

September 2018

About MOD Resources

MOD Resources (ASX: MOD) is an Australian listed copper developer with operations in the central Kalahari Copper Belt, Botswana. A combination of 100% owned holdings and JV licences cover ~11,500km² of this under-explored copper-rich region.

Botswana operating company, Tshukudu Metals Botswana (Pty) Ltd currently employs all in-country staff and is owned 70% by MOD via its equity interest in the joint venture company, Metal Capital Limited, and 30% by Metal Tiger Plc (AIM: MTR).

MOD is in the process of completing the MTR transaction, which will result in 100% ownership of the JV's flagship T3 Project with options to acquire any other new discoveries on JV licences.

Exploration assets, consisting 18 prospecting licences with a total area of ~3,000km² are in the process of transferring to new JV company, Tshukudu Exploration (Pty) Ltd.

MOD's substantial 100% holdings over 8 licences in the Kalahari Copper Belt include the T1 Underground Project and T5 and T7 prospects.

Julian Hanna	Managing Director
Mark Clements	Executive Chairman/ Company Secretary
Steve McGhee	Technical Director
Simon Lee AO	Non-Executive Director
Bronwyn Barnes	Non-Executive Director
Stef Weber	Chief Financial Officer

Market Capitalisation ~\$80M

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ASX code: **MOD**

Major developments for T3 Copper Project

- **MOD nearing transaction completion for 100% of T3 Copper Project**
- **20% increase in T3 Feasibility Study plant throughput to 3Mtpa**
- **Capital and operating cost savings identified to further improve T3 project economics**
- **A4 Dome and other targets potential to increase T3 production profile**
- **Extensions granted for key JV licences for T3 Expansion Project**
- **EMP approval to start drilling at the T20 Exploration Project**
- **MOD considering strategic options for copper belt scale potential**
- **On track for dual listing on the London Stock Exchange Q4 2018**
- **~A\$12.8M cash on hand as at 30 September 2018**

Emerging copper developer, **MOD Resources Ltd (ASX: MOD)** today announced its quarterly activities report for the period to 30 September 2018.

Excellent progress was made on the Feasibility Study for the 60Mt T3 Copper Project in the Kalahari Copper Belt in Botswana at the same time as MOD nears completion of the transaction for 100% ownership of the project.

An important development during the quarter was a 20% increase in the T3 Feasibility Study throughput capacity for the planned T3 process plant to 3Mtpa, which should result in increased copper production. In addition, the potential for improved project economics was highlighted by recent outstanding metallurgical testwork results and the commencement of the Botswana grid power transmission line, which will extend to within 12km from the T3 Project.

MOD's Managing Director, Julian Hanna said, "With rapid progress on the Feasibility Study, the Company is actively pursuing options with several parties for conventional debt and other funding sources for T3 Project. We are very encouraged by the high level of interest shown and the potential for a range of excellent commercial outcomes. In addition, the Board is considering several strategic options to fund exploration of the unique regional potential across our vast licence holdings, while we develop the T3 Project."

"We are also very pleased with progress on transferring and extending renewals for 100% of the area of our key JV licences, demonstrating the strong in-country support for MOD and its Botswana subsidiaries."

Drilling along the A4 Dome, 8km from the T3 Project, commenced during the June quarter with 19 holes completed to date. Many holes intersected two distinct styles of mineralisation including the regionally extensive NPF contact type mineralisation with three intersections >2% Cu, and many assays still pending. While still at an early stage, the proximity of A4 Dome to the planned processing plant at T3 makes it an attractive target to support the T3 expansion strategy. Drilling also progressed at the large A1 Dome during the quarter with 6 widely spaced holes completed to date. Assay results are awaited from potentially significant visible intersections in two holes (MO-A1-005D and MO-A1-006D).

Drilling during the December quarter is shifting to test shallow targets for NPF contact type mineralisation at the T20 Exploration Project, which has just received DEA approval. If drilling at the T20 Exploration Project is positive it will reinforce the copper belt scale potential of MOD's licences.

T3 COPPER PROJECT (agreement for MOD to own 100%)

T3 Pit Project

The T3 deposit (Motheo) was discovered in March 2016, when an RC drill hole (MO-G-12R) intersected 52m @ 2.0% Cu and 32g/t Ag from shallow depth, immediately below a low order copper soil anomaly (28ppm Cu).

Only 22 months after the initial discovery, MOD released results (announced 31 January 2018) of the T3 Pit Project Pre-Feasibility Study (PFS) which indicated a potential for a highly profitable, low-risk, relatively low-capital, long life open pit copper mine generating ~US\$730m (~A\$960m) EBITDA for the Base Case model over 9 years, at a production rate of 2.5Mtpa providing a 2.7 year payback (See Appendix 1- Table 2).

The unique geometry of T3 provides flexibility with highly profitable expansion upside. The PFS also presented a 12-year Expansion Case with a 4.0Mtpa production rate utilising the Base Case Ore Reserve and additional production from existing Inferred, Measured and Indicated Mineral Resources from Year 4 and a potential for generating ~\$US1.1b (~A1.45b) EBITDA with a 3.3-year payback.

On 2 July 2018, MOD announced a major resource upgrade, comprising **60Mt @ 0.98% Cu** and **14 g/t Ag** containing **~590.4 Kt Cu** and **26.9 Moz Ag**, representing a 44% increase in contained copper, at 0.4% cut-off (See Appendix 1 - Table 1). There was also a significant increase in copper grades at higher cut-off grades. Approximately 61% of the total resource tonnes (and 70% contained copper) is now in the Indicated Resource category (refer announcement 16 July 2018), providing further confidence in the project, currently the subject of a Feasibility Study (FS).

Following this resource upgrade, MOD's project development team reviewed how the expanded resource would impact the T3 Project FS, and on 10 August 2018, announced a 20% increase in the PFS Base Case process plant throughput to 3Mtpa, with allowance for staged future expansion.

The T3 resource remains open along strike and at depth with further drilling required for both potential open pit and underground resource extensions (refer T3 Underground Project section of this report).

In July 2018, MOD announced it had signed binding agreements with joint venture partner Metal Tiger Plc to acquire 100% of the T3 Project as well as the option to acquire all other JV Assets that progress to a completed scoping study. The consolidation is set to streamline the proposed financing and development of the T3 Project and is expected to be completed ahead of the Company's planned listing on the London Stock Exchange in the December quarter.



Figure 3: T3 Pit Project - Proposed site layout showing pit, plant and proposed infrastructure

T3 Pit Feasibility Study

The FS report is on target to be delivered by the end of March 2019. In addition, the Environmental and Social Impact Assessment (ESIA) is already well advanced and the detailed ESIA report is targeted for submission to the Department of Environmental Affairs (DEA) by the end of Q4 2018.

The ESIA, which runs in parallel with the FS, requires approval from the DEA and is also subject to a public review period. Completion of the FS and approval of the ESIA are required ahead of applying for a mining licence for the T3 Project, which is anticipated in H1 2019.

A detailed update on the FS progress was announced post the end of the quarter on 16 October 2018. Of particular note are the outstanding metallurgical testwork results, which have improved upon the already excellent results achieved during the PFS.

Testwork at a coarser grind size has identified potential capital and operating savings by lowering comminution power requirements. Rougher flotation recoveries exceed 97% for Cu and 95% for Ag. Cleaner optimisation testwork has commenced with concentrate grades expected to average 30-35% Cu over the life of mine, subject to further testwork during the FS.

Status of T3 Pit Feasibility Study related activities during the September Quarter

FS Activities	Status
Geology resource update	Completed
Geotechnical Study (mining engineering)	Major and minor structural models have been developed. Final pit slope designs will follow once interpretation has been completed.
Shadow Mining Estimate	Awarded and preparations underway
Mining Study	Ore loss and dilution summary complete. Initial pit optimisation studies underway.
Pit Dewatering – Drilling, pump testing and water modelling	Pit dewatering bore hole drilling and pump testing completed, modelling underway.
Process Engineering	Comminution (crushing and grinding) modelling complete. Crushing and grinding circuit equipment sizing complete and 3D model being developed.
Comminution Testwork	Completed
Flotation Testwork	Grind size testwork complete, rougher testwork complete, cleaner testwork commence
Engineering Testwork	Bulk flotation composite testing has been completed to generate tailings and copper concentrate for thickening and filtration testwork as well as tailings characterisation testwork.
Engineering Services (Geotech, TSF, WRD, Water)	Production water supply bore hole drilling and pump testing complete. Modelling underway. Additional geochem samples to be tested targeting identified gaps in data set.
ESIA	Environmental scoping and terms of reference approved by the DEA in August. Compilation of ESIA report commenced. Project Brief submitted for camp expansion.
Closure and Rehabilitation Planning	Closure plan for ESIA being developed
Transport and Logistics Study	Awarded

Infrastructure

Botswana Power Corporation (BPC) has commenced installation of infrastructure for the grid power transmission line to be extended adjacent to the A3 Highway, which is only 12km from the T3 Project.

During Q2 2018, an agreement was finalised to acquire the area of a farm where the T3 Project Area is located. The land area is approximately 25km², which is sufficient for the open pit, process plant and associated infrastructure, with ample capacity for expansion. This area will form the basis of the expected mining licence application.

A long-term lease agreement has also been executed for a 100m wide strip of farmland planned to be used for the mine access road joining the A3 highway and the T3 Project. This will also be used to accommodate the planned grid power spur line into site.

Accommodation Village

The first stage of the accommodation village located on the A3 Highway near Ghanzi (refer picture) is nearing completion. A Project Brief was submitted to the DEA during the quarter to increase the size of the accommodation village from the current size of 40 personnel up to 400 personnel. Post the end of the quarter, the DEA notified that the accommodation village expansion will require an EMP approval rather than the more onerous ESIA approval as part of the T3 Project.

T3 Project Environmental and Social Impact Assessment (ESIA)

The Environmental Scoping and Terms of Reference report for the ESIA was approved by the DEA in August 2018. This indicates the key baseline assessment and consultation process was followed and the proposed work program for the detailed ESIA that Tshukudu is undertaking will satisfy the expectations of the DEA, if carried out and reported to a satisfactory standard and meets regulatory requirements.

The Environmental and Social Impact Statement (ESIS), which is a compilation of all work being undertaken, is being prepared by environmental consultants and registered practitioners, Loci Environmental and is targeted for submission to the DEA during Q4 2018.

T3 Underground Project

The T3 resource remains open along strike and at depth. Since the resource upgrade in July 2018, a further 25 holes have been drilled, testing for underground resource extensions below and down dip from the conceptual PFS open pit mine. Assay results have been received for 23 of these holes and confirm the mineralised veins extend below and along strike from the planned T3 pit. Results are currently being interpreted and once complete, CSA Global will undertake a revised resource update for the 60Mt T3 deposit to include these additional 25 holes. Whilst the overall resource tonnage is not anticipated to alter materially, the additional data should improve resource category confidence levels.

Global mining consulting group SRK is carrying out optimisation studies that will define the boundaries of the proposed T3 open pit. An estimate of the tonnes and grade of ore that could potentially be available for underground mining can then be made and a preliminary scoping study will commence in the December quarter.

Further drilling is planned for early 2019 with the aim of converting additional inferred resources into the indicated resource category for subsequent reserve conversion. A detailed scoping study may then be undertaken for the T3 Underground Project, with the objective to define a potential supplementary source of high-grade ore for blending with open pit ore.

T1 (Mahumo) Underground Project (MOD 100%)

T1 Mahumo is a high-grade, reasonably continuous vein hosted copper and silver deposit located approximately 20km northeast of T3. It is considered to have potential as a small scale future underground mine which could produce high-grade ore for the planned T3 processing plant.

Drilling commenced in the March quarter testing for potential extensions below the existing resource of **2.7Mt @ 2.0% Cu and 50g/t Ag** (resource announced 25 March 2015, refer Appendix 1 - Table 3). Thirteen widely spaced diamond drill holes (MO-155D to MO-167D) were completed during 2018 to scope out the deeper potential of the mineralisation with significant intersections included in Appendix 1 - Table 5.

Further drilling is awaiting interpretation of the recently completed EM survey, covering the 12km long T1-T2 target zone. This is expected to provide additional structural information planned to be used to target future drilling along the T1-T2 target zone, with particular interest in an area of interpreted folding of the target NPF contact parallel to, and south of T1.

MOD announced on 30 August 2016 an intersection of **5m @ 2.3% Cu and 42g/t Ag** in shallow RC drilling at T2 (West) prospect, located on the T1-T2 target zone, on a MOD/MTR joint venture licence 6kms west of the T1 resource. This area is included in the recent EM survey, and further drilling is planned to follow up the encouraging intersection at T2 (West).

JOINT VENTURE EXPLORATION (MOD 70%)

MOD/MTR Joint Venture's extensive landholding in the Kalahari Copper Belt includes numerous regional soil anomalies, EM targets and structural anomalies extending over >140km along the Central Structural Corridor which connects the T3 Expansion Project and the T20 Exploration Project (Figure 2). These anomalies have resulted from the analysis of approximately 80,000 soil samples, extensive areas flown using state of the art Airborne electromagnetic (AEM) surveys and interpretation of airborne magnetic data.

T3 Expansion Project

The previously named 700km² T3 Dome Complex forms part of a broader 963km² area that is now referred to as the T3 Expansion Project, which comprises PL 189/2008, PL 190/2008, PL 074/2017. The newly defined area (Figure 2) forms part of a strategy to explore for additional resources within transport distance of the planned T3 process plant, to potentially add significant value to the project.

The potential of the T1 and T3 Underground Projects, and A4 and A1 Domes form part of the strategy to increase future production through the T3 plant.

A4 Dome

The >5km long A4 Dome is the first of seven 'buried domes' to be drilled at the T3 Expansion Project and lies approximately 8km from the T3 Project.

The drilling campaign which commenced in the June quarter had immediate success with an outstanding intersection in hole MO-A4-003D of **52m @ 1.5% Cu and 14 g/t Ag from 232.2m** downhole depth, including **15.5m @ 2.9% Cu and 42g/t Ag** (announced 6 August 2018). This was followed up with a second, deeper copper zone in the same hole which intersected **31.2m @ 1.1% Cu and 11 g/t Ag from 560m** downhole depth. Significant previously announced intersections are included in Appendix 1 - Table 6.

Localised mineralisation intersected in the upper part of the dome is high-grade vein style whilst the deeper mineralisation is associated with the Ngwako Pan Formation (NPF) contact and may form a flat lying 'blanket' 450-500m below surface (Figure 4). NPF contact mineralisation in the core of the A4 Dome is an important regional target in the Kalahari Copper Belt which hosts substantial deposits containing up to 7Mt Cu in resources (including the 100Mt @ 2% Cu 'Zone 5' resource) held by Cupric Canyon Capital, approximately 100km east of MOD's licences.

The NPF contact also hosts significant chalcocite mineralisation below the T3 resource and hosts MOD's high grade T1 deposit. The NPF contact has similar characteristics to other geological contacts which host substantial flat lying sediment hosted copper deposits in other global copper belts.

Drilling is ongoing at A4 Dome with the latest significant results announced 4 October 2018 (refer Appendix 1 – Table 6 and Table 7). Two holes have intersected wide intervals of vein-hosted mineralisation and all ten holes into the core of the A4 Dome have intersected visible NPF contact mineralisation. Assay results from three NPF intersections to date include greater than 2% copper directly above the NPF contact. 19 holes have been completed at the date of this report and assay results are pending from 10 holes.

Drilling has been scaled back at A4 Dome awaiting assays and interpretation of these results, and is planned to increase in Q1 2019. Drilling focus is moving to the T20 Exploration Project for the remainder of the December quarter following the recent EMP approval.

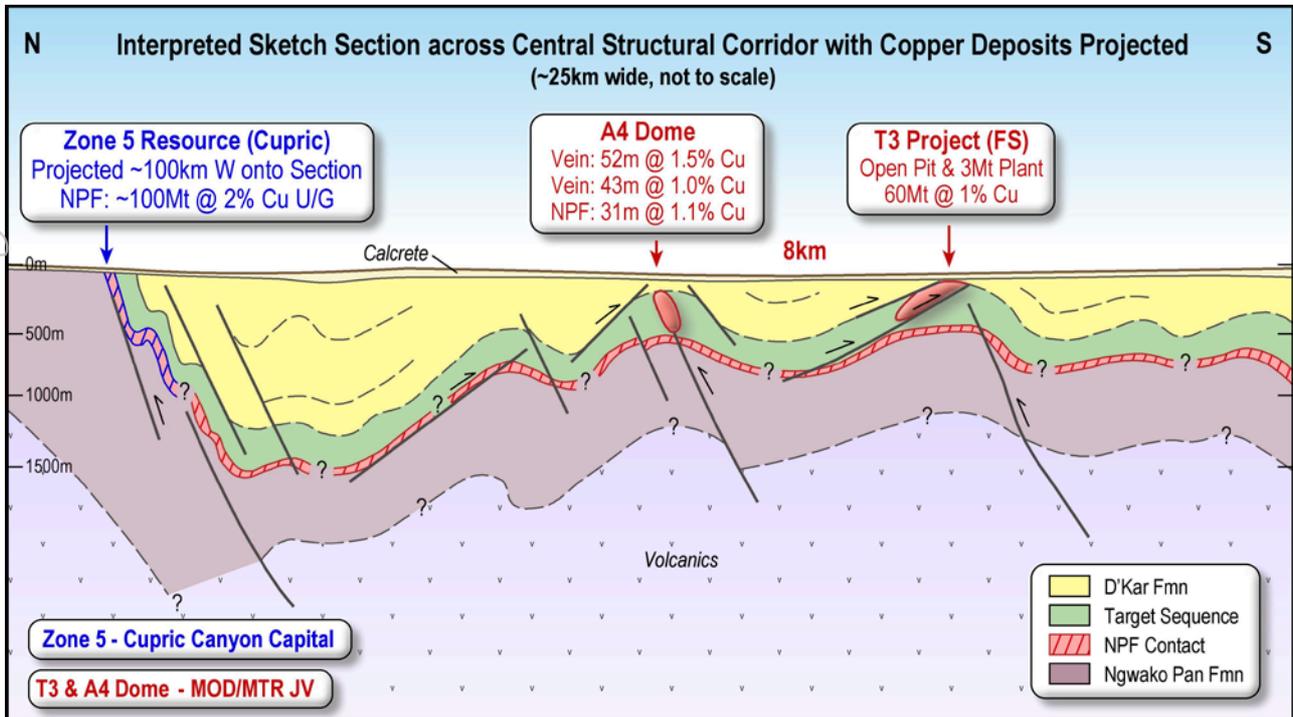


Figure 4: Generalised sketch section (not to scale) showing interpreted A4 Dome, T3 Project and NPF Contact (Cupric Canyon Capital's 'Zone 5' Resource projected approximately 100km west along strike onto section)



Figure 5: Core sample of vein mineralisation from A4 Dome

A1 Dome

The A1 Dome is the second 'buried dome' to be drilled at the T3 Expansion Project and lies approximately 22km northeast of the T3 Project and is one of MOD's highest priority targets.

Drilling commenced during the quarter at the large A1 Dome with six holes (MO-A1-001D to MO-A1-006D) completed to date. The target at A1 Dome, as for the A4 Dome, is to test for high-grade vein mineralisation near the top of the dome and the potential of the underlying NPF contact for blanket type chalcocite mineralisation. Assay results are awaited from potentially significant visible intersections in the two most recent holes (MO-A1-005D and MO-A1-006D). Assay results from visible mineralisation intersected at the A1 Dome are expected during the December quarter.

Drilling at A1 Dome scaled back to one rig at the end of the quarter, as access in the centre of the A1 Dome was limited due to cattle farming activity. Drilling is planned to step up in Q1 2019.

T20 Exploration Project

The recently expanded ~3,350km² T20 Exploration Project (encompassing the previously named T20 Dome Complex) lies ~120km west of the T3 Expansion Project and is interpreted to occur within the same structural corridor (refer Figure 2).

The EMP for drilling within a ~700km² area in the northern section of the T20 Exploration Project was approved in September 2018 and following the public review period, approval has now been granted to commence drilling.

The first target is the large T23 Dome, where drilling will test the potential of the prospective NPF contact, which may occur at shallow depth. Drilling is also planned at T4, approximately 15km east of T23 Dome, to follow up a shallow RC drill hole intersection of **2m @ 6% Cu and 111g/t Ag** from 101m depth (announced 1 April 2016). Drilling is also planned to test the T22 target which is an isolated EM anomaly associated with anomalous soil values, 6km east of T4.

A surface calcrete layer covers large areas of the T20 Exploration Project and there is no known previous exploration drilling apart from the shallow drilling at T4. No follow-up drilling was carried out at T4 because the high-grade intersection (above) was eclipsed by the discovery of T3 in March 2016.

Multiple anomalous copper and zinc soil values have been identified within the T20 Exploration Project, several with similar or higher values to those associated with the original T3 discovery. Anomalies occur within a ~60km long zone extending from the T20 Dome to T4 (refer announcements 20 June 2017 and 25 January 2018).

From experience gained at T3, it appears that zinc is more mobile than copper in the weathering profile and may be detected in soil above the calcrete layer more readily than copper. The peak soil value that led to the discovery of T3 at shallow depth below calcrete was only 28ppm Cu and 27ppm Zn. The highest copper value at T20 Dome is 62ppm Cu.

A substantial trial AEM survey was undertaken in the March quarter covering ~787km² to test the effectiveness of this technique over part of the T20 Dome and also identify possible formational conductors which may potentially be associated with surface copper anomalies discovered during the soil sampling program.

An additional ~940km² AEM survey of the T20 Exploration Project as well as parts of T1, T17 and MOD's 100% owned T7 target areas, was completed during the quarter, with the data currently being compiled.

T17

The airborne EM survey over T17 and other structural targets within joint venture licences near the Namibian border was completed during the September quarter, with data currently being compiled for interpretation.

REGIONAL EXPLORATION (MOD 100%)

T5 (Molelo)

T5 is associated with a distinctive and isolated magnetic anomaly associated with an unusual intrusion. Specialist consultant studies of drill core from T5 have proved inconclusive and this prospect is not a current priority for drilling.

T7

Located approximately 50km south of Ghanzi, the T7 exploration area licences cover a number of domes and potentially prospective geological contacts interpreted from magnetics. Widely spaced soil sampling has identified anomalous copper soil results and preliminary RC drilling intersected potentially favourable sediments, similar to the T3 sequence.

The trial airborne EM survey across T7 was flown during the September quarter with compilation of results occurring during the December quarter.

SAMS CREEK GOLD JV, New Zealand (MOD 80%)

Sams Creek is a substantial undeveloped gold project with >1M ounce porphyry hosted gold resource (see Appendix 1 - Table 8) which remains open at depth and along strike, supporting significant additional exploration potential. As MOD is focused on advancing its copper projects in Botswana, it is considering opportunities to sell the Sams Creek Gold Project.

HEALTH AND SAFETY

No Lost Time Injuries (LTI's) were recorded during the September 2018 quarter.

Safety is ingrained as an integral part of the culture at Tshukudu. As the T3 Project expands, key risks and systems improvements and procedures are the subject of continuous review to ensure a safe working environment for contractors and staff.

At the end of the quarter, Tshukudu acquired a fire-fighting unit, which is being transported to Botswana and will be deployed in the T3 area with a team from Tshukudu being selected for fire fighting training.

ENVIRONMENT

Environmental scoping and terms of reference for the T3 Feasibility Study ESIA were approved by the DEA in August. The ESIA is progressing well and targeted for lodgement by the end of 2018.

During October, approval was granted by DEA for drilling to commence over part of the vast T20 Exploration Project referred to elsewhere in this report.

Environmental consultants, LOCI Environmental, performed the usual monthly inspections and all site rehabilitations were completed on schedule.

COMMUNITY RELATIONS

The Community Relations office in Ghanzi is operating well and providing a focal point for Tshukudu's operations in the Ghanzi district.

During the quarter, a consultation report was prepared as part of the ESIA process detailing community consultation meetings held with local farmers, local authorities and other interested parties. The meetings were well attended and provided an excellent forum to build community relations.

In August 2018, MOD sponsored a local Perth football team to compete in the Africa Cup football tournament, which coincided with the Africa Down Under conference held in Perth.



Community Consultation meeting in Ghanzi



MOD sponsored team in the Africa Cup football tournament

CORPORATE

Metal Tiger Transaction

On 18 July 2018, MOD announced it had signed binding agreements with JV partner MTR, to consolidate 100% of the T3 Project and acquire the rights to purchase, at MOD's election, MTR's 30% interest in all other JV assets up to three years from completion (Transaction).

A number of the key Conditions Precedent for Completion of the Transaction were met during and post the end of the quarter including:

1. MOD shareholder approval at the general meeting held 19 September 2018;
2. Regulatory approvals including Ministerial approval in Botswana for the transfer of the JV Exploration Assets and extension of PL190 (which includes the T3 Project); and
3. Transfer of a number of the JV Exploration Assets

One of the key benefits of simplifying the ownership structure is enabling the accelerated financing and development of the T3 Project. It will also enable the JV to maintain the current high level of exploration activity and gives MOD the flexibility to create additional shareholder value through the rights to acquire the remaining JV assets.

Total value of the consideration for the Transaction will be based on MOD's 20 trading day VWAP, with the following securities to be issued to MTR upon completion:

- ~17.1m ordinary MOD shares resulting in MTR's shareholding in MOD increasing to 12.5%; and
- ~40.7m options with zero exercise price

Significant restrictions apply to MTR including a 12-month escrow on all shares issued to MTR as consideration pursuant to the Transaction or issued as a result of the conversion of Options. Other key terms include:

1. Options have no voting or dividend rights until they are converted into ordinary shares;
2. MTR will have a right to nominate a board representative provided MTR holds at least 10% of MOD's issued share capital (including unconverted Options); and
3. MTR has agreed to support all MOD Board recommendations put to shareholders, including in respect of change of control transactions.

Importantly, MOD shareholders have exposure to potential for additional value through several rights, exercisable at MOD's election through any combination of cash or scrip, which provide MOD flexibility to acquire:

1. 100% of any JV Exploration Asset that progresses to a completed scoping study level within 3 years from completion of the Transaction; and
2. MTR's 30% interest in the remaining JV Exploration Assets 3 years after completion of the Transaction, or alternatively, following an announcement of a change of control transaction recommended by the MOD board.

UK Listing

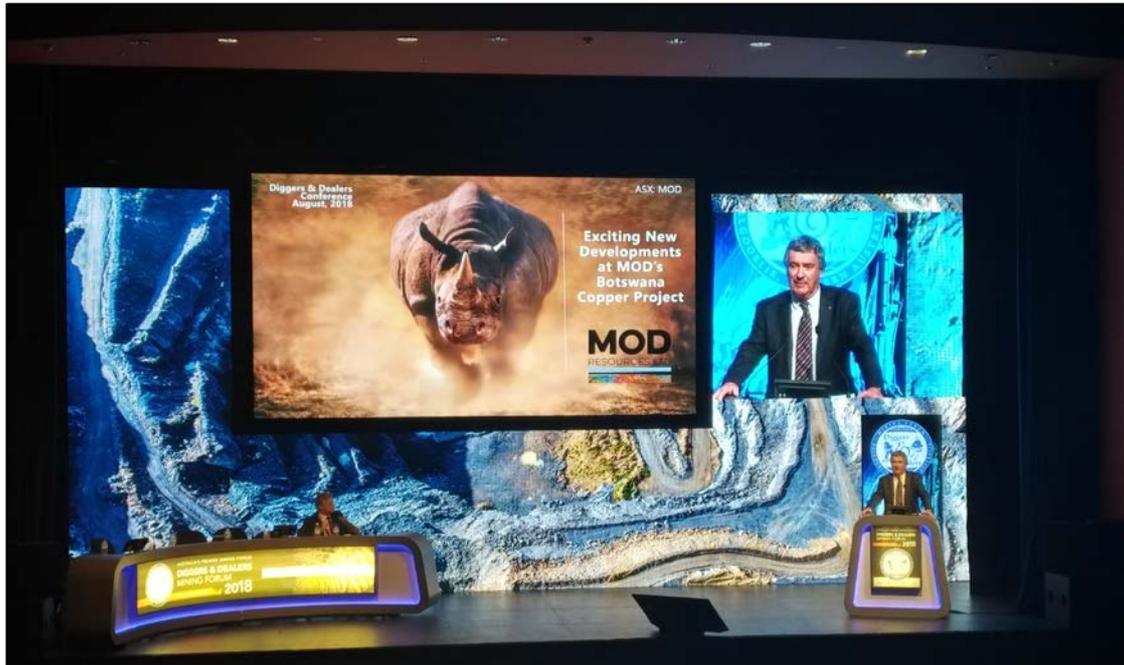
In early August 2018 MOD announced they had commenced the process to seek a dual listing of the Company's shares on the Standard Segment of the Main Market of the London Stock Exchange (LSE). The process is now well advanced with the compliance listing planned for Q4 2018. MOD will retain its existing ASX listing as the Company's primary listing and is not intending to raise equity capital at the time of the LSE Listing.

The dual listing aims to enhance the international profile of MOD and improve access to UK and European institutional investors during this period of rapid activity and growth for the Company. There are very few copper developers and producers on the LSE and this listing provides an opportunity for MOD to be exposed to a far broader investment market at a time of rising copper demand and falling inventories.

Investor Conferences

In August 2018, Managing Director, Julian Hanna, presented at both the Diggers & Dealers Conference in Kalgoorlie, Western Australia and the Africa Down Under Conference in Perth.

In October 2018, a number of the executive team attended the London 121 Mining Investment Conference with numerous meetings held with potential and existing investors and advisors, ahead of the planned UK listing.



Managing Director, Julian Hanna presents at the Diggers & Dealers Conference, Kalgoorlie

Cash & Debt Position

MOD's cash on hand as at 30 September 2018 was approximately A\$12.8 million. The Company is debt free.

- 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 with a goal of becoming a substantial copper producer. After discovering copper in the first drill hole in March 2016, MOD is now approximately six months away from completion of a feasibility study for its 100% owned 60Mt T3 Project in the central Kalahari Copper Belt, Botswana. In parallel with the development of the T3 Project, a major exploration program is underway across a combination of 100% owned and JV licenses covering approximately 11,500km² in this under-explored region.

A4 Dome is the first dome to be drilled in the ~700km² T3 Dome Complex which is part of a broader area within transport distance of the T3 Copper Project, now referred to as the T3 Expansion Project. It forms part of the strategy to explore for additional resources that could be processed through the planned T3 plant, to potentially add significant value to the expanded project. The T1 and T3 Underground Projects also form part of this strategy.

Total cost of discovery of T3 and delineation of the maiden resource was an exceptionally low \$1.7 million, equivalent to only US0.22 cents/lb copper contained within the resource. After a number of resource upgrades, the total resource now comprises **60Mt @ 0.98% Cu and 14 g/t Ag containing ~590.4 Kt copper and 26.9 Moz silver**. Results of the pre-feasibility study, announced on 31 January 2018 suggest a robust, long life, open pit mining and processing operation at T3 with 9 year Base Case for 2.5Mtpa production, pre-tax NPV A\$370m, IRR of 39% and payback within 2.7 years.

MOD's state of the art exploration techniques have developed the Company's understanding of the unique 'dome' style geology in the region. Drilling at multiple high priority exploration targets, supported by airborne electromagnetics has already proved successful in discovering encouraging copper mineralisation within the 5km long A4 Dome which lies only 8kms from the T3 Project.

There are two styles of mineralisation being tested by drilling in the domes around the T3 Project; shallower high-grade vein hosted mineralisation and deeper sediment contact hosted mineralisation known as the NPF contact. NPF contact mineralisation is an important target as this contact hosts most of the substantial copper deposits located east of MOD's licences, including the **~100Mt @ 2% Cu 'Zone 5' resource** planned to be mined underground by Cupric Canyon Capital.

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 Project. Tshukudu also hold the prospecting licences which covers the major part of the ~950km² T3 Expansion Project.

On 18 July 2018, MOD announced the Company had entered into a binding agreement with MTR to acquire MTR's 30% interest in the T3 Project and rights for an option to acquire MTR's interests in any new JV resource which progresses to a scoping study within 3 years of completion of the agreement.

Competent Person's Statement

The information in this news release that relates to Mineral Resource estimates (excluding prior estimates) is based on and fairly represents information and supporting documentation compiled by Dr Matthew Cobb; an employee of CSA Global Pty Ltd. Dr Cobb is a member of both The Australasian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Dr Cobb has sufficient experience relevant to the style of mineralisation under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Cobb consents to the inclusion in this announcement of the matters based on their information in the form and context in which it appears.

The information in this announcement that relates to Geological Data and the T3 Mineral Resource described in this release is reviewed and approved by Mr Bradley Ackroyd, BSc (Hons), Manager Mine Geology for MOD Resources Ltd. Mr Ackroyd is a registered member of the Australian Institute of Geoscientists and has reviewed the technical information in this report. Mr Ackroyd 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 of Exploration Results, Mineral Resources and Ore Reserves. Mr Ackroyd consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Geological Data and Exploration Results at the Sams Creek Gold Project is based on and fairly represents information compiled by Mr Paul Angus, Project Manager of Sams Creek and a Director of MOD Resources Limited's subsidiary, Sams Creek Gold Limited. Mr Angus is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Angus has approved the Statement as a whole and consents to the inclusion in this announcement 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 material 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 including the A4 Dome, A1 Dome, T23 Dome, T20 Exploration Project and T3 Expansion Project referred to in this announcement are conceptual in nature. There has been insufficient exploration at Exploration Targets 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. This announcement includes several drill hole intersections, which have been announced by MOD Resources Limited previously.

Forward Looking Statement - Inferred Resources

The Company notes that there is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that in-fill drilling of the T3 deposit will result in confirmation of additional Measured and Indicated Mineral Resources or that the Expansion Case Production Target will be realised. A substantial in-fill drilling program is in progress with the objective to upgrade Inferred Mineral Resources to Measured and Indicated Mineral Resource categories.

While MOD considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated in the Expansion Case will be achieved. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement.

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.

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 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 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.

Pre-Feasibility Study Parameters - Cautionary Statements

The Base Case is based on Proved and Probable Ore Reserves derived from Measured and Indicated Mineral Resources respectively. No Inferred Mineral Resource was included in the estimation of Ore Reserves. The Base Case was prepared to an overall level of accuracy of $\pm 25\%$. It is based on material assumptions in Appendix 1 Material Assumptions Base Case of the ASX announcement dated 31 January 2018. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement.

The Expansion Case assumes open pit mining and conventional flotation processing with a plant throughput of 2.5Mtpa for the first three years. Assuming the Expansion Case proceeds, the plant will then be upgraded to 4Mtpa in Year 3 to enable the throughput rate to increase from Year 4.

The Expansion Case includes material that is currently in the Inferred Mineral Resource category. Inferred Mineral Resources represent approximately 34% of the Expansion Case Production Target by tonnage. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that in-fill drilling of the T3 deposit will result in confirmation of additional Measured and Indicated Mineral Resources or that the Expansion Case Production Target will be realised. A substantial in-fill drilling program is in progress with the objective to upgrade current Inferred Mineral Resources to Measured and Indicated Mineral Resource categories.

The Expansion Case is based on a Production Target using the material assumptions summarised in Appendix 2 Material Assumptions Expansion Case of the ASX announcement dated 31 January 2018. While MOD considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated in the Expansion Case will be achieved. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement.

Given the uncertainties involved, investors should not make any investment decisions based solely on the Expansion Case.

APPENDIX 1

Table 1: T3 Revised Mineral Resources (16 July 2018)

JORC Category	Cut-off Cu%	Tonnes	Grade Cu%	Grade Ag g/t	Contained Cu (Kt)	Contained Ag (Moz)
Indicated	0.25	50,040,000	0.92	13	461.3	20.95
	0.4	36,631,000	1.14	16	417.0	18.60
	0.5	27,139,000	1.38	19	374.5	16.82
	1	14,154,000	2.06	31	291.9	14.30
	1.5	10,962,000	2.29	36	250.7	12.61
Inferred	0.25	27,667,000	0.68	10	187.3	9.18
	0.4	23,524,000	0.74	11	173.3	8.30
	0.5	19,884,000	0.79	11	156.9	7.35
	1	3,511,000	1.58	22	55.6	2.46
	1.5	1,640,000	2.04	29	33.5	1.55
TOTAL	0.25	77,706,000	0.83	12	648.6	30.14
	0.4	60,155,000	0.98	14	590.4	26.90
	0.5	47,023,000	1.13	16	531.5	24.17
	1	17,665,000	1.97	30	347.6	16.77
	1.5	12,602,000	2.25	35	284.2	14.16

Table 2: T3 Pre-Feasibility Study Key Project Metrics (31 January 2018)

T3 Project Summary	Base Case 2.5Mtpa	Expansion Case 4Mtpa
Development	US\$154.8	US\$191.6
Life of Mine from production	8.8	11.7
Waste: ore	4.7	4.2
Copper	1.0	0.8
Average annual production	23kt Cu, 690koz Ag	28kt Cu, 903koz

Life of Mine Financials (US\$3.00/lb, AUD:USD \$0.76)	Base Case	Expansion Case
Revenue	US\$1,410m	US\$2,263m
C1 Cash Costs LOM	US\$1.22/lb Cu	US\$1.30/lb
AISC, LOM	US\$1.36/lb Cu	US\$1.46/lb
EBITDA	US\$734m	US\$1,103m
Net Cash Flow (pre-tax)	US\$530m	US\$840m
NPV (8% real, pre-tax)	US\$281m	US\$402m
NPV (8% real, pre-tax)	A\$370m	A\$529m
IRR (pre-tax)	39%	38%
Payback (from first production)	2.7 years	3.3 years

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Table 3: T1 (Mahumo) Resource Table – as announced (25 March 2015)

Mahumo Stage One - Total Resources @ 1.0% Cu cut-off						
JORC Category	Tonnes (Mt)	Cu %	Ag g/t	CuEq ² %	Cu Tonnes	Ag Ounces
Measured	518,000	1.93%	48.8	2.37%	10,000	813,000
Indicated	1,726,000	1.87%	48.0	2.30%	32,280	2,660,000
Inferred	433,000	2.52%	57.4	3.03%	10,900	800,000
Total	2,677,000	2.00%	50.0	2.44%	53,180	4,273,000

1. Tonnes, grade and metal content have been rounded. Rounding may lead to computational discrepancies.
2. The formula used is: $CuEq = Cu\% + (Ag\ g/t \times 0.009)$

Table 4: Parameters for recent diamond core drill holes at T1 Mahumo Underground Project

Drill Hole ID	WGS84_34S_E	WGS84_34S_N	RL (m)	EOH (m)	Azi (UTM)	Dip	COLLAR SURVEY
MO-155D	646321	7658807	1090	655.50	325.00	-70.00	GPS
MO-156D	646080	7658804	1090	496.80	324.00	-70.00	GPS
MO-157D	646399	7659039	1090	442.70	326.00	-70.00	GPS
MO-158D	646232	7658931	1090	391.70	325.00	-70.00	GPS
MO-159D	646582	7659132	1090	421.70	326.00	-70.00	GPS
MO-160D	646761	7659230	1090	415.70	324.00	-70.00	GPS
MO-161D	646530	7658845	1090	541.60	326.00	-60.00	GPS
MO-162D	645858	7658778	1090	361.48	326.00	-70.00	GPS
MO-163D	645946	7658646	1090	529.70	326.00	-70.00	GPS
MO-164D	645605	7658447	1093	463.52	325.00	-65.00	GPS
MO-165D	645365	7658439	1093	438.30	325.00	-60.00	GPS
MO-166D	645524	7658396	1093	418.60	325.00	-60.00	GPS
MO-167D	645708	7658508	1093	460.50	325.00	-65.00	GPS

Table 5: Significant drill hole intersections from the latest drilling at T1

HOLE_ID	SIGNIFICANT INTERSECTIONS
MO-156D	5.5m @ 1.9% Cu & 48g/t Ag from 432.7m downhole
MO-158D	3m @ 1.4% Cu & 35g/t Ag from 370m downhole
MO-159D	2.4m @ 3% Cu & 89g/t Ag from 377.6m downhole
MO-160D	1.7m @ 1.2% Cu & 6g/t Ag from 375m downhole
MO-161D	2.8m @ 1.8% Cu & 26g/t Ag from 516.7m downhole
MO-162D	1.8m @ 1.9% Cu & 34g/t Ag from 345.2m downhole
MO-163D	3.4m @ 1.2% Cu & 35g/t Ag from 497.6m downhole
MO-164D	2.7m @ 2% Cu & 67g/t Ag from 433.5m downhole
MO-166D	2m @ 1.6% Cu & 48g/t Ag from 391m downhole

Table 6: Significant previously announced drill hole intersections from drilling at A4 Dome

HOLE_ID	SIGNIFICANT INTERSECTIONS AT A4 DOME	Style	Assay Status
MO-A4-001D*	0.7m @ 3.7% Cu & 69g/t Ag from 439.4m downhole	Vein	Complete
MO-A4-002D*	1.3m @ 1.3% Cu & 35g/t Ag from 420.7m downhole	Vein	Complete
MO-A4-003D	52m @ 1.5% Cu & 14g/t Ag from 232.2m downhole	Vein	Complete
Incl.	15.5m @ 2.9% Cu & 42g/t Ag from 268.8m downhole	Vein	
and:	31.2m @ 1.1% Cu & 11g/t Ag from 560m downhole	NPF	
Incl.	5m @ 2.2% Cu & 22g/t Ag from 586.2m downhole	NPF	
MO-A4-004D	2.8m @ 1.7% Cu & 36g/t Ag from 247.6m downhole	Vein	Complete
and:	19.3m @ 1% Cu & 10g/t Ag from 485m downhole	NPF	
Incl.	4.3m @ 2.3% Cu & 21g/t Ag from 500m downhole	NPF	
MO-A4-005D	0.5m @ 2.1% Cu & 29g/t Ag from 412m downhole	Vein	Partial
and:	6.9m @ 1.7% Cu & 16g/t Ag from 471.1m downhole	NPF	
Incl.	3.6m @ 2.4% Cu & 24g/t Ag from 474m downhole	NPF	
MO-A4-006D**	1m @ 2.2% Cu & 32g/t Ag from 158.9m downhole	Vein	Partial
and:	1.4m @ 1.5% Cu & 32g/t Ag from 194m downhole	Vein	
Incl.	0.4m @ 3.1% Cu & 67g/t Ag from 195m downhole	Vein	
MO-A4-007D**	5.8m @ 1.5% Cu & 35g/t Ag from 329m downhole	Vein	Partial
Incl.	1m @ 1.4% Cu & 27g/t Ag from 329m downhole	Vein	
Incl.	0.8m @ 6.2% Cu & 156g/t Ag from 334m downhole	Vein	
MO-A4-008D**	0.5m @ 11.2% Cu & 99g/t Ag from 165m downhole	Vein	Partial
and:	7.4m @ 1.3% Cu & 30g/t Ag from 230.6m downhole	Vein	
and:	42.9m @ 1% Cu & 19g/t Ag from 257.5m downhole	Vein	
Incl.	9.8m @ 1.4% Cu & 26g/t Ag from 264.8m downhole	Vein	
Incl.	9.1m @ 1.5% Cu & 31g/t Ag from 281.9m downhole	Vein	
Incl.	3.4m @ 2.4% Cu & 41g/t Ag from 297m downhole	Vein	
MO-A4-009D**	4.5m @ 1% Cu & 8g/t Ag from 237m downhole	Vein	Partial
Incl.	0.6m @ 3.8% Cu & 49g/t Ag from 240.9m downhole	Vein	

*Did not properly intersect target sequence

**Visible mineralised NPF with assays not received during Quarter

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Table 7: Drill hole parameters for holes at A4 Dome discussed in this release

Drill Hole ID	WGS84_34S_E	WGS84_34S_N	RL (m)	EOH (m)	Azi (UTM)	Dip	COLLAR SURVEY
MO-A4-001D	630352	7643992	1112	517.85	150.00	-70.00	GPS
MO-A4-002D	629422	7643581	1112	685.40	150.00	-60.00	GPS
MO-A4-003D	628851	7642946	1112	613.88	330.00	-60.00	GPS
MO-A4-004D	628778	7643079	1112	525.58	330.00	-60.00	GPS
MO-A4-005D	628926	7642806	1112	532.40	330.00	-60.00	GPS
MO-A4-006D	628698	7642844	1112	604.60	330.00	-60.00	GPS
MO-A4-007D	629053	7643031	1112	583.63	330.00	-60.00	GPS
MO-A4-008D	628510	7642775	1112	610.55	330.00	-60.00	GPS
MO-A4-009D	629219	7643149	1112	517.45	330.00	-60.00	GPS

Table 8: Sams Creek Resource Table (9 October 2013)

Sams Creek Resource Category	Cut-Off g/t Au	Tonnes (Mt)	Grade g/t Au	Contained 000's oz Au
Indicated	0.7	10.1	1.77	575
Inferred	0.7	10.4	1.31	439
TOTAL	0.7	20.5	1.54	1,014
Indicated	1.0	7.9	2.03	515
Inferred	1.0	5.8	1.70	315
TOTAL	1.0	13.7	1.89	830
Indicated	1.5	5.0	2.48	402
Inferred	1.5	2.5	2.33	187
TOTAL	1.5	7.5	2.43	588

APPENDIX 2

Schedule of Exploration Licences

Botswana Copper/Silver Project

Permit/Licence Number	Size (km ²) (approx.)	Holding	Title Holder	Licence Commencement Date	Renewal Date
MOD Licences					
PL686/2014	463.0	100%	MOD Resources Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL204/2014	35.5	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL280/2014	70.2	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL034/2015	619.5	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL035/2015	496.6	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL036/2015	470.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL141/2012	387.3	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 18	31-Mar-20
PL 211/2017	974.0	100%	MOD Resources Botswana (Pty) Ltd	01 Jan 18	31 Dec 20

Permit/Licence Number	Size (km ²) (approx.)	Holding	Title Holder (after transfer of licences complete)	Extension and Transfer Status	Renewal Date
MOD/MTR JV Licences					
PL186/2008	557.0	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL187/2008	648.8	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL188/2008	395.0	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL189/2008	210.7	70%	Tshukudu Exploration (Pty) Ltd	Transferred + Extended	30 Sep 20
PL190/2008	708.0	70%	Tshukudu Metals Botswana (Pty) Ltd (Includes 25km² T3 Project)	Extended	30 Sep 20
PL191/2008	572.0	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL192/2008	604.5	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL102/2005	331.1	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL103/2005	131.1	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL104/2005	285.3	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL060/2012	809.2	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL061/2012	974.9	70%	Tshukudu Exploration (Pty) Ltd	In Progress	31 Dec 18
PL231/2016	65.0	70%	Tshukudu Exploration (Pty) Ltd	Transferred	30 Sep 19
PL074/2017	45.0	70%	Tshukudu Exploration (Pty) Ltd	Transferred	31 Mar 20
PL093/2018	160.0	70%	Tshukudu Exploration (Pty) Ltd	New Licence	30 Sep 21
PL099/2017	285.0	70%	Tshukudu Exploration (Pty) Ltd	Transferred	30 Sep 20
PL189/2017	370.0	70%	Tshukudu Exploration (Pty) Ltd	Transferred	30 Sep 20
PL126/2013	341.4	70%	Tshukudu Exploration (Pty) Ltd	Transferred + Extended	30 Sep 20
PL127/2013	668.6	70%	Tshukudu Exploration (Pty) Ltd	Transferred + Extended	30 Sep 20
TOTAL	11,518.66				

Sams Creek Gold Project

Permit/Licence Number	Size (km ²)	Holding	Title Holder	Licence Commencement Date	Renewal Date
EP40338	30.6	80%	Sams Creek Gold Limited	27 Mar 98	26 Mar 21
EP54454	32.0	100%	Sams Creek Gold Limited	25 Sep 17	25 Sep 22
TOTAL	62.6				

JORC Code, 2012 Edition
Reporting Exploration Results from Botswana Copper/Silver Project
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> 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 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 1m samples from which 3kg 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. 	<ul style="list-style-type: none"> Drill core was sampled in 1m intervals or as appropriate to align with the geological contacts All samples were geologically logged by a suitably qualified geologist on site Samples are submitted to ALS Laboratories in Johannesburg
Drilling techniques	<ul style="list-style-type: none"> 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.). 	<ul style="list-style-type: none"> The diamond drilling referred to in this release was either drilled by NQ diameter drill core
Drill sample recovery	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Diamond drilling recorded recovery. Core recovery was good
Logging	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> During the core logging geologists follow MOD's standard operating procedure for Diamond logging processes. The metre interval (from and to) is recorded and the data below is described within the drill logs: <ul style="list-style-type: none"> Major rock unit (colour, grain size, texture) Weathering Alteration (style and intensity) Mineralisation (type of mineralisation, origin of mineralisation, estimation of % sulphides/oxides) Veining (type, style, origin, intensity)

Criteria	JORC Code explanation	Commentary
		<ul style="list-style-type: none"> Data is originally recorded on paper (hard copies) and then transferred to Excel logging sheets Logging is semi quantitative based on visual estimation For diamond drilling the geological logging process documents lithological and structural information as well as geotechnical data such as RQD, recovery and specific gravity measurements
<p>Sub-sampling techniques and sample preparation</p>	<ul style="list-style-type: none"> 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 sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> All NQ diameter core samples for the drill hole intersections were taken as half core samples. MOD took photos of all core samples on site MOD has implemented an industry-standard QA/QC program. Drill core is logged, split by sawing and sampled at site. Samples are bagged, labelled, sealed and shipped to ALS laboratories in Johannesburg, SA. Field duplicates, blanks and standards are inserted at a ratio of 1:10. ALS also has its own internal QA/QC control to ensure assay quality
<p>Quality of assay data and laboratory tests</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Field duplicates, blanks and standards are inserted at a ratio of 1:10 on site At the lab the split for analysis is milled to achieve a fineness of 90% less than 106 µm (or a fineness of 80% passing 75 µm). Prep QC: At least one out of every 10 samples of every batch is screened at 75µm or 106µm, whichever is applicable, to check that 80% of the material passes. The % loss for samples screened should be <2% Analysis for Cu and Ag by HF-HNO₃-HClO₄ acid digestion, HCl leach and ICP-AES. ME-ICP61 as well as Non sulphide Cu by sulfuric acid leach and AAS: Cu-AA05 All reported results are down hole widths
<p>Verification of sampling and assaying</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 15-20% QA/QC checks are inserted in the sample stream, as lab standards, blanks and duplicates
<p>Location of data points</p>	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The collar coordinates of the drill holes were taken by GPS and later by DGPS and are reflected in Appendix 1 - Table 4 & 7 Down hole surveys have been done on all diamond holes.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Samples of drill core for assaying were throughout taken at a maximum of 1m intervals
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Drilling planned at right angles to known strike and at best practical angle to intersect the target mineralisation at approximately right angles
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Sample bags are tagged, logged and transported to ALS laboratory in Johannesburg
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> MOD's sampling procedure is done according to standard industry practice

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> PL686/2014 is a granted Prospecting Licence which is wholly owned by MOD Resources Botswana (Pty) Ltd In November 2016, the Minister of Minerals, Water and Energy extended the licence date to 31 December 2018
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> Limited previous exploration in the area of drilling apart from widely spaced soil sampling conducted by Discovery Mines, and RC & Diamond Drilling
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> The copper mineralisation intersected in drill holes is interpreted to be a Proterozoic or early Palaeozoic age vein related sediment-hosted occurrence similar to other known deposits and mines in the central Kalahari Copper Belt
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth 	<ul style="list-style-type: none"> Information relating to the diamond drill holes described in this announcement are listed in Appendix 1 - Table 4 & 7 All diamond drill holes are surveyed There is no material change to this drill hole information

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ hole length. ● 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. 	
Data aggregation methods	<ul style="list-style-type: none"> ● 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. ● 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. ● The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> ● Significant copper and silver intersections will be compiled and reported by MOD when all assay results from the current drilling program are received from the laboratory
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> ● These relationships are particularly important in the reporting of Exploration Results. ● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. ● 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'). 	<ul style="list-style-type: none"> ● True widths are estimated and are subject to confirmation by further drilling ● Down hole widths are used throughout
Diagrams	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● Figure 1: Target timelines for three resource projects and three regional exploration areas ● Figure 2: Licence plan showing T3 Copper Project, T3 Expansion Project and the T20 Exploration Project ● Figure 3: T3 Pit Project - Proposed site layout showing pit, plant and proposed infrastructure ● Figure 4: Generalised sketch section (not to scale) showing interpreted A4 Dome, T3 Project and NPF Contact (Cupric Canyon Capital's 'Zone 5' Resource projected approximately 100km west along strike onto section) ● Figure 5: Core sample of vein mineralisation from A4 Dome
Balanced reporting	<ul style="list-style-type: none"> ● 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. 	<ul style="list-style-type: none"> ● The accompanying document is considered to be a balanced report with a suitable cautionary note
Other substantive exploration data	<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● All substantive data is reported

Criteria	JORC Code explanation	Commentary
	<i>characteristics; potential deleterious or contaminating substances.</i>	
Further work	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work (tests for lateral, depth extensions or large-scale step-out drilling).</i> • <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> • Any further work is described in the body text and will be dependent on results from RC and diamond drilling programs

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