

MAHUMO PROJECT – DRILLING UPDATE #1

The Board of MOD Resources Limited (ASX: MOD) is pleased to report the first update from the current drilling program at the high grade Mahumo Copper/Silver Project in Botswana.

HIGHLIGHTS

- All five drill holes at West Zone deposit to date intersected significant widths of vein and disseminated copper mineralisation dominated by chalcocite. Assays are awaited
- Chalcocite is a high tenor copper mineral (~80% Cu) which appears to start at very shallow depth at the West Zone, below 5-9m of thin soil and calcrete cover
- Chalcocite occurs in several Kalahari Copper Belt copper/silver deposits and contributes to the high grade (>40% Cu) of sulphide concentrates in the region
- Second drill rig has commenced drilling for potential extensions below the current limit of drilling (ie >200m) at Mahumo



Figure 1: Chalcocite mineralisation (grey) along margins of veins at 30m depth in drill hole MO-116-D

Drilling

Five HQ diamond drill holes have been completed to date to a maximum vertical depth of approximately 50m (Figure 2 and Table 1). The objective of this shallow drilling is to provide assay, metallurgical and geotechnical data in the area of the conceptual open pit shell at the West Zone deposit.

All drill holes intersected vein hosted and disseminated copper mineralisation over intervals between 4m to 9m down hole width. Mineralisation identified in drill core appears to be dominated by chalcocite (Figure 1) with minor malachite. Trace chrysocolla and native copper was observed at shallow depth. The intersections are 15-20m apart on 100m spaced sections (Figure 2).

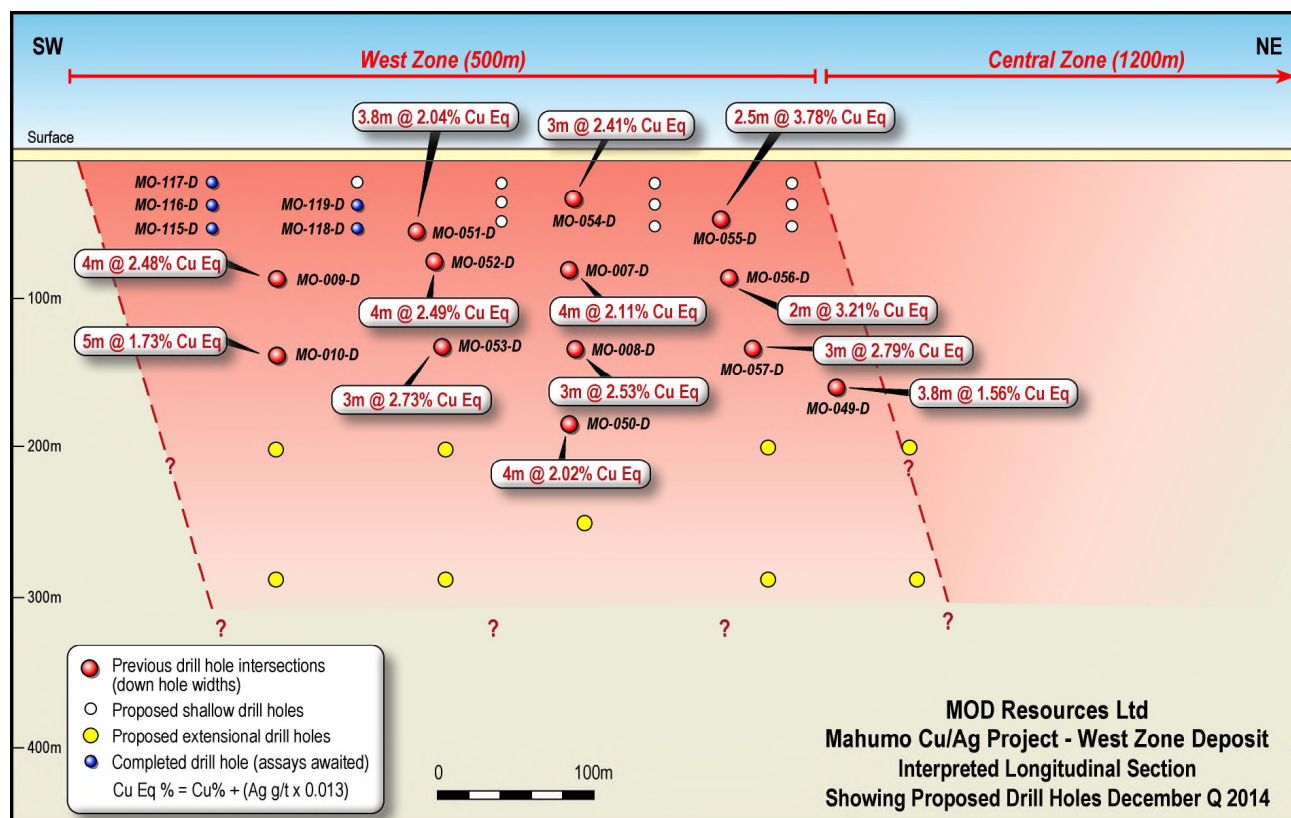


Figure 2: Interpreted longitudinal section of the Mahumo West Zone deposit showing completed and proposed drill holes

Assay Results

The first batch of assay samples is expected to leave site on 17 October 2014. Results are currently awaited for the mineralised intervals in drill holes listed in Table 1. Widths and grades of mineralised intervals including a JORC compliant Table 1 ('Reporting Exploration Results') will be included with future releases as assay results are received.

TABLE 1: DRILL HOLES COMPLETED (AND IN PROGRESS) TO 14 OCTOBER 2014						
Collar Location WGS 84 Datum Zone 34 South						
Hole ID	UTM East	UTM North	Elevation (m)	Azimuth(°)	Inclination (°)	E.O.H (m)
MO-115-D	645171	7658621	1092	325	-60	60.9
MO-116-D	645167	7658628	1091	325	-60	42
MO-117-D	645163	7658635	1088	325	-60	34
MO-118-D	645262	7658671	1091	325	-60	55.6
MO-119-D	645257	7658679	1088	325	-60	42
MO-120-D	645252	7658684	1088	325	-60	Current

Discussion

Managing Director Julian Hanna said; “The drilling program is off to a very encouraging start despite some early delays due to equipment failure which have now been remedied.”

“Copper mineralisation has been identified visually in every shallow drill hole to date and appears to be dominated by chalcocite sulphide. This compares with previous deeper drill holes at Mahumo which returned high grade copper and silver assays associated with chalcocite. Assay results from the current program are required to confirm these preliminary observations,” said Mr Hanna.

High tenor chalcocite provides an opportunity to generate very high grade concentrate grades (>40% Cu). This is supported by MOD’s preliminary metallurgical test work which produced concentrate grades up to 59% Cu and 1,900ppm Ag from West Zone, reported on 29 September 2014.



Diamond drilling underway at Mahumo with General Manager Exploration Jacques Janse van Rensburg (LHS) and Orbit Drilling director Brian Johnson (RHS)

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Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper Project is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), General Manager Exploration (Africa) for MOD Resources Ltd. He is registered as a Professional Natural Scientist with the South African Council for Natural Scientific Professions (SACNASP) No. 400101/05 and has reviewed the technical information in this report. Mr Janse van Rensburg has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity which it is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves. Mr Janse van Rensburg consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

Information in this announcement relates to previously released exploration data disclosed in the ASX announcement of 29 September 2014 under the JORC Code 2012 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.

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: 'intersected significant widths of vein and disseminated copper mineralisation dominated by chalcocite. Assays are awaited', and; 'Chalcocite is a high tenor copper mineral (~80% Cu) which appears to start at very shallow depth at the West Zone' and; 'drilling for potential extensions below the current limit of drilling (ie >200m) at Mahumo', and; 'Copper mineralisation has been identified visually in every shallow drill hole to date and appears to be dominated by chalcocite sulphide. This compares with previous deeper drill holes at Mahumo which returned high grade copper and silver assays associated with chalcocite. Assay results from the current program are required to confirm these preliminary observations'.

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