Regional Exploration Update

- Encouraging copper results from first soil sampling program of T20 Dome
- Commencement of airborne EM survey along 30km section of T3 Dome

MOD Resources Ltd (ASX: MOD) today announced very encouraging initial soil sampling results from the large T20 Dome and the commencement of a high resolution airborne electromagnetic (AEM) survey along the T3 Dome, which hosts the Company’s flagship T3 deposit.

The T3 Dome and T20 Dome are regional scale exploration targets covered by licences held by Tshukudu Metals Botswana (Pty) Ltd (‘Tshukudu’). Tshukudu is the in-country operating company owned by MOD (70%) and AIM-listed Metal Tiger Plc (30%), which has a dominant holding in the central and western parts of the Kalahari Copper Belt.

T20 Dome - soil sampling
A widely-spaced soil sampling program is in progress over the T20 Dome and five surface copper anomalies have been identified to date (Figure 1). Peak copper values in the anomalies range from 16ppm Cu to 23ppm Cu with associated zinc values up to 45ppm Zn. At least two anomalies coincide with regional ENE trending structures interpreted from magnetics. Sample traverses are up to 6km apart and infill sampling is in progress to confirm initial results and define possible drilling targets.

Figure 1: Regional magnetic image extending ~100km from T20 Dome to T3 Dome. Shows anomalous copper soil values at T20 Dome and the T3 soil anomaly on top RHS of plan.
T20 Dome is located approximately 100km west of the T3 Dome and within the same structural corridor interpreted from magnetics. It is interpreted to be underlain by shallow dipping sediments including the prospective D’Kar Formation and Ngwako Pan Formation contact. This contact hosts the large structurally related copper deposits in the eastern part of the Kalahari Copper Belt.

A surface calcrete layer covers large areas of the T20 Dome and there is no known previous exploration drilling. From experience gained at T3, it appears that the calcrete layer suppresses any surface copper response so that low order copper anomalies may be significant. The peak soil value that lead to the discovery of T3 at shallow depth below calcrete was 28ppm Cu, with 27ppm Zn.

The nearest known copper sulphide occurrence is at T4, 25km northeast of the T20 Dome. On 1 April 2016, MOD announced an intersection of 2m @ 6.12% Cu and 111g/t Ag from 101m down hole depth at T4 associated with, a 2km long soil anomaly. No further drilling was carried out to follow up these results because T4 was eclipsed by the discovery of T3 in March 2016.

The T20 Dome soil sampling program is also being extended to the east and north of Ghanzi Town to overlap existing anomalies at T4 and T22 (Figure 1). This should result in near continuous coverage of soil sampling data over >100km within Tshukudu licences. Tshukudu has also recently applied for an additional prospecting licence along the southern part of the T20 Dome.

T3 Dome - Airborne electro-magnetic survey (AEM)

A high-resolution airborne EM survey has commenced along a 30km section of the T3 structural dome (‘T3 Dome’) with the objective to identify the potential for new ‘T3 Type’ deposits (Figure 2). The AEM survey provides an opportunity to fast track exploration within this very prospective region.

Initially, the survey is planned to confirm if the AEM geophysical technique can detect the distinctive IP chargeability anomaly associated with the T3 copper deposit (announced 24 May 2017). If the trial is positive, the survey will be extended onto two blocks covering >30km along the axis of the T3 Dome. Depending on results, the survey may be extended further west and east along the T3 Dome.

South African geophysical contractors NRG are conducting the AEM survey using a heli-borne 18m transmitter loop at 30-40m survey altitude. Flight lines are spaced 200m apart.

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**Figure 2:** Magnetic image covering central axis of T3 Dome. Shows proposed T3 open pit outline (near southern boundary of Trial AEM Block) and planned AEM survey extending >30km on PL190/2008
ASX Announcement – Regional Exploration Update

High resolution AEM system used by contractors NRG

-ENDS-

For and on behalf of the Board.

Julian Hanna
Managing Director

Mark Clements
Executive Chairman and Company Secretary

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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: ‘infill sampling is in progress to confirm initial results and define possible drilling targets.’ and ‘From experience gained at T3, it appears that the calcrete layer suppresses any surface copper response so that low order copper anomalies may be significant.’ and ‘The T20 Dome soil sampling program is also being extended to the east and north of Ghanzi Town to overlap existing anomalies at T4 and T22 (Figure 1). This should result in near continuous coverage of soil sampling data over >100km within Tshukudu licences. Tshukudu has also recently applied for an additional prospecting licence along the southern part of the T20 Dome.’ and ‘A high-resolution airborne EM survey has commenced along a 30km section of the T3 structural dome (“T3 Dome”) with the objective to identify the potential for new ‘T3 Type’ deposits (Figure 2). The AEM survey provides an opportunity to fast track exploration within this very prospective region. Initially, the survey is planned to confirm if the AEM geophysical technique can detect the distinctive IP chargeability anomaly associated with the T3 copper deposit (announced 24 May 2017). If the trial is positive, the survey will be extended onto two blocks covering >30km along the axis of the T3 Dome. Depending on results, the survey may be extended further west and east along the T3 Dome.’

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement.
Subject to any continuing obligations under applicable law and ASX Listing Rules, MOD Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by MOD Resources Limited. The document contains background information about MOD Resources Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient’s investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, MOD Resources Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.
### JORC Code, 2012 Edition

Table 1 Reporting Exploration Results from Botswana Copper/Silver Project

#### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

<table>
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<tr>
<th>Criteria</th>
<th>JORC Code explanation</th>
<th>Commentary</th>
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| **Sampling techniques** | - Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.  
- Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.  
- Aspects of the determination of mineralisation that are Material to the Public Report.  
- In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information. | - Soil Sampling was carried out along traverses using 25m & 40m sample intervals.  
- Soil samples are taken at an average depth of roughly 40cm deep, to sample the B horizon.  
- All samples are dried at MOD’s core logging facility in Ghanzi.  
- All dried samples are sieved to -180µm and packaged in marked envelopes.  
- Soil Samples are submitted to ALS Laboratories in Johannesburg for analysis. |
| **Drilling techniques** | - Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). | - This announcement does not refer to drilling results. |
| **Drill sample recovery** | - Method of recording and assessing core and chip sample recoveries and results assessed.  
- Measures taken to maximise sample recovery and ensure representative nature of the samples.  
- Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. | - This announcement does not refer to drilling results. |
| **Logging** | - Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.  
- Whether logging is qualitative or quantitative in nature.  
- Core (or costean, channel, etc) photography.  
- The total length and percentage of the relevant intersections logged. | - This announcement does not refer to drilling results. |
| **Sub-sampling techniques and sample preparation** | - If core, whether cut or sawn and whether quarter, half or all core taken.  
- If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.  
- For all sample types, the nature, quality and appropriateness of the sample preparation technique.  
- Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.  
- Measures taken to ensure that the sampling is representative of the in-situ material collected, including for instance results for field duplicate/second-half | - 20% QAQC blanks, standards and duplicates are inserted by the laboratory. |
### Criteria

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<th>JORC Code explanation</th>
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<td><strong>Sampling</strong></td>
<td>• Whether sample sizes are appropriate to the grain size of the material being sampled.</td>
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| **Quality of assay data and laboratory tests** | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.  
• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.  
• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.  
• A prepared sample (0.25 g) is analysed using the ME-ICP 41 method. The sample is digested with aqua regia in a graphite heating block. After cooling, the resulting solution is diluted to 12.5 mL with deionized water, mixed and analyzed by inductively coupled plasma-atomic emission spectrometry. The analytical results are corrected for inter-element spectral interferences. A detection limit of 1ppm is reported for Cu and 2 ppm for Pb and Zn. |
| **Verification of sampling and assaying** | • The verification of significant intersections by either independent or alternative company personnel.  
• The use of twinned holes.  
• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.  
• Discuss any adjustment to assay data.  
• QA/QC checks are taken as normal laboratory standards, blanks and duplicates. |
| **Location of data points** | • Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.  
• Specification of the grid system used.  
• Quality and adequacy of topographic control.  
• The sample coordinates of all the soil samples were taken by hand held GPS. |
| **Data spacing and distribution** | • Data spacing for reporting of Exploration Results.  
• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.  
• Whether sample compositing has been applied.  
• This announcement does not refer to drilling results. |
| **Orientation of data in relation to geological structure** | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.  
• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.  
• This announcement does not refer to drilling results. |
| **Sample security** | • The measures taken to ensure sample security.  
• Sample bags were tagged, logged and transported to ALS laboratory in Johannesburg by senior management. |
Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

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<th>Criteria</th>
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| **Mineral tenement and land tenure status** | - Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.  
- The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. | PL127/2013 and PL 190/2008 are granted Prospecting Licences held by Tshukudu Metals Botswana (Pty) Ltd, wholly owned by Metal Capital Limited which is owned 70% MOD Resources Ltd and 30% Metal Tiger Plc.  
In January 2017, the Minister of Minerals, Water and Energy extended both licences to 31 December 2018. Tshukudu expects to apply for further renewal or extension at least 3 months ahead of that date. |
| **Exploration done by other parties**  | - Acknowledgment and appraisal of exploration by other parties.                        | Previous exploration on PL127/2013 in the area of sampling was conducted by BCL Limited  
Previous exploration on PL190/2008 was conducted by Discovery Mines Pty Ltd. |
| **Geology**                           | - Deposit type, geological setting and style of mineralisation.                      | The geology on PL127/2013 and PL 190/2008 is interpreted to be Proterozoic or early Palaeozoic age sediments which are interpreted to form wide NE trending structural domes cut by regional structures  
The vein hosted and disseminated Cu/Ag mineralisation at the T3 deposit located on PL 190/2008 is interpreted to be related to shallow dipping thrusts above  |
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<th>Criteria</th>
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<tr>
<td>Drill hole Information</td>
<td>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</td>
<td>the D’Kar Formation and Ngwako Pan Formation contact.</td>
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<td>o easting and northing of the drill hole collar</td>
<td>• This release does not refer to drilling results apart from one RC hole at T4 prospect, (MO-A-04R) announced on 1 April 2016 and is part of a proposed extension to the T20 Dome soil sampling program.</td>
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<td>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</td>
<td>It is not yet considered that this drill hole is material to the results of the soil sampling program on PL127/2013 included in this release.</td>
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<td></td>
<td>o dip and azimuth of the hole</td>
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<td>o down hole length and interception depth</td>
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<td>o hole length.</td>
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<td>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</td>
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<td>Data aggregation methods</td>
<td>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</td>
<td>This announcement does not refer to drilling results.</td>
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<td>Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</td>
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<td>The assumptions used for any reporting of metal equivalent values should be clearly stated.</td>
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<td>Relationship between mineralisation widths and intercept lengths</td>
<td>These relationships are particularly important in the reporting of Exploration Results.</td>
<td>This announcement does not refer to drilling results.</td>
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<td>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</td>
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<td>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</td>
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<td>Diagrams</td>
<td>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</td>
<td>Images of the area showing current soil sample results is shown at Figure 1 and the planned AEM survey at Figure 2.</td>
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<td>Balanced reporting</td>
<td>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</td>
<td>The accompanying document is considered to be a balanced report with a suitable cautionary note.</td>
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<tr>
<td>Other substantive exploration data</td>
<td>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</td>
<td>All substantive data is reported.</td>
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## Further work

- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).
- Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.

## Commentary

- Any further work on PL127/2013 will be dependent on results from the infill soil sampling programs.
- Any further work on PL190/2008 will be dependent on results from the AEM survey, future soil sampling and drilling programs and the outcomes of a PFS feasibility study relating to the T3 deposit.