

## MAHUMO COPPER/SILVER PROJECT, BOTSWANA – UPDATE

The Board of MOD Resources Limited (ASX: MOD) is pleased to provide an update on the 100% owned Mahumo Project in Botswana. Details of the two >500m long high grade deposits ('West Zone' and 'East Zone') which are the focus of current work at Mahumo were announced on 16 June 2014 (Figure 1).

Previous drilling by MOD on 100m traverses along a 2.5km strike length at Mahumo confirmed the copper/silver mineralisation continues from near surface to approximately 200m down dip and remains open below that depth. A preliminary conceptual study is now underway to evaluate potential for developing the West and East Zones initially by shallow open pit mining. These pits could potentially provide access for underground mining, depending on future results below the current limit of drilling.

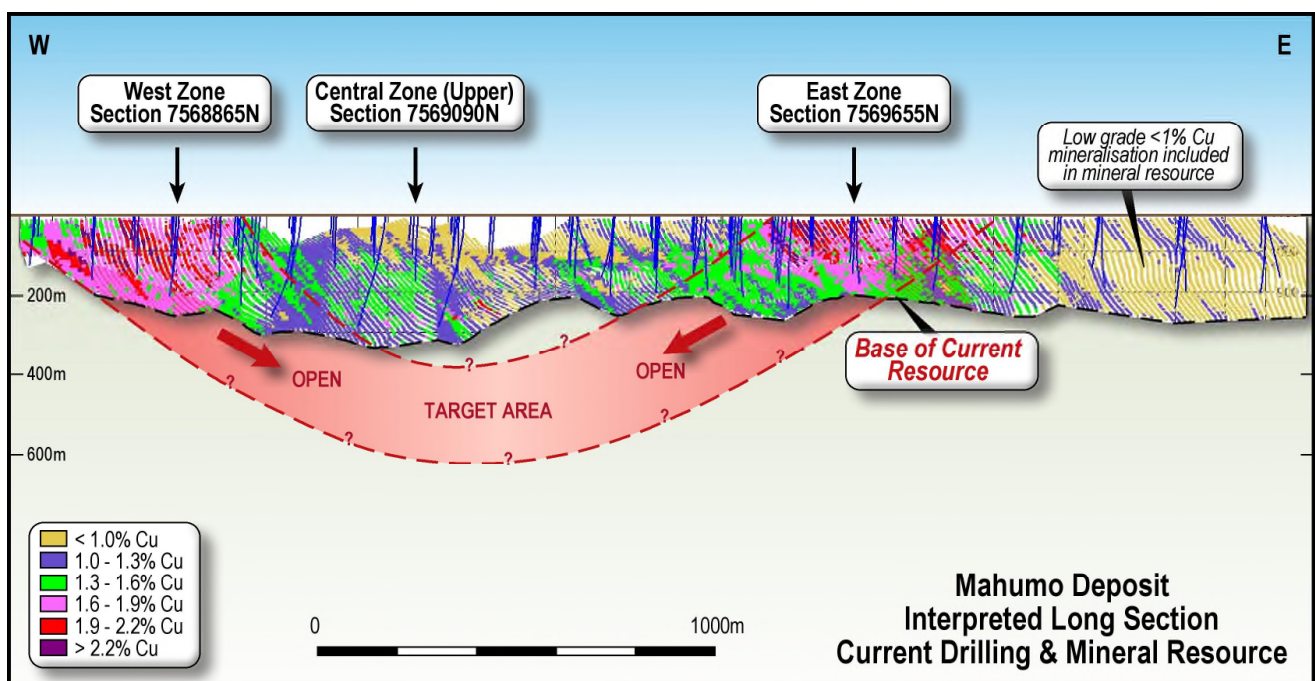


Figure 1: Preliminary interpretation of 2.5km long inclined long section at Mahumo showing West Zone and East Zone deposits

As part of the conceptual study, MOD has appointed mining consultants Orelogy to conduct an initial pit optimisation study for the West Zone and East Zone deposits using existing resource data which is based on widely spaced drill hole data on 100m sections. Orelogy has generated a series of conceptual pit shells to a maximum 50m depth assuming different ore processing recoveries and preliminary cost estimates.

The initial pit optimisation study delineated an average grade of 1.8% copper and 47g/t silver within the pit shells assuming 80% copper processing recovery. While further work (including metallurgical test work and infill drilling) is required to complete the study to a reportable standard and demonstrate the potential commerciality of the Mahumo Project, early results are encouraging.

As mineralogy is key to determining copper recoveries, MOD geologists have re-logged drill core from shallow intersections in the West Zone and East Zone deposits. This has confirmed copper/silver grades are mainly associated with disseminated and vein hosted chalcocite (transitional copper sulphides) within host sediments. Malachite and chrysocolla (copper oxides) occur locally along fractures and veins. Sulphide mineralisation (chalcocite and bornite) is interpreted to occur at shallower depth at Mahumo compared with many other sediment hosted deposits in the Kalahari Copper Belt.

Metallurgical test work of drill core samples is in progress to test the amenability of the mineralisation for conventional sulphide flotation processing. This work is being undertaken by metallurgical consultants IMO in Perth with first results expected in August.

The current test work represents the start of a proposed staged program at Mahumo, with the individual stages subject to ongoing results and funding:

Stage 1	<ul style="list-style-type: none"> <li>• Metallurgical test work on existing core samples, West Zone &amp; East Zone (in progress)</li> <li>• Infill drilling on 50m sections to ~50m depth (44 HQ drill holes), revise resource</li> <li>• Complete conceptual open pit mining study, announce results</li> </ul>
Stage 2	<ul style="list-style-type: none"> <li>• Confirmation metallurgical test work on larger volume samples of mineralisation</li> <li>• Refine model parameters and upgrade conceptual study to scoping study level</li> </ul>
Stage 3	<ul style="list-style-type: none"> <li>• Drilling to test potential high grade extensions below current drilling depth (&gt;200m)</li> <li>• Conceptual underground mining study for interpreted high grade copper/silver zones</li> </ul>

### Discussion

Managing Director Mr Julian Hanna said that if the results from the proposed three stage program are positive, they should provide confidence to fast track the Mahumo Project.

“We are fortunate to work in the relatively low cost, low risk, mining friendly jurisdiction of Botswana. As a bonus, MOD’s projects are located in the Kalahari Copper Belt which already has substantial mining related infrastructure. This provides the potential to develop new mines with reduced capital exposure and reduced lead times to first production.”

“While MOD’s priority is clearly to advance the Mahumo Project as soon as possible, we are also keen to test other high priority exploration targets (Molelo Intrusion, Marthie Prospect and Boseto West Prospect) in the middle of what we consider to be a very prospective and underexplored metal province.”

To assist funding ongoing drilling programs and related studies, MOD is seeking a suitable party to acquire an interest in the Botswana Project and join MOD in exploring and developing the Project.

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**Competent Person's Statement**

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper 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.

Information in this announcement relates to previously released exploration data disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information 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 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 no reference to new Mineral Resources which haven't already been announced by MOD Resources Ltd previously.

**Forward Looking Statements**

This announcement may include forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of MOD Resources Limited. Examples of forward-looking statements used in this announcement include: 'preliminary conceptual study is now underway to evaluate potential for developing the West and East Zones initially by shallow open pit mining. These pits could potentially provide access for underground mining, depending on future results below the current limit of drilling', and; 'While further work (including metallurgical test work and infill drilling) is required to complete the conceptual study to a reportable standard and demonstrate potential commerciality of the Mahumo Project, early results are encouraging', and: 'The initial pit optimisation study delineated an average grade of 1.8% copper and 47g/t silver within the pit shells assuming 80% copper recovery', and; 'confirmed copper/silver grades are mainly associated with disseminated and vein hosted chalcocite (transitional copper sulphides)', and; 'if the results from the proposed three stage program are positive, they should provide confidence to fast track the Mahumo Project', and: 'This provides the potential to develop new mines with reduced capital exposure and reduced lead times to first production'.

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