

ASX ANNOUNCEMENT

6 MARCH 2018

Underwritten Entitlement Offer to Raise up to \$6.3 Million

- Fully underwritten 1 for 16 non-renounceable Entitlement Offer to raise up to \$6.3M (before costs) through the issue of approximately 134.5M fully paid ordinary shares
- Majority of funds to be used for a major expansion of exploration activities, including substantial drilling programs to test numerous targets along the district scale T3 Dome and T20 Dome
- Equivalent offer price to the Placement of 4.7 cents per fully paid ordinary share

MOD Resources Limited (ASX: MOD) today announced the launch of a 1 for 16 non-renounceable pro rata entitlement offer to all eligible shareholders to raise up to \$6.3 million (before costs).

The majority of funds raised from the Placement and Entitlement Offer will be applied to a major expansion of exploration activities along the T3 Dome, T20 Dome and across the Company's wider 12,600km² of regional holdings.

This will complement the Company's current drilling underway designed to advance three resource projects (T3 Pit extension, T3 Underground, T1 Underground) and test the T-Rex exploration target. Eight drill rigs are operating at T3 and T1 and this number is expected to increase to test other targets.

Starting early in the June quarter MOD plans to commence drilling of high priority targets identified within the extensive T3 Dome area and subsequently in the T20 Dome, 100km to the west.

Shareholders with a registered address in Australia, New Zealand, Singapore, Hong Kong, South Africa and the United Kingdom (**Eligible Shareholders**) will have the opportunity to participate in a non-renounceable pro rata entitlement offer of fully paid ordinary shares (**Shares**) to Eligible Shareholders, on the basis of one new Share (**New Share**) for every 16 Shares held on the record date of 14 March 2018 (**Record Date**), at an issue price of \$0.047 per New Share, to raise approximately \$6.3 million (before costs) (**Entitlement Offer**).

The Entitlement Offer is made to Eligible Shareholders registered at 5.00 pm (Perth-time) on the Record Date.

If the Entitlement Offer is fully subscribed, up to 134,504,298 New Shares (subject to rounding and assuming no options are exercised before the Record Date) will be issued. The Entitlement Offer is fully underwritten by Blue Ocean Equities. LIM Advisors, a prominent Hong Kong investment fund, have contracted to sub-underwrite the Entitlement Offer.

If Eligible Shareholders do not wish to take up any part of their entitlement under the Entitlement Offer they are not required to take any action.

Indicative Timetable

The timetable for the Entitlement Offer is as follows:

Event	Date
Notice of Entitlement Offer sent optionholders	Wednesday, 7 March 2018
Lodgment of Offer Document with ASX	Friday, 9 March 2018
Notice of Entitlement Offer sent to shareholders	Monday, 12 March 2018
Ex Date	Tuesday, 13 March 2018
Record Date	Wednesday, 14 March 2018
Offer Document and entitlement and acceptance form dispatched to shareholders	Friday, 16 March 2018
Opening date	Friday, 16 March 2018
Closing date	Thursday, 29 March 2018
New Shares quoted on a deferred settlement basis	Tuesday, 3 April 2018
Notification of shortfall	Thursday, 5 April 2018
Issue date. Allotment and issue of securities	Monday, 9 April 2018

The above timetable is indicative only and all dates may be subject to change. Subject to the Listing Rules and any underwriting agreement, MOD's directors reserve the right to extend the Closing Date for the Entitlement Offer at their discretion. Should this occur, the extension would have a consequential effect on the anticipated date of issue for the New Shares.

The Entitlement Offer is being made without a prospectus pursuant to section 708AA of the Corporations Act. The Offer Document will be lodged with the ASX on 9 March 2018. The Offer Document will be sent to Eligible Shareholders, which includes a personalised application form. Details of the Entitlement Offer will be contained in the Offer Document. Eligible Shareholders should consider the Offer Document carefully before deciding whether to participate in the Entitlement Offer and consult with their professional advisors if they have any queries.

-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 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 T3 Pit Project

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

Results of a pre-feasibility study (PFS) for a very robust long life open pit mining and processing operation were announced on 31 January 2018.

Following recent resource drilling at T3, an updated mineral resource is expected to be announced in the June quarter 2018. This may require a revision to the PFS, which is currently based on the 24 August 2017 mineral resource.

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, conceptual exploration targets and potential mineralised vein and resource extensions. The quantity and quality of these targets 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 at T3, T-Rex, T1 and 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.

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.

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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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