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**MOD RESOURCES LIMITED**  
**ACN 003 103 544**

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**NOTICE OF GENERAL MEETING**

**The General Meeting of the Company will be held at 12.30pm at  
The Celtic Club, 48 Ord Street, West Perth, Western Australia on  
Monday, 20 October 2014**

*This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*If you wish to discuss any matter relating to this Notice of General Meeting please contact the Company Secretary by telephone on (08) 9388 9449.*

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## TIME AND PLACE OF MEETING AND HOW TO VOTE

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### VENUE

The General Meeting of Shareholders of MOD Resources Limited (**Company**) will be held at:

The Celtic Club  
48 Ord Street  
West Perth, Western Australia  
Commencing 12.30pm (WST) on Monday, 20 October 2014  
(**Meeting**).

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### VOTING ENTITLEMENTS

For the purposes of the Corporations Act, all securities of the Company that are quoted securities at 5.00pm (WST) on Saturday, 18 October 2014 will be taken, for the purposes of the Meeting, to be held by the persons who held them at the time and such persons are eligible to vote at the Meeting.

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### HOW TO VOTE

The business of the Meeting affects your shareholding and your vote is important. Please take action by voting in person (or authorised representative) or by proxy.

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### VOTING IN PERSON

To vote in person, attend the Meeting on the date and at the place set out above. The Meeting will commence at 12.30pm (WST).

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### PROXIES

A Proxy Form accompanies this Notice of General Meeting. To be effective the Proxy Form must be completed and received at the Company's share registry, Security Transfer Registrars, no later than 48 hours before commencement of the Meeting.

#### **Share Registry**

Security Transfer Registrars  
770 Canning Highway  
Applecross WA 6153  
PO Box, 535, Applecross WA 6953

Or by facsimile on: +61 8 9315 2233

Or by e-mail to: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

If any Shareholder wishes to lodge a proxy electronically, it will be necessary to follow the instructions set out on the Proxy Form.

If you are entitled to attend and cast a vote at the Meeting you may appoint up to two proxies. A proxy may be an individual or a corporation but need not be a Shareholder. If you appoint two proxies each proxy may exercise half of your votes if no proportion or number of votes is specified.

If you appoint a proxy but attend the Meeting yourself, the rights of the proxy to speak and vote on your behalf at the Meeting will be suspended while you are present.

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## **CORPORATE REPRESENTATIVES**

A corporation may appoint an individual as a representative to exercise its powers as Shareholder or as a Shareholder's proxy. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed, unless it has been previously given to the Company's share registry.

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## **POWERS OF ATTORNEY**

A person appearing as an Attorney for a Shareholder should produce a properly executed original (or certified copy) of an appropriate Power of Attorney for admission to the General Meeting.

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## AGENDA

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### 1. Resolution 1 – Ratification of issue of Shares pursuant to Tranche 1 Placement

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the prior issue of 143,125,000 Shares on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any of their associates. The Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 2. Resolution 2 – Issue of Shares to Orbit Drilling Pty Ltd

To consider and, if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 62,500,000 Shares to Orbit Drilling Pty Ltd (or its nominee) on the terms and conditions set out in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Orbit Drilling Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person. The Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 3. Resolution 3 – Authorise participation of Mr Simon Lee AO in the Tranche 2 Placement

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That, subject to Resolutions 4 and 5 in this Notice being passed, in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 18,750,000 Shares to Mr Simon Lee AO (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Simon Lee AO and any associate of Mr Lee. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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### 4. Resolution 4 – Authorise participation of Mr Julian Hanna in the Tranche 2 Placement

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That, subject to Resolutions 3 and 5 in this Notice being passed, in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 16,250,000 Shares to Mr Julian Hanna (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

#### **Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Julian Hanna and any associate of Mr Hanna. However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**5. Resolution 5 – Approval for the issue of Shares to Mr Jacques Janse van Rensburg**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That, subject to Resolutions 3 and 4 in this Notice being passed, in accordance with Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 9,375,000 Shares to Mr Jacques Janse van Rensburg (or his nominee) on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Janse van Rensburg and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person. The Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**6. Resolution 6 – Approval for the issue of Shares to Broker**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*"That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 6,250,000 Shares to Blue Ocean Equities Pty Ltd on the terms and conditions in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Blue Ocean Equities Pty Ltd and any person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any votes cast by an associate of such person. The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**7. Resolution 7 – Approval for the issue of Shares to Mr Julian Hanna**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*“That, subject to Resolutions 8 and 9 of this Notice being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,572,090 Shares to Mr Julian Hanna (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Julian Hanna and any of their associates. The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**8. Resolution 8 – Approval for the issue of Shares to Mr Mark Clements**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*“That, subject to Resolutions 7 and 9 of this Notice being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,325,000 Shares to Mr Mark Clements (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Mark Clements and any of their associates. The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**9. Resolution 9 – Approval for the issue of Shares to Mr Miles Kennedy**

To consider, and if thought fit, to pass with or without amendment, the following as an **ordinary resolution**:

*“That, subject to Resolutions 7 and 8 of this Notice being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 1,587,567 Shares to Mr Miles Kennedy (or his nominees) on the terms and conditions set out in the Explanatory Memorandum.”*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution by Mr Miles Kennedy and any of their associates. The Company will not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**

**Mark Clements**  
**Company Secretary**  
**19 September 2014**



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## EXPLANATORY MEMORANDUM

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### 1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 20 October 2014 at 12.30pm (WST).

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

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### 2. Action to be taken by Shareholders

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a "proxy") to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

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### 3. Resolution 1 – Ratification of issue of Shares pursuant to Tranche 1 Placement

#### 3.1 Background

As detailed in the Company's ASX announcement on 27 August 2014, the Company raised \$2,000,000 through a two tranche placement (**Placement**) to professional and sophisticated investors (**Participants**).

On 2 September 2014, the Company completed the placement of 143,125,000 Shares at an issue price of \$0.008 each per Share (**Tranche 1 Placement**) to Participants to raise approximately \$1.145 million (before associated costs).

#### 3.2 Listing Rule 7.4

In accordance with Listing Rule 7.1, the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rule 7.1 (and provided that the previous issue did not breach Listing Rule 7.1) those securities will be deemed to have been made with Shareholder approval for the purposes of Listing Rule 7.1.

The number of Shares issued under the Tranche 1 Placement that were issued pursuant to the Company's 15% annual placement capacity under Listing Rule 7.1 was 85,261,988 and the number of Shares issued pursuant to the Company's additional 10% annual placement capacity under Listing Rule 7.1A was 57,863,012.

Resolutions 1 is an ordinary resolution and seeks Shareholder ratification pursuant to Listing Rule 7.4 for the Shares issued under the Tranche 1 Placement.

The effect of Shareholders passing Resolution 1 will be to restore the Company's ability to issue further securities in future up to the maximum 15% annual placement capacity, pursuant to Listing Rule 7.1, and the additional 10% annual placement capacity pursuant to Listing Rule 7.1A, during the next 12 months.

### 3.3 **Specific information required by Listing Rule 7.5**

For the purposes of Shareholder ratification of the Tranche 1 Placement and in accordance with the requirements of Listing Rule 7.5, the following information is provided:

- (a) the number of Shares issued under the Tranche 1 Placement on 1 September 2014 was 143,125,000;
- (b) the Shares were issued at \$0.008 each per Share;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares on issue;
- (d) the Shares were issued to the Participants who were professional and sophisticated investors and clients of Blue Ocean Equities Pty Ltd. The Participants are not related parties, or associates of related parties, of the Company;
- (e) the gross proceeds from the Tranche 1 Placement of \$1.145 million (before costs) are to be applied to infill and extensional drilling programs at the Company's 100% owned Mahumo project, Molelo and Marthie prospects (\$1,000,000) located in the Kalahari Copper Belt in Botswana and corporate costs (\$145,000). As at the date of this Notice, \$0.945 million was on hand; and
- (f) a voting exclusion statement is included in the Notice.

### 3.4 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1. The Chair intends to vote undirected proxies in favour of Resolution 1.

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## 4. **Resolution 2 – Issue of Shares to Orbit Drilling Pty Ltd**

### 4.1 **Background**

Resolution 2 seeks Shareholder approval for the issue of up to 62,500,000 Shares to Orbit Drilling Pty Ltd, at an issue price of \$0.008 per share up to a value of \$500,000, pursuant to the Orbit Drilling Agreement dated 5 September 2014 relating to the

provision of drilling services for the Company's targeted drilling program at the Mahumo project and Molelo and Marthie prospects located in the Kalahari Copper Belt in Botswana (**Drilling Program**).

The key terms of the Orbit Drilling Agreement are as follows:

- (a) Orbit Drilling will providing drilling services to the Company to enable the Company to complete the Drilling Program;
- (b) Orbit Drilling will commence drilling activities on 25 September 2014;
- (c) Orbit Drilling will provide drilling services up to a total value of A\$1,000,000 (**Invoice Limit**), based on monthly invoices submitted by Orbit Drilling;
- (d) the agreement will end upon the total invoiced amount of services provided by Orbit Drilling reaching the Invoice Limit;
- (e) Orbit Drilling will submit monthly invoices to the Company detailing all drilling activities completed during the month;
- (f) 50% of monthly invoiced amounts will be satisfied by the Company issuing Shares to Orbit Drilling at a price of \$0.008 per Share; and
- (g) 50% of monthly invoiced amounts will be satisfied through cash payments made by the Company.

Based on the \$1,000,000 Invoice Limit, a maximum of \$500,000 worth of Shares will be issued to Orbit Drilling equating to the issue of up to 62,500,000 Shares. Shares will be issued to Orbit Drilling on a monthly basis, as outlined in paragraph 4.1(f) above, based on invoices submitted by Orbit until the Invoice Limit is reached.

Orbit Drilling has agreed to impose a voluntary six month escrow period on all Shares issued pursuant to the Orbit Drilling Agreement from the date of issue.

It is anticipated that the Invoice Limit and Drilling Program will be completed within five to six months of the date of the Orbit Drilling Agreement. Delays may result in the Invoice Limit and Drilling Program being completed in a longer period of time.

Orbit is not a related party or an associated of a related party of the Company.

Resolution 2 is an ordinary resolution.

#### 4.2 **Listing Rule 7.1**

Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 2 will be to allow the Directors to issue Shares to Orbit Drilling pursuant to the Orbit Drilling Agreement during the three month period after the date of the Meeting (or a longer period if allowed by ASX), without using the Company's 15% annual placement capacity.

The Company has applied to ASX for a waiver of Listing Rule 14.7 to permit the Company to issue up to 62,500,000 Shares to Orbit Drilling up to 12 months after the date of the Meeting, if Shareholders approve Resolution 2, to give effect to the terms of the Orbit Drilling Agreement. If this waiver is not obtained, the Company will consider other means of issuing Shares to Orbit Drilling pursuant to the Orbit Drilling Agreement.

If Shareholders do not approve Resolution 2 and the Company is otherwise unable to issue Shares to Orbit Drilling, the Company and Orbit Drilling intend to negotiate in good faith, an outcome which is fair and reasonable for both parties to enable the completion of the Company's Drilling Program.

#### 4.3 **Specific information required by Listing Rule 7.3**

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to Orbit Drilling:

- (a) the maximum number of Shares to be issued to Orbit Drilling (or its nominee) pursuant to the Orbit Drilling Agreement is 62,500,000 Shares;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the issue price will be \$0.008 per Share;
- (d) the Shares will be issued to Orbit Drilling pursuant to the terms of the Orbit Drilling Agreement;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the Shares to Orbit Drilling as the Shares are being issued in full and final satisfaction of 50% of monthly invoiced amounts from Orbit Drilling pursuant to the Orbit Drilling Agreement;
- (g) the Shares will be issued to Orbit Drilling progressively based on monthly invoices received from Orbit Drilling pursuant to the terms of the Orbit Drilling Agreement; and
- (h) a voting exclusion statement is included in the Notice.

#### 4.4 **Directors' recommendation**

The Directors unanimously recommend that Shareholders vote in favour of Resolution 2. The Chair intends to vote undirected proxies in favour of Resolution 2.

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## **5. Resolutions 3 and 4 – Authorise participation of Messrs Simon Lee AO and Julian Hanna in the Tranche 2 Placement**

### **5.1 Background**

The Directors and officers of the Company propose to participate in tranche 2 of the Placement which involves a placement of up to 44,375,000 Shares to enable the Company to raise \$355,000 (**Tranche 2 Placement**).

Resolutions 3 and 4 seek Shareholder approval pursuant to Listing Rule 10.11 for Mr Simon Lee AO and Mr Julian Hanna, Directors of the Company, (or their nominees) to participate in the Tranche 2 Placement.

The terms and conditions upon which Messrs Lee AO and Hanna will subscribe for the Shares under the Tranche 2 Placement will be the same as other Participants to the Placement.

Resolutions 3 to 4 are ordinary resolutions.

### **5.2 Section 208 of the Corporations Act**

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in section 210 to 216 of the Corporations Act.

Messrs Lee AO and Hanna are related parties of the Company as they are both Directors.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Shares as the exception in section 210 of the Corporations Act applies. The Shares issued to Messrs Lee AO and Hanna will be issued to the Directors on the same terms as non-related party Participants to the Placement and as such the giving of the financial benefit to the Directors will be on arm's length term.

### **5.3 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of Company unless it obtains Shareholder approval.

Messrs Lee AO and Hanna are related parties of the Company as they are both Directors.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 3 and 4 will be to allow the Directors to issue up to 35,000,000 Shares to Messrs Lee AO and Hanna (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

#### 5.4 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to Messrs Lee AO and Hanna under the Tranche 2 Placement is provided as follows:

- (a) the Shares will be issued to Messrs Lee AO and Hanna;
- (b) a maximum of 35,000,000 Shares will be issued under the Tranche 2 Placement to Messrs Lee AO and Hanna as follows:
  - (i) Mr Simon Lee AO (or his nominee) – 18,750,000 Shares (refer to Resolution 3); and
  - (ii) Mr Julian Hanna (or his nominee) – 16,250,000 Shares (refer to Resolution 4);
- (b) the Company will issue the Shares no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (c) the Shares will be issued at an issue price of \$0.008 per Share;
- (d) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (e) voting exclusion statements are included in the Notice; and
- (f) the gross proceeds from Messrs Lee AO and Hanna participation in the Tranche 2 Placement will raise \$280,000 (before costs) will be applied to the Drilling Program (\$155,000) and corporate costs (\$125,000).

#### 5.5 Directors' recommendation

The Directors, other than Messrs Lee AO and Hanna, unanimously recommend that Shareholders vote in favour of Resolutions 3 and 4. The Chair intends to vote undirected proxies in favour of Resolutions 3 and 4.

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## 6. Resolution 5 – Approval for the issue of Shares to Mr Jacques Janse van Rensburg

### 6.1 Background

Resolution 5 seeks Shareholder approval for the issue of 9,375,000 Shares to Mr Jacques Janse van Rensburg under the Tranche 2 Placement.

Mr Jacques Janse van Rensburg is the Company's General Manager Exploration (Africa) and will be managing the Drilling Program. He is not a related party or an associate of a related party of the Company.

Resolution 5 is an ordinary resolution.

## 6.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is outlined in paragraph 4.2 above.

The effect of Resolution 5 will be to allow the Directors to issue 9,375,000 Shares to Mr Jacques Janse van Rensburg during three month period after the date of the Meeting (or a longer period if allowed by ASX), without using the Company's 15% annual placement capacity.

## 6.3 Specific information required by Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares to Mr Jacques Janse van Rensburg:

- (a) the maximum number of Shares to be issued to Mr Jacques Janse van Rensburg (or his nominee) is 9,375,000 Shares;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). The Shares will be issued 5 Business days after the date of the Meeting;
- (c) the issue price will be \$0.008 per Share;
- (d) the Shares will be issued to Mr Jacques Janse van Rensburg (or his nominee);
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the funds raised from the issue of Shares to Mr Jacques Janse van Rensburg of \$75,000 (before costs) will be applied to the Drilling Program (\$50,000) and corporate costs (\$25,000); and
- (g) a voting exclusion statement is included in the Notice.

## 6.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 5. The Chair intends to vote undirected proxies in favour of Resolution 5.

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## 7. Resolution 6 – Approval for the issue of Shares to Broker

### 7.1 Background

As detailed in the Company's ASX announcement on 27 August 2014, in consideration for Blue Ocean Equities Pty Ltd acting as lead manager to the Placement, the Company agreed, subject to Shareholder approval, to issue 6,250,000 Shares to Blue Ocean (**Broker Shares**).

Resolution 6 is an ordinary resolution that seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Broker Shares

## 7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is outlined in paragraph 4.2 above.

The effect of passing Resolution 6 will be to allow the Directors to issue the Broker Shares during the three month period after the date of the Meeting (or a longer period, if allowed by ASX), without using up the Company's 15% placement capacity under Listing rule 7.1.

## 7.3 Specific information required by Listing Rule 7.3

In accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Broker Shares:

- (a) the maximum number of Broker Shares to be issued is 6,250,000;
- (b) the Shares will be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules). The Shares will be issued 5 Business days after the date of the Meeting;
- (c) the issue price will be \$0.008 per Share;
- (d) the Broker Shares will be issued to Blue Ocean;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the Broker Shares; and
- (g) a voting exclusion statement is included in the Notice.

## 7.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 6. The Chair intends to vote undirected proxies in favour of Resolution 6.

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# 8. Resolution 7 to 9 – Issue of Shares to Related Party Creditors

## 8.1 Background

The Company has existing amounts payable totalling \$115,877 with Mr Julian Hanna, Mr Mark Clements and Mr Miles Kennedy (collectively the **Related Party Creditors**).

The Company proposes to issue 14,484,657 Shares to the Related Party Creditors at an issue price of \$0.008 per share with the funds to be utilised to repay the amounts payable.



Creditor	Shares	Balance
Mr Julian Hanna	6,572,090	\$52,576
Mr Mark Clements	6,325,000	\$50,600
Mr Miles Kennedy	1,587,567	\$12,700
<b>Total</b>	<b>14,484,657</b>	<b>\$115,877</b>

Resolutions 7 to 9 (inclusive) seek Shareholder approval pursuant to Listing Rule 10.11 for issue of Shares to the Related Party Creditors.

Resolutions 7 to 9 (inclusive) are ordinary resolutions.

## 8.2 Section 208 of the Corporations Act

In accordance with section 208 of the Corporations Act, to give a financial benefit to a related party, the Company must obtain Shareholder approval unless the giving of the financial benefit falls within an exception in section 210 to 216 of the Corporations Act.

The Related Party Creditors are related parties of the Company as Messrs Hanna and Clements are Directors of the Company and Mr Kennedy was a director of the Company in the six months prior to the date of this Notice.

The Board has formed the view that Shareholder approval under section 208 of the Corporations Act is not required for the proposed issue of the Shares as the exception in section 210 of the Corporations Act applies. The Shares issued to the Related Party Creditors are issued for the same issue price as the shares issued to non-related party Participants to the Placement and as such the giving of the financial benefit to the Directors will be on arm's length term.

## 8.3 Listing Rule 10.11

A summary of Listing Rule 10.11 is outlined in paragraph 5.3 above.

The Related Party Creditors are related parties of the Company for the reasons outlined in paragraph 8.2 above.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolutions 7 to 9 will be to allow the Directors to issue 14,484,657 Shares to the Related Party Creditors. (or their nominees) without using up the Company's 15% placement capacity under Listing Rule 7.1.

## 8.4 Specific information required by Listing Rule 10.13

For the purposes of Listing Rule 10.13, information regarding the issue of Shares to the Related Party Creditors is provided as follows:

- (a) the Shares will be issued to Messrs Hanna, Clements and Kennedy;

- (b) a maximum of 14,484,657 Shares will be issued to the Related Party Creditors as follows:
  - (i) Mr Julian Hanna (or his nominee) – 6,572,090 Shares (refer to Resolution 7);
  - (ii) Mr Mark Clements (or his nominee) – 6,325,000 Shares (refer to Resolution 8); and
  - (iii) Mr Miles Kennedy (or his nominee) – 1,587,567 Shares (refer to Resolution 9);
- (c) the Company will issue the Shares no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow);
- (d) the Shares will be issued at an issue price of \$0.008 per Share;
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) voting exclusion statements are included in the Notice; and
- (g) the proceeds from the issue of the Shares will be used to repay the existing amounts payable owed to the Related Party Creditors.

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## Definitions

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In the Notice and this Explanatory Memorandum:

**ASX** means ASX Limited (ABN 98 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Blue Ocean** means Blue Ocean Equities Pty Ltd (AFSL412765).

**Board** means the board of Directors.

**Broker Shares** has the meaning in paragraph 7.1 of the Explanatory Memorandum.

**Business Day** means a day other than a Saturday, Sunday or public holiday in Perth, Western Australia and any other day that the ASX declares is not a business day.

**Chair** means the person appointed to chair the meeting of the Company convened by this Notice.

**Company** or **MOD** means MOD Resources Limited ACN 003 103 544.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** mean the directors of the Company.

**Drilling Program** has the meaning in paragraph 4.1 of the Explanatory Memorandum.

**Explanatory Memorandum** means the explanatory memorandum which forms part of the Notice.

**Invoice Limit** has the meaning in paragraph 4.1(c) of the Explanatory Memorandum.

**Listing Rules** means the listing rules of ASX.

**Meeting** has the meaning given in the introductory paragraph of the Notice.

**Notice** means this notice of general meeting which comprises of the notice, Explanatory Memorandum and Proxy Form.

**Orbit Drilling** means Orbit Drilling Pty Ltd.

**Orbit Drilling Agreement** means heads of agreement between the Company and Orbit Drilling relating to the provision of drilling services dated 5 September 2014.

**Participants** has the meaning in paragraph 3.1 of the Explanatory Memorandum.

**Placement** has the meaning in paragraph 3.1 of the Explanatory Memorandum

**Proxy Form** means the proxy form attached to the Notice.

**Related Party Creditors** has the meaning in paragraph 8.1 of the Explanatory Memorandum.

**Resolution** means a resolution referred to in this Notice.

**Share** means a fully paid ordinary share in the capital of the Company.

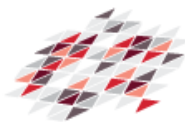
**Shareholder** means a shareholder of the Company.

**Tranche 1 Placement** has the meaning in paragraph 3.1 of the Explanatory Memorandum.

**Tranche 2 Placement** has the meaning in paragraph 5.1 of the Explanatory Memorandum.

**WST** means Western Standard Time, being the time in Perth, Western Australia.

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.



# MOD RESOURCES LIMITED

ACN: 003 103 544

## REGISTERED OFFICE:

34 BAGOT ROAD  
SUBIACO WA 6008



« REF No. » « Mtg ID »

«HOLDER\_NAME»  
«ADDRESS\_LINE\_1»  
«ADDRESS\_LINE\_2»  
«ADDRESS\_LINE\_3»  
«ADDRESS\_LINE\_4»  
«ADDRESS\_LINE\_5»

## SHARE REGISTRY:

Security Transfer Registrars Pty Ltd  
**All Correspondence to:**  
PO BOX 535, APPLECROSS WA 6953  
AUSTRALIA  
770 Canning Highway, APPLECROSS WA 6153  
AUSTRALIA  
T: +61 8 9315 2333 F: +61 8 9315 2233  
E: registrar@securitytransfer.com.au  
W: www.securitytransfer.com.au

Code:

MOD

Holder Number:

«HOLDER\_No.»

## PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

### VOTE ONLINE

Lodge your proxy vote securely at [www.securitytransfer.com.au](http://www.securitytransfer.com.au)

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

Online Proxy ID:

«ONLINE PRX ID»

### SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

☐

The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 12:30PM on Monday, 20 October 2014 at The Celtic Club, 48 Ord Street, West Perth, Western Australia and at any adjournment of that meeting.

### SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

#### RESOLUTIONS

FOR AGAINST ABSTAIN\*

1. Ratification of issue of Shares pursuant to Tranche 1 Placement

☐ ☐ ☐

2. Issue of Shares to Orbit Drilling Pty Ltd

☐ ☐ ☐

3. Authorise participation of Mr Simon Lee AO in the Tranche 2 Placement

☐ ☐ ☐

4. Authorise participation of Mr Julian Hanna in the Tranche 2 Placement

☐ ☐ ☐

5. Approval for the issue of Shares to Mr Jacques Janse van Rensburg

☐ ☐ ☐

#### RESOLUTIONS

FOR AGAINST ABSTAIN\*

6. Approval for the issue of Shares to Broker

☐ ☐ ☐

7. Approval for the issue of Shares to Mr Julian Hanna

☐ ☐ ☐

8. Approval for the issue of Shares to Mr Mark Clements

☐ ☐ ☐

9. Approval for the issue of Shares to Mr Miles Kennedy

☐ ☐ ☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. \* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Security Holder 2

Security Holder 3

Sole Director & Sole Company Secretary

Director Secretary

Director/Company Secretary

**Proxies must be received by Security Transfer Registrars Pty Ltd no later than 12:30PM on Saturday, 18 October 2014.**



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MOD

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My/Our contact details in case of enquiries are:

Name:

Number:

(   )

## 1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

## 2. APPOINTMENT OF A PROXY

If you wish to appoint the chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy. If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

## 3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

## 4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- Return both forms in the same envelope.

## 5. SIGNING INSTRUCTIONS

**Individual:** where the holding is in one name, the Shareholder must sign.

**Joint Holding:** where the holding is in more than one name, all of the Shareholders must sign.

**Power of Attorney:** to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

## 6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

The proxy form does not need to be returned to the share registry if the votes have been lodged online.

### Security Transfer Registrars Pty Ltd

Online	<a href="http://www.securitytransfer.com.au">www.securitytransfer.com.au</a>
Postal Address	PO BOX 535 Applecross WA 6953 AUSTRALIA
Street Address	Alexandrea House Suite 1, 770 Canning Highway Applecross WA 6153 AUSTRALIA
Telephone	+61 8 9315 2333
Facsimile	+61 8 9315 2233
Email	<a href="mailto:registrar@securitytransfer.com.au">registrar@securitytransfer.com.au</a>

## PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

