

## Major Drilling Campaign Starts at T3 Dome Complex

- Major drilling campaign commences at T3 Dome Complex
- EM points to a series of large conductive domes, spread over wide area
- Seven 'buried domes' to be drilled initially, ~60 DD holes planned (Phase 1)

MOD Resources Ltd (ASX: MOD) is pleased to announce commencement of drilling to test a wide range of new targets along the Company's extensive T3 Dome Complex. The commencement of drilling follows completion of a public review of the Environmental Management Plan announced 4 April 2018.

Drill rigs have been mobilised at the A4 Dome, 8km west of T3 (Figure 2) and at the A1 Dome, 20km northeast of T3 (Figure 3).

The ~1,000km<sup>2</sup> T3 Dome, now described as a 'complex' given the growing number of targets, forms part of a joint venture with AIM-listed Metal Tiger Plc (30%). The JV holds extensive licences operated by in-country subsidiary, Tshukudu Metals Botswana (Pty) Ltd (Tshukudu) extending 200km along the central and western parts of the Kalahari Copper Belt in Botswana.

MOD's Managing Director, Mr Julian Hanna said that state-of-the-art processing and interpretation of airborne EM data by Tshukudu's very experienced consultants has uncovered compelling new drilling targets spread over a wide area of the T3 Dome Complex (Figures 1-6).

"What is extraordinary is that the EM interpretation appears to have defined seven large 'buried' conductive domes, several with very similar geometries and internal structures to the T-Rex Dome which underlies T3", Mr Hanna explained.

"With a strong balance sheet and a very experienced team on site to manage the drilling, MOD is entering an exciting new phase to unlock the potential of this large, under-explored region of the Kalahari Copper Belt", he said.

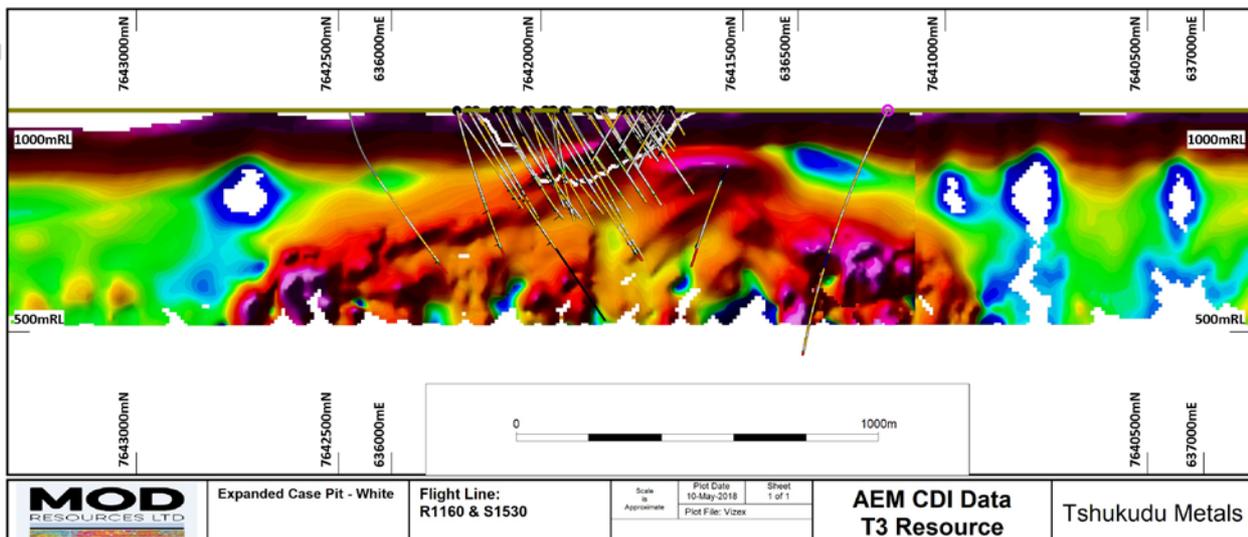


Figure 1: Interpreted EM section across T-Rex Dome showing planned T3 open pit (Expansion Case Pit)

### T3 Dome Complex

The >400Kt T3 copper deposit, which is progressing through a feasibility study towards a decision to mine, occurs above the T-Rex Dome, the only dome where any drilling has been conducted to date (Figure 1).

Processing and interpretation of airborne EM data to approximately 500m depth, the limit of the EM data, has defined (at least) seven conductive domes within the T3 Dome Complex (Figure 6).

The domes are generally >5km long, 1-2km wide and are interpreted to be associated with shallow angle thrusting and stacking of the prospective copper belt sediments. The interpretation appears to have defined not only the conductive 'shell' but also the internal structure of several domes.

The tops of several domes are interpreted to start from approximately 50-100m below surface (Figures 2 and 3). Other domes are interpreted to start from approximately 200-300m depth and as a result are less well defined (Figure 4).

Cross sections of interpreted EM data from five domes showing initial planned drill holes are included in this release (Figures 1 to 5 – plotted at same scale). The distinctive EM conductor at T3 (Figure 1) appears to be associated with a ~40m thick, locally carbonaceous shale unit with varying degrees of alteration and veining, intersected in many T3 drill holes (T3 'Marker Unit').

The initial objective of the drilling is to confirm if the prospective sequence occurs within the interpreted domes. Holes are being drilled in areas of structural complexity to test for vein hosted deposits of the 'T3 type' and test the underlying prospective Ngwako Pan Formation (NPF) contact, which hosts other substantial copper deposits in the eastern part of the Kalahari Copper Belt.

Drilling is initially testing domes with similarities to the T-Rex Dome. Depending on results, approximately 60 diamond core drill holes have been budgeted during the first phase of drilling along the T3 Dome Complex.

Eight DD drill rigs are currently on site with two additional rigs expected soon. The rigs are deployed at the following projects: T3 Dome Complex, T1 Underground Resource Extension, T3 Underground Resource and T3 Pit Project - geotechnical and sterilisation drilling.

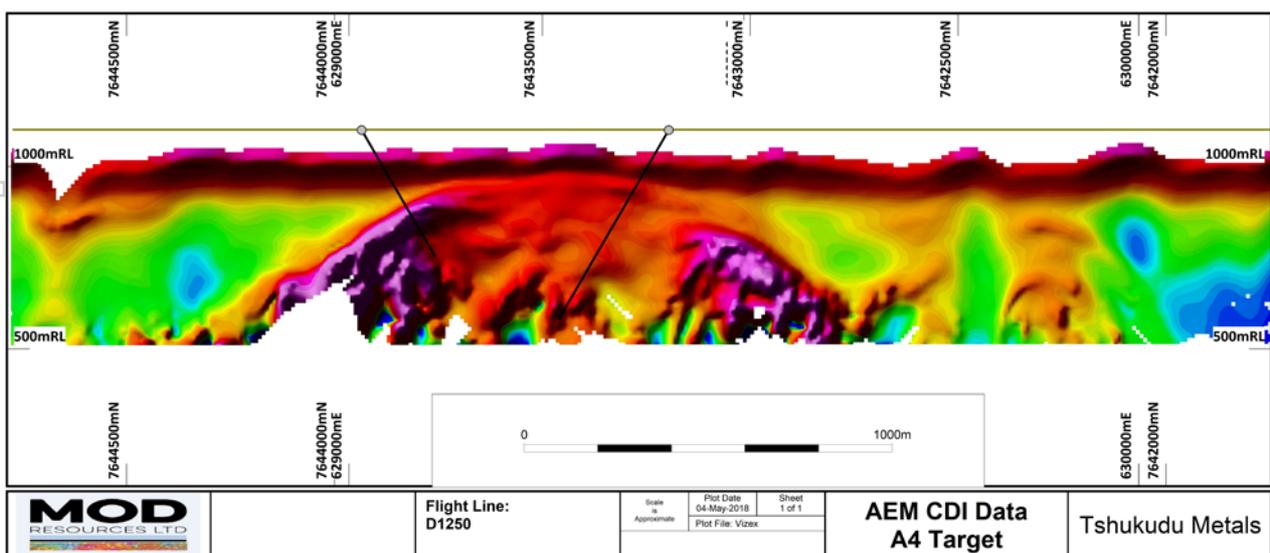


Figure 2: Interpreted EM section across **A4 Dome**, 8km W of T3, showing planned drill holes.

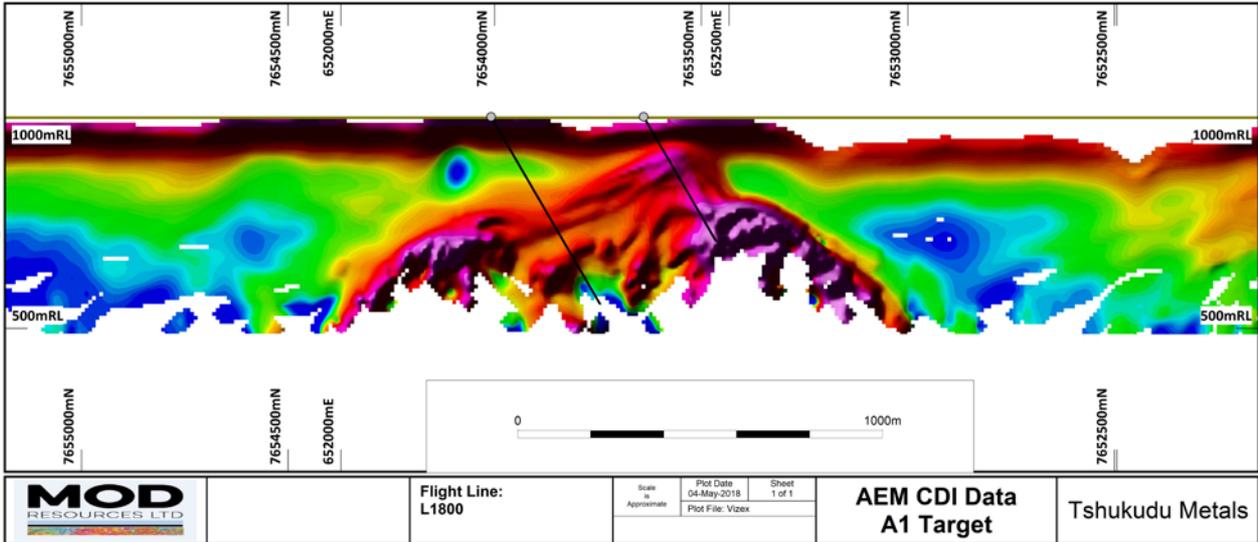


Figure 3: Interpreted EM section across **A1 Dome**, 20km NE of T3, showing planned drill holes.

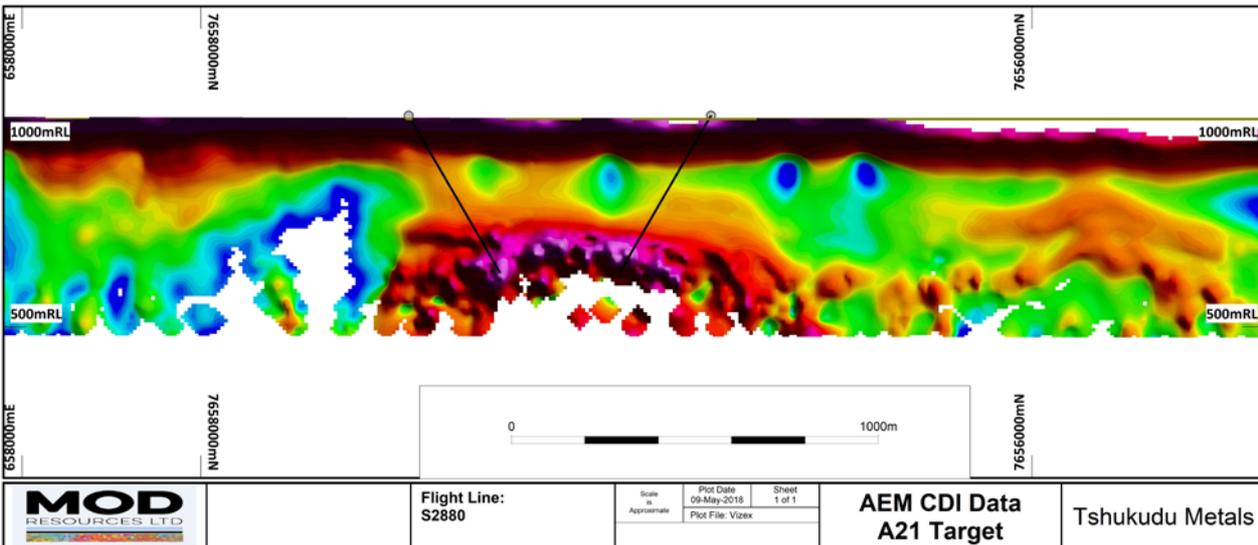


Figure 4: Interpreted EM section across **A21 Dome**, 28km NE of T3, showing planned drill holes.

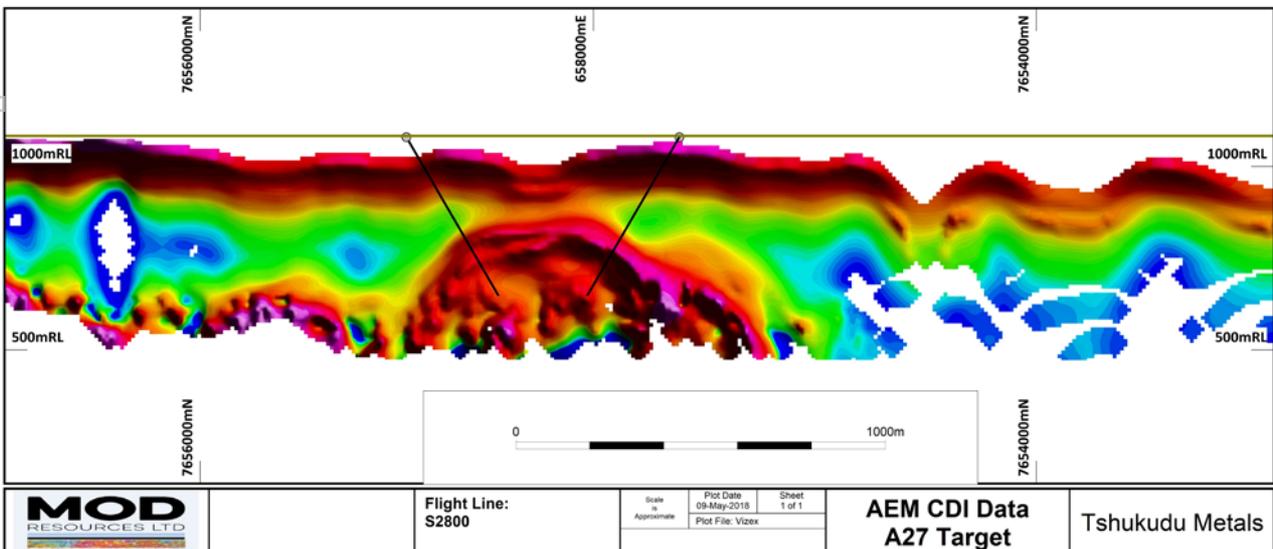


Figure 5: Interpreted EM section across **A27 Dome**, 3km S of A21 Dome, showing planned drill holes.

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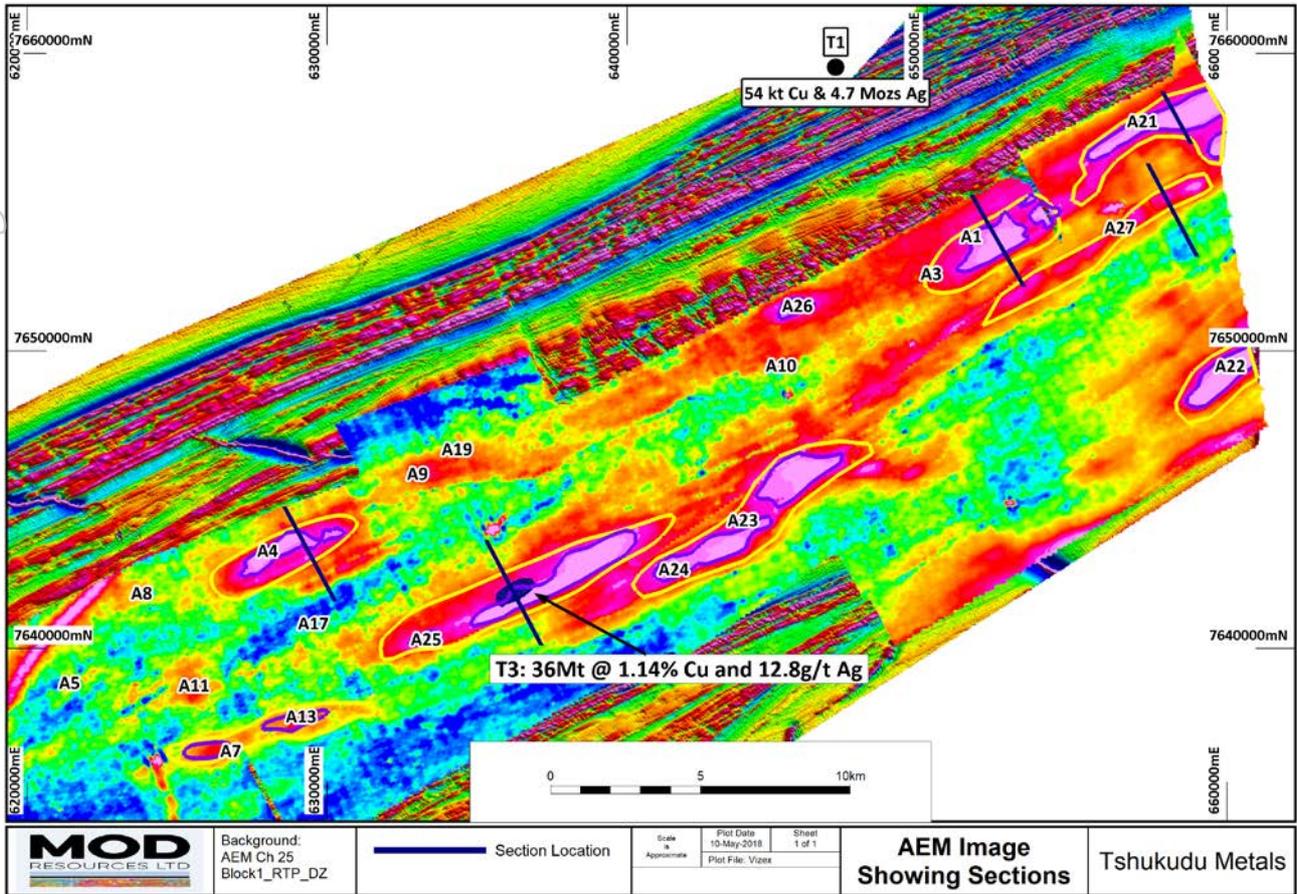


Figure 6: Airborne EM image across T3 Dome Complex showing interpreted buried domes to ~500m depth (yellow), and locations of five EM sections (T-Rex, A1, A4, A21 and A27 Domes) (Figures 1-5)

-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 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 results of its scoping study for an open pit mine at T3. MOD announced an updated resource of 36Mt at 1.14% Cu containing 409kt copper on 24 August 2017.

Results of a pre-feasibility study for a very robust long life open pit mining and processing operation were announced on 31 January 2018. MOD has commenced the T3 Pit Feasibility Study and aims to conduct a substantial drilling program exploring for satellite deposits at numerous other high priority targets along the T3 Dome, T20 Dome and across the Company's wider 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 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. There has been insufficient exploration at Exploration Targets, which include EM targets and conductive domes mentioned in this announcement to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a Mineral Resource.

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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.

Examples of forward looking statements included in this announcement are: 'With a strong balance sheet and a very experienced team on site to manage the drilling, MOD is entering an exciting new phase to unlock the potential of this large, under-explored region of the Kalahari Copper Belt' and 'Drilling is initially testing domes with similarities to the T-Rex Dome. Depending on results, approximately 60 diamond core drill holes have been budgeted during the first phase of drilling along the T3 Dome Complex.' and 'Eight DD drill rigs are currently on site with two additional rigs expected soon.'

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