

Half-Year Financial Report
For the period ended 30 June 2014

MOD Resources Limited

ABN 78 003 103 544



PROJECT BACKGROUND

1. Botswana Copper Project

MOD's Botswana Copper Project comprises a strategically located tenement holding of ~7,587km² at the centre and western end of the Kalahari Copper Belt in Botswana.

Several of MOD's Botswana licences adjoin exploration licences held by ASX-listed Discovery Metals Ltd and Canadian-based Hana Mining Ltd, which was taken over by Cupric Canyon Capital in February 2013. The Kalahari Copper Belt became Africa's newest copper-silver mining province during 2012 when Discovery Metals commissioned its Boseto mine.

MOD discovered copper-silver mineralisation at the Corner K prospect (on Prospecting Licence 686) with its initial drilling program in 2011. In September 2012, MOD announced a maiden JORC 2004 compliant Indicated and Inferred Mineral Resource of 9.5Mt grading 1.14% copper equivalent at Corner K (based on indicated and inferred resource of 9.5Mt @0.91% Cu and 18.4g/t Ag using a 0.4g/t cut-off ($CuEq = Cu\% + (Ag\text{ g/t} \times 0.01231)$) (See ASX announcement 24 September 2012). The resource has not been updated to comply with the JORC Code 2012 on the basis the information has not materially changed since it was last reported in an announcement to ASX on 24 September 2012.

2. 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 Resources Limited (ASX: MOD), through subsidiary Sams Creek Gold Ltd, owns 60% of Sams Creek Gold Project. MOD can earn up to 80% of Sams Creek from OceanaGold Corporation, which is New Zealand's largest gold producer.

Sams Creek has an existing JORC 2004 compliant Inferred and Indicated Mineral Resource containing approximately 1.0Moz gold (see below). The resource has not been updated to comply with the JORC Code 2012 on the basis the information has not materially changed since it was last reported in an announcement to ASX on 9 October 2013.

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

The known gold mineralisation at Sams Creek is contained within a porphyry dyke with an average thickness of 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.

The current Mineral Resource at Sams Creek (Stage 2 Resource) is contained within a 1km section of the host porphyry, highlighting the potential for an increase in the known gold resource elsewhere along the porphyry dyke. This potential is supported by zones of highly anomalous gold mineralisation confirmed by surface sampling and limited drilling of the porphyry on either side of the Main Zone deposit. These results have been announced previously.

It should be noted that the Sams Creek porphyry dyke does not always contain gold mineralisation.

COMPETENT PERSONS' STATEMENTS

The information in this report 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 report of the matters based on information in the form and context in which it appears.

Information in this report 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.

The information in this report 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 Ltd's subsidiary, Sams Creek Gold Ltd. 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Angus consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

Information in this report 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 compiled by Mr Paul Angus.

DISCLAIMER AND FORWARD LOOKING STATEMENTS

This report has been prepared by MOD Resources Limited. The document contains background information about MOD Resources Limited current at the date of this report. The report 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 report.

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This report does not include reference to all available information on MOD Resources Limited, the Sams Creek Gold Project or the Botswana Copper Project and should not be used in isolation as a basis to invest in the Company. Potential investors should refer to MOD Resources Limited's other public releases and consult professional advisers before investing in the Company.



ASX CODE: MOD

Auditors

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
WEST PERTH WA 6005

Legal Advisors

Drummond Law
48 Matheson Road
APPLECROSS WA 6153

CORPORATE DIRECTORY

Directors

Mr Mark Clements	(Executive Chairman)
Mr Simon Lee AO	(Non-Executive Director)
Mr Julian Hanna	(Managing Director)
Mr Steven McGhee	(Non-Executive Director)

Secretary

Mark Clements

Registered Office

34 Bagot Road
SUBIACO WA 6008
Telephone: (61 8) 9388 9449
Facsimile: (61 8) 9388 9409
E-mail: administrator@modresources.com.au
Website: www.modresources.com.au

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
APPLECROSS WA 6153
Telephone: (61 8) 9315 2333
Facsimile: (61 8) 9315 2233
E-mail: registrar@securitytransfer.com.au

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Directors' Report

Your directors submit their report for the half-year ended 30 June 2014.

DIRECTORS

The names of the Company's directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Mark Clements, Executive Chairman (*appointed Executive Chairman 30 April 2014*) and Company Secretary
 Mr Simon Lee AO, Non-Executive Director
 Mr Julian Hanna, Managing Director
 Mr Steven McGhee, Non-Executive Director (*appointed 30 April 2014*)

Mr Miles Kennedy, Chairman (*resigned 30 April 2014*)
 Mr Mark Drummond, Non-Executive Director (*resigned 30 April 2014*)

REVIEW AND RESULTS OF OPERATIONS

The consolidated net result of the consolidated entity after income tax was a loss of \$752,956 (2013: loss \$1,043,810).

MOD is conducting exploration programs at the Sams Creek Gold Project in New Zealand and at the Botswana Copper Project on the Kalahari Copper Belt, Botswana.

The Board of MOD Resources Ltd ("MOD" or the Company) is pleased to report a number of significant developments for the Company, notably at the Botswana Copper Project during the half-year ended 30 June 2014.

Due to low market sentiment towards gold during the first half of 2014 the MOD Board decided to postpone the proposed drilling program at the Sams Creek Gold Project and direct activities to MOD's substantial copper holdings in Botswana instead. MOD still considers Sams Creek has excellent potential for a significant upgrade to the current resource and drilling is proposed to resume at a number of targets when the Company's cash reserves permit.

The decision to focus on Botswana provided immediate positive results and opened up a number of new and exciting opportunities for the Company.

HIGHLIGHTS - Botswana Copper Project

- Two high grade copper/silver deposits, each >500m long identified from MOD's previous drilling at the western end of the Mahumo Deposit (previously named Corner K)
- Mineralisation occurs at shallow depth below 5-6m of sand cover and appears mainly associated with chalcocite (transitional copper sulphide) with minor malachite and chrysocolla
- High grade zones at Mahumo (West and East Zones) extend to around 200m and remain open down dip. Initial interpretation suggests potential the two zones may join at depth (Figure 2)
- Conceptual study underway consisting of an initial open pit mining optimisation study and metallurgical test work. Depending on results a conceptual underground study may proceed
- Initial pit optimisation results delineated an average grade of 1.8% copper and 47g/t silver within the pit shells assuming 80% copper processing recovery
- Three other priority drilling targets identified including the large Molelo Intrusion, Marthie and Boseto West Prospects (Figure 1). Drilling at Molelo planned to test magnetic core of intrusion

REVIEW AND RESULTS OF OPERATIONS (Continued)

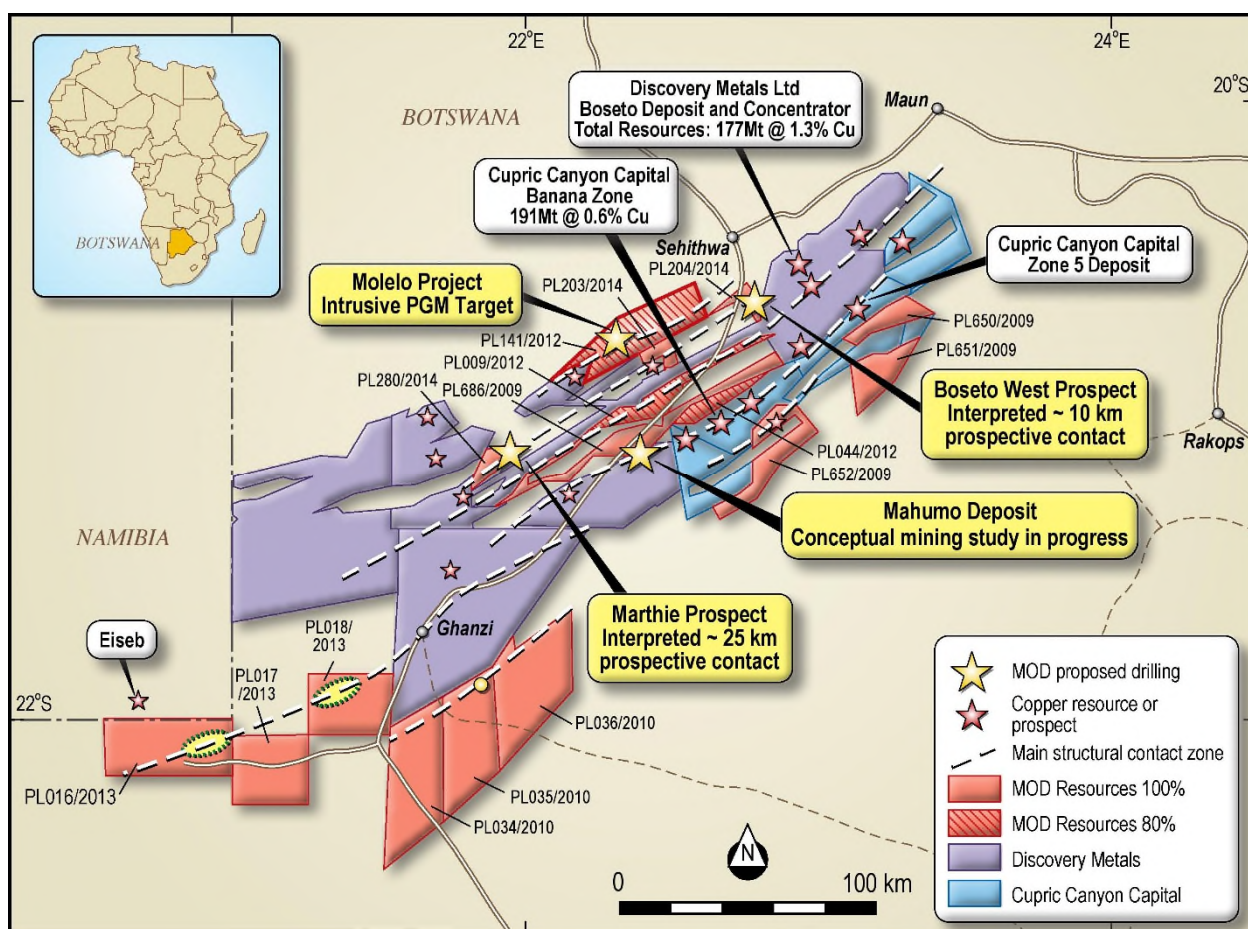


Figure 1: MOD's tenement holdings in Kalahari Copper Belt showing four areas where activities are focused.

Botswana Copper Project – Mahumo Project

During the period, MOD commenced a conceptual open pit mining study of two near surface, high grade vein style copper/silver deposits at the 100% owned Mahumo Project (previously named Corner K). The Mahumo Project represents the western, high grade portion of the 4.5km long Corner K mineral resource announced by MOD on 24 September 2012.

As part of the Mahumo conceptual study, MOD 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. As announced on 16 July 2014, the initial optimisation study delineated an average grade of 1.8% copper and 47g/t silver within the pit shells assuming 80% copper processing recovery.

MOD is now seeking more reliable indicative cost estimates which can be used to refine the Orelogy study. While further work (including revised cost estimates, metallurgical test work and resource infill drilling) is required to complete the study to a reportable standard and demonstrate the potential economics of the Mahumo Project, early results are encouraging. If results are positive MOD is likely to consider a deeper drilling program to test potential for extensions below the high grade zones.

REVIEW AND RESULTS OF OPERATIONS (Continued)

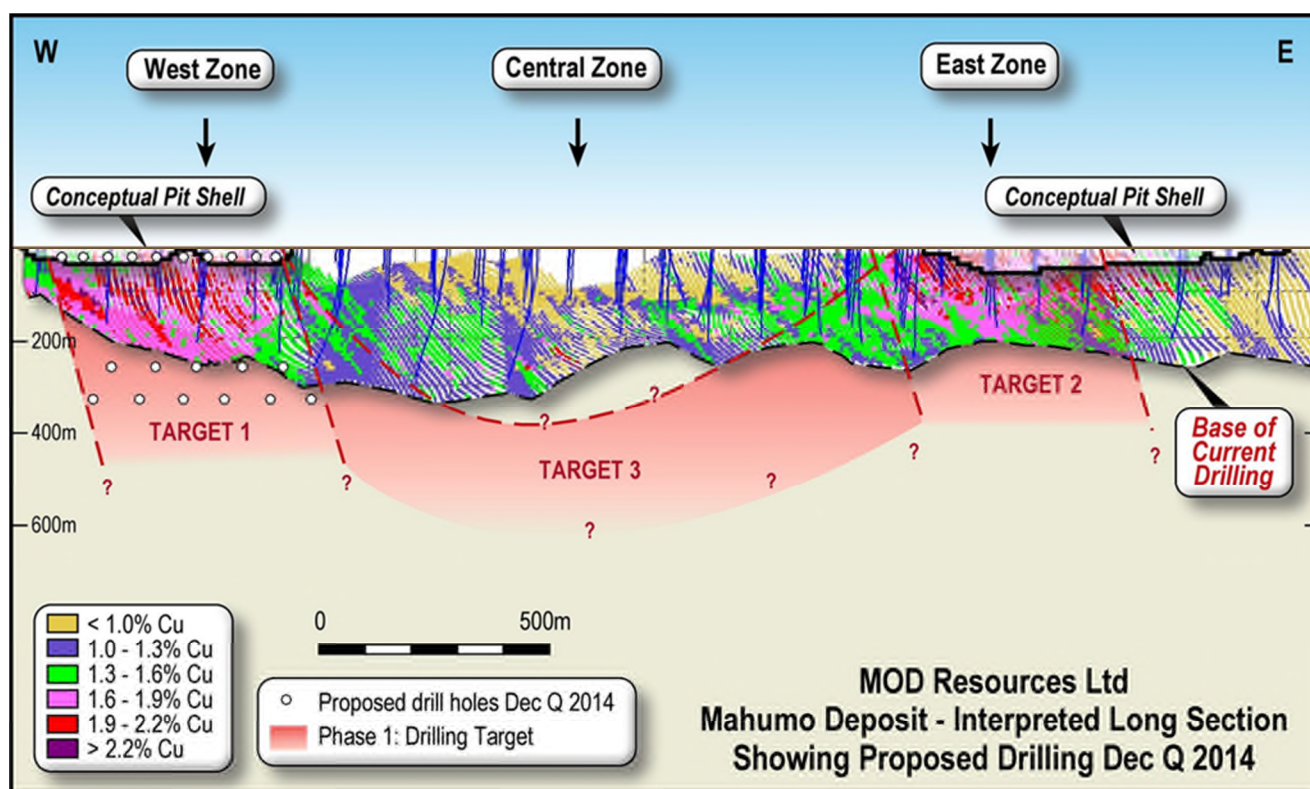


Figure 2: Preliminary interpretation of 2.5km long inclined long section at Mahumo showing West Zone and East Zone deposits

MOD geologists have re-logged drill core from shallow intersections in the West Zone and East Zones. This has confirmed copper/silver grades are mainly associated with disseminated and vein hosted chalcocite (transitional copper sulphides) within host sediments. Malachite (copper oxide) and chrysocolla (copper silicate) occur locally along fractures and veins. Based on drilling to date, sulphide mineralisation (chalcocite, bornite) is interpreted to occur at shallower depth compared with other sediment hosted deposits in the Kalahari Copper Belt.

Metallurgical test work of drill core samples from Mahumo is in progress to test the amenability of the shallow mineralisation for conventional sulphide flotation processing. This work is being undertaken by metallurgical consultants IMO in Perth with first results expected in the third quarter of 2014.

Previous diamond drilling by MOD along 2.5km strike length at Mahumo defined extensive vein related copper/silver mineralisation interpreted to extend from below 5-6m of sand cover to the current limit of drilling at 150-200m vertical depth. A conceptual study is underway to evaluate potential for developing the high grade West and East Zones, initially by shallow open pit and potentially by underground.

Drilling at the high grade Mahumo Copper/Silver Project in Botswana is expected to commence in late September 2014. The drilling program will be conducted by Orbit Drilling using two rigs sourced from Botswana (refer to Exploration Targets and Results and Forward Looking Statements within ASX announcement 10 September 2014).

The Mahumo diamond core drilling program has four key objectives:

1. Mineral Resource upgrade at the West Zone and East Zone copper/silver deposits (Figure 1)
2. Test potential for extensions below the West Zone and East Zone, between 200m to 400m depth
3. Complete conceptual mining study with updated resource, metallurgical and geotechnical results
4. Provide sufficient data to progress the Mahumo Project towards a scoping study level

Depending on results from the above program, a number of drill holes will also test the following high priority targets on two of MOD's other project areas:

- Drilling to test the magnetic core of the Molelo Intrusion for potential sulphide mineralisation
- RC drilling to test structural targets along the copper prospective contact at the Marthie Prospect

REVIEW AND RESULTS OF OPERATIONS (Continued)

Botswana Copper Project – Exploration

During the period, MOD's geological team made excellent progress on three other priority drilling targets on 80% and 100% owned tenements. These include:

1. **Molelo Intrusion** – ~10km long interpreted mafic intrusion in the central part of the Kalahari Copper Belt (Figure 3). A reinterpretation of magnetic susceptibility and geological data obtained from MOD's first drill hole (CL-02-D) drilled in the March quarter 2014 concluded that CL-02-D may have been drilled approximately 500m south of the prospective magnetic core of the intrusion (Figure 4).

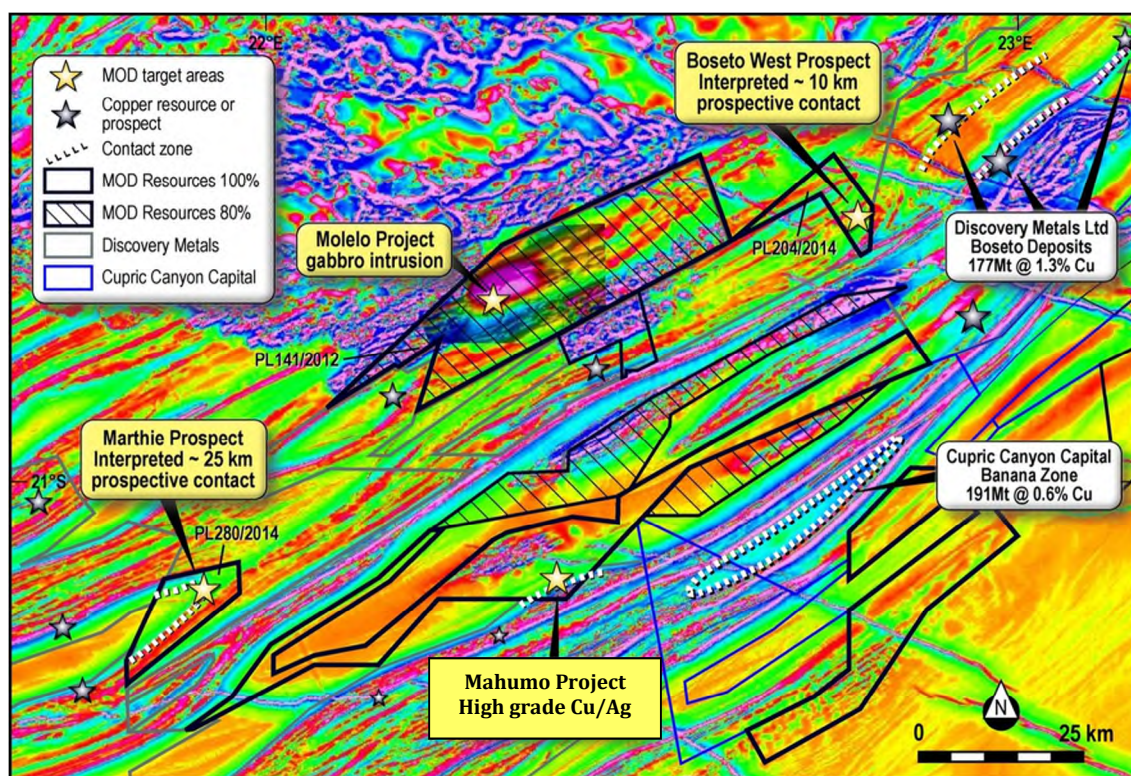


Figure 3: - Airborne magnetic Image of central Kalahari Copper Belt showing location of Molelo Intrusion



Figure 4: Molelo Intrusion – Interpreted 3D model of magnetic core of intrusion showing CL-02-D drilled south of core.

REVIEW AND RESULTS OF OPERATIONS (Continued)

Botswana Copper Project – Exploration (continued)

CL-02-D intersected approximately 100m of red, strongly hematite/potassic altered conglomerates, sandstones and siltstones interpreted to be intruded by a veined and altered mafic intrusion, probably gabbroic in composition. CL-02-D intersected a 16m interval of elevated platinum and palladium assays up to 10 times above the average values for platinum and palladium within the mafic.

The conceptual geological target for the next phase of diamond drilling at Molelo is the potential that the interpreted magnetic core of the intrusion may host sulphide mineralisation (Figure 4).

2. **Marthie Prospect** – During the June quarter MOD was granted a large Prospecting Licence (PL280/2014) covering an interpreted 25km long section of the copper prospective contact folded around a regional anticline axis within a well-defined structural corridor (Figure 3). The Marthie Prospect may occur in a favourable structural setting based on comparison with other substantial known copper/silver deposits in the Kalahari Copper Belt (Figure 1).

Preliminary interpretation suggests the southern limb and fold axis of the anticline which is obscured by Kalahari sand cover is a priority for drilling. MOD is currently trying to access previous widely spaced drilling data from other parties who have conducted exploration in the area.

3. **Boseto West Prospect** – During the June quarter MOD was also granted a Prospecting Licence (PL204/2014) covering an interpreted 10km long section of the copper prospective contact at the Boseto West Prospect. (Figures 1 and 3). Interpretation of airborne magnetic data suggests the Boseto West Prospect lies along strike from the Boseto Mine deposits which are in production.

HIGHLIGHTS - Sams Creek Gold Project

- Five drilling targets identified for potential extensions to the current 1Moz resource (Figure 5).
- Seven drilling targets identified with potential for porphyry-hosted mineralisation within the Stage 3 Target Area extending up to 1500 metres west of the current resource
- MOD granted a new Prospecting Permit which covers any possible extensions of the 7km long Sams Creek porphyry dyke along strike from the eastern most outcrop position.

Sams Creek Gold Project (MOD 60%, earning up to 80%)

The announced mineral resource at Sams Creek contains >1Moz gold. The resource is centred on the Main Zone deposit which comprises significant widths (up to 35m true width) of porphyry hosted gold mineralisation. The Main Zone is the only part of the Sams Creek porphyry dyke with any systematic drilling to date and the deposit remains completely open along strike and at depth.

The resource infill drilling program during 2013 intersected numerous high-grade gold zones including: 19.6m @ 6g/t, 16.2m @ 5.2g/t, 31.1m @ 3.6g/t and 63m @ 2.4g/t. All intersections were reported as down hole widths as detailed in the ASX announcement on 31 July 2013.

The potential for significant extensions to known mineralisation at Sams Creek was highlighted by a recent 3D model of the porphyry extending up to 1500m west of the current resource (Figure 5). The model was interpreted from porphyry outcrop, structural mapping and limited drilling outside the Main Zone.

REVIEW AND RESULTS OF OPERATIONS (Continued)

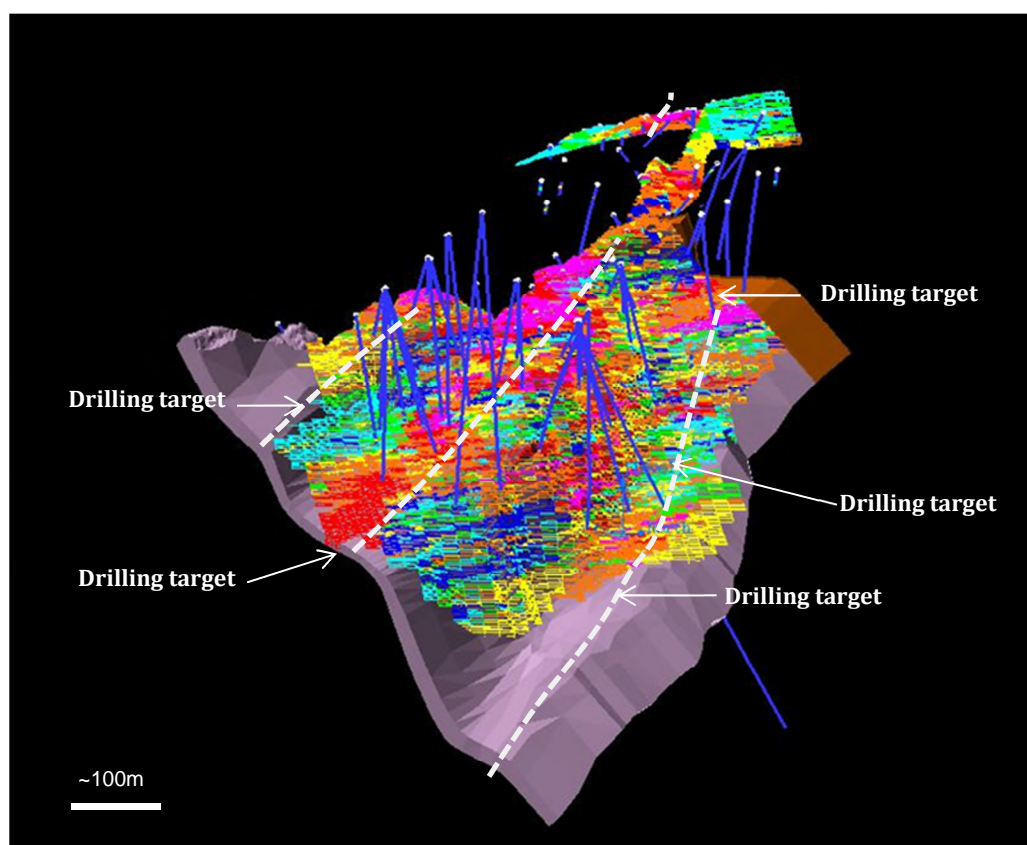


Figure 5: 3D wireframe model of the 1Moz Sams Creek Main Zone gold resource, looking southwest. Shows three interpreted fold axes in host porphyry, existing drill holes and proposed drilling targets.

Future drilling is proposed to focus on north-east trending fold axes which host the high grade gold mineralisation within the substantial Main Zone resource. Similar and parallel fold axes have been interpreted elsewhere in the porphyry west of the resource and this potential remains effectively untested.

The proposed drilling programs to test potential for extensions to the current resource are expected to commence when the Company's cash reserves permit.

CORPORATE

In February 2014 MOD raised approximately \$1.0M through a placement to professional and sophisticated clients of Blue Ocean Equities. As part of the placement, MOD issued 63m unlisted \$0.06 options, expiring 4 March 2017. Funds were used to progress the Botswana Copper Project and Sams Creek Gold Project and to continue evaluating other advanced growth opportunities in line with the Company's previously-announced strategy.

On 30 April 2014, MOD announced the appointment of Mr Steve McGhee as a non-executive Director of the Company as part of a planned Board restructure.

Mr McGhee is a Director of Perth-based Independent Metallurgical Operations (IMO) and has a broad 20-year background in metallurgy including operations, ore processing, engineering and laboratory management. He has worked in various operations and project roles throughout Australia and offshore.

As part of the MOD Board restructure, Mr Miles Kennedy resigned as non-executive Chairman to focus on other corporate roles, including Resource and Investment NL and Lucapa Diamond Company Limited. Non-executive Director, Mr Mark Drummond also resigned from the MOD Board.

MOD Executive Director and Company Secretary, Mr Mark Clements replaced Mr Kennedy as Chairman.

REVIEW AND RESULTS OF OPERATIONS (Continued)

During the period, the Company extended the initial facility period of the \$2 million loan (Loan) from SHL Pty Ltd, a long standing shareholder of the Company controlled by a related party of MOD director, Simon Lee AO until 4 January 2015, instead of ending one (1) year from the date of the execution of the Loan agreement. In the event the loan is further extended, it will be as a secured loan at a reduced interest rate of 7% per annum. MOD is not required to pay an establishment fee for the loan and has the right to repay the loan early without incurring any penalty.

On 20 June 2014, MOD issued 2,000,000 unlisted \$0.075 options expiring 20 June 2017 to Mr Jacques Janse van Rensburg, General Manager Exploration (Africa), as part of an incentive component of his remuneration package.

SUBSEQUENT EVENTS

On 4 August 2014, the Board announced that the 45,000,000 unlisted \$0.20 options exercisable on or before 1 August 2014 had been expired without exercise.

On 27 August 2014, the Board announced that the Company had raised \$2 million in a two tranche placement, subject to shareholder approval, 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.

Blue Ocean Equities Pty Ltd was lead manager to the placement which was undertaken in two parts. Tranche One 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 shortly, 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.

MOD has continued to optimize its landholding on the Kalahari Copper Belt and subsequent to period end, in accordance with the Mines and Mineral Act of Botswana. MOD applied to retain the most prospective portions of some northern licences which are due to expire on 30 September 2014 as outlined in the Schedule of Exploration Licences. MOD has provided the Department of Mines with details of the application of the funds raised from the recent placement to further support the licence renewals.

REVIEW AND RESULTS OF OPERATIONS (Continued)

Other than the above, there has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's independence declaration is set out on page 9 and forms part of the directors' report for the half year ended 30 June 2014.

Signed in accordance with a resolution of the directors.

MARK CLEMENTS
Chairman

Perth, 10th September 2014

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

**Auditor's Independence Declaration
To The Directors of MOD Resources Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of MOD Resources Limited for the half-year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

- a No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

MAREK

M A Petricevic
Partner - Audit & Assurance

Perth, 10 September 2014

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AS AT 30 JUNE 2014

		As at 30 June 2014 \$	As at 31 December 2013 \$
	Notes		
ASSETS			
Current Assets			
Cash and cash equivalents	5	631,234	757,726
Trade and other receivables		62,261	47,889
Other current assets		9,731	47,143
Total Current Assets		703,226	852,758
Non-Current Assets			
Exploration and evaluation expenditure	6	18,036,931	17,691,525
Plant and equipment		79,567	181,496
Total Non-Current Assets		18,116,498	17,873,021
TOTAL ASSETS		18,819,724	18,725,779
LIABILITIES			
Current Liabilities			
Trade and other payables	7	493,272	452,597
Interest bearing liabilities	8	2,000,000	2,000,000
Provisions		84,114	45,082
Total Current Liabilities		2,577,386	2,497,679
TOTAL LIABILITIES		2,577,386	2,497,679
NET ASSETS		16,242,338	16,228,100
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital	9	59,312,497	58,365,100
Reserves	10	8,522,887	8,703,090
Accumulated losses		(51,593,046)	(50,840,090)
TOTAL EQUITY		16,242,338	16,228,100

The accompanying notes form part of the financial report.

FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Notes	30 June 2014 \$	30 June 2013 \$
Continuing operations			
Interest income	3	9,441	27,115
Gain on disposal of financial assets	3	-	8,616
Other income	3	30,519	37,865
Share based payments	3,11	(20,338)	(375,047)
Administrative expenses	3	(738,135)	(736,536)
Interest expense	3	(80,000)	-
Depreciation expense	3	(607)	(2,194)
Loss before income tax		<u>(799,120)</u>	<u>(1,040,181)</u>
Income tax benefit/(expense)		<u>46,164</u>	<u>(3,629)</u>
Net loss for the period		<u><u>(752,956)</u></u>	<u><u>(1,043,810)</u></u>
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation		<u>(200,541)</u>	<u>547,169</u>
Other comprehensive (loss)/income for the period		<u>(200,541)</u>	<u>547,169</u>
Total comprehensive loss for the period		<u><u>(953,497)</u></u>	<u><u>(496,641)</u></u>
Loss per share attributable to the ordinary equity holders of the Company:			
- basic loss per share (cents per share)		(0.13)	(0.21)
- diluted loss per share (cents per share)		(0.13)	(0.21)

The accompanying notes form part of the financial report.

FOR THE HALF-YEAR ENDED 30 JUNE 2014

Consolidated	Issued Capital \$	Reserves – Options \$	Foreign Currency Translation Reserves \$	Accumulated Losses \$	Total Equity \$
At 1 January 2014	58,365,100	7,597,213	1,105,877	(50,840,090)	16,228,100
Net loss for the period	-	-	-	(752,956)	(752,956)
Other comprehensive loss	-	-	(200,541)	-	(200,541)
Total comprehensive loss for the year	-	-	(200,541)	(752,956)	(953,497)
Transaction with owners in their capacity as owners					
Issuance of shares	1,008,000	-	-	-	1,008,000
Share-based payments – options	-	20,338	-	-	20,338
Capital raising costs	(60,603)	-	-	-	(60,603)
At 30 June 2014	59,312,497	7,617,551	905,336	(51,593,046)	16,242,338
At 1 January 2013	55,874,120	8,224,447	(241,238)	(45,029,645)	18,827,684
Net loss for the period	-	-	-	(1,043,810)	(1,043,810)
Other comprehensive income	-	-	547,169	-	547,169
Total comprehensive loss for the year	-	-	547,169	(1,043,810)	(496,641)
Transaction with owners in their capacity as owners					
Issuance of shares	2,500,000	-	-	-	2,500,000
Share-based payments – options	-	375,047	-	-	375,047
Options expired	-	(1,061,563)	-	1,061,563	-
Capital raising costs	(9,020)	-	-	-	(9,020)
At 30 June 2013	58,365,100	7,537,931	305,931	(45,011,892)	21,197,070

The accompanying notes form part of the financial report.

FOR THE HALF-YEAR ENDED 30 JUNE 2014

	Notes	30 June 2014 \$	30 June 2013 \$
Cash flows from operating activities			
Payments to suppliers and employees		(521,020)	(790,260)
Interest paid		(80,000)	-
Interest received		10,134	25,259
Other revenue received		-	37,865
Income tax refund/(paid)		46,164	(17,742)
Net cash used in operating activities		(544,722)	(744,878)
Cash flows from investing activities			
Payment of exploration and evaluation		(627,730)	(976,570)
Proceeds from sale of financial assets		-	46,096
Acquisition of plant and equipment		(1,324)	-
Proceeds from sale of plant and equipment		104,593	4,287
Net cash used in investing activities		(524,461)	(926,187)
Cash flows from financing activities			
Issuance of shares		1,008,000	2,500,000
Capital raising costs		(60,603)	(9,020)
Net cash provided by financing activities		947,397	2,490,980
Net (decrease)/increase in cash held		(121,786)	819,915
Net foreign exchange differences		(4,706)	5,661
Cash and cash equivalents at beginning of period		757,726	706,216
Cash and cash equivalents at end of period	5	631,234	1,531,792

The accompanying notes form part of the financial report.

FOR THE HALF-YEAR ENDED 30 JUNE 2014**1. Company information**

MOD Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange. MOD Resources Limited and its subsidiaries (the 'Group' or 'Consolidated Entity') are a for-profit entity. The principal activities of the consolidated entity during the half-year ended 30 June 2014 were exploration for copper, silver, platinum and palladium in Botswana and gold in New Zealand.

2. Basis of preparation and accounting policies**Basis of Preparation**

These general purpose financial statements for the interim half-year reporting period ended 30 June 2014 have been prepared in accordance with requirements of the *Corporations Acts 2001* and *Australian Accounting Standards* including AASB 134 *Interim Financial Reporting*. Compliance with *Australian Accounting Standards* ensures that the financial statements and notes also comply with *International Financial Reporting Standards*.

This interim financial report is intended to provide users with an update on the latest annual financial statements of MOD Resources Limited and its controlled entities. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 31 December 2013, together with any public announcements made during the half-year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements except for the adoption of the following new and revised Accounting Standards.

Going concern

These financial statements have been prepared on the basis of going concern, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

Whilst the Group has achieved exploration success with its mineral projects, the directors recognise that the Group will have to seek additional funding in order to continue to exploit and develop its Sams Creek Gold Project and Botswana Copper Project.

During the period the Company incurred an operating loss of \$752,956 (2013: \$1,043,810).

The Directors consider the basis of going concern to be appropriate for the following reasons:

1. On 27 August 2014, the Board announced that the Company had 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.
2. The Company has extended its \$2 million loan initial facility period from SHL Pty Ltd, a long standing shareholder of the Company controlled by a related party of MOD director, Simon Lee AO, until 4 January 2015. In the event the loan is further extended, it will be as a secured loan at a reduced interest rate of 7% per annum.
3. The Company's future operating cash flows will be managed according to the Company's financial capabilities. The Company has the ability to reduce the rate of expenditure in the event access to additional funding is delayed.
4. The Board continues to be focused on meeting the Company's business objectives and is mindful of the funding requirements to meet these objectives.

Should the Group be unable to obtain sufficient funding as disclosed above, there is a material uncertainty which may cast doubt as to whether or not the Group will be able to continue as a going concern and whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements.

The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts nor to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

FOR THE HALF-YEAR ENDED 30 JUNE 2014**3. Revenue and expenses**

Loss from ordinary activities before income tax is arrived at after taking into account:

	CONSOLIDATED	
	30 June 2014 \$	30 June 2013 \$
Interest income	<u>9,441</u>	<u>27,115</u>
Gain on disposal of financial assets		
- Listed shares	<u>-</u>	<u>8,616</u>
Other income	<u>30,519</u>	<u>37,865</u>
Share based payments (Note 11)	<u>(20,338)</u>	<u>(375,047)</u>
Administrative expenses		
- Management and consulting fees	(89,813)	(172,518)
- Salaries and wages	(72,848)	(48,108)
- Financial and accounting services	(50,717)	(44,778)
- Directors' fees	(205,173)	(132,085)
- Travel	(13,325)	(15,520)
- Professional fees	(70,654)	(59,804)
- Rent	(47,347)	(45,117)
- Investor relations	(4,609)	(6,163)
- Insurance	(21,160)	(26,597)
- Other administrative expenses	<u>(162,489)</u>	<u>(185,846)</u>
	<u>(738,135)</u>	<u>(736,536)</u>
Depreciation expense		
- Depreciation: plant and equipment	<u>(607)</u>	<u>(2,194)</u>
Interest expense on shareholder loan	<u>(80,000)</u>	<u>-</u>

4. Dividends paid and proposed

There have been no dividends paid and proposed during the half-year 30 June 2014 (2013: Nil) and for the financial year 31 December 2013 (2012: Nil).

5. Cash and cash equivalents

For the purposes of the half-year statement of cash flows, cash and cash equivalents comprise the following:

	CONSOLIDATED	
	30 June 2014 \$	31 December 2013 \$
Cash at bank and on hand	97,978	263,031
Short-term deposits	<u>533,256</u>	<u>494,695</u>
	<u>631,234</u>	<u>757,726</u>

FOR THE HALF-YEAR ENDED 30 JUNE 2014**6. Exploration and evaluation expenditure**

	CONSOLIDATED	
	30 June 2014	31 December 2013
	\$	\$
Exploration and evaluation expenditure	<u>18,036,931</u>	<u>17,691,525</u>
Movements in exploration and evaluation expenditure		
Beginning balance	17,691,525	6,492,007
Transfer from former discontinued operation	-	11,543,297
Expenditure during the period	542,536	3,301,485
Impairment loss of exploration and evaluation expenditure	(1,847)	(5,009,380)
Foreign exchange difference	<u>(195,283)</u>	<u>1,364,116</u>
Ending balance	<u>18,036,931</u>	<u>17,691,525</u>

7. Trade and other payables

	CONSOLIDATED	
	30 June 2014	31 December 2013
	\$	\$
Trade Creditors	255,027	264,937
Related Parties	226,277	115,863
Other creditors and accruals	<u>11,968</u>	<u>71,797</u>
	<u>493,272</u>	<u>452,597</u>

Trade, Related Parties and Other Creditors and Accruals are non-interest bearing. The payables to Related Parties include director and consulting services, company secretarial services, interest and rent, due to directors or their associated companies. Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

8. Interest-bearing liabilities

	CONSOLIDATED	
	30 June 2014	31 December 2013
	\$	\$
Shareholder borrowings	<u>2,000,000</u>	<u>2,000,000</u>

On 8 July 2013, MOD secured a \$2 million loan from SHL Pty Ltd, a long-standing shareholder of the Company controlled by a related party of MOD director Simon Lee, AO. The \$2 million loan was unsecured for an initial 12-month period and had an interest of 8% per annum, payable monthly in arrears until 4 July 2014. During the period, interest paid to this entity was \$80,000 (30 June 2013: Nil) of which \$13,333 was payable as at 30 June 2014 (31 December 2013: \$13,333).

On 5 May 2014, MOD extended the initial facility period of the loan until 4 January 2015, instead of ending one (1) year from the date of the execution of the loan agreement. In the event the loan is further extended, it will be as a secured loan at a reduced interest rate of 7% per annum. MOD is not required to pay an establishment fee for the loan and has the right to repay the loan early without incurring any penalty.

FOR THE HALF-YEAR ENDED 30 JUNE 2014

9. Issued capital

	CONSOLIDATED	
	30 June 2014	31 December 2013
	\$	\$
Issued capital		
581,746,589 fully paid ordinary shares	59,312,497	58,365,100
(2013: 518,746,589 ordinary shares)		

	30 June 2014		31 December 2013	
	Number of Shares	\$	Number of Shares	\$
Movement in Shares on Issue				
Beginning of the period	518,746,589	58,365,100	468,746,589	55,874,120
Issued during the year				
- shares issued pursuant to placement ⁽ⁱ⁾	63,000,000	1,008,000	50,000,000	2,500,000
- capital raising costs	-	(60,603)	-	(9,020)
Ending of the period	581,746,589	59,312,497	518,746,589	58,365,100

⁽ⁱ⁾ On 4 March 2014, the Company issued 63,000,000 fully paid ordinary shares at a value of \$0.016 each as part of a placement to raise \$1 million (before costs of the issue). Each share has been issued with an unlisted option at no further consideration. The options are exercisable at 6 cents at any time prior to expiry, 3 years from the date of issue.

10. Reserves

	CONSOLIDATED	
	30 June 2014	31 December 2013
	\$	\$
Options reserves – share-based payments	7,617,551	7,597,213
Foreign currency translation reserves	905,336	1,105,877
	8,522,887	8,703,090

Share-based payment transactions

The share-based payment transaction reserve is used to recognise the value of equity-settled share-based payment transactions provided to consultants and employees, including key management personnel, as part of their remuneration.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries.

FOR THE HALF-YEAR ENDED 30 JUNE 2014**11. Share-based payments**

The number of unlisted options outstanding over unissued ordinary shares at balance date is as follows:

	30 June 2014 \$	31 December 2013 \$
Balance at beginning of period	<u>7,597,213</u>	<u>8,224,447</u>
Key Management Personnel Options		
20 June 2014: 2,000,000 unlisted options exercisable at \$0.075; expiring on 20 June 2017	20,338	-
Key Management Personnel Options		
21 August 2013: 3,000,000 unlisted options exercisable at \$0.20; expiring on 12 June 2016	-	59,282
Directors' Options		
12 June 2013: 18,000,000 unlisted options exercisable at \$0.20; expiring on 12 June 2016	-	375,047
	<u>20,338</u>	<u>434,329</u>
Options Expired		
Options - Acquisition of Amphion		
25 February 2011: 2,000,000 unlisted options exercisable at \$0.20; expiring on 15 May 2013	-	(5,073)
Directors' Options		
28 February 2011: 10,000,000 unlisted options exercisable at \$0.20; expiring on 15 May 2013	-	(1,056,490)
	<u>-</u>	<u>(1,061,563)</u>
Balance at end of period	<u>7,617,551</u>	<u>7,597,213</u>

The Option Reserve records the fair value of the options relating to the directors and shareholders which were issued for nil consideration.

The following illustrates the movements in Directors, Key Management Personnel and Employee Options during the period:

	30 June 2014 No.	31 December 2013 No.
Outstanding at beginning	28,050,000	17,550,000
Granted during the period/year	2,000,000	21,000,000
Exercised during the period/year	-	-
Expired during the period/year	<u>-</u>	<u>(10,500,000)</u>
Outstanding at ending	<u>30,050,000</u>	<u>28,050,000</u>

FOR THE HALF-YEAR ENDED 30 JUNE 2014**11. Share-based payments (continued)****Fair value basis**

The fair value of these options are recognised, from their date of grant, over their vesting period; fair value are determined as at date of grant using the Black & Scholes option pricing model that takes into account the exercise price, the term of the option, the underlying share price as at date of grant, the expected price volatility of the underlying shares and the risk-free interest rate for the term of the option. The Company is required to expense the options on the basis that the fair value cost at date of grant is apportioned over the vesting period applicable to each option.

Date of issue	Description of Unlisted Options	Vesting criteria	Deemed price	Risk free rate	Price volatility
2014					
20 June 2014	Key Management Personnel Options Unlisted options exercisable at \$0.075; expiring on 20 June 2017	Vested at the date of the issue of the options	1.3 cents	2.76%	188%
2013					
21 August 2013	Key Management Personnel Options Unlisted options exercisable at \$0.20; expiring on 12 June 2016	Vested at the date of the issue of the options	4.0 cents	2.77%	132%
12 June 2013	Director's Options Unlisted options exercisable at \$0.20; expiring on 12 June 2016	Vested at the date of the issue of the options	3.7 cents	2.60%	141%
2012					
30 April 2012	Director's Options Unlisted options exercisable at \$0.25; expiring on 30 April 2015	Vested at the date of the issue of the options	12 cents	3.01%	120%
1 March 2012	Key Management Personnel Options Unlisted options exercisable at \$0.30; expiring on 1 March 2015	Vested at the date of the issue of the options	23 cents	3.77%	120%
9 February 2012	Key Management Personnel Options Unlisted options exercisable at \$0.25; expiring on 9 February 2015	Vested at the date of the issue of the options	22 cents	3.61%	120%
1 August 2011	Options – Acquisition of Botswana Copper Project Unlisted options exercisable at \$0.20; expiring on 1 August 2014	Vested at the date of the issue of the options (escrowed until 1 August 2012)	20 cents	4.37%	120%

The model inputs for assessing the fair value of options granted during the period are as follows:

- Options are granted for no consideration and vest as described in the table above;
- Exercise price is as described in the table above;
- Grant date is as described in the table above;
- Expiry date is as described in the table above;
- Share price is based on the last bid price on ASX as at date of grant, as described in the table above;
- Expected price volatility of the Company shares is based on independent assessments;
- Expected dividend yield is nil;
- Risk-free interest rate is based on the 3 year Commonwealth bond yield, as described in the table above.

12. Fair value measurement

The carrying values of financial assets and financial liabilities approximate their fair values at the balance sheet date.

FOR THE HALF-YEAR ENDED 30 JUNE 2014**13. Expenditure commitments****(a) Capital expenditure commitments****Sams Creek Gold Project**

Since 31 December 2013, there has been no change to the exploration expenditure commitments on the licences for Sams Creek Gold Project.

Botswana Copper Project

Since 31 December 2013, the exploration expenditure commitments on the licences for Botswana Copper Project have reduced to BWP16,929,801 (\$2.067million) (31 December 2013: BWP19,282,528 (\$2.5 million)).

Subsequent to year-end, MOD has continued to optimize its landholding on the Kalahari Copper Belt and subsequent to period end, in accordance with the Mines and Mineral Act of Botswana. MOD applied to retain the most prospective portions of some northern licences which are due to expire on 30 September 2014 as outlined in the Schedule of Exploration Licences. MOD has provided the Department of Mines with details of the application of the funds raised from the recent placement to further support the licence renewals.

14. Segment information**(i) Segment performance**

	Sams Creek Gold Project \$	Botswana Copper Project \$	Others \$	Total \$
For the half-year ended 30 June 2014				
Interest income	-	47	9,394	9,441
Other income	-	30,519	-	30,519
Total segment revenue	-	30,566	9,394	39,960
Total group revenue				<u>39,960</u>
Segment (loss)/profit before tax	(10,704)	8,062	(796,478)	(799,120)
Reconciliation of segment result to group net loss before tax Amounts not included in segment results but reviewed by the Board:				
Other items				
- Income tax refund	-	-	46,164	<u>46,164</u>
Net loss after tax				<u>(752,956)</u>

FOR THE HALF-YEAR ENDED 30 JUNE 2014

14. Segment information (continued)

	Sams Creek Gold Project \$	Botswana Copper Project \$	Others \$	Total \$
For the half-year ended 30 June 2013				
Gain on disposal of financial assets	-	-	8,616	8,616
Interest income	-	5	27,110	27,115
Other income	-	-	37,865	37,865
Total segment revenue	-	5	73,591	73,596
Total group revenue				73,596
Segment loss before tax	(16,110)	12,843	(1,036,914)	(1,040,181)
Reconciliation of segment result to group net loss before tax Amounts not included in segment results but reviewed by the Board:				
Other items				
- Income tax expense	-	-	(3,629)	(3,629)
Net loss after tax				(1,043,810)

	Sams Creek Gold Project \$	Botswana Copper Project \$	Others \$	Total \$
30 June 2014				
Segment assets	10,591,009	7,590,536	638,179	18,819,724
Segment liabilities	69,482	84,293	2,423,611	2,577,386
31 December 2013				
Segment assets	10,237,413	7,722,968	765,398	18,725,779
Segment liabilities	82,760	168,177	2,246,742	2,497,679

15. Subsequent events

On 4 August 2014, the Board announced that the 45,000,000 unlisted \$0.20 options exercisable on or before 1 August 2014 had been expired without exercise.

On 27 August 2014, the Board announced that the Company had raised \$2 million in a two tranche placement, subject to shareholder approval, 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.

FOR THE HALF-YEAR ENDED 30 JUNE 2014**15. Subsequent events (continued)**

Blue Ocean Equities Pty Ltd was lead manager to the placement which was undertaken in two parts. Tranche One 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 shortly, 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.

MOD has continued to optimize its landholding on the Kalahari Copper Belt and subsequent to period end, in accordance with the Mines and Mineral Act of Botswana. MOD applied to retain the most prospective portions of some northern licences which are due to expire on 30 September 2014 as outlined in the Schedule of Exploration Licences. MOD has provided the Department of Mines with details of the application of the funds raised from the recent placement to further support the licence renewals.

Other than the above, there has not been any other matter or circumstance that has arisen since the end of the half-year that has significantly affected, or may significantly affect, the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Directors' Declaration

In accordance with a resolution of the directors of MOD Resources Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the financial position as at 30 June 2014 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

MARK CLEMENTS
Chairman

Perth, 10th September 2014

Level 1
10 Kings Park Road
West Perth WA 6005

Correspondence to:
PO Box 570
West Perth WA 6872

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report To the Members of MOD Resources Limited

We have reviewed the accompanying half-year financial report of MOD Resources Limited ("Company"), which comprises the consolidated financial statements being the consolidated statement of financial position as at 30 June 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement or description of accounting policies, other explanatory information and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of MOD Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such controls as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of MOD Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of MOD Resources Limited is not in accordance with the Corporations Act 2001, including:

- a giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001.

Material uncertainty regarding continuation as a going concern

Without qualifying our conclusion, we draw attention to Note 2 in the financial report which indicates that the company incurred a net loss of \$752,956 during the half year ended 30 June 2014. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M A Petricevic
Partner - Audit & Assurance

Perth, 10 September 2014

Schedule of Exploration Licences

The following exploration licences were in place at 30 June 2014;

Sams Creek Gold Project

PERMIT/LICENCE NUMBER	SIZE (KM ²)	HOLDING	TITLE HOLDER	LICENCE COMMENCEMENT DATE	RENEWAL DATE
EP40338	30.6	60%	Sams Creek Gold Limited	27-Mar-98	27-Mar-17
EP54454	32.0	100%	Sams Creek Gold Limited	25-Sep-12	25-Sep-17
PP 55645	39.2	100%	Sams Creek Gold Limited	28-Feb-14	28-Feb-16

Botswana Copper Project

LICENCE NUMBER	SIZE (KM ²)	HOLDING	TITLE HOLDER	LICENCE COMMENCEMENT DATE	RENEWAL DATE
Northern Licences					
PL650/2009	177.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
PL651/2009	285.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
PL652/2009	398.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
PL686/2009	463.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
PL203/2014	77.7	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-14	31-Mar-17
PL204/2014	70.8	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-14	31-Mar-17
PL280/2014	116.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jul-14	30-Jun-17
Southern Licences					
PL016/2013	934.3	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL017/2013	670.8	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL018/2013	638.9	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL034/2010	921.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
PL035/2010	789.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
PL036/2010	941.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
JV Licences					
PL009/2012	310.4	80%	GGZ Investments (Pty) Ltd	1-Jan-12	31-Dec-14
PL141/2012	643.4	80%	Mokgweetsi Mining (Pty) Ltd	1-Apr-12	31-Mar-15
PL044/2012	151.1	80%	Mokgweetsi Mining (Pty) Ltd	1-Jan-12	31-Dec-14

- (i) PL280/2014 was issued within the period; however commencement date of this licence is 1 July 2014.



MOD RESOURCES LIMITED
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