

## About MOD Resources

MOD Resources Limited is a Perth-based and ASX listed Company with a focus on the Botswana Copper Project, with combined holdings of 100% and joint venture licences covering >11,500km<sup>2</sup> at the centre of the Kalahari Copper Belt.

MOD also owns 70% of Discovery Mines (Proprietary) Ltd (DMI) through subsidiary companies Metal Capital Ltd and Tshukudu Metals Botswana (Pty) Ltd, following completion of the acquisition of DMI announced on 16 December 2015. Metal Tiger Plc (AIM: MTR) owns the remaining 30% interest in the joint venture. DMI holds 14 prospecting licences with a total area of ~7,400km<sup>2</sup> in the Kalahari Copper Belt.

MOD's other investment is the Sams Creek Gold Project in New Zealand, where the Company has earned an 80% interest with OceanaGold Corporation (20%). Sams Creek has a JORC compliant inferred resource of 1.02Moz gold.

**Julian Hanna** Managing Director

**Mark Clements** Executive Chairman/  
Company Secretary

**Simon Lee AO** Non-Executive Director

**Steve McGhee** Non-Executive Director

**Market Capitalisation** **\$36.7m**

**52wk Share price range** **\$0.004-\$0.049**

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## MOD in Discovery Phase, with Potential for Early Production

Emerging copper company, **MOD Resources Ltd (ASX: MOD)** is pleased to present shareholders with its Quarterly Activities Report for the period ended 30 June 2016.

The focus of MOD during the June quarter was its resource drilling to determine shallow open pit potential at the prospective T3 deposit in the Kalahari Copper Belt, Botswana. Significant copper and silver mineralisation was discovered at shallow depth in March 2016 at T3 which forms part of a joint venture between MOD (70%) and AIM-listed Metal Tiger Plc (MTR) (30%).

In the three months following the T3 discovery MOD commenced a resource drilling campaign, extended the resource target area to 1km strike length, and expanded its exploration program to include a substantial regional soil-sampling and drilling program in the area around T3.

MOD's current strategy is centred around two core activities; T3 resource drilling and regional exploration.

Four diamond drill rigs are working to define a maiden resource within the T3 resource target area and a fifth is testing new copper targets around T3. A dedicated regional exploration team will soon commence testing other priority targets for satellite deposits within the JV licences as well as on MOD's extensive holdings. Drill targets include significant new soil anomalies identified along strike from MOD's Mahumo copper/silver deposit 20km from T3.

Managing Director, Mr Julian Hanna, said the bar was set high for the Company at the start of the quarter following the discovery of T3 and a dramatic rise in the MOD share price in March.

"Based on early exploration success MOD gained the attention of the market and we were determined to meet expectations by ramping up exploration efforts at T3. We achieved that due to the hard work of the team on site consistently generating positive copper and silver results throughout the period," said Mr Hanna.

MOD has strengthened its geological and support team based in Botswana, increased the number of drill rigs on site, and improved facilities at the Company's base at Ghanzi to assist with the expansion of exploration activities and maintain the positive momentum at other high priority targets.

"Following such a busy and productive quarter we have a better understanding of the geology and potential of the T3 Dome area and we like what we see. One of the recent highlights has been the intersection of bonanza grade copper/silver veins in several holes within the wider T3 mineralisation," he said.

"MOD has extended the resource drilling area and therefore the number of drill holes required to estimate a resource, however the Company remains on track to announce a maiden resource during the September quarter. Positive results continue to come through and thanks to the exceptional support for the recent entitlement offer, we aim to complete a scoping study of T3 before year-end."

The Company appointed a manager for the scoping study and will proceed to a pre-feasibility study in early 2017, if results are positive.

-ENDS-

## Highlights

### Resource Drilling – T3

- Major infill drilling program commenced at T3 to define a Mineral Resource
- Prospective target area continues to grow with bonanza grade copper/silver veins
- Study Manager appointed to review potential for open pit mine

### Regional Exploration

- Expanded exploration teams focussing on other priority targets for satellite deposits
- Soil sampling identifies two strong anomalies up to 83ppm Cu at T2, along strike from Mahumo

### Corporate

- Share placement in April raised \$2M, less costs
- \$3.1M Entitlement Offer closes heavily oversubscribed

## Botswana Copper/Silver Project

In January 2016, the MOD (70%) and MTR (30%) joint venture planned an initial six month drilling program to test a number of high priority exploration targets in the area surrounding MOD's 100% owned Mahumo deposit as well as test for resource extensions at Mahumo onto adjacent joint venture licences.

In March 2016, a drilling campaign commenced at the T3 Dome located within the central part of the 20km wide, 100km long Mahumo Structural Corridor (refer Figure 2 and 3). The Mahumo Structural Corridor runs through MOD/MTR joint venture licences (PLs 189 & PL 190) and is interpreted from magnetics to extend onto adjacent Cupric Canyon Capital licences, approximately 30km NE along strike from T3. Cupric licences host the substantial Zone 5 and Banana Zone resources within the Mahumo Structural Corridor.

Kalahari hanging wall sediments within the T3 Dome appear to host the Cu/Ag mineralisation intersected recently at T3. If this is the case, the 'prospective contact' which hosts other deposits in the Kalahari Copper Belt including Zone 5 and Banana Zone, may occur at an unknown depth below the current limit of drilling at T3.

Due to early success in the T3 drilling campaign, including an intersection of 52m @ 2.0% Cu in a shallow RC hole, the joint venture expanded drilling during the quarter to gain a better understanding of the copper mineralisation. A substantial soil sampling program also commenced of the surrounding area.

### Resource Drilling - T3

The objective of the Phase 1 drilling program is to complete sufficient drilling to enable an initial resource estimate for T3 to an Inferred Resource category (at least). This program includes drilling for extensions along strike from current drilling and several wider diameter drill holes to provide sufficient core samples for metallurgical test work of copper/silver mineralisation.

As a result of a high-level conceptual open pit study, the resource drilling is testing the potential grade and tonnage of the UZ and LZ hosted copper/silver mineralization on an initial 100m by 100m grid to around 180-200m vertical depth, along a 1km strike length. The Company recently appointed Mr Royce McAuslane as Study Manager to manage an open pit scoping study due for completion by the end of 2016. If the scoping study is positive a pre-feasibility study is expected to commence in early 2017.

During the quarter, the Company announced wide intersections of 1-2% copper with significant silver values within the Phase 1 resource target area. High grade copper/silver veins were intersected in several holes and infill drilling is likely to be required to determine continuity of these veins which may prove to be an important economic component of the deposit. Four diamond drill rigs are now being utilised to speed up the resource drilling.

A comprehensive metallurgical drilling and test work program on a range of different sulphide ores from T3 has also commenced. Metallurgical consulting group, Independent Metallurgical Operations, will undertake the test work in Perth.

During the quarter, a 5km long trial IP traverse across the T3 Dome was successful in identifying a number of chargeability anomalies, mostly north and south of the current drilling. The central anomaly appears to be associated with the substantial copper/silver sulphide mineralisation intersected in resource drilling at T3 to date.

In addition to the targets generated by the IP survey, a new 3km long copper/zinc anomaly was identified approximately 3.5kms NE along strike from the Phase 1 resource area at T3. Drilling is planned or underway at several of these targets which include IP chargeability anomalies, soil anomalies along the T3 Dome and a possible fault displacement of the target sequence 300m west of the resource area.

The number of geological and support teams based in Ghanzi has increased to assist with the expansion of activities at T3 and maintain the momentum at other high priority exploration targets on other licences within the wider Kalahari Project.



Figure 1: Diamond drill rig at T3

## RC Drilling Program

During the quarter, the Company continued its rapid progress with its RC and diamond drilling programs. Results from diamond core drilling confirm earlier interpretations based on shallow RC drilling, that vein hosted and disseminated Cu/Ag sulphide mineralisation with locally high Mo values, appears to be hosted by two reasonably continuous, shallow dipping zones (UZ and LZ) within a distinctive 40-50m wide sequence of green siltstones, marl units and intercalated sandstone units (the Target Sequence).

RC drilling has intersected the Target Sequence in all drill holes along a 1km strike length at T3 to date. RC drilling has proved very effective as a low cost exploration method for Identifying mineralisation at shallow depth which is then followed up by diamond drilling to provide more reliable geological and assay data.

Significant RC intersections include:

<b>MO-G-11R</b>	Two zones of Cu mineralisation <b>14m @ 1.97% Cu from 86m</b> down hole depth, including: <b>7m @ 2.9% Cu from 92m</b> down hole depth; and <b>12m @ 0.76% Cu from 69m</b> down hole depth
<b>MO-G-12R</b>	Two zones of Cu and Ag, within a 52m down hole width interval which averages 2.0% Cu from 78m depth including: <b>12m @ 2.7% Cu &amp; 42.7 g/t Ag from 87m</b> down hole depth, and <b>14m @ 3.37% Cu &amp; 72.7 g/t Ag from 116m</b> down hole depth
<b>MO-G-13R</b>	Three zones of Cu including two with high grade Ag, within a 53m down hole width interval which averages 1.1% Cu from 113m down hole depth including: <b>13m @ 1.49% Cu from 116m</b> down hole depth, and <b>9m @ 1.87% Cu from 141m</b> down hole depth, and <b>8m @ 1.4% Cu &amp; 23.6 g/t Ag from 158m</b> down hole depth
<b>MO-G-14R</b>	Three zones of Cu intersected approximately 100m west of MO-G-15R: <b>1m @ 3.3% Cu from 76m</b> down hole depth, and <b>5m @ 1.1% Cu from 87m</b> down hole depth, and <b>2m @ 1.9% Cu from 121m</b> down hole depth
<b>MO-G-15R</b>	Three zones of Cu including one with high grade Ag, intersected approximately 100m east of MO-G-12R. These zones appear to correlate with MO-G-12R: <b>15m @ 1.8% Cu from 56m</b> down hole depth, and <b>5m @ 4.8% Cu from 95m (including 3m @ 7.2% Cu from 96m)</b> , and <b>15m @ 1.4% Cu from 111m (including 11m @ 31.6g/t Ag from 113m)</b>
<b>MO-G-16R</b>	Two zones of Cu intersected approximately 200m east of MO-G-12R: <b>9m @ 1.2% Cu from 53m</b> down hole depth, and <b>2m @ 1.8% Cu from 89m</b> down hole depth

<b>MO-G-17R</b>	Two zones of Cu and Ag intersected ~50m down dip from MO-G-16R: <b>6m @ 1.5% Cu from 81m (incl. 3m @ 343g/t Ag from 81m) down hole depth, and 7m @ 2.0% Cu from 128m (incl. 4m @ 34g/t Ag from 131m) down hole depth</b>
<b>MO-G-18R</b>	Two zones of shallow Cu intersected approximately 50m up dip from MO-G-16R: <b>1m @ 1.8% Cu from 20m down hole depth, and 2m @ 1.2% Cu from 48m to end of hole. Ended in mineralisation (1.5% Cu)</b>

## Diamond Drilling Program

Based upon the mineralisation encountered in the RC drilling campaign, the Phase 1 resource drilling program was generated to test an area covering 800m along strike and 300-350m down dip. This was extended to 1km along strike following an encouraging intersection in hole MO-G-13D outside the resource area (refer Figure 5).

The resource program includes diamond drilling on a 100m by 100m pattern with infill drilling on a 100m by 50m pattern to a maximum vertical depth of ~200m. All drill holes are drilled at an inclination of 60 degrees to the south, approximately perpendicular to the host stratigraphy and the mineralisation. Depending on results the Phase 1 area may be extended further along strike and down dip.

In addition to the widespread vein hosted and disseminated chalcopyrite mineralisation, high tenor copper sulphides including bornite and covellite have been intersected in quartz and carbonate veins in many drill holes. Very high individual silver assays (including 199g/t, 244g/t and 363g/t Ag in hole MO-G-09D) are generally associated with very high individual copper assays (including 8.36%, 10.2% and 21.5% Cu in hole MO-G-09D) within veins where assays are available. MO-G-09D is located at the eastern end of the resource area and further drilling is required to determine the extent of these bonanza Cu/Ag veins.

MO-G-16D produced a record Cu assay of **0.8m @ 45.4% Cu and 119g/t Ag** within an intersection of **27.5m @ 3.2% Cu and 13g/t Ag from 134.0m down hole** (refer Figure 6 and Figure 7). MO-G-16D includes other high-grade assays between 4.9% up to 8.8% Cu. If an arbitrary cut of 15% Cu is applied to this intersection, it becomes **27.5m @ 2.3% Cu and 13g/t Ag** which still compares very favourably with other global copper deposits.

The presence of substantial bonanza grade copper/silver veins within the wide zones of T3 mineralisation was demonstrated again by MO-G-20D which produced a Cu assay of **6.2m @ 7.8% Cu and 209g/t Ag** within an intersection of **20.0m @ 3.2% Cu and 77g/t Ag from 130m down hole** (refer Figure 8).

Significant diamond drill core intersections include:

<b>MO-G-01D</b>	28m @ 1.76% Cu, 22.9g/t Ag and 92.4ppm Mo from 103m down hole depth
	2.35m @ 3.32% Cu, 45.8g/t Ag and 184ppm Mo from 93m down hole depth
	1.7m @ 1.59% Cu and 23.4g/t Ag from 132.95m down hole depth
	5.8m @ 1.36% Cu and 24.8g/t Ag from 141m down hole depth
<b>MO-G-02D</b>	4.0m @ 1.46% Cu and 10.0g/t Ag from 43m down hole depth
	24m @ 0.7% Cu from 89m down hole depth
<b>MO-G-03D</b>	18.4m @ 1.06% Cu from 174.9m down hole depth
	19.5m @ 157.6ppm Mo from 182.5m down hole depth
	12.8m @ 0.68% Cu, 12.4g/t Ag and 198.5ppm Mo from 212.2m down hole depth
	1m @ 1,094ppm Mo from 210m down hole depth
<b>MO-G-04D</b>	12.08m @ 1.29% Cu and 26.7ppm Ag from 182.0m down hole
	10.00m @ 1.04% Cu and 17.1ppm Ag from 223.0m down hole
<b>MO-G-05D</b>	34.85m @ 1.0% Cu and 14.0ppm Ag from 161.0m down hole,
	including 6.28m @ 2.50% Cu and 47.3ppm Ag from 177.0m down hole
<b>MO-G-06D</b>	6.00m @ 1.87% Cu, 37.9ppm Ag Mo from 223.0m down hole
<b>MO-G-07D</b>	7.90m @ 1.03% Cu & 11g/t Ag from 260.60m down hole
	5.60m @ 1.05% Cu & 21.5g/t Ag from 290.40m down hole
<b>MO-G-08D</b>	41.00m @ 1.55% Cu & 21g/t Ag from 132.00m down hole, including:
	22.00m @ 2.29% Cu & 29g/t Ag from 141.00m down hole
<b>MO-G-09D</b>	21.61m @ 1.66% Cu & 24g/t Ag from 165.00m down hole, including:
	12.00m @ 2.31% Cu & 41g/t Ag from 174.00m down hole
	3.37m @ 6.08% Cu & 113g/t Ag from 213.63m down hole, including:
	1.37m @ 13.26% Cu & 244g/t Ag from 213.63m down hole
<b>MO-G-10D</b>	16.5m @ 1.28% Cu and 23.4g/t Ag from 92.0m down hole
	29.0m @ 1.79% Cu and 33.5g/t Ag from 112.0m down hole



<b>MO-G-11D</b>	29.0m @ 1.8% Cu and 32g/t Ag from 112.0m down hole, including 5.8m @ 2.6% Cu and 49g/t Ag from 119.0m down hole and 4.1m @ 3.8% Cu and 89g/t Ag from 136.9m 14.0m @ 0.73% Cu and 13g/t Ag from 159.0m down hole
<b>MO-G-12D</b>	18.4m @ 1.4% Cu and 9g/t Ag from 68.0m down hole 17.2m @ 1.4% Cu and 14g/t Ag from 103.9m down hole, including 7.5m @ 2.2% Cu and 26g/t Ag from 105.5m down hole
<b>MO-G-13D</b>	16.8m @ 1.4% Cu and 5g/t Ag from 176.8m down hole
<b>MO-G-14D</b>	14.5m @ 1.0% Cu and 4g/t Ag from 87.5m down hole
<b>MO-G-15D</b>	14.0m @ 1.3% Cu and 12g/t Ag from 87.0m down hole
<b>MO-G-16D</b>	34.3m @ 1.2% Cu and 11g/t Ag from 87.7m down hole, including: 5.0m @ 2.9% Cu and 49g/t Ag from 99.0m, and: 27.5m @ 3.2% Cu and 13g/t Ag from 134.0m down hole, or: 27.5m @ 2.3% Cu and 13g/t Ag from 134.0m down hole, (45.4% Cu interval cut to 15% Cu)
<b>MO-G-17D</b>	10.0m @ 1.3% Cu and 6g/t Ag from 98.0m down hole 18.0m @ 1.2% Cu and 8g/t Ag from 114.0m down hole
<b>MO-G-18D</b>	30.4m @ 1.3% Cu and 23g/t Ag from 112.6m down hole, including 5.5m @ 3.7% Cu and 71g/t Ag from 121.0m
<b>MO-G-19D</b>	10.3m @ 1.2% Cu and 3g/t Ag from 106.7m down hole 16.0m @ 1.5% Cu and 22g/t Ag from 131.0m down hole
<b>MO-G-20D</b>	20.0m @ 3.2% Cu and 77g/t Ag from 130.0m down hole, including 6.2m @ 7.8% Cu and 209g/t Ag from 136.5m down hole
<b>MO-G-21D</b>	5.5m @ 1.2% Cu and 31g/t Ag from 155.5m down hole 14.0m @ 1.4% Cu and 27g/t Ag from 164.0m down hole
<b>MO-G-22D</b>	3.7m @ 1.9% Cu and 15g/t Ag from 168.0m down hole 6.6m @ 1.3% Cu and 30g/t Ag from 205.0m down hole (hole stopped in mineralisation)

## Regional Exploration

Two teams are exploring for satellite deposits in the region surrounding T3 and also in prospective areas extending up to 150km west and 80km north of T3. One team is testing IP and copper soil anomaly targets already identified along the 25km long T3 Dome and the other is conducting soil sampling along structural anomalies identified from magnetic data within the joint venture's other extensive holdings (refer Figure 2 and Figure 6).

Post the quarter end, the Company announced identification of several new copper anomalies from its regional soil sampling campaign. Currently the highest priority target which is planned to be drilled in August 2016 is at T2, located directly along strike from MOD's 100% owned high-grade Mahumo copper/silver deposit (refer Figure 9 and Figure 10).

Two strong copper soil anomalies were identified at T2, approximately 20km north of the T3 deposit and 3.5km west and 5.5km east of Mahumo. Both anomalies comprise wide intervals of consistently high values up to 85ppm Cu in the T2-West anomaly and up to 83ppm Cu in the T2-East anomaly.

Results of the most recent resource drilling at T3 shows the mineralisation may shallow to only ~10 degrees in the resource area opening up potential to the west and south of the current resource target area.

The first exploratory hole 2km east of T3, MO-G-29R intersected **3m @ 0.7% Cu and 9.3g/t Ag** including 1m @ 4% Zn, highlighting the untested potential in this area.

## Sams Creek Gold Project, New Zealand (MOD 80%)

As announced on 18 January 2016, MOD has appointed PCF Capital Group Pty Limited (PCF Capital) to divest part, or all of MOD subsidiary Sams Creek Gold Ltd's 80% joint venture interest in the 1.0Moz Sams Creek Gold Project in New Zealand. PCF Capital is an Australian based independent investment banking firm servicing clients mainly in the resource sector. PCF Capital has significant experience in Global mining, investment banking and corporate finance and was instrumental in negotiating the acquisition of DMI for MOD.

During the quarter, MOD held meetings with the New Zealand Department of Petroleum and Minerals and have since applied for a four-year extension to the Exploration Permit covering the Sams Creek gold deposit.

### Corporate

On 20 April 2016, the Company successfully raised \$2 million before costs from a placement of shares to advance the drilling program at the T3 Dome and explore the potential of other targets identified on the Company's extensive joint venture and 100% holdings in the Kalahari Copper Belt. The placement involved the issue of 66.67 million ordinary fully-paid shares at an issue price of \$0.03 per share and was within the Company's existing placement capacity. Blue Ocean Equities was lead manager to the issue.

On 25 May 2016, the Company issued 6,500,000 fully paid ordinary shares and 3,250,000 listed \$0.01 options expiring 1 May 2018 to MOD director, Mr Simon Lee AO pursuant to his subscription to the rights issue that occurred in October 2015 and 18,000,000 unlisted \$0.06 options expiring 15 April 2019 to the remaining MOD directors in lieu of cash as a part of cost reduction measures, following shareholder approval at the annual general meeting.

On 14 June 2016, 21,000,000 unlisted \$0.20 options exercisable on or before 12 June 2016 expired without exercise and during the quarter, 18,685,394 listed \$0.01 options were exercised.

On 17 June 2016, the Company lodged a prospectus for a 1 for 10 non-renounceable pro rata Entitlement Offer to all eligible shareholders at \$0.024 per share with an attaching \$0.06 unlisted option expiring on 15 April 2019 for every four Shares subscribed to raise up to approximately \$3.1 million (before costs).

On 18 July 2016, the Company announced that the Entitlement Offer closed heavily oversubscribed with applications totalling \$4,280,763 before costs, representing an oversubscription of approximately 39% above the target \$3.1 million. Blue Ocean Equities acted as corporate advisor to the Company.

In addition to funding the substantial activities at the T3 Deposit and other targets along the T3 Dome, funds raised from the Entitlement Offer will enable a dedicated exploration campaign to proceed at several other copper surface anomalies identified in the region, pay down a portion of the Company's debt and provide for working capital requirements.

For and on behalf of the Board.

**Julian Hanna**  
Managing Director

**Mark Clements**  
Executive Chairman and Company Secretary

**Jane Stacey**  
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## Background

### Botswana Copper/Silver Project

The combined MOD holdings comprise 25 prospecting licences with a total area >11,600km<sup>2</sup> in the relatively unexplored central and western Kalahari Copper Belt which is largely covered by sand and soil.

MOD's combined holdings comprise:

- 100% holdings and various joint venture interests in 11 granted prospecting licences with a total area of approximately 4,187km<sup>2</sup> held through a subsidiary MOD Resources Botswana (Pty) Ltd.
- 70% of Discovery Mines (Proprietary) Ltd (DMI) which holds 14 granted prospecting licences with a total area of approximately 7,446km<sup>2</sup> in the same area as MOD's 100% holdings. MOD's interests are held through UK joint venture company, Metal Capital Ltd (MCL) and its wholly owned subsidiary Tshukudu Metals Botswana (Pty) Ltd (TMB), following the acquisition of DMI announced on 16 December 2015.

London AIM-listed company Metal Tiger Plc. (MTR) owns a 30% interest in DMI through MCL and TMB. The business fit between MTR and MOD is strong and both companies are working together to explore and potentially develop opportunities within their extensive holdings in the Kalahari Copper Belt. MTR is primarily focused on undervalued natural resource investment opportunities in which it can provide financial and business support to companies to maximize the value of their interests.

MOD has been an active explorer in the Kalahari Copper belt since 2011 and discovered the 'Corner K Deposit', now re-named Mahumo Copper/Silver Deposit. The Mahumo deposit was discovered by drilling a soil anomaly along the northern margin of a major >20km wide structural zone (Mahumo Structural Corridor). The Mahumo Stage One resource is currently the highest grade copper resource in the Kalahari Copper Belt and is the basis for MOD's underground mining scoping study. Mahumo remains completely open below the limit of drilling along 2.4km strike length and Stage Two drilling is proposed to test for extensions to ~600m depth, starting in the December quarter 2016.

In March 2016, MOD and MTR announced the discovery of significant Copper/Silver mineralisation in drilling at shallow depth at T3, 20km southwest of Mahumo. Mineralisation at T3 consists of vein hosted and disseminated chalcopyrite, bornite and chalcocite within a 50-60m wide sequence of shallow dipping green siltstones and marl units (the 'Target Sequence'). There is no outcrop or previous drilling at T3, which is interpreted from magnetic data to form part of a 25km long structural 'dome' (T3 Dome) within the Mahumo Structural Corridor.

Since the discovery of T3 in March 2016, MOD and MTR have commenced a substantial resource drilling campaign along an 800m strike length at T3 with the objectives to define an initial resource (Phase One resource) during the September quarter 2016 and determine the open pit potential at T3. Soil sampling and IP geophysical surveys in the area surrounding T3 have also identified a number of additional high priority drilling targets which are planned to be tested in the coming months. Four drill rigs are on site at T3, including 3 diamond drill rigs conducting the Phase One resource drill out and testing for extensions to the resource area, and one RC drill rig testing new shallow copper targets along the T3 Dome.

In November 2015, neighbouring Cupric Canyon Capital announced results from a feasibility study for the potential development of a substantial underground mine at the Zone 5 deposit. Zone 5 is located ~100km NE of MOD's 100% owned Mahumo deposit, along the same interpreted structural contact. Cupric's reported resources at Zone 5 are 100.3Mt @ 1.95% Cu and 20g/t Ag (December 2015). Zone 5 is currently the most significant announced resource in the Kalahari Copper Belt and demonstrates the wider potential of this relatively under-explored, sand covered region.

### Sams Creek Gold Project

The Sams Creek Gold Project is located 100km north of the Reefton gold field in the South Island of New Zealand.

MOD through subsidiary Sams Creek Gold Ltd, owns 80% of Sams Creek Joint Venture with OceanaGold Corporation, which is New Zealand's largest gold producer holding 20%.

Sams Creek has an existing JORC 2012 compliant Mineral Resource containing approximately 1.0Moz gold (announced 9 October 2013). The resource estimate was prepared by Golder Associates Pty Ltd. The resource has not materially changed since it was last reported in an announcement to ASX on 9 October 2013. However, on 18 September 2015, MOD announced the results of a review of high grade mineralisation contained in 58 drill hole intersections within the Mineral Resource.

The known gold mineralisation at Sams Creek is contained within a porphyry dyke with an average width up to 30 35m in the Main Zone deposit. The dyke can be traced 6km along strike within the Sams Creek permit area and extends into the 100% owned Barrons Flat permit area which directly adjoins Sams Creek. It should be noted that the Sams Creek porphyry dyke does not always contain gold mineralisation.

## **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), General Manager Exploration (Africa) 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.

## **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 T3 or at other 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 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.

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Table 1: T3 drill hole collar coordinates and survey parameters

Drill Hole ID	Collar UTM East	Collar UTM North	Azi	Dip	EOH m
MO-G-11R	636247	7641653	335	-60	199
MO-G-12R	636231	7641710	335	-60	130
MO-G-13R	636214	7641765	335	-60	173
MO-G-14R	636118	7641743	160	-60	170
MO-G-15R	636309	7641791	160	-60	158
MO-G-16R	636409	7641816	160	-60	150
MO-G-17R	636392	7641863	160	-60	160
MO-G-18R	636425	7641770	160	-60	50
MO-G-29R	637738	7642533	160	-60	180
MO-G-01D	636189	7641820	160	-60	313.7
MO-G-02D	636225	7641728	160	-60	283.6
MO-G-03D	636111	7642004	160	-60	256.9
MO-G-04D	635923	7641937	160	-60	263.7
MO-G-05D	636302	7642069	160	-60	268.8
MO-G-06D	635735	7641871	160	-60	259.7
MO-G-07D	636045	7642192	160	-60	328.7
MO-G-08D	636151	7641912	160	-60	214.5
MO-G-09D	636490	7642136	160	-60	268.84
MO-G-10D	636237	7641837	160	-60	169.6
MOG-11D	636143	7641803	160	-60	178.74
MOG-12D	636256	7641790	160	-60	157.6
MOG-13D	636678	7642201	160	-60	271.79
MOG-14D	636568	7641952	160	-60	169.5
MOG-15D	636473	7641919	160	-60	166.5
MOG-16D	636378	7641887	160	-60	181.6
MOG-17D	636284	7641853	160	-60	181.69
MOG-18D	636095	7641787	160	-60	181.5
MOG-19D	636000	7641753	160	-60	169.52
MOG-20D	635907	7641722	160	-60	184.74
MOG-21D	635813	7641686	160	-60	181.5
MOG-22D	635774	7641781	160	-60	211.6

## Schedule of Exploration Licences

### Botswana Copper/Silver Project

Permit/Licence Number	Size (km <sup>2</sup> ) (approx.)	Holding	Title Holder	Licence Commencement Date	Renewal Date
<b>MOD Licences</b>					
PL652/2014	190.9	100%	MOD Resources Botswana (Pty) Ltd	01 Oct 14	30 Sep 16
PL686/2014	463.0	100%	MOD Resources Botswana (Pty) Ltd	01 Oct 14	30 Sep 16
PL203/2014	77.7	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 14	31 Mar 17
PL204/2014	70.8	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 14	31 Mar 17
PL280/2014	116.0	100%	MOD Resources Botswana (Pty) Ltd	01 Jul 14	30 Jun 17
PL034/2015	921.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17
PL035/2015	789.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17
PL036/2015	941.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17
<b>MOD JV Licences</b>					
PL009/2012	154.6	80%	GGZ Investments (Pty) Ltd	01 Jan 16	31 Dec 17
PL141/2012	387.3	80%	Mokgweetsi Mining (Pty) Ltd	01 Oct 15	30 Sep 17
PL044/2012	75.7	80%	Mokgweetsi Mining (Pty) Ltd	01 Oct 15	30 Sep 17
<b>MOD/MTR JV Licences</b>					
PL186/2008	557.0	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL187/2008	648.8	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL188/2008	395.0	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL189/2008	210.7	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL190/2008	708.0	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL191/2008	572.0	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL192/2008	604.5	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL102/2005	331.1	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL103/2005	131.1	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL104/2005	285.3	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL060/2012	890.5	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL061/2012	888.1	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL062/2012	740.1	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
PL063/2012	484.1	70%	Discovery Mines (Pty) Ltd	01 Jan 16	31 Dec 16
<b>TOTAL</b>	<b>11,633.3</b>				

### Sams Creek Gold Project

Permit/Licence Number	Size (km <sup>2</sup> )	Holding	Title Holder	Licence Commencement Date	Renewal Date
EP40338	30.6	80%	Sams Creek Gold Limited	27 Mar 98	27 Mar 17
EP54454	32.0	100%	Sams Creek Gold Limited	25 Sep 12	25 Sep 17
<b>TOTAL</b>	<b>62.6</b>				

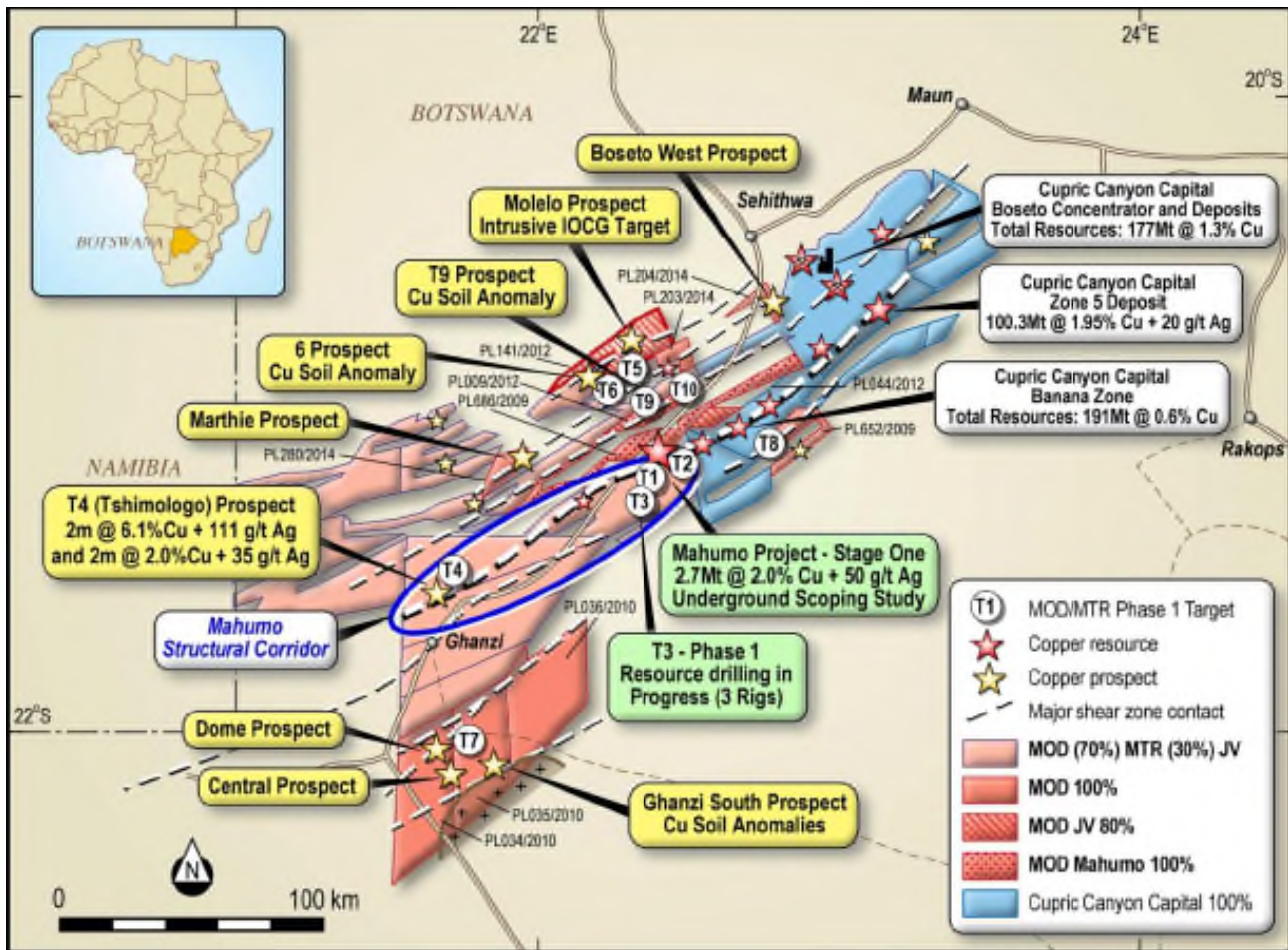


Figure 2: Kalahari Copper Belt showing location of T3 and other regional targets on joint venture and MOD 100% licences

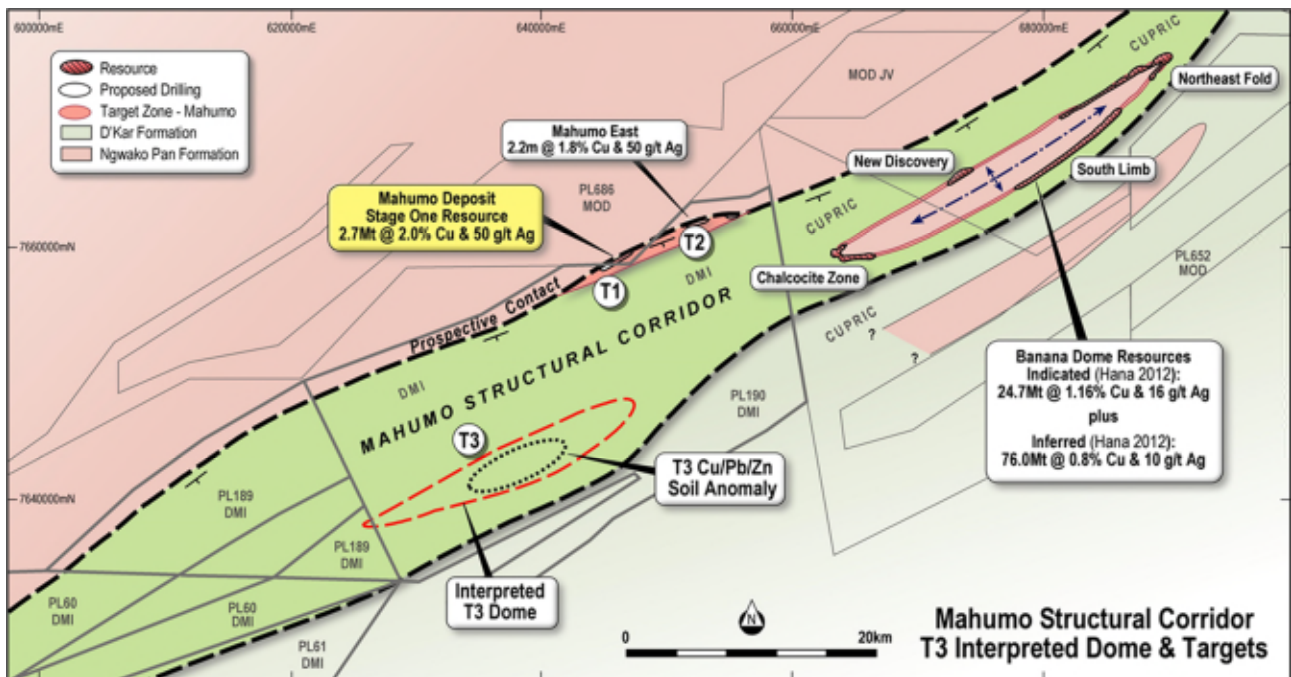


Figure 3: Mahumo Structural Corridor showing T3 anomaly along strike from Cupric's Banana Zone Cu/Ag resources







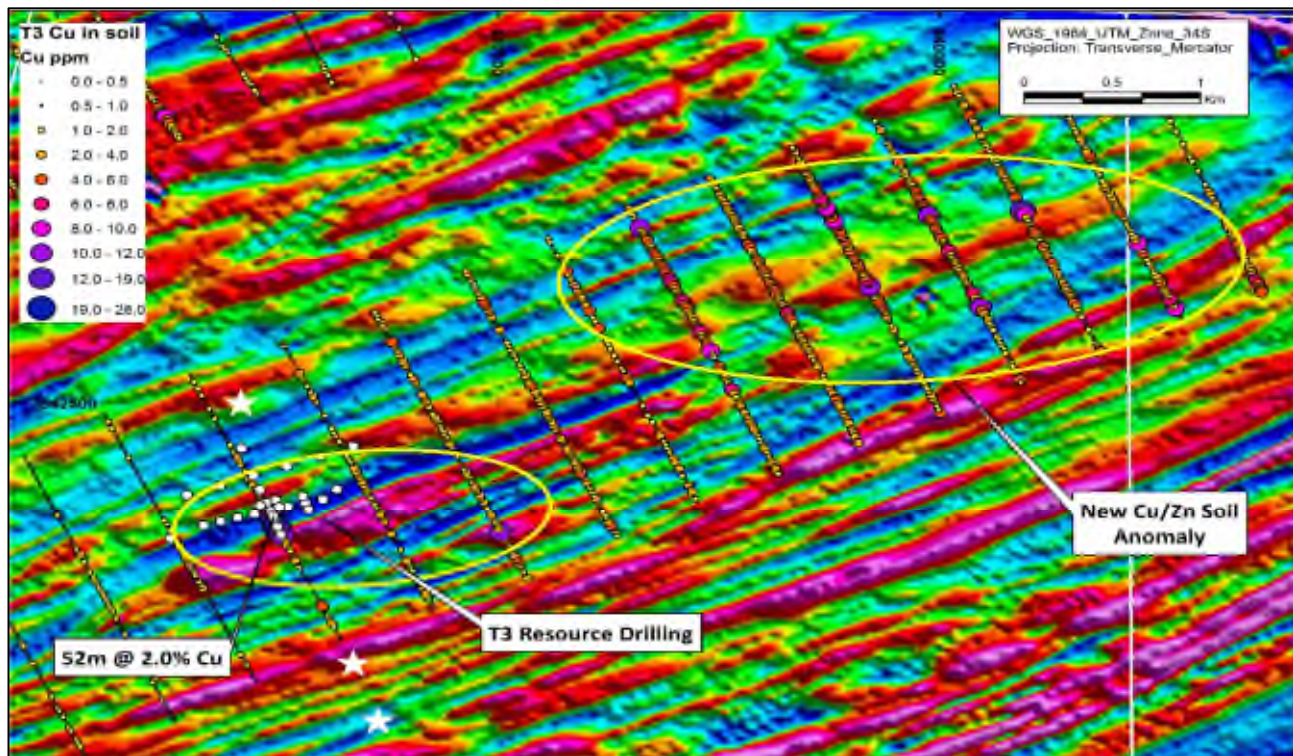


Figure 6: Magnetic image of T3 area showing current resource drilling and large coincident Cu/Zn soil anomaly located ~3.5km along strike. White stars represent 3 chargeability anomalies based on interpretation of trial IP data



Figure 7: Vein hosted copper sulphides: bornite (top) and chalcopyrite (centre & bottom) in drill core from MO-G-16D



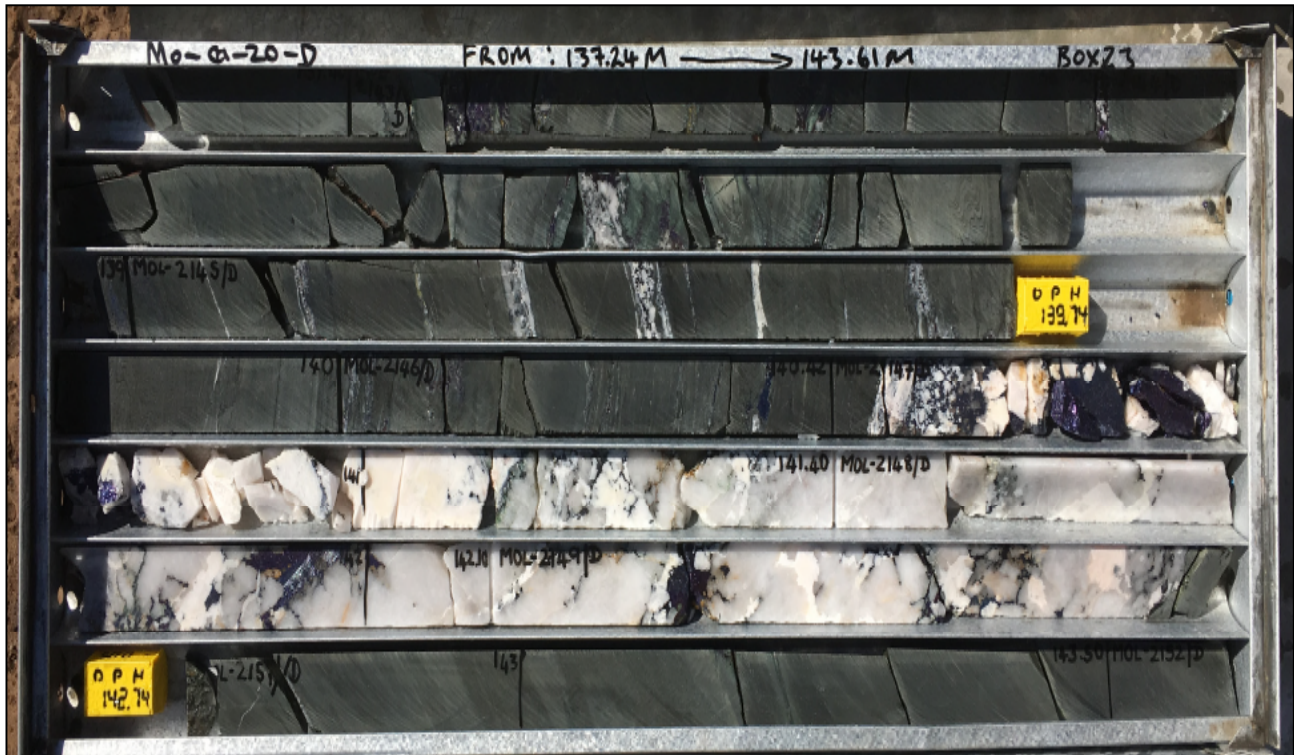


Figure 8: Drill core from MO-G-20D showing bonanza copper silver veining (6.2m @ 7.8% Cu and 209g/t Ag)

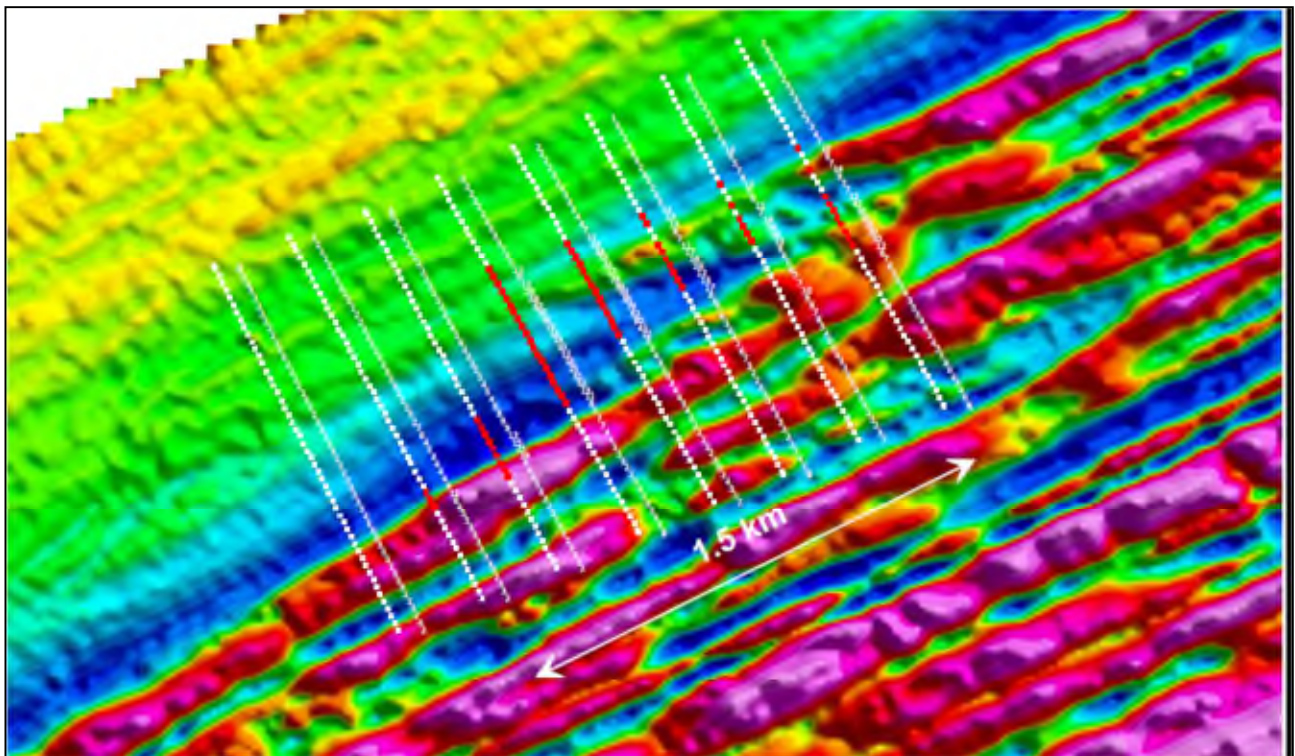


Figure 9: T2 West - magnetic image showing Cu values (in red) extending along 1.5 km



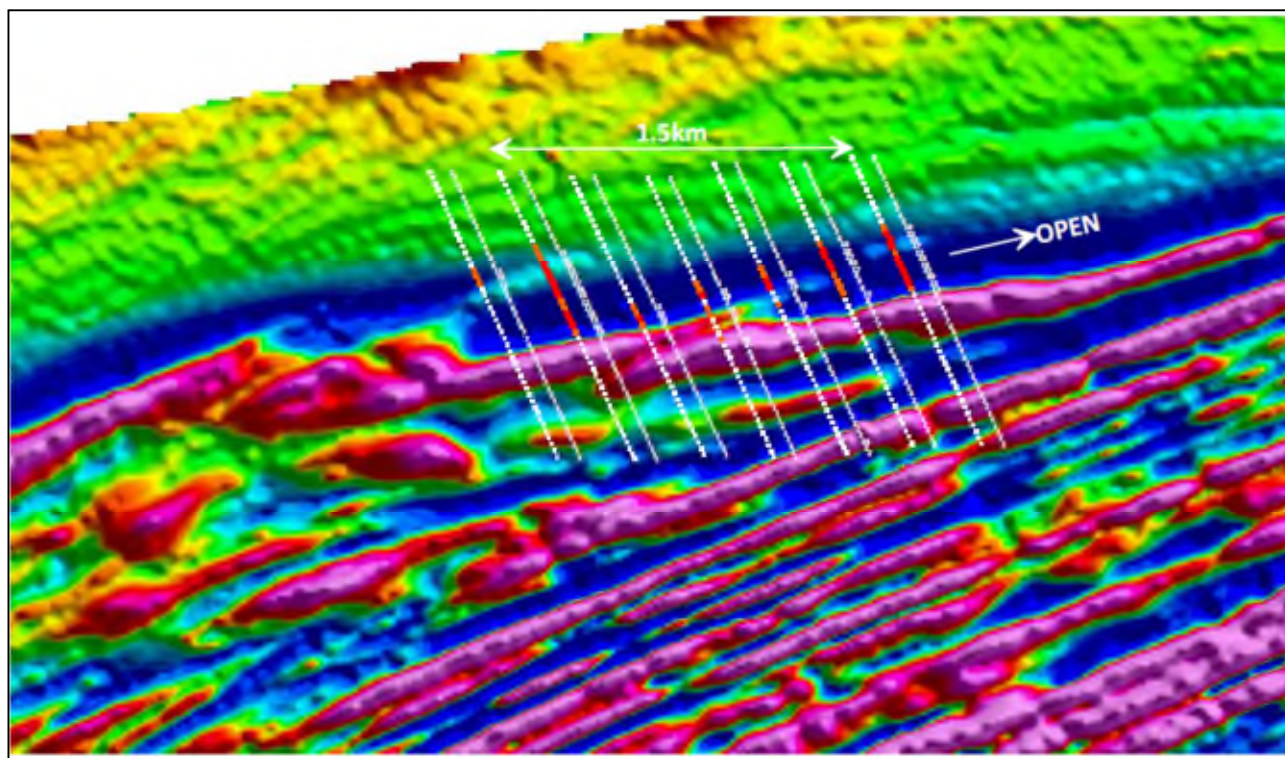


Figure 10: T2 East - magnetic image showing Cu values (in red) extending along 1.5 km