

Update on Cash Elections from MOD shareholders

On 25 June 2019, **MOD Resources Ltd** (ASX/LSE: MOD) ("the Company") announced that Sandfire Resources NL (ASX:SFR) ("Sandfire") had made an offer to acquire 100% of MOD shares by way of a Scheme of Arrangement ("Scheme"). Under the terms of the Scheme, eligible shareholders were given the opportunity to elect to receive cash consideration of A\$0.45 per MOD Share ("Cash Election").

The Company advises that a total of 159 shareholders, currently holding a total of 101,176,973 fully paid ordinary shares in MOD ("MOD Shares"), have made a Cash Election. The total consideration payable for these shares would be approximately \$45.5 million which exceeds the cash consideration cap of \$41.6 million ("Maximum Cash Consideration").

Accordingly, it is expected that shareholders who have made a Cash Election will have their cash consideration scaled back on a pro-rata basis so that the total amount of cash consideration payable equals the Maximum Cash Consideration and the remainder of the consideration will be payable to those shareholders in Sandfire shares.

Based on the number of MOD Shares currently held by those shareholders who have made a Cash Election, shareholders who have made a Cash Election will receive:

- A\$0.4111607 per MOD Share (Section A of the scale back formula, outlined in section 5.3 of the Scheme Booklet); and
- 0.005731 Sandfire shares for every MOD Share held (Section B of the scale back formula, outlined in section 5.3 of the Scheme Booklet).

Fractional entitlements in relation to cash consideration to be received by Shareholders who elected cash will be rounded up to the nearest cent. Fractional entitlements to Sandfire shares will be rounded up or down to the nearest whole number and in the case of an entitlement to half a share rounded up to the nearest whole number. Shareholders entitled to receive less than one Sandfire share will have their entitlement rounded up to one share.

A cash election under the Scheme is deemed to apply to all MOD Shares held by the shareholder making the Cash Election on the record date for the Scheme ("Record Date"), regardless of whether the number of MOD Shares held is greater or less than the number held at the time the Cash Election was made. Accordingly, the share and cash numbers above are indicative only and may change based on movements on the share register of the Company between the date of this announcement and the Record Date, which is currently scheduled to be 16 October 2019.

Cash elections received are subject to final audit, analysis and calculation after the Record Date. An analysis of eligible shareholders, ineligible shareholders and unmarketable parcel shareholders has not been undertaken and will only be undertaken after the Record Date as the determination of whether a shareholder is an eligible shareholder or ineligible shareholder is based on the jurisdiction of a registered address of a shareholder at the Record Date. Likewise, a Shareholder who is an unmarketable parcel shareholder will only be known based on the holding of shares on the Record Date and the last traded price of Sandfire shares on ASX on the trading day prior to the Record Date.

The MOD Board continues to unanimously recommend that **MOD shareholders vote in favour of the Scheme** (in the absence of a superior proposal and subject to the independent expert continuing to conclude that the Scheme is in the best interests of MOD shareholders). Please refer to page (iii) of the Scheme Booklet for important disclosure relating to the MOD Directors' recommendation.

General Meeting Voting Particulars

A General Meeting will be held at **10.00am (WST) on 1 October 2019**, at 1304 Hay St, West Perth.

MOD shareholders are encouraged to attend and vote on the resolution relating to MOD's acquisition of Metal Tiger Plc's 30% interest in certain exploration assets on the Kalahari Copper Belt by attending the General Meeting in person or by returning the personalised proxy form accompanying the Notice of General Meeting mailed to shareholders.

All proxy forms must be received by the Company's share registry by no later than 10:00am (WST) on 29 September 2019 in accordance with the directions set out in the proxy form.

Scheme Meeting Voting Particulars

A Scheme Meeting will be held at **11.00am (WST) on 1 October 2019**, at 1304 Hay St, West Perth.

Your vote will be important in determining whether the Scheme proceeds. MOD shareholders are encouraged to vote on the Scheme by attending the Scheme Meeting in person or by returning the personalised proxy form enclosed in the Scheme Booklet mailed to shareholders.

All proxy forms must be received by the Company's share registry by no later than 11:00am (WST) on 29 September 2019 in accordance with the directions set out in the proxy form.

UK Depository Interest Holders

Eligible MOD Depository Interest holders are reminded that voting instructions must be received by 5:00pm (WST) today (25 September 2019).

If you require further information or have questions in relation to the Scheme, please contact the MOD Shareholder Information Line on 1300 381 073 (within Australia) or +61 3 9415 4046 (outside Australia) Monday to Friday between 8:30am and 5:00pm (Melbourne time).

For and on behalf of the MOD Board.

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About MOD Resources

MOD Resources Ltd is a dual listed copper exploration and development company with a dominant land position within the Kalahari Copper Belt in Botswana. The Company is focussed on developing the 100% MOD owned T3 Copper Project, which has potential to be a high-margin, low-cost copper mine. In parallel with the progressing towards the development of the T3 Copper Project, MOD has undertaken substantial exploration programs across several priority drill targets and within untested areas of interesting and potentially significant Electromagnetic and Cu-Zn soil anomalies.

MOD and its in-country operating companies Tshukudu Metals Botswana (Pty) Ltd and Tshukudu Exploration (Pty) Ltd have a social licence to operate within Botswana as well as within the host community of Ghanzi. MOD continues to work collaboratively with Government regulators and members of the Ghanzi District community to ensure that any social investments and developments are targeted to create a positive and lasting legacy.

On 25 June 2019, the Company announced Sandfire had made an offer to acquire 100% of MOD shares by way of a Scheme of Arrangement.

