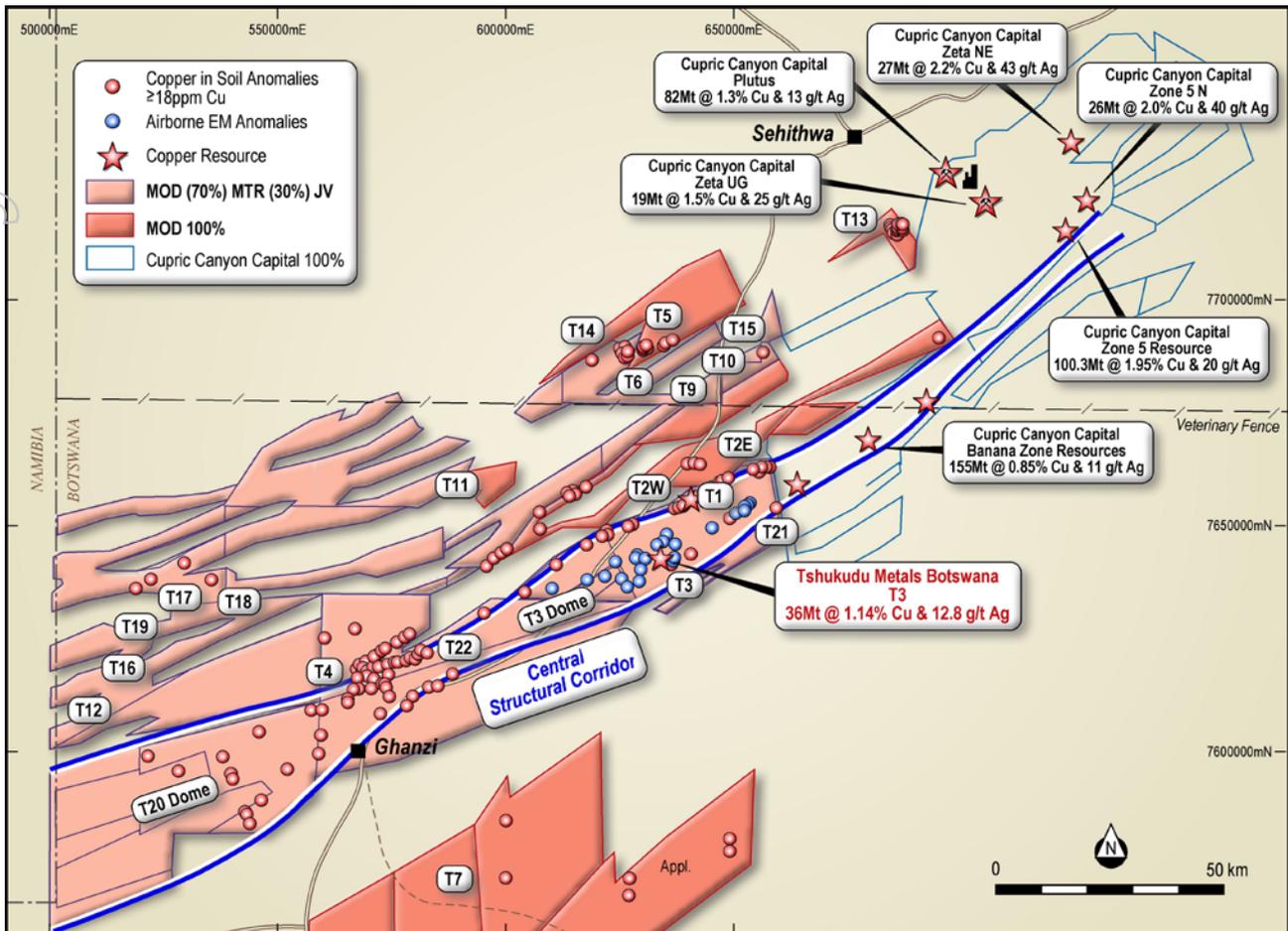


Figure 1: Kalahari Copper Belt showing the location of copper soil and EM anomalies along the Central Structural Corridor

-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. MOD owns 70% of a UK incorporated joint venture company, Metal Capital Limited with AIM-listed Metal Tiger Plc (30%).

Metal Capital's wholly owned subsidiary, Tshukudu Metals Botswana (Pty) Ltd (Tshukudu) is the Botswana operating company which owns 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 also has substantial 100% owned licence holdings covering other targets, including the T1 deposit where resource extension drilling is in progress, and the extensive T7 Domes prospect.

MOD is continuing with the strategy to increase mineral resources and complete a feasibility study during 2018, for a potential open pit mine and processing plant at T3. MOD is also conducting a substantial regional exploration program exploring for satellite deposits at priority targets around T3 and testing the potential for district scale targets on licences that extend to the Namibian border.

About T3 Pit Project

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 on 24 August 2017, MOD announced an updated resource of 36Mt at 1.14% Cu containing 409kt copper. The revised resource led to a 16% increase in copper and also contains 14.8Moz silver.

Results of a pre-feasibility study (PFS) for a very robust long life open pit mining and processing operation were announced on 31 January 2018.

Following recent resource drilling at T3, an updated mineral resource is expected to be announced in the June quarter 2018. This may require a revision to the PFS, which is currently based on the 24 August 2017 mineral resource.

Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper/Silver Project 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. Exploration Targets include airborne electromagnetic (AEM) anomalies, copper and zinc soil anomalies, conceptual structural targets and potential mineralised vein and resource extensions. The quantity and quality of these targets referred to in this announcement are conceptual in nature only. Apart from T3 and T1, there has been insufficient exploration at other Exploration Targets along the interpreted “T3 Dome” or “T20 Dome” mentioned in this announcement to determine the potential source of the AEM and soil anomalies and targets, or define a Mineral Resource. It is uncertain if further exploration will result in any of the conceptual Exploration Targets at T3, T-Rex, T1 and along the T3 Dome and T20 Dome hosting any mineralisation or being delineated as a Mineral Resource. This announcement includes drill hole intersections, which have been announced by MOD Resources Limited previously.

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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.

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