ASX RELEASE **29 SEPTEMBER 2014**

MAHUMO COPPER/SILVER PROJECT
Exceptional Concentrate Grades from Metallurgical Test Work

The Board of MOD Resources Limited (ASX: MOD) is pleased to announce three important milestones at the 100% owned high grade Mahumo copper/silver project in Botswana.

- Preliminary metallurgical test work on Mahumo sulphides produced exceptional concentrate grades of **59% Cu & 1,900ppm Ag** (West Zone) and **57.2% Cu and 1,550ppm Ag** (East Zone)

- Drilling commenced at the West Zone Deposit on 25 September 2014. First stage consists of 15 HQ diamond holes to provide near surface assay, metallurgical and geotechnical data (Figures 1)

- MOD granted two year extension to PL 686/2009 (463km²) which includes the Mahumo Project

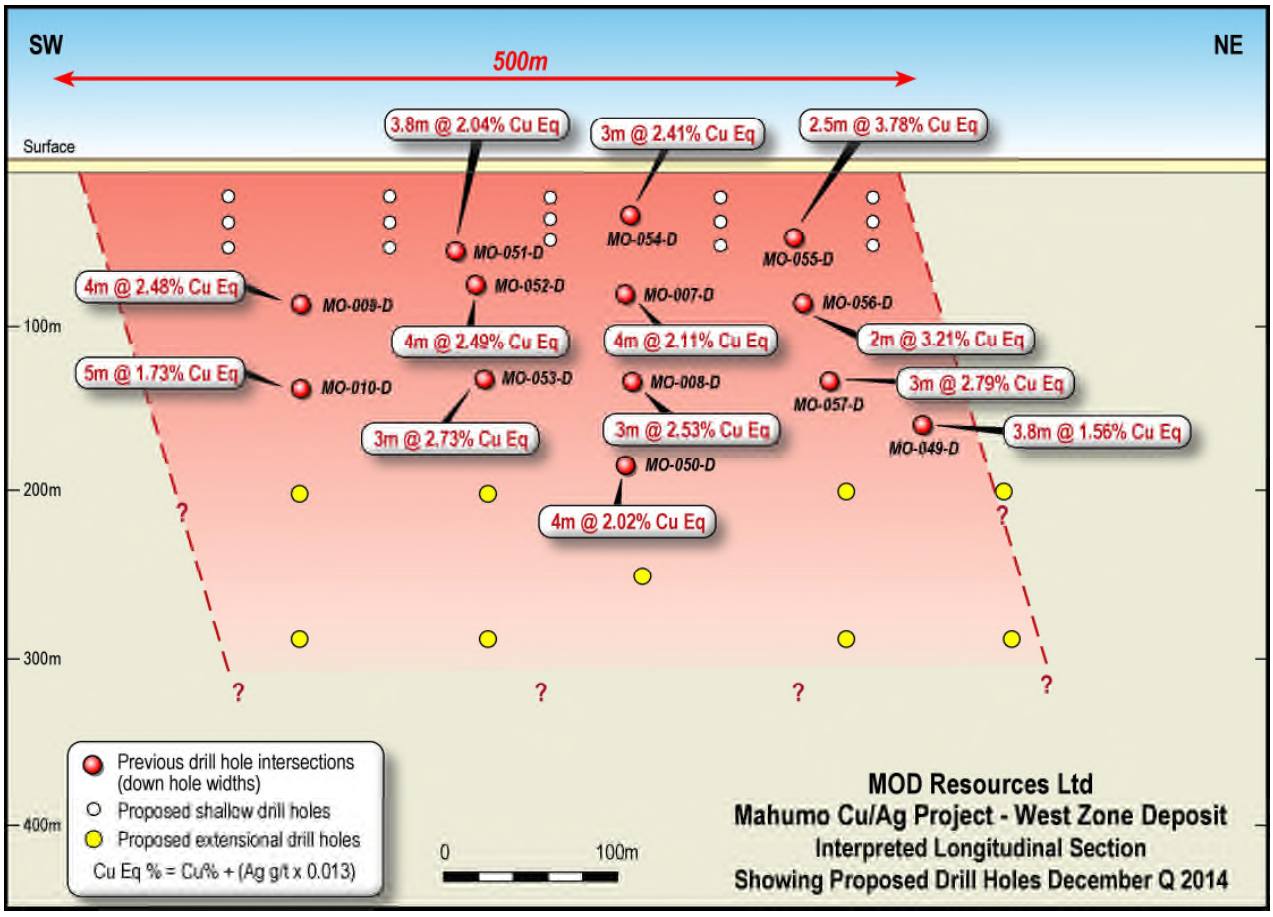

Figure 1: Interpreted longitudinal section of the West Zone at Mahumo showing proposed drill holes

Metallurgical Test Work

Preliminary rougher and cleaner flotation test work was conducted by Independent Metallurgical Operations (IMO) on composite samples of intersections between 40-60m depth from previous drill holes at the West Zone and East Deposits. This work has produced outstanding results (Table 1).

Although the results are preliminary and require confirmation test work on larger samples from the new drilling program, some initial conclusions can be made:

- Concentrate grades are exceptionally high and are consistent with observed mineralogy
- **West Zone** concentrate grade is 59% Cu and 1,900g/t Ag, at 87% Cu recovery
- **East Zone** concentrate grade is 57% Cu and 1,550g/t Ag, at 73% Cu recovery
- Further optimisation work will target higher copper recoveries

Composite	Depth (m)	Concentrate Mass Pull %	Concentrate Grade		Recovery	
			Cu (%)	Ag (ppm)	Cu (%)	Ag (%)
WEST Zone	40-52.5	2.7	**59.0**	1,900	**87.2**	90.0
EAST Zone	45-61	2.7	**57.2**	1,550	**73.4**	84.3

Table 1: Preliminary rougher and cleaner flotation results from West Zone and East Zone composite samples

Details of samples used in the composites in Table 1 were described in the ASX announcement dated 6 August 2014.

Drilling

Drilling commenced at Mahumo on 25 September 2014. Initially, five traverses of HQ diamond holes will be drilled to provide data for the West Zone conceptual pit model. A second drill rig will then drill pre-collars for diamond drilling to test extensions below the limit of current drilling (150-200m) at the West Zone, initially to 300m depth (Figure 1). Drilling will also be carried out at the East Zone (Figure 2). Drilling at the large Molelo Intrusion and the Marthie copper prospect is scheduled for the March quarter in 2015.

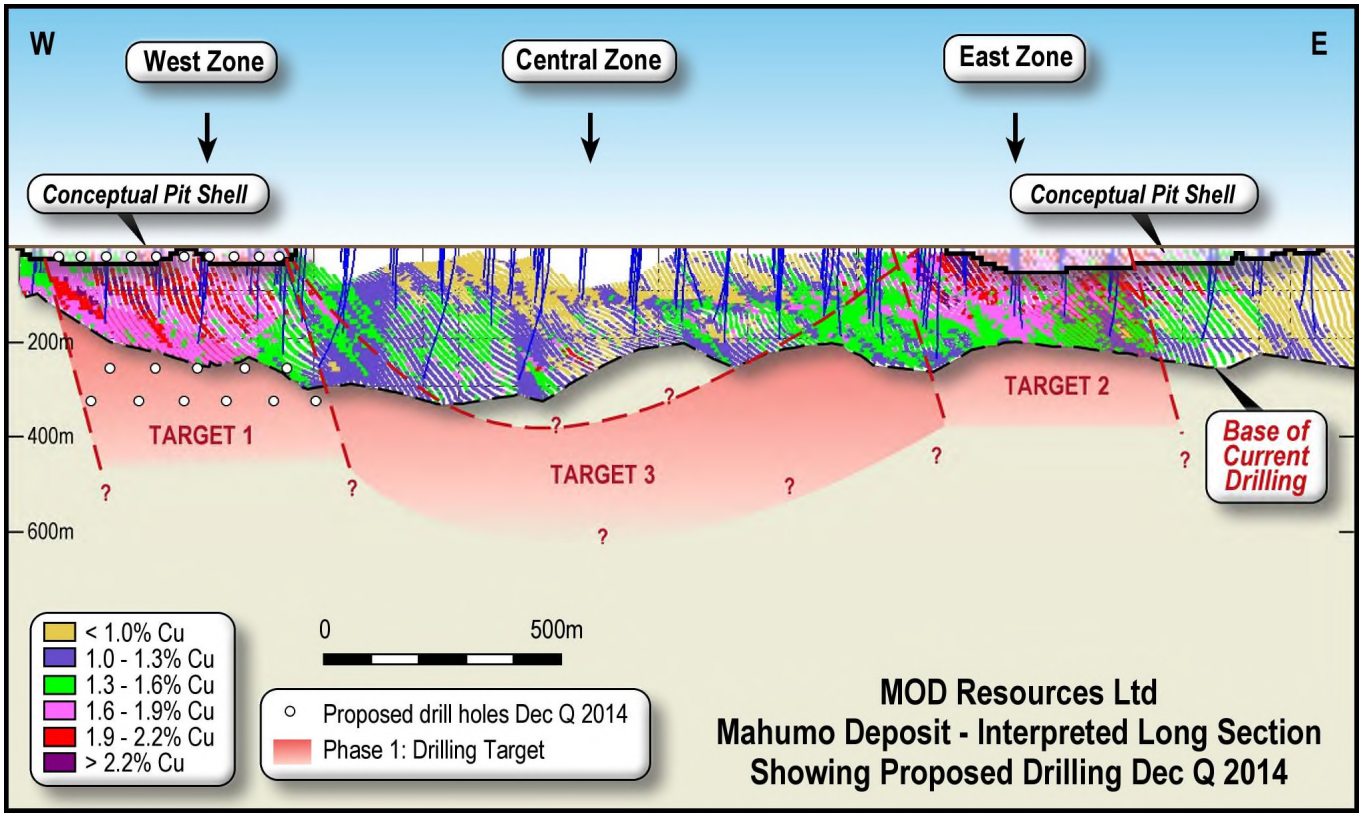

Figure 2: Interpretation of 2.5km longitudinal section at Mahumo showing West Zone and East Zone deposits

Licence Extensions

MOD has been granted two year extensions to two key prospecting licences in the central part of the Kalahari Copper belt. Importantly, MOD was granted an extension to retain 100% of the area of PL 686/2009 (463km^2) covering not only the Mahumo Project but also prospective targets 40-50km NE of Mahumo. In addition, MOD was granted an extension to PL 652/2009 (190.9km^2) which covers priority structural targets immediately east of Cupric Canyon Capital's large 'Banana Zone' copper resource.

Discussion

Managing Director Julian Hanna said; "The new metallurgical results have exceeded our expectations and it appears that the Mahumo sulphide mineralisation is very suitable for conventional flotation."

"MOD's Board and technical team, as well as the Company's supporters and advisors have put a tremendous effort into preparing for the drilling program and are very motivated to make it a success. The majority of the $2M placement announced on 27 August 2014 will be directed to the next stage of drilling and evaluation at Mahumo and then the Molelo and Marthie prospects, which are outstanding targets." said Mr Hanna.

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Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper Project is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), General Manager Exploration (Africa) for MOD Resources Ltd. He is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP) No. 400101/05 and has reviewed the technical information in this report. Mr Janse van Rensburg has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Information in this announcement relates to previously released exploration data disclosed in the ASX announcement on 6 August 2014 under JORC Code 2012 which included relevant details on the drill holes and sampling techniques used to generate the composite samples that are the basis of the metallurgical test work. Mr Janse van Rensburg consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

Exploration Targets and Results

This announcement refers to Exploration Targets as defined under Sections 18 and 19 of the 2012 JORC Code.

The Exploration Targets quantity and quality referred to in this announcement are conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a mineral resource. This announcement includes no reference to new Mineral Resources or drill hole intersections which haven't been announced by MOD Resources Ltd previously.

Forward Looking Statements

This announcement may include forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions which are outside the control of MOD Resources Limited.

Examples of forward-looking statements used in this announcement include:

'This work has produced outstanding results (Table 1). Although the results are preliminary and require confirmation test work on larger samples from the new drilling program, some initial conclusions can be made', and; 'Initially, five traverses of HQ diamond holes will be drilled to provide data for the West Zone conceptual pit model' and; 'majority of the $2M placement announced on 27 August 2014 will be directed to the next stage of drilling and evaluation at Mahumo and then the Molelo and Marthie prospects, which are outstanding targets'.

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JORC Code, 2012 Edition
Table 1 Reporting Exploration (and Metallurgical Results) from Botswana Copper Project
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The remaining half portion of drill core retained on site in Botswana for the nine drill hole intersections used for the composites were bagged and sent to Independent Metallurgical Operations (IMO) laboratory • All bagged samples were weighed before dispatch to IMO in Perth
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The composites of drill core referred to in this release were drilled by diamond core drilling (NQ diameter)
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Diamond drilling recorded recovery. Core recovery was good • Drill core was sampled in 1m intervals or as appropriate to align with the geological contacts
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• During the core logging geologists follow MOD's standard operating procedure for logging processes. The metre interval (from & to) is recorded and the data is described in the core logs

Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All diamond core samples for the nine drill hole intersections were taken as half core samples • IMO took photos of all core samples as received • Samples were segregated into individual 1m intervals, then passed through two stages of crushing • Individual intervals were blended (ie composited) into the nine mineralized intersections by being passed through a rotary splitter 3 times to ensure a homogeneous blend • Subsamples of each composite interval were sent to SGS Laboratory for analysis of Cu by methods AAS40Q and AAS42S. Ag and a suite of other elements also analysed by SGS • A composite sample was also prepared by blending a subsample from each composite drill hole sample for the West Zone and East Zone and analysed by SGS
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Composite assay results from SGS for copper and silver for the nine mineralised intersections and also for the West Zone and East Zone composites. The SGS composite results are consistent with the results of the calculation of the weighted average of the individual 1m intervals originally analysed by ALS • Standard laboratory procedures were used by both ALS and SGS
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic.* • *protocols.* • *Discuss any adjustment to assay data.*	• Independent Metallurgical Operations (IMO) consulting to MOD managed the sample preparation and SGS analysis program
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• No recent drilling done. Composite Samples were taken from half core intervals from previously announced drill holes
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples of half core for assaying were taken at 1m intervals in both drill holes. • Sample compositing of half core was applied.

Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling planned at right angles to known strike and at best practical angle to intersect the target mineralization at approximately right angles
Sample security	• *The measures taken to ensure sample security.*	• Sample bags were tagged, logged and transported to IMO laboratory in Perth by DHL in a locked steel trunk
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• MOD's sampling procedure is done according to standard industry practice

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PL686/2009 is a granted Prospecting Licence held by 100% by MOD Resources.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• MOD has conducted substantial drilling on the Mahumo deposit on PL686/2009 since the deposit was discovered in 2011. A maiden Mineral Resource for the surrounding Corner K deposit was announced by MOD in September 2012
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The visible copper mineralization intersected in drill holes on PL686/2009 is interpreted to be a Proterozoic or early Palaeozoic age vein related sediment hosted occurrence similar to other known deposits and mines in the central Kalahari Copper Belt
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	• No drill hole information applies

Criteria	JORC Code explanation	Commentary
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Significant copper and silver intersections are reported by MOD as received from the lab • Weighted averages, based on sample lengths are used to calculate the intercepts
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• No drilling forms part of this announcement
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Long sections, Figures 1 and 2, are contained in this release
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant composites of drill hole core were announced previously
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All substantive data is reported

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• A diamond drilling program is proposed to infill the West Zone and East Zone deposits to a depth of approximately 50-60m to assist with estimating a resource • A drilling program is proposed to test potential extensions at Mahumo