

MAHUMO PROJECT – DRILLING UPDATE #2

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

HIGHLIGHTS

- All ten shallow drill holes completed at West Zone deposit to date intersected encouraging widths of vein and disseminated copper mineralisation dominated by chalcocite.
- Chalcocite is a high tenor copper mineral (~80% Cu) which is interpreted to occur at very shallow depth at the West Zone, below 5-9m of soil and calcrete cover
- Samples from mineralised intersections in the first seven drill holes (MO-115-D to MO-121-D) have been sent for assay with results expected early November
- Second drill rig testing for extensions below the West Zone (>200m). Three deep pre-collars completed to date, awaiting a diamond drill rig to extend holes to intersect the target
- Drilling will resume on 30 October 2014 following a 5 day Botswana general election holiday

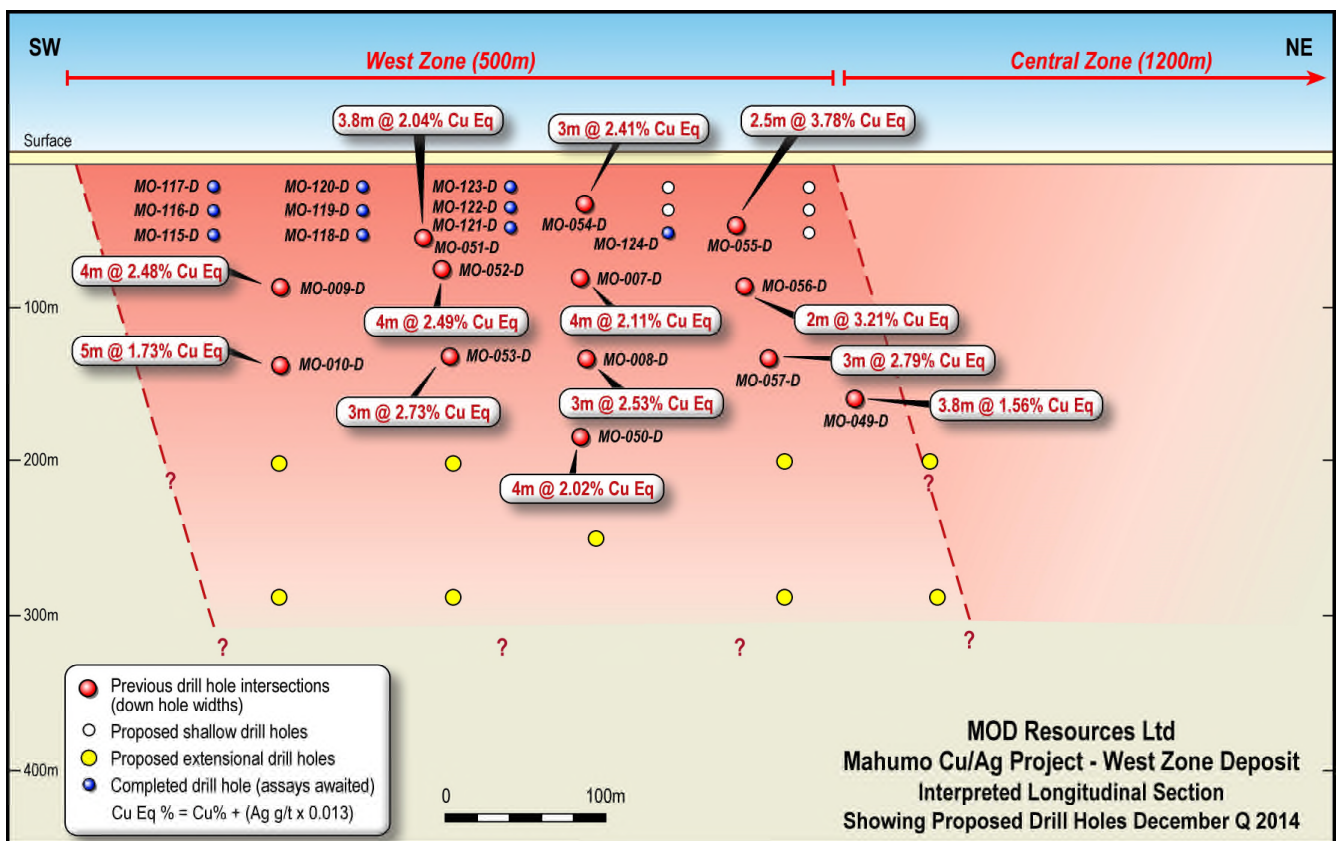


Figure 1: Interpreted longitudinal section of the Mahumo West Zone deposit showing completed and proposed drill holes

Drilling

Ten HQ diamond drill holes have been completed to date to a maximum vertical depth of approximately 50m (Table 1). The intersections are 15-20m apart on 100m spaced sections (Figure 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. Shallow drilling is also planned to be carried out at the East Zone deposit.

All drill holes to date have intersected vein hosted and disseminated copper mineralisation over intervals between 4m to 9m down hole widths. Mineralisation identified in drill core appears to be dominated by chalcocite with minor malachite. Trace chrysocolla and native copper was observed in several drill holes at shallow depth. **Note:** Assay results are required to confirm the grades and widths of the copper mineralisation identified by visual logging and interpretation of the Mahumo drill core.

Assay Results

The first batch of samples has been sent for analysis with first assay results expected in early November. Because copper mineralisation identified in the drill core is dependent on confirmation by assay results, a JORC compliant Table 1 ('Reporting Exploration Results') will be included with future MOD releases when assay results are received.

Discussion

Managing Director Julian Hanna said; "MOD has already completed more than half the planned shallow drill holes within the conceptual pit shell for the West Zone. We are encouraged that vein hosted and disseminated copper mineralisation has been identified in every drill hole so far and look forward to reporting assay results when they become available."

"Deeper drilling testing for extensions below the West Zone has also commenced with the first drill hole expected to hit target in early November. Depending on results, the plan is to extend drilling coverage down to about 400m depth as part of MOD's next objective," said Mr Hanna.

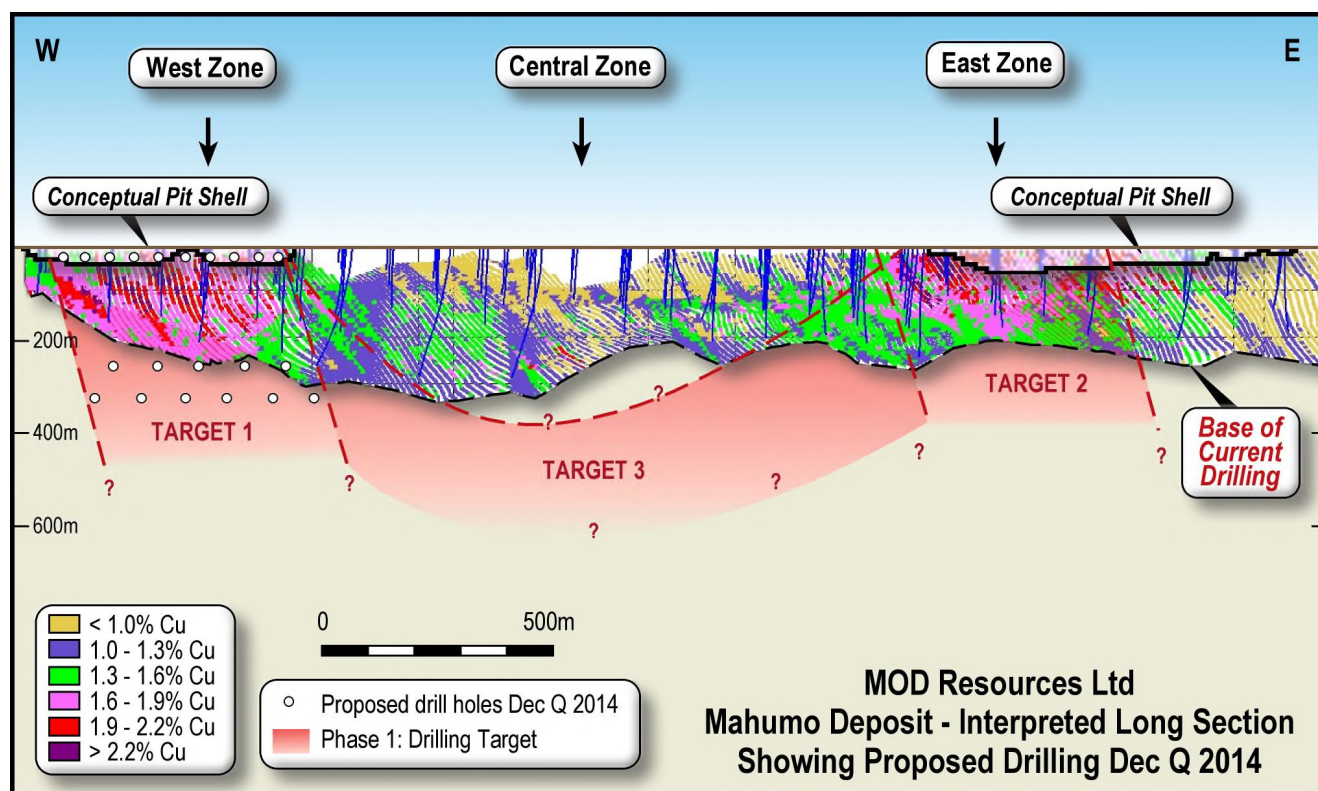


Figure 2: Interpreted 2.5km longitudinal section of the Mahumo Project showing targets and proposed drilling

TABLE 1: DRILL HOLES COMPLETED TO 27 OCTOBER 2014						
Collar Location WGS 84 Datum Zone 34 South						
Hole ID	UTM East	UTM North	Elevation (m)	Azimuth (degree)	Inclination (degree)	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	32
MO-121-D	645351	7658719	1090	325	-60	56.8
MO-122-D	645347	7658726	1090	325	-60	50.4
MO-123-D	645342	7658732	1090	325	-60	36.9
MO-124-D	645435	7658768	1089	325	-60	52.8

Table 1: Drill holes completed to 27 October 2014. Assays awaited.

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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 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.

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.

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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:

‘All ten shallow drill holes completed at West Zone deposit to date intersected significant widths of vein and disseminated copper mineralisation dominated by chalcocite,’ and; ‘interpreted to occur at very shallow depth at the West Zone, below 5-9m of soil and calcrete cover,’ and; ‘All drill holes to date have intersected vein hosted and disseminated copper mineralisation over intervals between 4m to 9m down hole widths’.

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