

## NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO \$1.2M

Further to the ASX announcement of 9 September 2015, the Board of MOD Resources Ltd (**ASX:MOD**) wishes to advise that eligible MOD shareholders will have the opportunity to participate in the non-renounceable pro-rata rights issue on the basis of one new fully paid MOD share for every five shares held at 5.00pm WST on 29 September 2015 at an issue price of \$0.006 per share, together with a free attaching listed \$0.01 option expiring 1 May 2018 for every two new shares subscribed, to raise up to \$1.2 million (before costs)(**Rights Issue**).

MOD intends to apply the funds raised under the Rights Issue to the resource extension drilling program at the Mahumo Copper/Silver Project in Botswana and progress towards proposed pre-feasibility studies. Also, as announced on 9 September 2015, on completion of the acquisition of prospecting licences in the immediate area of Mahumo, MOD and a London Stock Exchange AIM-listed investment company, propose to undertake preliminary exploration on high priority targets on the newly acquired licences.

As announced on 18 September 2015, while MOD remains strongly focused on the Botswana assets, there have been two important developments at the Sams Creek Gold Project in New Zealand. MOD increased its interest in the Sams Creek Joint Venture to 80% (at no cost to MOD) and preliminary remodelling of the current 1.0Moz gold resource at a higher cut-off grade (2.0 g/t) has identified potentially significant higher grade mineralisation within the Main Zone deposit. Part of the funds from the Rights Issue will be used to remodel the resource at the higher cut-off grade to comply with JORC Code (2012) standards. The Board is also considering a range of options with a view to maximising shareholder value at Sams Creek to enable the majority of activities to be directed to MOD's substantial copper/silver assets in Botswana.

The Board is also pleased to advise that SHL Pty Ltd has agreed to extend the repayment date of the \$2 million loan facility until 4 April 2016 with a further 3 month extension possible, subject to MOD's financial capacity to repay the loan at that time.

### Rights Issue

The proposed timetable for the Rights Issue is set out below.

| Indicative Timetable   | Date              |
|--|-------------------|
| Lodgement of prospectus with ASIC and ASX                                      | 22 September 2015 |
| Notice of Rights Issue sent to shareholders                                    | 22 September 2015 |
| Shares quoted on an "EX" basis   | 25 September 2015 |
| Record Date for determining Entitlements                                       | 29 September 2015 |
| Prospectus and Entitlement and Acceptance Form despatched to shareholders      | 1 October 2015    |
| Opening Date of Rights Issue   | 1 October 2015    |
| Closing Date of Rights Issue   | 15 October 2015   |
| Securities quoted on a deferred settlement basis                               | 16 October 2015   |
| Notification of Shortfall  | 20 October 2015   |
| Anticipated date for issue of the Securities and despatch of holder statements | 22 October 2015   |
| Deferred settlement trading ends   | 22 October 2015   |

The dates are indicative only and the Company reserves the right to vary the dates including the right to extend the Closing Date or to withdraw the Rights Issue (subject to the Corporations Act and the ASX Listing Rules).

Shareholders may apply for shares in the Rights Issue in excess of their entitlement. If the Rights Issue is not fully subscribed by eligible shareholders, the number of unaccepted shares will form the shortfall (**Shortfall**) and the Directors will reserve the right to issue the Shortfall at their discretion in conjunction with lead manager, Patersons Securities Limited, within 3 months after the close of the Rights Issue.

Terms and conditions of the Rights Issue will be included in a prospectus to be released today and sent to eligible shareholders on 1 October 2015. MOD directors intend to apply for their full entitlement under this Rights Issue.

**For further information, please contact:**

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**Competent Person's Statement**

The information in this announcement that relates to Mineral Resources, Geological Data and Exploration Results is based on information compiled by Mr Paul Angus, Project Manager of Sams Creek and a Director of MOD Resources Limited's subsidiary, Sams Creek Gold Ltd. 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 consents to the inclusion in this announcement of the matters based on his information in the form and context in which they appear.

**Forward Looking Statements and Disclaimers**

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