

## Environmental Approvals and PFS Update

- **Extension drilling north of T3 receives Department of Environmental Affairs approval**
- **Environmental Management Plan approved for drilling at T1 subject to public review**
- **Project Brief submitted for T3 Dome to drill high priority AEM targets**
- **Environmental approval received for accommodation camp facility outside Ghanzi**
- **PFS for T3 Mine now targeted for January 2018 completion**
- **Environmental Impact Assessment process has commenced for T3 Mine**

**MOD Resources Ltd (ASX: MOD)** today provided an update on progress in obtaining a number of environmental approvals in and around its T3 Copper Project in Botswana and an update of the status of the T3 pre-feasibility study (PFS).

T3 forms part of the joint venture (JV) between MOD (70%) and AIM listed Metal Tiger Plc (30%) and includes an extensive licence holding in the central and western parts of the Kalahari Copper Belt. The in-country operating company is Tshukudu Metals Botswana (Pty) Ltd (Tshukudu).

### **T3 extension**

The Department of Environmental Affairs (DEA) has approved drilling on a farm north of T3, doubling the approved area to approximately 100km<sup>2</sup> and opening up additional AEM targets for drilling.

This environmental approval allows MOD to drill two further AEM targets, A15 and A18, immediately.

The DEA approval for T3 extension drilling was straight forward and there was no requirement for an Environmental Management Plan (EMP).

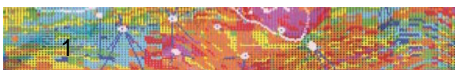
### **T1 EMP approved by DEA subject to public review process**

The DEA has approved an EMP for a planned 20 hole diamond drilling program at MOD's 100% held T1 Project. The approval is subject to a four week public review which commenced on 24 November 2017.

MOD has previously delineated a resource containing approximately 2.7Mt @ 2.0% Cu and 50g/t Ag (announced 25 March 2015). The diamond drilling program will test underground potential below and along strike from the resource to around 600m depth.

### **T3 Dome Project Brief Submitted**

Tshukudu has submitted a Project Brief for the substantial T3 Dome drilling program. Once the Project Brief is approved, Tshukudu will submit an EMP for authorisation by the DEA. This is expected to be followed by a four week public review process with drilling targeted to commence in Q1 2018.



The T3 Dome drilling program will initially focus on testing approximately nine AEM targets including the high priority A1, A2, A3, A4, A9 and A10 anomalies (announced 21 July 2017).

Tshukudu has received approval from the Civil Aviation Authority of Botswana to fly a 193km<sup>2</sup> extension, east and south of the previous T3 Dome AEM survey area. The extension will cover a strong soil anomaly (T21) and several large magnetic structural features. Flying is expected to commence in December.

### Accommodation Camp Facility

Tshukudu has received environmental and Ghanzi District Council approval to build an accommodation camp 5km east of Ghanzi. Site works have commenced on the camp that will initially consist of 40 units to provide Tshukudu employees and contractors with temporary accommodation.

### PFS Update

The table below provides an update on the status of the PFS for the T3 open pit mine. Excellent progress has been made in all areas and the study team is conducting further optimisation work on the planned mining schedule and costs.

The review of preliminary contractor pricing estimates is now expected to occur in mid to late December, leading to a targeted completion date for the PFS in January 2018.

PFS Activities Update	Status
Baseline flora and fauna studies	Complete
Archaeological Impact assessment	Complete
Stakeholder engagement planning and policy	Complete
Geology resource update	Complete
Geotechnical study	Complete
Mining study	Operating cost package issued. Surface capital works estimation underway
Hydrogeological study	Groundwater testing complete. Report under review
Process and infrastructure study	Draft report issued and under review
Metallurgical testwork	Testwork complete. Reporting underway
Tailings storage facility	Ongoing. Quantities received
Digital terrain modelling and imagery	Complete and available to all consultants
Hydrological and site water modelling	Ongoing
Closure and Rehabilitation	Work commenced
Environmental Impact Assessment	Scope and tender process underway, formal process commenced

### T3 Mine Environmental Impact Assessment

The Environmental Impact Assessment (EIA) for the T3 Mine has commenced. Public and local community meetings, which are a key part of the EIA, are scheduled on 15 and 18 December 2017.

Highly experienced environmental consulting company, Loci Environmental Pty Ltd, which has been managing Tshukudu's environmental approvals in Botswana, has been engaged for the EIA.

- ENDS -

For and on behalf of the Board.

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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 (Tshukudu) 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 January 2018.

MOD announced an updated resource of 36Mt at 1.14% Cu containing 409kt copper on 24 August 2017. The revised resource has led to a 16% increase in copper and also contains 14.8Moz silver.

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.

### Competent Person's Statement

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.

### 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 (including AEM Anomalies or Targets)

This announcement refers to Exploration Targets as defined under Sections 18 and 19 of the 2012 JORC Code. Exploration Targets include airborne electromagnetic (AEM) anomalies and conceptual targets and the quantity and quality referred to in this announcement are conceptual in nature only. Apart from T3 and T1, there has been insufficient exploration at other Exploration Targets along the interpreted “T3 Dome” mentioned in this announcement to determine the potential source of the AEM anomalies and targets, or define a Mineral Resource. It is uncertain if further exploration will result in any of the conceptual Exploration Targets along the T3 Dome hosting any mineralisation or being delineated as a Mineral Resource. This announcement includes 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.

Examples of forward looking statements included in this announcement are: ‘The DEA has approved an EMP for a planned 20 hole diamond drilling program at MOD’s 100% held T1 Project.’ and ‘The diamond drilling program will test underground potential below and along strike from the resource to around 600m depth.’ and ‘Tshukudu has submitted a Project Brief for the substantial T3 Dome drilling program. Once the Project Brief is approved, Tshukudu will submit an EMP for authorisation by the DEA. This is expected to be followed by a four week public review process with drilling targeted to commence in Q1 2018.’ and ‘Tshukudu has received approval from the Civil Aviation Authority of Botswana to fly a 193km<sup>2</sup> extension, east and south of the previous T3 Dome AEM survey area. The extension will cover a strong soil anomaly (T21) and several large magnetic structural features. Flying is expected to commence in December.’ and ‘The review of preliminary contractor pricing estimates is now expected to occur in mid to late December, leading to a targeted completion date for the PFS in January 2018.’ and ‘Public and local community meetings, which are a key part of the EIA, are scheduled on 15 and 18 December 2017.’

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.

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