

About MOD Resources

MOD Resources (ASX: MOD) is a Perth-based company with a focus on Botswana copper projects in the central and western Kalahari Copper Belt. A combination of 100% owned holdings and JV licences which cover approximately 11,000km² of this relatively underexplored area.

Botswana operating company, Tshukudu Metals Botswana (Pty) Ltd employs all in-country staff and is owned 70% by MOD via its equity interest in the joint venture company, Metal Capital Limited, and 30% by Metal Tiger Plc (AIM: MTR).

Tshukudu holds 16 prospecting licences, including the T3 Project, with a total area of approximately 7,300km² in the Kalahari Copper Belt.

MOD's substantial 100% holdings in the Kalahari Copper Belt include the T1 Copper/Silver Deposit and T5 and T7 prospects.

Julian Hanna	Managing Director
Mark Clements	Executive Chairman/ Company Secretary
Steve McGhee	Technical Director
Simon Lee AO	Non-Executive Director
Stef Weber	Chief Financial Officer

Market Capitalisation ~A\$110M

Net Cash ~A\$14.8M

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Botswana Copper Project Progresses For MOD

- **Airborne AEM survey identified numerous new targets along 50km long T3 Dome**
- **Continuity and upside potential of T3 mineralisation reinforced during the quarter**
- **Significant copper intersections in/around T3 will help optimise open pit design**
- **T3 drilling to resume early August, following EMP review period**
- **PFS on track for completion December 2017 quarter**
- **Encouraging copper results from soil sampling program at T20 Dome**
- **Agreement entered to sell Sams Creek Gold Project for A\$3.8M**
- **Cash on hand approximately A\$15.8M and debt A\$1.0M**

Emerging copper company, **MOD Resources Ltd (ASX: MOD)** today announced its quarterly activities report for the period ended 30 June 2017.

MOD and joint venture partner, AIM-listed Metal Tiger Plc (30%), through the Botswana operating company Tshukudu Metals Botswana (Pty) Ltd (Tshukudu), continued to develop and explore their extensive landholdings centred around the T3 resource. T3 is a significant new discovery (March 2016), which may potentially be related to a much larger sediment-hosted copper footprint in the Kalahari Copper Belt, Botswana.

The June 2017 quarter saw a consolidation of data and positive exploration results confirming the potential of Tshukudu's holdings both in and around the T3 area as well as in the broader region.

Drilling was paused for the quarter after an intensive 12 months of non-stop drilling activity, whilst a detailed Environmental Management Plan (EMP) was prepared for the next phase of drilling around T3. The break allowed an opportunity to progress a back-log of work, advance numerous activities for the T3 pre-feasibility study and conduct an extensive Airborne Electro-Magnetic survey (AEM) along the T3 Dome and soil sampling along the T20 Dome.

MOD's Managing Director, Mr Julian Hanna, commented, "Whilst drilling at T3 was temporarily stopped, we progressed other aspects of our exploration program with very positive results. We were particularly pleased with the speed and quality of information emanating from the AEM survey, which was extended during the quarter to cover 50km along the axis of the T3 Dome."

Interpretation of the AEM results, which identified 19 exciting new anomalies, will assist in prioritising drill targets in this very prospective area.

Mr Hanna continued, "Excellent results from geotechnical drilling within the proposed T3 pit design improved our understanding of the resource. With all assay results now in, we plan to issue a revised resource estimate mid Q3."

Subsequent to 30 June 2017, MOD entered a Share Sale Agreement to sell the Sams Creek Gold Project in New Zealand for A\$3.8 million, providing the opportunity to monetise the Company's non-core assets and focus development activities at the Botswana Copper Project.

T3 ('Motheo') Project (MOD 70%)

The T3 deposit was discovered in March 2016, when an RC drill hole intersected 52m @ 2.0% Cu and 32g/t Ag from shallow depth, immediately below a low order copper soil anomaly. In September 2016, six months after the discovery of T3, MOD announced a maiden resource at T3 comprising 28.36Mt grading 1.24% copper and 15.7g/t silver, containing approximately 350,200t copper (~772Mlbs copper) and >14Moz silver.

The T3 resource includes 18Mt grading 1.35% Cu and 16.7g/t Ag in the Indicated Resource category which represents 64% of the total resource, announced 26 September 2016 (Appendix 1, Table 1). This Indicated Resource formed the basis of a scoping study, announced on 6 December 2016, for an open pit mine.

The T3 resource is open along strike to the west and at depth. A program of resource infill and extension drilling commenced in February 2017 and this led to the discovery of the underlying Zones 2 and 3.

During the quarter, a local school competition was held to name the T3 deposit. In June, at the Botswana Resource Sector Conference, it was announced that the new name for T3 is 'Motheo' which means 'foundation' in Setswana.

Pre-Feasibility Study

In December 2016, MOD announced the results of a scoping study for an open pit mine at T3 with a 2Mtpa processing plant, an indicative mine life of 10 years and an average production rate of 21,800tpa of copper and 665,000ozpa of silver. The scoping study indicated potential for strong financial outcomes and is being further evaluated during the current pre-feasibility study (PFS). A cautionary statement included with the scoping study announcement on 6 December 2016 is also included in the Forward Looking Statements and Disclaimer section included in this Quarterly Report.

The PFS commenced in January 2017 with geotechnical, metallurgical and resource infill drilling within the T3 pit area. All recent drilling and assay data have now been forwarded to resource consultants Sphynx Consulting in South Africa to provide an updated resource estimate for the PFS in early August 2017.

Excellent progress was made on the PFS during the quarter, which is on track for completion in Q417. Mining and process engineering studies commenced and site visits were conducted. The mining team is busy preparing an updated mineral resource model, whilst process engineering work has established local development capacity and a preliminary site layout. In addition, an experienced independent mining consultant was appointed to advise on the resource estimate, converting the resource into a potential ore reserve and reviewing other mining aspects of the PFS.

Detailed metallurgical test work is ongoing with results from the three ore domains (chalcopryrite, bornite and chalcocite) in line with the Company's excellent scoping study results. Further optimization and refinement is now underway. PFS design work for tailings storage facility and water management has been sent out for tender in Botswana.

During the quarter, preliminary pump testing was conducted using existing drill holes around T3. Results were encouraging and a second round of pump testing will be carried out using larger diameter holes when the next phase of drilling commences. The aim is to determine whether there is a sustainable supply of water in the immediate vicinity of T3 to meet the needs of ore processing, mining and related services.

T3 PFS related activities

PFS Activities Update	Status
Baseline flora and fauna studies	Complete
Archaeological impact assessment	Complete
Stakeholder engagement planning and policy	Complete
Geology resource update	Underway and due early August
Geotechnical study	Complete subject to finalisation of the revised resource update
Mining study	Preparation work and trade-off studies completed in anticipation of revised resource estimate
Hydrogeological study	Initial testing complete, Phase 2 borehole selection in progress
Process and infrastructure study	Proposed preliminary site layouts completed
Metallurgical testwork	Testwork of composite samples of different ore domains underway
Tailings storage facility	Request for tenders issued for design work to commence in August
Digital terrain modelling and imagery	Complete and available to all consultants
Hydrological and site water modelling	Request for tenders issued for design work to commence in August
Environmental impact assessment	Scope and tender process, work commence in September
Market and smelter investigation	On hold until production and concentrate specification available

Existing infrastructure in the region includes a sealed two-lane highway only 12km from site and the substantial town of Ghanzi approximately 80km from T3. Botswana Power Corporation has advised a plan to extend grid power transmission along the highway near T3 by 2020 and Tshukudu has lodged an expression of interest to access this power. The scoping and PFS studies include an allowance for a diesel generator power station to be installed on site.

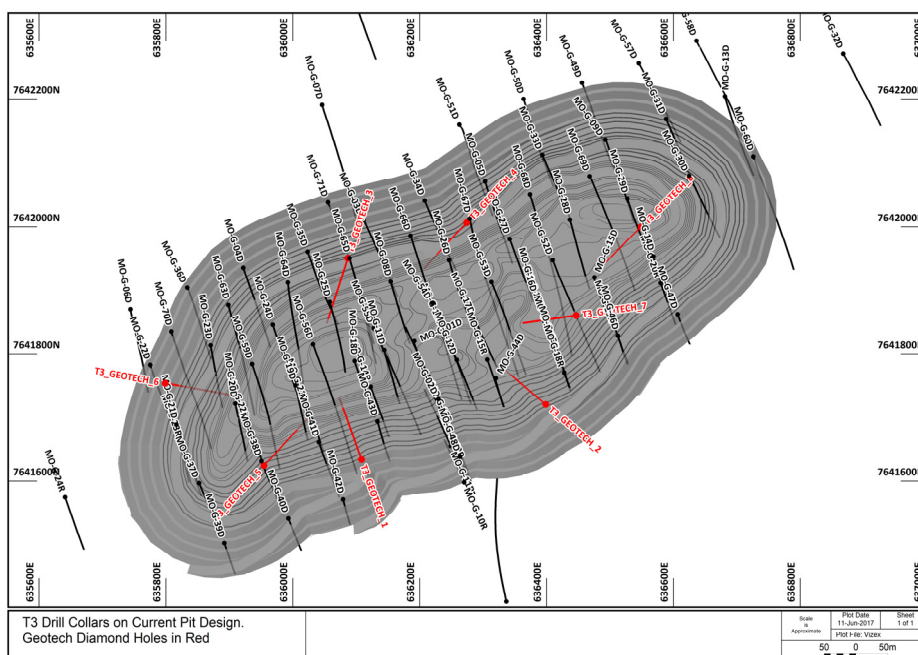
Resource Development (Extension Drilling at T3)

A program of resource infill drilling commenced in Q1 as part of the PFS, with the aim of improving the definition of high-grade bornite/chalcocite mineralisation within the T3 resource. Assay results from this drilling confirmed the discovery of significant widths and grades of disseminated and vein hosted copper and silver mineralisation in Zone 2, directly below T3. A third mineralised zone, Zone 3, comprising disseminated copper sulphides, was intersected in several holes within a shallow dipping shear zone (potentially a major regional thrust) approximately 300m below the top of the T3 resource.

Further work will test the potential for pit expansion around Zone 1 and underlying Zone 2. Widely spaced drilling of Zone 3 is also planned to test the potential for vein hosted sulphides within the shear zone and to identify if the prospective Kalahari Footwall Sandstone contact occurs elsewhere below surface on the surrounding T3 Dome.

Preliminary interpretation suggests that Zone 3 may occur on the same contact that hosts the large vein related deposits in the eastern part of the Kalahari Copper Belt including Cupric Canyon's Zone 5, Zeta and Mango deposits and MOD's T1 deposit (20km northeast of T3) and Cupric's disseminated Chalcocite deposit (30km northeast of T3).

In June 2017, the results of eight, large diameter, geotechnical core holes drilled within the proposed open pit design were announced with the excellent results confirming the initial pit design, including 46.6m @2.1% Cu and 32g/t Ag from 96m depth (refer ASX Announcement 13 June 2017).



Plan of current T3 open pit design showing location of geotechnical drill holes

After 30 June 2017, all outstanding assay results from the most recent phase of drilling at T3 were announced with encouraging intersections (refer ASX Announcement 17 July 2017). These included five new resource infill holes and six previous holes extended to test Zone 2 below the southern end of the resource.

All five infill holes intersected significant widths of mineralisation in Zone 1. The six extended drill holes appear to indicate Zone 2 is merged with Zone 1 near the southern boundary of the resource. Two extended holes intersected moderate Zone 2 mineralisation, including 10m @ 0.6% Cu and 12g/t Ag from 194m down hole depth in hole MO-G-56D. Zone 2 remains open to the north and further holes are planned when drilling resumes.

Understanding of the geology and structural controls of T3 is growing rapidly with the latest results demonstrating the continuity and upside potential of T3 mineralisation.

Drilling was paused for the quarter while an EMP was prepared and submitted for the next phase of drilling at T3. The EMP was approved subject to a four-week public review period commencing 7 July 2017. Drilling is expected to resume in early August 2017 once the review period is over.

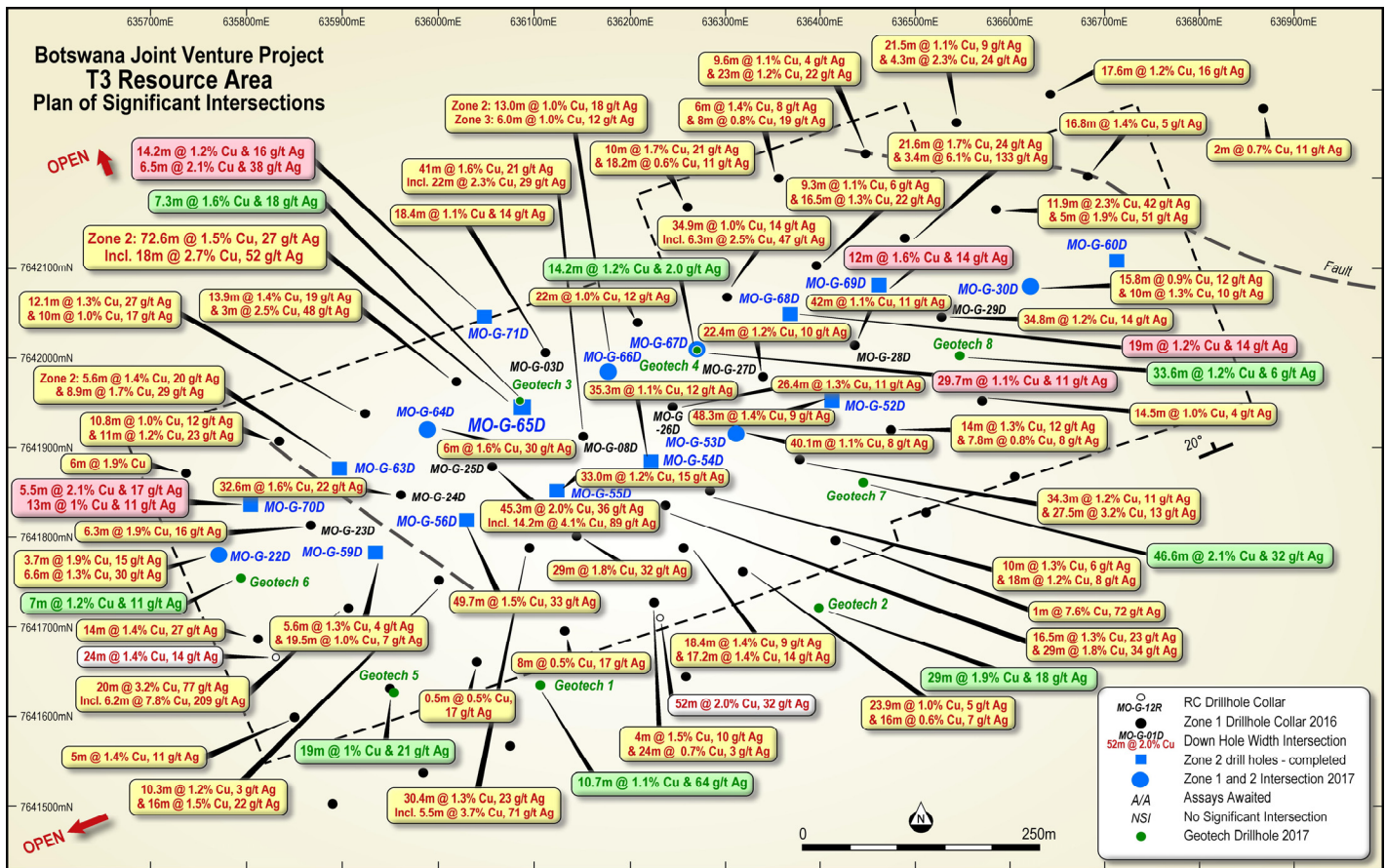


Figure 1: Plan of T3 showing significant recent intersections (pink) and previously announced intersections

T3 Dome Exploration Program

In addition to the extension drilling program at T3, Tshukudu continued the regional scale exploration program focused along the T3 Dome covered by granted licences.

During the quarter, an AEM survey, was completed along the central axis of the interpreted T3 Dome by contractors NRG Geophysics using a state of the art helicopter borne EM data collection and processing system. The objective of the survey was to confirm if the AEM technique could detect T3 at depth and to identify other conductive anomalies that could be potential targets for vein hosted mineralisation similar to T3.

The very encouraging preliminary results proved AEM to be a rapid and effective regional exploration technique. Initially, the survey was planned to cover a trial block in the area surrounding T3. The trial AEM survey was successful and confirmed a distinctive anomaly associated with the T3 deposit.

As a result of this success, the AEM survey was extended onto adjacent areas (Blocks 1 and 2) and was then further extended to cover an additional area west along the T3 Dome (Block 3). This increased coverage of the survey for approximately 50km along the T3 Dome (Figure 2).

Preliminary interpretation of the AEM data has identified 19 new EM anomalies (refer ASX Release 21 July 2017). Spectral Geophysics ranked four anomalies (A1 to A4) as the highest, partly because they are associated with large, deeper formational anomalies showing some similarities to T3. The deeper anomalies are approximately 5km long and may represent 'domes' of conductive sediments (outlined in yellow in Figure 2) below A1 to A3 and A4.

While it is still too early to explain what is causing the individual EM anomalies, the large number and variety of these anomalies opens up exciting possibilities along the T3 Dome. The geological team is now prioritising targets and preparing a drilling program to test these targets.

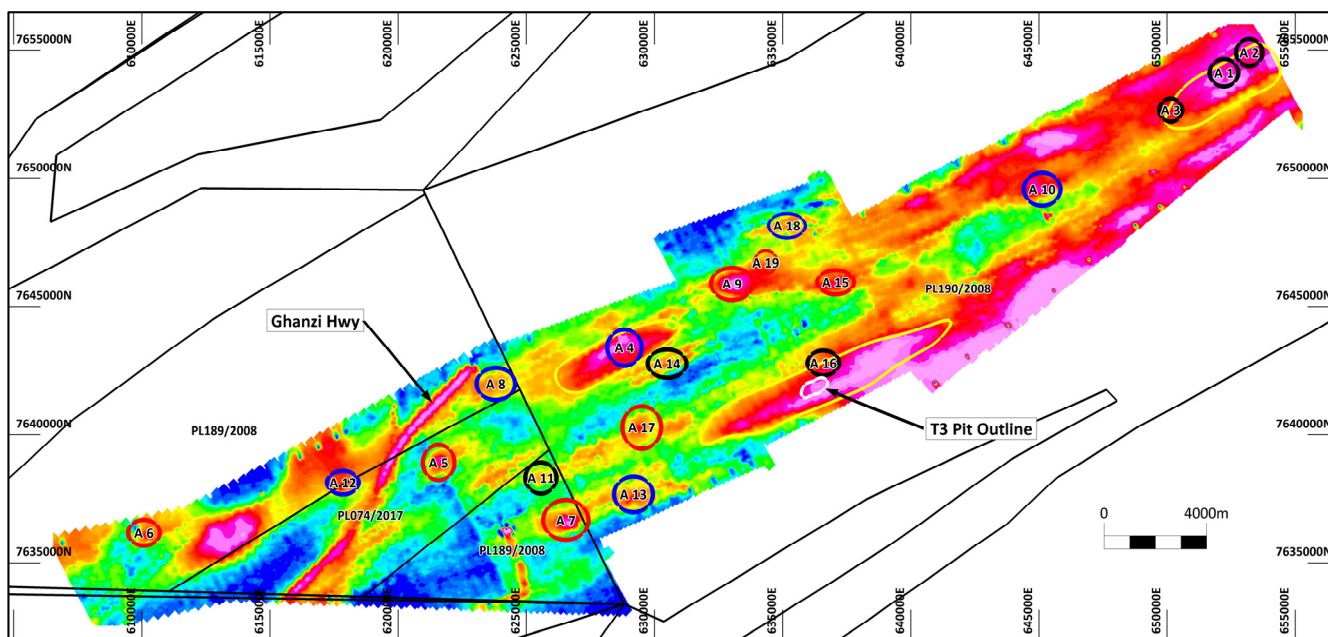


Figure 2: Airborne EM image of T3 Dome (channel 21) showing location of EM anomalies (A1-A19)
 The EM anomaly associated with the T3 deposit appears within the proposed T3 Pit (outlined in white)

Regional Exploration - T4, T12, T20 (MOD 70%)

Tshukudu's extensive landholding in the Kalahari Copper Belt includes targets that extend over ~200kms (Figure 3).

During March 2017, systematic regional exploration commenced on an extensive area west of the town of Ghanzi towards the Namibian border on licences held either 100% by the Tshukudu Metals Botswana (Pty) Ltd joint venture (MOD 70%), or under an option agreement which enables Tshukudu to acquire a 100% interest of two key licences.

This area is centred around an interpreted ~60km long dome (T20 Dome) within the structural corridor which extends 300km northeast from T20 and includes the T3 Dome and 35km long Banana Dome held by Cupric Canyon Capital.

Approvals were granted during the quarter from the Department of Environmental Affairs (DEA) and from cattle farmers, for soil sampling programs to proceed at both T3 Dome and T20 Dome.

T20 Dome

The T20 Dome is located approximately 100km west of the T3 Dome within the same structural corridor interpreted from magnetics. It is interpreted to be underlain by shallow dipping sediments including the prospective D'Kar Formation and Ngwako Pan Formation contact. This contact hosts the large structurally related copper deposits in the eastern part of the Kalahari Copper Belt.

A surface calcrete layer covers large areas of the T20 Dome and there is no known previous exploration drilling. From experience gained at T3, it appears that the calcrete layer suppresses any surface copper response so that low order copper anomalies may be significant. The peak soil value that led to the discovery of T3 at shallow depth below calcrete was 28ppm Cu, with 27ppm Zn.

In March 2017, a soil sampling program commenced over the T20 Dome and five surface copper anomalies have been identified to date. Peak copper values in the anomalies range from 16ppm Cu to 23ppm Cu with associated zinc values up to 45ppm Zn. At least two anomalies coincide with regional ENE trending structures interpreted from magnetics. Sample traverses are up to 6km apart and infill sampling is in progress to confirm initial results and define possible drilling targets. Tshukudu recently applied for an additional prospecting licence along the southern part of the T20 Dome.

T4

The nearest known copper occurrence to T20 is at T4, 25km northeast of the T20 Dome. In April 2016, an intersection at T4 was announced of **2m @ 6.12% Cu and 111g/t Ag** from 101m down hole depth associated with a 2km long soil anomaly. No further drilling was carried out because T4 was eclipsed by the discovery of T3 in March 2016.

The T20 Dome soil sampling program is being extended to the east and north of Ghanzi Town to overlap anomalies at T4 and T22. This should result in near continuous coverage of soil sampling data over >100km within Tshukudu licences.

T12

This prospect is interpreted from magnetic data to be located at the intersection of a major NE trending regional structure and the prospective Kalahari Footwall Contact, north of the T20 Dome. The recent soil sampling program tested the potential of this area under surface sand and calcrete cover and the results are currently being interpreted.

Sample Preparation Facility

Preliminary work commenced this quarter to establish a sample preparation facility at the project base in Ghanzi in order to improve logistics and reduce assay turnaround time. This work included clearing and concreting the site, contract negotiation and improving security. The facility, to be manned by accredited laboratory staff, will reduce shipping volumes, simplify export procedures and enable increased options for the analysis of pulps in the future. The facility is expected to be ready for commissioning by the end of 2017.

Regional Exploration – T1, T5, T7, T9, T10, T11, T13 (MOD 100%)

T1

T1 is a high priority target for drilling to test for potential extensions to the existing high-grade copper/silver resource of 2.7Mt @ 2.0% Cu and 50g/t Ag (announced 25 March 2015). MOD’s environmental consultants have submitted an application to obtain approval from the DEA for an initial proposed 20 diamond drill hole program to test the T1 underground resource potential to around 600m depth.

T5

T5 is a priority exploration target for drilling planned to follow up elevated platinum and palladium values intersected in a large gabbro intrusion. An application has been submitted to obtain approval from the DEA for an initial proposed 3 diamond drill hole program to test the intrusion to around 500m depth.

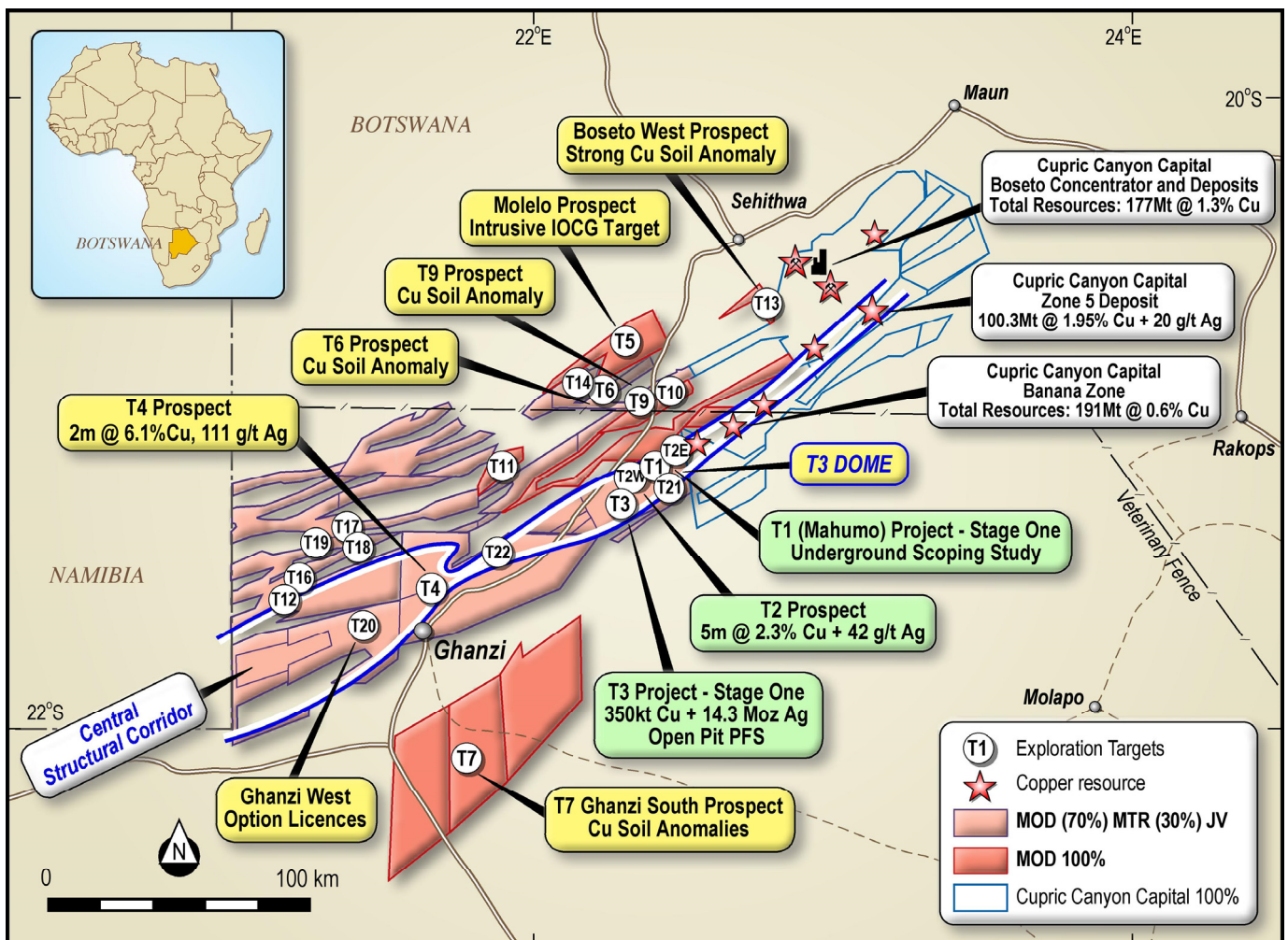


Figure 3: Kalahari Copper Belt showing T3 and regional targets on MOD/MTR and MOD 100% licences

Community and Government Relations

Tshukudu and MOD Botswana are the largest explorers and licence holders in the central and western parts of the Kalahari Copper Belt (Figure 3). During the quarter, numerous meetings were held with local farmers, community groups and government agencies in Ghanzi District. The attendees were supportive of the potential development of T3 and the increased local employment and training opportunities this should provide.

Sams Creek Gold JV, New Zealand (MOD 80%)

On 3 July 2017, MOD announced it had entered a binding SSA to divest its Sams Creek Gold Project to newly incorporated Condamine Resources Ltd (Condamine), for a total consideration of A\$3.8 million.

On successful completion of the SSA, MOD will receive cash proceeds of A\$1.75 million and 10.25 million shares in Condamine at a minimum issue price of A\$0.20 per share for a total consideration of A\$3.8 million. Condamine intends to complete an IPO to list on the ASX later in 2017. MOD's interest in Condamine's post IPO issued capital could be up to 15%.

The SSA is subject to a number of conditions precedent including the transfer and assignment of OceanaGold Corporation's (TSX/ASX: OGC) 20% interest in the Joint Venture on terms acceptable to Condamine and upon the quotation of Condamine shares on the ASX. It is anticipated that MOD shareholders will receive a priority offer for shares in Condamine as part of Condamine's IPO.

Funds from the sale will be used to retire MOD's debt (30 June 2017: A\$1 million*), and contribute to expanding exploration and development activities in Botswana.

* Subsequent to 30 June 2017, the Company repaid a further A\$0.25 million to SHL.

Corporate

In June, MOD's Managing Director, Mr Julian Hanna and Tshukudu Metals Exploration Manager, Mr Kebalemogile Tau, presented at Botswana's largest annual investment conference, the Botswana Resource Sector Conference (BRSC) in Gaborone. They provided an update on the T3 Project, discussed investor perceptions of Botswana mining projects and capital allocation strategies. The conference was well attended by ministers, government departments, mining companies and investors from Africa and internationally.



Figure 4: Tshukudu at BSRC, left to right: Gaba Chinyepi (Director and Country Manager), KB Tau (Exploration Manager), Julian Hanna (MOD and Tshukudu Director) and Alastair Middleton (Metal Tiger Director)

On 25 May 2017, MOD held the Annual General Meeting in Perth, Western Australia. All resolutions put to shareholders at the Annual General Meeting were passed unanimously.

On 20 June 2017 MOD advised that 2,000,000 unlisted \$0.075 options exercisable on or before 20 June 2017 expired without exercise.

The Company also issued 3,000,000 Performance Rights to Chief Financial Officer, Mr Stef Weber under the terms of the Performance Rights Plan as approved by shareholders on 20 February 2017 and issued 23,000,000 fully paid ordinary shares following the exercise of 23,000,000 vested Performance Rights by twelve (12) Eligible Participants including Directors, Key Management Personnel, staff and select contractors operating in the Company's exploration, development, administrative, financial and corporate activities in Australia and Botswana.

As reported last quarter, in April MOD's JV partner, AIM-listed Metal Tiger Plc, confirmed a private placement raised a total of £4,390,000 through Sprott Private Wealth and a further £460,000 through a placing of subscription of shares. Funds raised are to be used for Metal Tiger's 30% share of joint venture expenditure.

The pause in the drilling during the quarter due to the development of a new EMP, led to a higher cash position than originally budgeted. MOD's cash on hand as at 30 June 2017 was A\$15.8 million and debt was A\$1 million.

- ENDS -

For and on behalf of the Board.

Julian Hanna
Managing Director

Mark Clements
Executive Chairman and
Company Secretary

Jane Stacey
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About MOD Resources

MOD Resources Ltd (ASX: MOD) is an Australian-listed copper company actively exploring in the Kalahari Copper Belt, Botswana. MOD owns 70% of a UK incorporated joint venture company, Metal Capital Limited with AIM-listed Metal Tiger Plc (30%). Metal Capital's wholly owned subsidiary, Tshukudu Metals Botswana (Pty) Ltd is the Botswana operating company which owns the T3 copper/silver deposit where a discovery RC drill hole intersected 52m @ 2.0% Cu and 32g/t Ag from shallow depth in March 2016.

MOD announced a substantial maiden copper/silver resource at T3 on 26 September 2016. Total cost of discovery of T3 and delineation of the maiden resource was an exceptionally low US\$1.7 million, equivalent to only US 0.22 cents/lb copper contained within the resource.

On 6 December 2016, MOD announced the results of its scoping study for an open pit mine at T3. A pre-feasibility study (PFS) commenced in early 2017 and is due for completion in November 2017.

MOD is continuing with the strategy to increase mineral resources and complete a PFS for a potential open pit mine and processing plant at T3 and conduct a substantial regional exploration program exploring for satellite deposits at other priority targets around T3.

About Sams Creek

The Sams Creek Project is a substantial undeveloped gold project in New Zealand. The project includes a +1Moz porphyry hosted gold resource which remains completely open at depth and along strike, supporting significant additional exploration potential.

The Sams Creek Project may have the potential to be developed as an underground mine and is located close to power, infrastructure and a sealed road linking it to Port Nelson.

The Project hosts a JORC (2012) compliant mineral resource of 20.5Mt @1.54 g/t Au at a 0.7 g/t Au cut-off grade. This includes an indicated resource of 10.1Mt @1.77g/t Au for 575koz.

MOD's resource consultants have also conducted an informal review of the project assuming a 2.0g/t Au cut-off grade. This has provided confidence in the potential for substantial higher grade zones within the deposit which are likely to become priority drilling targets for Condamine.

Competent Person's Statement

The information in this announcement that relates to Mineral Resource estimation and classification of the T3 Copper/Silver Project was conducted and approved by Mr A.I. Pretorius, MSc. Pri.Sci.Nat. Mr Pretorius is an independent consultant to MOD Resources Ltd and a member of the South African Council for Scientific Professionals (SACNASP Membership Number 400060/91). Mr Pretorius has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken 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 Pretorius consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper/Silver Project is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), Business Development Manager 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.

The information in this announcement 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 Limited's subsidiary, Sams Creek Gold Limited. 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 December 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Angus has approved the Statement as a whole and consents to the inclusion in this announcement in the form and context in which it appears.

No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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 at Exploration Targets mentioned in this announcement 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 several drill hole intersections, which have been announced by MOD Resources Limited previously.

Forward Looking Statements and Disclaimers

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

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, MOD Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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

The announcement is for information purposes only. Neither this announcement nor information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

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Scoping Study Parameters - Cautionary Statements

The scoping study referred to in this announcement has been undertaken to determine the potential viability of an open pit mine and sulphide flotation processing plant constructed onsite at T3 and to reach a decision to proceed with more definitive feasibility studies commencing in early 2017.

It is a preliminary technical and economic study of the potential viability of the T3 deposit. It is based on low level technical and economic assessments that are not sufficient to support the estimation of ore reserves. Further evaluation work and appropriate studies are required before MOD will be able to estimate any ore reserves or to provide any assurance of an economic development case.

Approximately 88% of the total LOM production target is in the Indicated Resource category with 12% in the Inferred Resource Category. There is a low level of geological confidence associated with inferred mineral resources and there is no certainty that further infill drilling of the T3 resource will result in the determination of indicated mineral resources or that the production target itself will be realised.

The scoping study is based on the material assumptions outlined in MOD's announcement of 6 December 2016. These include assumptions about the availability of funding. While MOD considers all the material assumptions to be based on reasonable grounds, there is no certainty that they will prove to be correct or that the range of outcomes indicated by the scoping study will be achieved.

To achieve the range of proposed feasibility studies and potential mine development outcomes indicated in the scoping study, additional funding will likely be required. Investors should note that there is no certainty that MOD will be able to raise funding when needed. The Company has concluded it has a reasonable basis for providing the forward looking statements included in this announcement and believes that it has a "reasonable basis" to expect it will be able to fund the development of the project.

Given the uncertainties involved, investors should not make any investment decisions based solely on the results of the scoping study.

APPENDIX 1

Table 1: T3 Resource Table (26 September 2016)

JORC Category	Cutoff Cu%	Tonnes	Grade Cu%	Grade Ag g/t	Contained Cu (tonnes)	Contained Ag (oz)
Indicated	0.5	18,071,000	1.35	16.7	244,320	9,724,550
	1.0	10,103,000	1.84	24.2	186,198	7,848,794
	1.5	6,773,906	2.12	29.6	143,675	6,450,935
Inferred	0.5	10,287,000	1.03	13.7	105,853	4,546,534
	1.0	3,162,296	1.82	26	57,396	2,640,127
	1.5	1,706,001	2.3	34.5	39,221	1,892,814
TOTAL (Indicated & Inferred)	0.5	28,358,000	1.24	15.7	350,221	14,271,083
	1.0	13,265,000	1.84	24.6	243,678	10,488,664
	1.5	8,479,907	2.16	30.6	182,912	8,343,592

Table 2: T3 Diamond Drill Hole Parameters (announced during Quarter)

Drill Hole ID	WGS84_34S_E	WGS84_34S_N	RL	Azi	Dip	EOH (m)
MO-G-67D	636278.86	7642012.99	1117.12	160	-60	493.60
MO-G-68D	636373.82	7642050.87	1116.91	160	-60	484.68
MO-G-69D	636467.74	7642079.13	1116.80	160	-60	366.39
MO-G-70D	635808.52	7641835.79	1115.34	160	-60	373.42
MO-G-71D	636055.41	7642038.33	1116.14	160	-60	451.73
T3_GEOTECH_1	636108.43	7641634.65	1117.08	340	-60	205.80
T3_GEOTECH_2	636398.71	7641721.07	1116.98	310	-60	185.28
T3_GEOTECH_3	636086.76	7641950.52	1116.47	198	-60	215.26
T3_GEOTECH_4	636274.13	7642006.68	1117.05	223	-60	197.27
T3_GEOTECH_5	635954.46	7641624.70	1116.11	43	-60	221.33
T3_GEOTECH_6	635798.83	7641754.39	1115.70	100	-60	221.33
T3_GEOTECH_7	636446.54	7641860.65	1116.17	262	-60	170.20
T3_GEOTECH_8	636549.11	7641999.94	1116.16	225	-60	176.28
MO-G-52D (ext)	636409.68	7641947.65	1116.23	160	-60	352.67
MO-G-53D (ext)	636313.02	7641913.61	1116.03	160	-60	265.47
MO-G-54D (ext)	636220.56	7641879.23	1116.07	160	-60	274.57
MO-G-55D (ext)	636127.36	7641840.87	1115.84	160	-60	322.52
MO-G-56D (ext)	636031.86	7641815.51	1115.82	160	-60	376.51
MO-G-59D (ext)	635935.83	7641783.68	1115.59	160	-60	322.50

Table 3: T1 (Mahumo) Resource Table (25 March 2015)

Mahumo Stage One - Total Resources @ 1.0% Cu cut-off						
JORC Category	Tonnes (Mt)	Cu %	Ag g/t	CuEq ² %	Cu Tonnes	Ag Ounces
Measured	518,000	1.93%	48.8	2.37%	10,000	813,000
Indicated	1,726,000	1.87%	48.0	2.30%	32,280	2,660,000
Inferred	433,000	2.52%	57.4	3.03%	10,900	800,000
Total	2,677,000	2.00%	50.0	2.44%	53,180	4,273,000
1. Tonnes, grade and metal content have been rounded. Rounding may lead to computational discrepancies.						
2. The formula used is: CuEq= Cu% + (Ag g/t x 0.009).						

Table 4: Sams Creek Resource Table (9 October 2013)

Sams Creek 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

APPENDIX 2

Schedule of Exploration Licences

Botswana Copper/Silver Project

Permit/Licence Number	Size (km ²) (approx.)	Holding	Title Holder	Licence Commencement Date	Renewal Date
MOD Licences					
PL686/2014	463.0	100%	MOD Resources Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL204/2014	70.8	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 14	31 Mar 17**
PL280/2014	116.0	100%	MOD Resources Botswana (Pty) Ltd	01 Jul 14	30 Jun 17**
PL034/2015	921.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17**
PL035/2015	789.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17**
PL036/2015	941.0	100%	MOD Resources Botswana (Pty) Ltd	01 Apr 15	31 Mar 17**
PL141/2012	387.3	100%	MOD Resources Botswana (Pty) Ltd	01 Oct 15	30 Sep 17
PL044/2012	75.7	100%	MOD Resources Botswana (Pty) Ltd	01 Oct 15	30 Sep 17
MOD/MTR JV Licences					
PL186/2008	557.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL187/2008	648.8	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL188/2008	395.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL189/2008	210.7	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL190/2008	708.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL191/2008	572.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL192/2008	604.5	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL102/2005	331.1	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL103/2005	131.1	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL104/2005	285.3	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 18
PL060/2012	809.2	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 16	31 Dec 18
PL061/2012	974.9	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 16	31 Dec 18
PL231/2016	65.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Oct 16	30 Sept 19
PL074/2017	45.0	70%	Tshukudu Metals Botswana (Pty) Ltd	01 Jan 17	31 Dec 19
PL126/2013	341.4	70%	Senyetse Resources (Pty) Ltd	01 Jul 16	30 June 18*
PL127/2013	668.6	70%	Senyetse Resources (Pty) Ltd	01 Jul 16	30 June 18*
TOTAL	11,111.36				

Note:

*Tshukudu has an option agreement to acquire 100% of these licences

** Renewal of these licences expected to occur in the September quarter

Sams Creek Gold Project

Permit/Licence Number	Size (km ²)	Holding	Title Holder	Licence Commencement Date	Renewal Date
EP40338	30.6	80%	Sams Creek Gold Limited	27 Mar 98	26 Mar 21
EP54454	32.0	100%	Sams Creek Gold Limited	25 Sep 12	25 Sep 17
TOTAL	62.6				