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## **\$2 MILLION CAPITAL RAISING TO PROGRESS BOTSWANA COPPER PROJECT**

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The Board of MOD Resources Limited (ASX: MOD) is pleased to announce the Company has raised \$2 million in a two tranche placement to follow up encouraging results at MOD's extensive holdings in the Kalahari Copper Belt in Botswana.

The majority of funds are planned to be used for infill and extensional drilling programs at the 100% owned Mahumo copper/silver project with drilling expected to commence as soon as a suitable drill rig is available. The program will start with a number of drill holes testing the potential for extensions below the high grade West Zone between 200-400m depth (Refer MOD presentation released 22 August 2014). Funds will also be used to progress the ongoing preliminary conceptual mining study at Mahumo.

In addition, drilling is planned to test the interpreted magnetic core of the large Molelo Intrusion and to test a fold axis at the Marthie Prospect interpreted to occur in a similar geological setting to the substantial 'Banana Zone' copper deposits owned by Cupric Canyon in the same region.

Blue Ocean Equities Pty Ltd was lead manager to the placement which was undertaken in two parts. Tranche One, which remains subject to the clearance of funds, involved the issue of 143.125 million new ordinary shares at an issue price of \$0.008 per share to raise \$1.145 million under the Company's existing placement capacity.

Tranche Two, which remains subject to shareholder approval at a general meeting to be convened as soon as practicable after completion of Tranche One, will include the issue of up to 106.875 million new ordinary shares at an issue price of \$0.008 each to raise \$0.855 million.

The MOD Board will put the following resolutions in relation to Tranche Two at the proposed general meeting of its shareholders for the purpose of considering and if thought fit approving:

- The issue to the Company's directors and officers, or their nominees, of up to 44.375 million shares at an issue price of \$0.008 each;
- The issue to drilling contractor Orbit Drilling Pty Ltd (Orbit) or their nominees of up to 62.5 million shares at an issue price of \$0.008 each, representing 50% payment in lieu of cash for invoices to be issued by Orbit for a diamond drilling program to be undertaken on the Botswana Copper Project. The Orbit drilling contract is subject to competitive commercial terms and is subject to completion to a technical standard approved by MOD;
- The issue to broker, Blue Ocean Equities Pty Ltd, or their nominees, as lead manager to the placement, of 6.25 million new ordinary shares at an issue price of \$0.008 each, representing 50% payment in lieu of cash for the fee equivalent to 5% of gross proceeds from the placement.

Shareholder approval is required for the issue of shares in relation to Tranche Two as they exceed MOD's current Listing Rule 7.1 and 7.1A placement capacity and also involve the proposed issue of shares to directors.

Managing Director Mr Julian Hanna said the MOD Board appreciated the strong response to the capital raising from new and existing shareholders. Mr Hanna added: "As a result of recent developments in the Kalahari Copper Belt, we consider the potential of this well-mineralised region is only starting to be realised. MOD's team has identified high grade copper and silver mineralisation at Mahumo in addition to a number of other exciting targets and now has funding and a well-defined strategy to test this potential".

**For further information, please contact:**

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**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. 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 Limited previously.

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