

Progress Update on the Proposed Sandfire Transaction

MOD Resources Ltd ("the Company or "MOD") (ASX/LSE: MOD) is pleased to provide an update on the proposal from Sandfire Resources NL ("Sandfire") (ASX:SFR) to acquire 100% of the issued shares of the Company by way of a Scheme of Arrangement ("the Scheme").

First Court Hearing

On 20 August 2019, the Supreme Court of Western Australia approved the dispatch of the Company's Scheme Booklet ("Scheme Booklet") and has ordered that the Company convene a meeting ("Scheme Meeting") of its shareholders to consider and, if thought fit, approve the Scheme.

Approval from Competition Authority of Botswana

The Competition Authority of Botswana have provided approval for the Scheme, which is necessary to implement the Scheme.

Release of Scheme Booklet

The Scheme Booklet, a personalised proxy form, election forms and notice for the Scheme Meeting will be released on the relevant stock exchanges following registration with the Australian Securities and Investments Commission and will also be available on the Company's website at www.modresources.com.au. The Scheme Booklet will be printed and mailed to shareholders. MOD shareholders should carefully read the Scheme Booklet in its entirety and the material accompanying it before deciding whether to vote in favour of the Scheme.

Scheme Meeting

The Scheme Meeting, to approve the Scheme, will be held at 1304 Hay Street, West Perth, Western Australia on 1 October 2019 at 11:00am Western Standard Time ("WST").

If the Scheme is implemented, MOD shareholders (other than European shareholders, ineligible foreign shareholders and MOD shareholders who hold an unmarketable parcel) will receive scrip consideration of 0.0664 new Sandfire shares for every 1 MOD share held. Alternatively, MOD shareholders (other than European shareholders and ineligible foreign shareholders) may make an election to receive cash consideration of A\$0.45 per MOD Share up to a maximum aggregate cash consideration of A\$41.6 million.

Eligible shareholders that do not make a valid cash election by 5:00pm WST on 19 September 2019 (or such later date agreed by MOD and Sandfire) will not receive cash consideration and will be issued Sandfire shares if the Scheme becomes effective.

Each shareholder's vote is important in determining whether or not the Scheme proceeds. All shareholders (save for Sandfire and its associates) registered as at 5:00pm WST on 29 September 2019 will be entitled to vote at the Scheme Meeting and are encouraged to do so.

MOD shareholders are encouraged to vote on the Scheme by attending the Scheme Meeting in person or by returning the personalised proxy form enclosed in the Scheme Booklet mailed to shareholders. All proxy forms must be received by the Company's share registry by no later than 11:00am WST on 29 September 2019 in accordance with the directions set out in the proxy form.

Second Court Hearing

In the event that the Scheme is approved at the Scheme Meeting and all relevant conditions of the Scheme are satisfied or waived, the Company will apply to the Court for orders approving the Scheme.

Board recommendation

The Board of Directors of MOD unanimously recommends that all MOD shareholders vote in favour of the proposed Scheme, in the absence of a superior proposal for the Company and subject to the Independent Expert continuing to indicate that the Scheme is in the best interests of MOD shareholders.

Scheme Timetable

Expected key dates for the Scheme are set out below:

| Event | Date |
|---|--------------------------------|
| Dispatch of Scheme Booklet to shareholders | 27 August 2019 |
| Last time and date for eligible shareholders to make a cash election under the Scheme | 5:00pm WST, 19 September 2019 |
| Announcement of total amount of cash elections received and the expected percentage of cash consideration | 25 September 2019 |
| Latest time for MOD depositary interest holders to submit their voting instructions to the MOD depositary | 5:00pm WST, 25 September 2019 |
| Latest time and date for lodgement of completed proxy form for the Scheme Meeting | 11:00am WST, 29 September 2019 |
| Time and date for determining eligibility of MOD shareholders to vote at the Scheme Meeting | 5:00pm WST, 29 September 2019 |
| Time and date of the Scheme Meeting | 11:00am WST, 1 October 2019 |
| Court hearing for approval of the Scheme | 8 October 2019 |
| Effective date of the Scheme | 9 October 2019 |
| Last date of trading of MOD shares on ASX and LSE | 9 October 2019 |
| Last time and date for shareholders who hold an unmarketable parcel to make an election under the Scheme | 10 October 2019 |
| Cancellation of MOD depositary interests and rematerialisation of the underlying MOD shares | 14 October 2019 |
| Record date for determining entitlements to the scheme consideration | 16 October 2019 |
| Implementation Date for the Scheme and issue of scheme consideration | 23 October 2019 |

All stated dates and times are indicative only. The actual timetable will depend on many factors outside the control of the Company, including the Court approval process and the satisfaction or waiver of the conditions precedent to the completion of the Scheme by each of the Company and Sandfire. Any changes to the above timetable will be announced to the relevant stock exchanges.

The Company will continue to keep shareholders updated on status of the Scheme as the timetable progresses.

General Meeting

MOD will also hold a General Meeting of shareholders at 10:00am WST on the same date and at the same place as the Scheme Meeting for shareholders to consider a resolution relating to MOD's acquisition of Metal Tiger Plc's 30% interest in certain exploration assets on the Kalahari Copper Belt.

A notice of General Meeting to enable shareholders to consider the resolution put forward at the General Meeting will be dispatched with a copy of the Scheme Booklet on or around 27 August 2019.

-ENDS-

For and on behalf of the Board.

Julian Hanna
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About MOD Resources

MOD Resources Ltd (**ASX/LSE: MOD**) is a dual listed copper exploration and development company with a dominant land position within the Kalahari Copper Belt in Botswana. The Company is focussed on the 100% MOD owned T3 Copper Project, expected to be a high-margin, low-cost copper mine. In parallel with the development of the T3 Copper Project, MOD continues its exploration program across several priority drill targets and within untested areas of interesting and potentially significant Electromagnetic and Cu-Zn soil anomalies.

MOD has a social licence to operate within Botswana as well as within the host community of Ghanzi. MOD will continue to work collaboratively with Government regulators and members of the Ghanzi District community to ensure that any social investments and developments are targeted to create a positive and lasting legacy.