

ACN 003 103 544

NOTICE OF GENERAL MEETING

The General Meeting of the Company will be held at 1304 Hay Street, West Perth, Western Australia on Wednesday, 19 September 2018 commencing at 11.00am (WST).

The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

This Notice and the accompanying Explanatory Memorandum should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their stock broker, investment advisor, accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on + 61 8 9322 8233.

Shareholders are urged to attend or vote by lodging the Proxy Form attached to the Notice.

MOD RESOURCES LIMITED

ACN 003 103 544

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of shareholders of MOD Resources Limited (**Company** or **MOD**) will be held at 1304 Hay Street West Perth, Western Australia on Wednesday, 19 September 2018 commencing at 11.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulations 7.11.37 and 7.11.38 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Monday, 17 September 2018 at 5:00pm (WST).

Terms and abbreviations used in this Notice and the Explanatory Memorandum are defined in Schedule 1.

AGENDA

1. Resolution 1 – Approval of the issue of the Consideration Securities to Metal Tiger Plc

To consider and, if thought fit, to pass with or without amendment, as an ordinary resolution the following:

"That for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue to Metal Tiger Plc up to:

- (a) 17,200,000 Shares; and
- (b) 48,513,566 Consideration Options,

on the terms and conditions set out in the Explanatory Memorandum."

Note: The Company will not issue more than 57,763,566 Consideration Securities (comprising Shares and Consideration Options) to Metal Tiger Plc to be determined on the terms set out in Section 3.3 of the Explanatory Memorandum.

Voting Exclusion

The Company will disregard any votes cast in favour of Resolution 1 by or on behalf of Metal Tiger Plc or any of its associates.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

BY ORDER OF THE BOARD

Mark Clements
Company Secretary

15 August 2018

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at 1304 Hay Street, West Perth, Western Australia on Wednesday, 19 September 2018 at 11.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which Resolution 1 will be voted.

A Proxy Form is located at the end of the Explanatory Memorandum.

1.1 Forward looking statements

Certain statements in this Explanatory Memorandum relate to the future. These statements reflect views only as of the date of this Explanatory Memorandum. While the Company believes that the expectations reflected in the forward looking statements are reasonable, neither the Company nor any other person gives any representation, assurance or guarantee that the occurrence of an event expressed or implied in any forward looking statements in this Explanatory Memorandum will actually occur.

2. Action to be taken by Shareholders

Shareholders should read the Notice (including this Explanatory Memorandum) carefully before deciding how to vote on Resolution 1.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions set out in the Proxy Form. Returning the Proxy Form to the Company will not preclude a Shareholder from attending or (subject to the voting exclusions set out in the Notice) voting at the Meeting in person.

Please note that:

- (a) a Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a Shareholder; and
- (c) a Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 11.00am (WST) on Monday, 17 September 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

3. Summary of the Transaction

3.1 Background

On 16 December 2015, the Company and AIM-listed Metal Tiger Plc (**MTR**) completed the acquisition of a number of prospecting licences in the central and western part of the Kalahari Copper Belt, Botswana. The Company and MTR formed a joint venture to explore and develop these prospecting licences, owned 70% by the Company and 30% by MTR (**Original Joint**

Venture). These prospecting licences included 7 priority exploration targets, one of which has been developed into the T3 Project. Details of the T3 Project are included in Schedule 2 and details of the prospecting licences are included in Schedule 3 (**Prospecting Licences**).

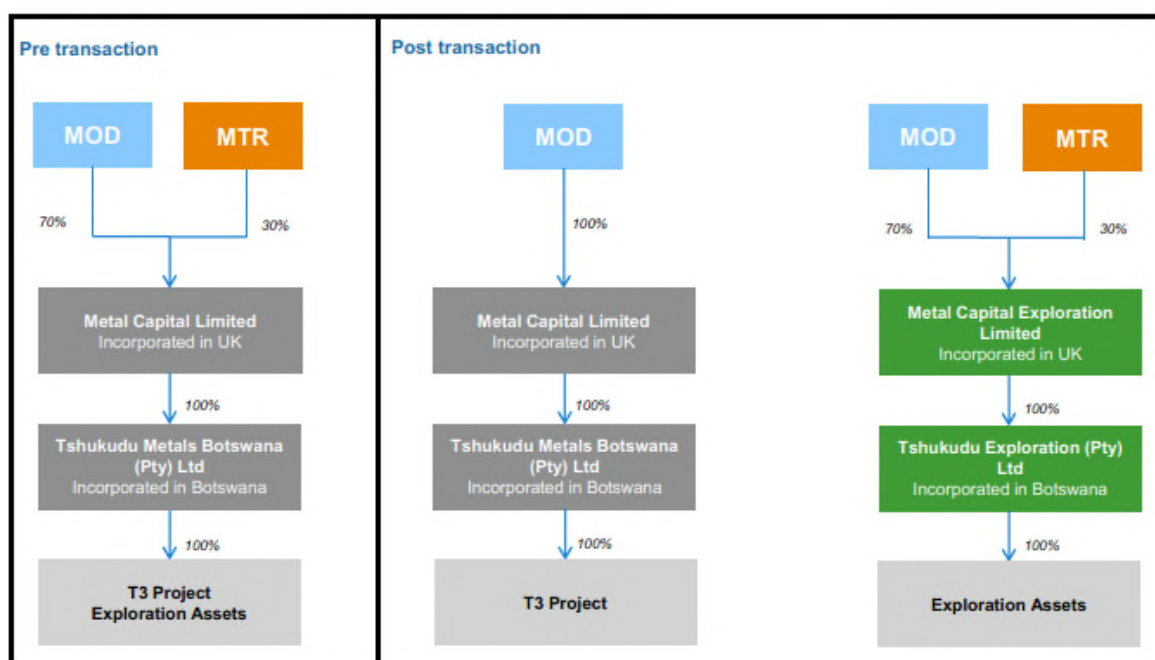
Results of a Pre-Feasibility Study for a robust long life open pit mining and processing operation at the T3 Project were announced on 31 January 2018, with the T3 Project Pit Feasibility Study due for completion in Q1 2019.

On 18 July 2018, the Company entered into a binding agreement (**Agreement**) with MTR, Metal Capital Limited (**MCL**), Tshukudu Metals Botswana (Pty) Ltd (**TMB**), Tshukudu Exploration (Proprietary) Limited (**TEL**) and Metal Capital Exploration Limited (**MCE**) pursuant to which:

- (a) the Company will acquire MTR's 30% interest in the T3 Project such that at completion of the transaction the Company will own 100% of the T3 Project (**Acquisition**);
- (b) the Prospecting Licences, the subject of the Original Joint Venture, other than PL190/2008 being the prospecting licence in respect of the T3 Project (**Exploration Assets**) will be transferred from the Original Joint Venture into a new Botswanan registered joint venture company, TEL, which will be owned 70% by the Company and 30% by MTR (**New Joint Venture**) (**Demerger**);
- (c) TMB will hold the area of PL190/2008 outside of the boundaries of the T3 Project on trust for the New Joint Venture and the New Joint Venture will be permitted to carry out exploration activities on this area; and
- (d) the Company will be granted certain rights to purchase, at the Company's election, MTR's 30% interest in the Exploration Assets (**Rights**),

(together, the **Transaction**).

The following diagram shows the ownership of the T3 Project and Exploration Assets prior to, and following, the Transaction:



Note: excludes MOD's currently 100% owned assets

3.2 Conditions Precedent to the Transaction

Completion of the Transaction under the Agreement (**Completion**) and the issue of the Consideration Securities (defined below) to MTR is subject to the satisfaction or waiver of the following key conditions:

- (a) Shareholders approving the issue of the Consideration Securities for the purposes of the Listing Rules (Resolution 1);
 - (b) completion of the Demerger;
 - (c) the relevant minister in Botswana approving the Acquisition and Demerger for the purposes of the Mines and Minerals Act, Cap 66:03 of Botswana;
 - (d) exploration licence PL190/2008 having been extended for a further term of 2 years beyond its current expiry date of 31 December 2018;
 - (e) MOD and MTR finalising the terms of a royalty deed to be entered into following exercise of the Joint Venture Roll-up Option or Joint Venture Consolidation Option (as described in Section 3.4 below) pursuant to which TEL will grant MTR (MOD as guarantor) a 2% net smelter return royalty in respect of all production from the Exploration Assets (other than any Exploration Asset that has been transferred to the Company following the exercise of a Mineral Resource Option);
 - (f) TMB entering into a royalty agreement in favour of MTR in relation to the pre-existing royalty agreed in respect of the T3 Project equal to 2% of net smelter returns of all production from the T3 Project (capped at USD \$2,000,000); and
 - (g) there being no breach of the warranties given by MTR under the Agreement,
- (together, the **Conditions Precedent**).

If all the Conditions Precedent have not been satisfied or waived by 5.00pm on 31 December 2018, either MOD or MTR may terminate the Agreement and the Transaction will not complete.

3.3 Consideration

The consideration payable by the Company for the Acquisition is a total of 57,763,566 securities, currently comprising:

- (a) 17,200,000 Shares (**Consideration Shares**); and
 - (b) 40,563,566 unquoted zero exercise price options (**Consideration Options**),
- (together, the **Consideration Securities**).

If the number of Consideration Shares to be issued to MTR would cause MTR to have Voting Power in excess of 12.5% in the Company (**Prohibited Voting Power**), the Company will:

- (a) issue MTR such lesser number of Consideration Shares such that MTR will not exceed the Prohibited Voting Power; and
- (b) increase the number of Consideration Options issued to MTR by a corresponding amount to the reduction in number of Consideration Shares,

such that the Company will not issue more than 57,763,566 Consideration Securities to MTR.

As at the date of this Notice, MTR has a Relevant Interest in 13,880,042 Shares constituting a Voting Power in the Company of approximately 6.0%. MTR's Voting Power in the Company may

change between the date of this Notice and Completion, subject to the restrictions in the Voting Agreement (further details provided in Section 3.10) which prohibits MTR from increasing or decreasing its Voting Power in the Company by more than 3% prior to Completion. Accordingly, MTR's Voting Power in the Company as at Completion is not currently known and, for the purposes of Resolution 1, the Company is seeking Shareholder approval for the maximum number of Consideration Options that may be issued should MTR increase its Voting Power in the Company by 3% prior to Completion, being 48,513,566 Consideration Options.

If MTR's Voting Power in the Company reduces to below 6% prior to Completion, the Company will issue 17,200,000 Consideration Shares and 40,563,566 Consideration Options and MTR will have the ability to exercise Consideration Options to increase its Voting Power in the Company to 12.5% (subject to certain restrictions in the Voting Agreement - see Section 3.3(c) below).

The below table demonstrates the number of Consideration Securities that may be issued to MTR, depending on MTR's Voting Power in the Company at Completion:

Number of Consideration Securities	Voting Power of less than 6%	Voting Power of 6%	Voting Power of 9%
Consideration Shares	17,200,000	17,200,000	9,250,000
Consideration Options	40,563,566	40,563,566	48,513,566
Total Consideration Securities	57,763,566	57,763,566	57,763,566

The Consideration Shares and the Shares issued on exercise of the Consideration Options, will be subject to an agreed escrow period of 12 months from Completion.

The Consideration Options:

- (a) have no voting or dividend rights until they are converted into Shares;
- (b) may be exercised any time following Completion for nil consideration provided that it will not cause MTR to exceed the Prohibited Voting Power upon issue of the resulting Shares;
- (c) may not be exercised unless the number of Shares to be issued to MTR upon exercise would be at least 2% of the issued Shares, provided that if MTR only holds Consideration Options which are capable of exercise into less than 2% of the issued Shares, such restriction will not apply; and
- (d) have an expiry date which is 3 years from the date of Completion.

The terms and conditions of the Consideration Options are set out in Schedule 4.

3.4 Rights over the Exploration Assets

Under the terms of the Agreement, subject to Completion occurring, MTR has granted the Company certain Rights in relation to the Exploration Assets which will be owned by the New Joint Venture. The terms of each Right are detailed below.

- (a) Mineral Resource Option

The Company has the right to purchase any Exploration Asset that is subject to a Scoping Study, the results of which have been announced to ASX, in consideration for cash, Shares or a combination of both, subject to local law requirements and the Listing Rules and AIM Rules (which may require the Company and/or MTR to obtain regulatory and/or shareholder approvals).

A Mineral Resource Option is exercisable any time between 60 and 150 days following the announcement of the results of the Scoping Study. A Mineral Resource Option not exercised within this time period will lapse but will not affect the Company's right to exercise a future Mineral Resource Option arising from:

- (i) a different Scoping Study; or
- (ii) a materially revised Scoping Study based on the same Exploration Asset.

The consideration payable upon exercise of a Mineral Resource Option will be calculated according to the relative proportion of the Company's enterprise value that brokers attribute to the value of the Exploration Asset(s) the subject of the Mineral Resource Option at the time of exercise, multiplied by the Company's actual trading enterprise value based on its 20-day VWAP and applied to MTR's percentage ownership in the Exploration Asset.

Following a Change of Control Offer to acquire 100% of Shares pursuant to which a bidder acquires at least 51% of the issued share capital of the Company, all then current Mineral Resource Options immediately lapse and cannot be exercised by any bidder/acquirer of the Company and the right to Mineral Resource Options terminates.

(b) Joint Venture Roll-up Option

Three years following Completion, the Company will have the right to acquire all of MTR's interest in the New Joint Venture in consideration for cash, Shares or a combination of both, subject to local law requirements and the Listing Rules and AIM Rules (which may require the Company and/or MTR to obtain regulatory and/ or shareholder approvals). The Joint Venture Roll-up Option has a 90 day exercise period from the third anniversary of Completion. If the Joint Venture Roll-up Option is not exercised in this period, it will lapse.

The consideration payable upon exercise of the Joint Venture Roll-up Option will be calculated based on the relative proportion of the Company's enterprise value that brokers attribute to the value of the New Joint Venture at the time of exercise, multiplied by the Company's trading enterprise value based on its 20-day VWAP and applied to MTR's percentage ownership in the New Joint Venture. Upon completion of the Joint Venture Roll-up Option, MTR will be granted a 2% NSR royalty in respect of any future production from the Exploration Assets (other than any Exploration Asset that has been transferred to the Company following the exercise of a Mineral Resource Option).

Following a Change of Control Offer to acquire 100% of Shares pursuant to which a bidder acquires at least 51% of the issued share capital of the Company, the Joint Venture Roll-up Option will lapse and cannot be exercised by any bidder/acquirer of the Company.

(c) Joint Venture Consolidation Option

Following any Board approved Change of Control Offer for 100% of the Shares, the Company will have the right to acquire all of MTR's interest in the New Joint Venture, such right is exercisable any time prior to the bidder acquiring at least a 51% interest in the Company. If not exercised during this time period, the Joint Venture Consolidation Option will lapse.

The consideration payable upon exercise of the Joint Venture Consolidation Option must be cash. The consideration payable upon exercise of the Joint Venture Consolidation Option will be calculated according to the relative proportion of the Company's enterprise value that brokers attribute to the value of the New Joint Venture at the time of exercise, multiplied by the implied enterprise value of the Change of Control Offer and applied to MTR's percentage ownership in the New Joint Venture. Upon completion of the Joint Venture Consolidation Option, MTR will be granted a 2% NSR royalty in respect of any future production from the Exploration Assets (other than any Exploration Asset that has been transferred to the Company following the exercise of a Mineral Resource Option).

If the transaction, the subject of the Change of Control Offer fails to complete, then

- (i) if completion of the Joint Venture Consolidation Option has not occurred, it will not occur; or
- (ii) if completion of the Joint Venture Consolidation Option has occurred, the transfer of MTR's interests in the New Joint Venture will be unwound; and
- (iii) the Joint Venture Consolidation Option remains exercisable by the Company in respect of future Change of Control Offers.

3.5 Operation of the New Joint Venture

The New Joint Venture will be governed by a shareholders' agreement to be entered into between the Company and MTR in respect of their shareholdings in MCE, incorporating the following key terms:

- (a) the board of MCE shall comprise two directors nominated by the Company and one nominated by MTR, and, if:
 - (i) MTR's shareholding in MCE is reduced to 10% or less then MTR shall not be entitled to nominate any directors (and its representatives on the board shall immediately resign as directors of MCE);
 - (ii) the Company's shareholding in MCE is reduced to 30% or less the Company shall only be entitled to nominate one director (and any other of its directors on the board shall immediately resign as directors of MCE); and
 - (iii) the Company's shareholding in MCE is reduced to 10% or less then the Company shall not be entitled to nominate any MCE directors (and its representatives on the board shall immediately resign as directors of MCE);
- (b) the Company is to be the manager of all operations and activities pertaining to the Exploration Assets;
- (c) all funding required will be by way of equity contributions and/or shareholder loans and contributed to pro rata by the Company and MTR in accordance with their shareholding in MCE, with:
 - (i) a standard dilution formula for a non-contributing party to apply until any Right granted in respect of the Exploration Assets has lapsed; and
 - (ii) following the lapse of any Right granted in respect of the Exploration Assets, the dilution for a non-contributing party shall be determined by two experts based on the asset value of MCE;
- (d) if MTR's or the Company's shareholding in MCE is diluted to less than 10% (**Diluting MCE Shareholder**) then the Diluting MCE Shareholder must transfer their MCE shares to the non-diluting shareholders (on a pro rata basis) in consideration for the grant by MCE of a 2% NSR royalty in favour of the Diluting MCE Shareholder; and
- (e) the sale or transfer of a shareholder's shares in MCE is subject to customary pre-emptive rights and drag and tag rights.

3.6 Impact of the Transaction on the Company's capital structure

The impact of the Transaction on the Company's capital structure at Completion will ultimately depend on MTR's Relevant Interest in the Company at Completion.

At the date of this Notice, MTR had a Relevant Interest in 13,880,042 Shares constituting a Voting Power in the Company of approximately 6.0%.

As detailed in Section 3.3, under the terms of the Agreement, the Company has agreed to issue MTR up to:

- (a) 17,200,000 Shares; and
- (b) 40,563,566 Consideration Options.

MTR's Voting Power in the Company as at Completion is not currently known and, may increase by up to 3% prior to Completion. For the purposes of Resolution 1, the Company is seeking Shareholder approval for the maximum number of Consideration Options that may be issued should MTR increase its Voting Power in the Company by 3% prior to Completion, being 48,513,566 Consideration Options.

The following table shows the potential impact of the Transaction on the Company's capital structure at Completion assuming that MTR's Voting Power in the Company does not change between the date of this Notice and Completion:

	Shares	Options	Consideration Options	Performance Rights
Current issued capital	231,482,620	4,923,482 ⁽¹⁾	Nil	3,050,000 ⁽²⁾
Consideration Securities ⁽³⁾	17,200,000	-	40,563,566 ⁽⁴⁾	-
Total issued capital on Completion under the Agreement⁽⁵⁾	248,682,620	4,923,482	40,563,566	3,050,000

Notes:

- (1) Comprising 4,923,482 unquoted options exercisable at \$0.60 on or before 15 April 2019.
- (2) Comprising 3,050,000 performance rights vesting in various tranches and expiring on 21 February 2022.
- (3) Assuming MTR has a Voting Power of 6% at Completion.
- (4) Exercisable for nil consideration and expiring 3 years following Completion. Refer to Schedule 4 for the terms and conditions of the Consideration Options.
- (5) Assumes:
 - (a) no further securities are issued before Completion; and
 - (b) no other convertible securities are exercised or converted.

3.7 Advantages and Disadvantages of the Transaction

The Transaction will provide numerous benefits to the Company and Shareholders including:

- (a) 100% ownership of the T3 Project and streamlining decision making;
- (b) positioning the Company as the holder of a substantially long life, financially robust copper project;
- (c) enabling accelerated financing and development of the T3 Project;
- (d) 14% accretive for Shareholders in terms of per Share ownership of the T3 Project;
- (e) the Company and MTR sharing all exploration expenditure pro-rata on the Exploration Assets;
- (f) providing flexibility for the Company to consolidate the Exploration Assets; and
- (g) enabling the New Joint Venture to maintain the current high level of exploration activity as in the Original Joint Venture.

Potential disadvantages of the Transaction include:

- (a) the Company being responsible for 100% of the funding of the expenditure and costs of developing the T3 Project; and
- (b) dilution for shareholders through the issue of the Consideration Securities.

3.8 Timetable

An indicative timetable of key milestones for the Transaction is detailed below.

Event	Indicative Date*
Meeting	19 September 2018
Obtain regulatory approvals for transfer of Exploration Assets	Mid October 2018
Completion of Transaction	Late October 2018

*The above timetable is indicative only and all dates may be subject to change.

3.9 Nominee Director

Upon Completion, and at all times when MTR (and its Related Entities) hold securities equating to at least 10% of the Company's issued share capital (including any options held by MTR), MTR has the right to nominate a representative to the Board.

3.10 Share dealing and voting restrictions

The Company and MTR have entered into a voting agreement (**Voting Agreement**), pursuant to which MTR has agreed:

- (a) until Completion to not acquire or dispose more than 3% of the Shares without the prior written consent of the Company;
- (b) during the period commencing on Completion, for a period of 3 years, it will:
 - (i) not acquire or dispose of Shares such that its Voting Power in the Company exceeds 12.5% or falls below 6.25% without the prior written consent of the Company;
 - (ii) not dispose of Shares to certain commercially agreed restricted persons without the prior written consent of the Company;
 - (iii) accept or reject, or vote in favour of or against (as appropriate) such Change of Control Offer in respect of the Relevant Shares, in accordance with the majority of the Board's recommendation; and
 - (iv) exercise all of the voting rights attached to the Relevant Shares in accordance with the recommendations of the majority of the Board on any resolution considered at a Shareholder meeting of the Company, including any Shareholder meeting convened to approve a Change of Control Offer.

A copy of the Voting Agreement was released to the ASX on 20 July 2018.

4. Resolution 1 – Approval of the issue of the Consideration Securities to Metal Tiger Plc

4.1 General

Resolution 1 seeks Shareholder approval pursuant to and in accordance with Listing Rule 7.1 to issue to MTR up to:

- (a) 17,200,000 Shares; and
- (b) 48,513,566 Consideration Options,

on the terms and conditions set out in the Explanatory Memorandum.

As set out in paragraph 3.3, under the terms of the Agreement, the Company has agreed to issue MTR no more than 57,763,566 Consideration Securities. MTR's Voting Power in the Company as at Completion is not currently known and, for the purposes of Resolution 1, the Company is seeking Shareholder approval for the maximum number of Consideration Options that may be issued should MTR increase its Voting Power in the Company by 3% prior to Completion, being 48,513,566 Consideration Options.

The Chairperson will cast all available proxies in favour of Resolution 1.

4.2 Listing Rule 7.1

Listing Rule 7.1 provides that the Company must not, subject to specified exceptions, issue or agree to issue more securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Directors to issue the Consideration Securities during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

4.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, the following information is provided in relation to the proposed issue of the Consideration Securities:

- (a) the maximum number of securities that will be issued to MTR is 57,763,566 Consideration Securities, being up to:
 - (i) 17,200,000 Shares; and
 - (ii) 48,513,566 Consideration Options,based on MTR's Voting Power in the Company at Completion of the Transaction (as detailed in Section 3.3).
- (b) the Consideration Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Consideration Securities will be issued in consideration for the Acquisition and the grant of the Rights;
- (d) the Consideration Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares

and will rank equally in all respects with the Company's existing Shares on issue. The terms and conditions of the Consideration Options are set out in Schedule 4;

- (e) no funds are being raised from the issue of the Consideration Securities. The Consideration Securities are being issued as consideration under the Agreement for the Transaction;
- (f) the issue date of the Consideration Securities will occur on one date, on or soon after the date of Completion; and
- (g) a voting exclusion statement is included in the Notice in connection with Resolution 1.

4.4 Directors' recommendation

The Board supports the Transaction contemplated under the Agreement and unanimously recommends that Shareholders vote in favour of Resolution 1.

Each Director intends to vote in favour of Resolution 1 in respect of all of the Shares they hold or control.

Schedule 1 - Definitions

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

\$ means Australian Dollars.

Acquisition has the meaning given in Section 3.1.

Agreement has the meaning given in Section 3.1.

AIM means the Alternative Investment Market of the LSE.

AIM Rules means the AIM Rules for companies.

ASX means the ASX Limited ABN 98 008 624 691 and where the context permits the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors of the Company.

Chairperson means the person appointed to chair the Meeting convened by the Notice.

Change of Control Offer means any takeover offer, scheme of arrangement or other change of control offer, which in each case would result in the offeror holding 51% or more of the issued capital of the Company.

Company means MOD Resources Limited ACN 003 103 544.

Completion has the meaning given in Section 3.2.

Conditions Precedent has the meaning given in Section 3.2.

Consideration Options has the meaning given in Section 3.3.

Consideration Securities has the meaning given in Section 3.3.

Consideration Shares has the meaning given in Section 3.3.

Constitution means the constitution of the Company as at the commencement of the Meeting.

Corporations Act means the *Corporations Act 2001* (Cth).

Demerger has the meaning given in Section 3.1.

Diluting MCE Shareholder has the meaning given in Section 3.5.

Director means a director of the Company.

Explanatory Memorandum means this explanatory memorandum which forms part of the Notice.

Exploration Assets has the meaning given in Section 3.1.

JORC Code means the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, 2012 edition.

Listing Rules means the listing rules of ASX.

MCE means Metal Capital Exploration Limited (UK Company number 11417276).

MCL means Metal Capital Limited (UK Company number 09283833).

Meeting has the meaning given to that term in the introductory paragraph of the Notice.

MTR means Metal Tiger Plc (UK Company number 0419604).

New Joint Venture has the meaning given in Section 3.1.

Notice means the notice of the Meeting and includes the agenda, Explanatory Memorandum and the Proxy Form.

NSR means net smelter returns.

Option means an option which entitles the holder to subscribe for one Share.

Original Joint Venture has the meaning given in Section 3.1.

Prohibited Voting Power means a Voting Power in the Company in excess of 12.5%.

Prospecting Licences has the meaning given in Section 3.1.

Proxy Form means the proxy form attached to the Notice.

Related Entity means, in relation to a party, any entity which is related to that party within the meaning of section 50 of the Corporations Act or which is an economic entity (as defined in any approved Australian accounting standard) that is controlled by that party.

Relevant Interest has the meaning given to that term in the Corporations Act.

Relevant Shares means the Shares in which MTR has a Relevant Interest from time to time.

Resolution means a resolution proposed pursuant to the Notice.

Rights has the meaning given in Section 3.1.

Schedule means a schedule to this Explanatory Memorandum.

Scoping Study has the meaning given in the JORC Code.

Section means a section of this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

T3 Project means the T3 copper-silver deposit in the Kalahari Copper Belt, Botswana, details of which are included in Schedule 2.

TEL means Tshukudu Exploration (Pty) Limited.

TMB means Tshukudu Metals Botswana (Pty) Ltd.

Transaction has the meaning given in Section 3.1.

Voting Power has the meaning given to the term in section 610 of the Corporations Act.

Voting Agreement has the meaning given in Section 3.10.

VWAP means volume weighted average price.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 2 - The T3 Project

"T3 Project" refers to the T3 copper-silver deposit in the Kalahari Copper Belt, Botswana, which includes an approximate 24.3km² within PL190/2008 and is delineated in the map and plan below (refer the Company's ASX announcement 31 January 2018).

Figure 1: Kalahari Copper Belt

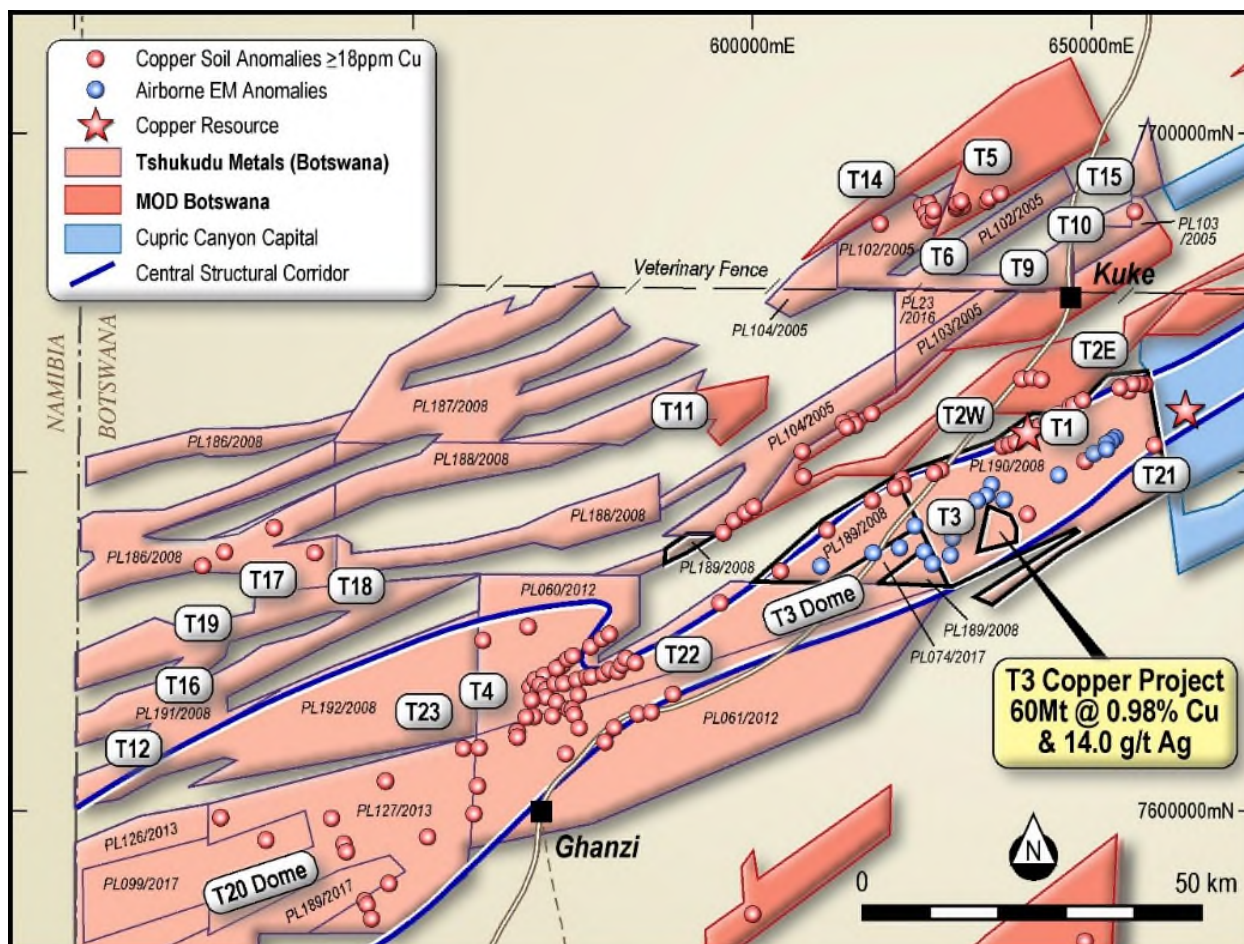
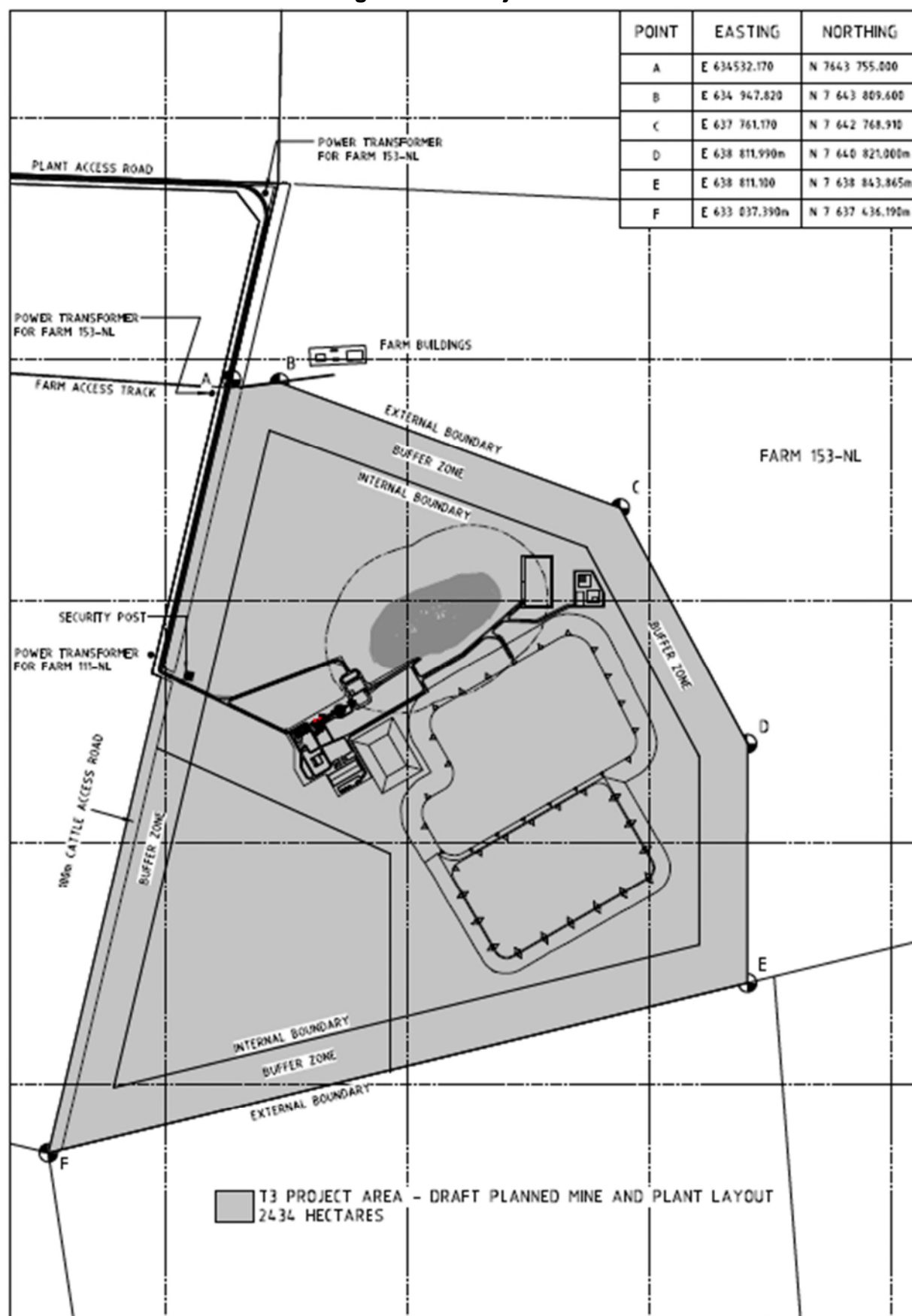


Figure 2: T3 Project Plan



Schedule 3 - Prospecting Licences

TSHUKUDU LICENCES - RENEWAL DATES, TRANSFER AND EXTENSION APPLICATION LIST

Updated 26 June 2018

EXTENSION GROUP	LICENCE NUMBER	AREA (-Km ²)	TITLE HOLDER	COMMENCEMENT DATE	RENEWAL DATE	TRANSFER JULY 2018
Group 1	PL189/2008	210.7	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL190/2008	708.0	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	RETAIN in TMB
Group 2	PL060/2012	809.2	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL061/2012	974.9	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
Group 3	PL186/2008	557.0	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL187/2008	648.8	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL188/2008	395.0	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL191/2008	572.0	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL192/2008	604.5	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
Group 4	PL102/2005	331.1	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL103/2005	131.1	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
	PL104/2005	285.3	Tshukudu Metals Botswana (Pty) Ltd	1-Jan-17	31-Dec-18	Transfer to TEL
Group 5	PL231/2016	65.0	Tshukudu Metals Botswana (Pty) Ltd	1-Oct-16	30-Sep-19	Transfer to TEL
	PL074/2017	45.0	Tshukudu Metals Botswana (Pty) Ltd	1-Apr-17	31-Mar-20	Transfer to TEL
	PL099/2017	285.0	Tshukudu Metals Botswana (Pty) Ltd	1-Oct-17	30-Sep-20	Transfer to TEL
	PL189/2017	370.0	Tshukudu Metals Botswana (Pty) Ltd	1-Oct-17	30-Sep-20	Transfer to TEL
	PL126/2013	341.4	Tshukudu Metals Botswana (Pty) Ltd	1-Jul-16	30-Jun-18	Transfer to TEL
	PL127/2013	668.6	Tshukudu Metals Botswana (Pty) Ltd	1-Jul-16	30-Jun-18	Transfer to TEL

Total Area (Km²)

8,002.56

708.00 Tshukudu Metals Botswana (Pty) Ltd ("TMB") 100%

7,294.56 Tshukudu Exploration (Proprietary) Ltd ("TEL") 100%

Schedule 4 Terms and Conditions of Consideration Options

1. Entitlement

Each Consideration Option entitles the holder to one share in the Company upon exercise.

2. Expiry Date

Each Consideration Option lapses 3 years after Completion (**Expiry Date**).

3. Exercise Period

Each Consideration Option may be exercised at any time after the issue of the Consideration Option and prior to the Expiry Date (**Exercise Period**).

4. Exercise of Option

A Consideration Option may be exercised by notice in writing to the Company (**Notice of Exercise**). Any Notice of Exercise of a Consideration Option received by the Company will be deemed to be a notice of the exercise of that Consideration Option as at the date of receipt.

5. Shares issued on exercise

Shares issued on exercise of the Consideration Options rank equally with the existing Shares of the Company.

6. Quotation of Shares on exercise

Application will be made by the Company to ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) for official quotation of the Shares issued upon the exercise of the Consideration Options.

7. Timing of issue of Shares and quotation of Shares on exercise

Within 5 Business Days after the later of the following:

- (a) receipt of a Notice of Exercise given in accordance with these terms and conditions;
- (b) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information;

the Company will:

- (c) allot and issue the Shares pursuant to the exercise of the Consideration Options;
- (d) ensure that any Shares or other securities issued are tradeable immediately following their issuance, including by cleansing notice in accordance with section 708A(5)(e) of the Corporations Act or prospectus in accordance with section 708A(11) of the Corporations Act; and
- (e) apply for, and use best endeavours to obtain, official quotation on ASX (or, if the Company is no longer listed on ASX, to the securities exchange on which the Company's shares are admitted for quotation) of Shares issued pursuant to the exercise of the Consideration Options.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Consideration Options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the Consideration Options.

However, the Company will use its reasonable endeavours to give the holder the opportunity to exercise their Consideration Options prior to the date for determining entitlements to participate in any such issue.

9. Dividend and Voting Rights

A Consideration Option does not confer on the holder the right to any dividends or to vote as a shareholder of the Company until the Consideration Option has been exercised and Shares issued to the holder.

10. Takeovers, Scheme of Arrangement and Change in Control

All Consideration Options will be deemed to be automatically exercised and the Company will be deemed to have received a Notice of Exercise in respect of all Consideration Options held by a holder if:

- (a) the Company announces that its shareholders have at a Court convened meeting of shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement (excluding a merger by way of scheme of arrangement for the purposes of a corporate restructure (including change of domicile, or any reconstruction, consolidation, sub-division, reduction or return) of the issued capital of the Company) and the Court, by order, approves the scheme of arrangement;
- (b) a takeover bid:
 - (i) is announced for the Company;
 - (ii) has become unconditional; and
 - (iii) the person making the takeover bid has a shareholding of 50% or more of the Shares; or
- (c) any person acquires a shareholding of 50.1% or more of the Shares by any other means.

Notwithstanding any other provision in the Agreement, MTR may exercise all of its Consideration Options in accordance with this clause 10 and the Company must issue the corresponding Shares to MTR, regardless of whether or not it would result in MTR holding more than the Prohibited Voting Power. For the purposes of this clause 10, the Prohibited Voting Power does not apply.

11. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment) the number of Shares which must be issued on the exercise of a Consideration Option will be increased by the number of Shares which the holder would have received if Consideration Options held by the holder had been exercised before the record date for the bonus issue.

12. Adjustment for rights issue

- (a) If during the term of any Consideration Option, the Company makes a pro rata issue of securities to the Company's shareholders by way of a rights issue, a holder shall not be entitled to participate in the rights issue in respect of any Consideration Options, only issued Shares.
- (b) A holder will not be entitled to any adjustment to the number of Consideration Options or number of Shares received on exercise of the Consideration Option as a result of the Company undertaking the rights issue.

13. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the holders of Consideration Options shall be varied to comply the ASX Listing Rules which apply to the

reconstruction at the time of the reconstruction, provided the holders of Consideration Options will be no worse off than they had been prior to the reconstruction.

14. Adjustment for compliance with ASX Listing Rules

The terms of the Consideration Options may be amended from time to time by the issue of a notice from the Company to the holder setting out the details of such amended terms. Any such amendment may only be made by the Company solely to the extent that it is necessary for the Company to comply with the ASX Listing Rules, provided the holders of Consideration Options will be no worse off than they had been prior to the amendment.

15. Quotation of Consideration Options

No application for quotation of the Consideration Options will be made by the Company.

16. Consideration Options Not Transferable

The Consideration Options are not transferrable.

17. Restrictions under Agreement

The Consideration Options are subject to certain restrictions set out in the Agreement.

«EFT_REFERENCE_NUMBER»

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MOD RESOURCES LIMITED

ACN: 003 103 544

REGISTERED OFFICE:

FIRST FLOOR
1304 HAY STREET
WEST PERTH WA 6005

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SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO BOX 52
Collins Street West VIC 8007
Suite 913, Exchange Tower
530 Little Collins Street
Melbourne VIC 3000
T: 1300 992 916 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au



«Post_zone»
«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

MOD

Holder Number:

«HOLDER_NUM

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

VOTE ONLINE

Lodge your proxy vote securely at www.securitytransfer.com.au

1. Log into the Investor Centre using your holding details.
2. Click on "Proxy Voting" and provide your Online Proxy ID to access the voting area.

«ONLINE

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

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The meeting chairperson

OR

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the General Meeting of the Company to be held at 11.00am WST on Wednesday 19 September 2018 at 1304 Hay Street, West Perth, Western Australia and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

RESOLUTION

1. Approval of the issue of the Consideration Securities to Metal Tiger Plc

For

☐

Against

☐

Abstain*

☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Security Transfer Australia Pty Ltd no later than 11.00am WST on Monday 17 September 2018.

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Name:

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This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Australia Pty Ltd no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Email registrar@securitytransfer.com.au

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.