

MOD RESOURCES LIMITED (ASX: MOD)
QUARTERLY ACTIVITIES REPORT FOR PERIOD ENDED 30 SEPTEMBER 2015

HIGHLIGHTS

Mahumo Copper/Silver Project, Botswana

- **Potential transaction to acquire licences to cover all potential extensions to Mahumo plus other targets. Formal documentation well advanced and subject to conditions precedent**
- **London AIM listed investment company to fund initial payment in return for 30% interest in acquired licences and assist MOD to source future funding from UK equity market**
- **Scoping study recommendations include further resource drilling to extend potential target mine life >10 years and proceed with the proposed PFS subject to funding**

Sams Creek Gold Project, New Zealand

- **80% earned in Sams Creek gold JV at minimal additional cost to MOD. Current 1.0Moz porphyry hosted gold resource remains completely open along strike and down-dip**
- **Informal remodelling of the resource @ 2.0g/t cut-off defined potentially significant, higher grade gold zones within current resource. JORC resource upgrade required to confirm the informal estimates**
- **58 previously announced down hole width intersections (using >5m intervals and a 2.0g/t cut-off) include: 25.5m @ 4.8g/t, 20m @ 4.4g/t, 19.6m @ 6.0g/t, 9.1m @ 8.5g/t, 16.0m @ 5.4g/t and 32.0m @ 3.1g/t gold**

The Board of MOD Resources Ltd ("MOD" or the Company) is pleased to report significant progress was achieved during the September quarter towards expanding the asset base and enhancing the value of both the Mahumo Copper/Silver Project and the Sams Creek Gold Project.

MOD Board and management has focussed on achieving these objectives at minimal cost during the current downturn in the resource market. The Board expects that as a result, MOD will be in a stronger position to advance the Botswana assets towards potential development and benefit from any uplift in the market during 2016.

Mahumo Copper/Silver Project, Botswana

Potential Acquisition (MOD 70%)

On 9 September 2015, MOD announced a proposed transaction to acquire a number of prospecting licences in the immediate area of MOD's 100% owned Mahumo high grade copper/silver project in Botswana ("Acquisition"). The Acquisition is considered an important part of future growth plans for the Mahumo area and covers any possible extensions to the deposit. The Acquisition is subject to satisfaction of certain conditions precedent which are considered normal for a transaction of this nature.

The terms of the Acquisition remain confidential until the sale agreement and associated documents have been executed. This involves multiple parties and is nearing finalisation. The consideration for the Acquisition includes an upfront cash payment with the majority of the consideration on a deferred basis once certain targets are met. As part of the transaction, MOD has entered into an agreement with a London Stock Exchange AIM-listed investment company (Investment Company) to fund the initial payment for the Acquisition in return for a 30% interest in the prospecting licences to be acquired.

The agreement with the Investment Company does not apply to MOD's other substantial holdings in the Kalahari Copper Belt which include the Mahumo high grade deposit, Molelo Intrusion and Ghanzi South Prospect.

Further details of the Acquisition and proposed drilling priorities on the acquired licences will be released once documentation is finalised.

Mahumo Copper/Silver Project (MOD 100%)

Preliminary results of the Mahumo Copper/Silver Project underground scoping study base case model released previously (based on the Stage One resource announced 25 March 2015) are positive and indicate potential for an initial 4-5 year underground mine life assuming toll treatment of ore. The proposed mining method involves two declines with mechanised mining to access and develop underground levels and conventional mining (air legging which is commonly used in southern Africa) for in-ore development and stoping.

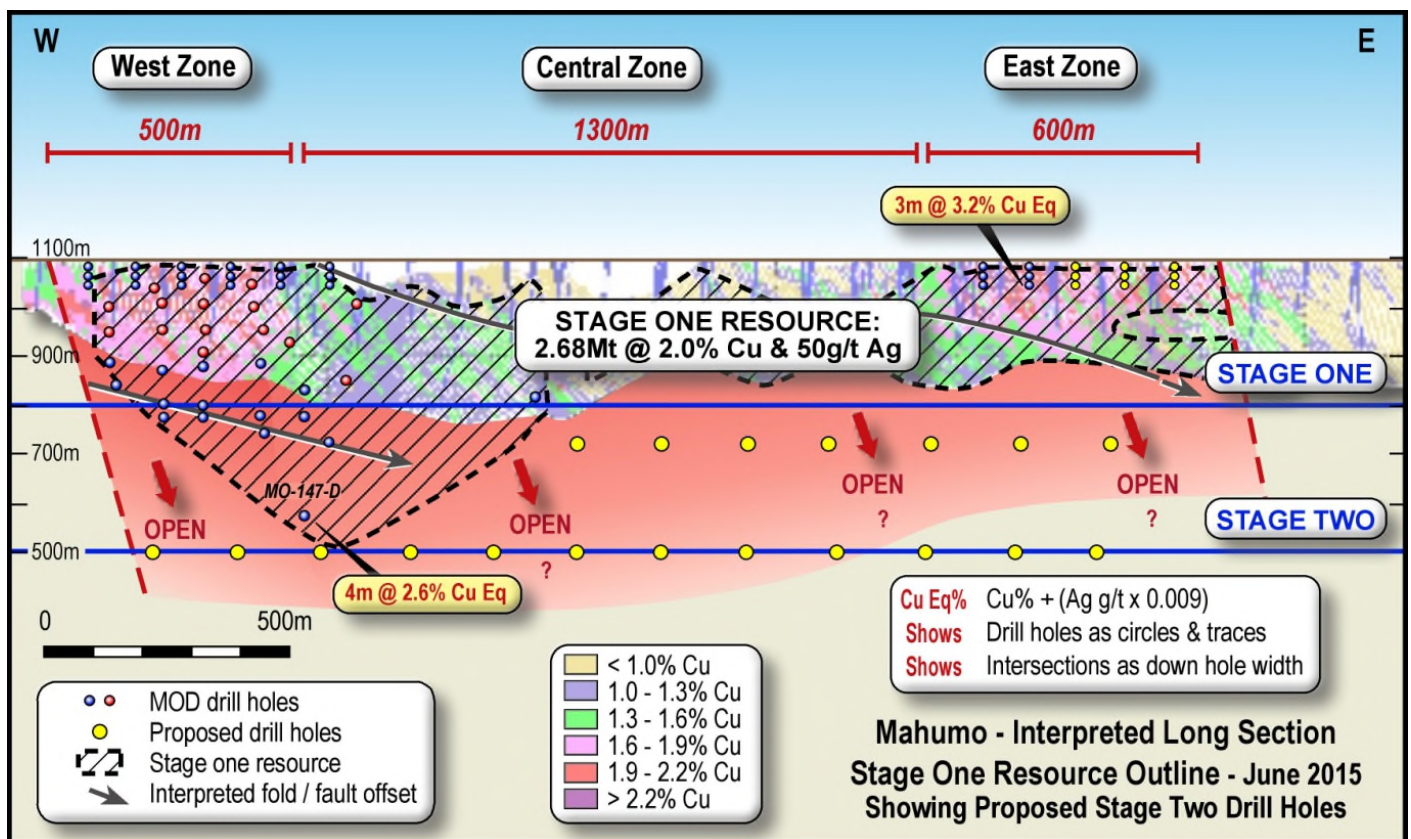


Figure 1: Mahumo Long Section showing outline of Stage One resource and proposed Stage Two resource extension drilling

Using a 1.35% Cu cut-off grade the average stope width is 2.5m including dilution. Mining costs including decline, waste development and stoping (and excluding administration and utilities costs and mining equipment capital) are estimated to be in the range US\$45/tonne ore. A more definitive and detailed cost model will be developed as part of the proposed PFS.

Key recommendations of the Mahumo underground scoping study are:

1. Additional resource drilling to increase size of resource to support potential mine life to >10 years
2. Proceed with the proposed PFS (subject to funding)
3. Conduct trade off studies to ascertain optimal solutions for:
 - Trackless versus conventional mine development options
 - Copper and silver cut-off grades
 - Sequencing two proposed declines to optimise cashflow and project value
 - Potential toll treatment of ore versus construction of on-site processing plant
 - Optimise timing of processing plant construction

A decision by MOD to proceed with the PFS will trigger commencement of the MoU with Sedgman Limited (announced 15 July 2015). Under the terms of the MoU, Sedgman will inject up to US\$1.5M into feasibility studies including engineering and management services provided on an at cost basis. In return, Sedgman will earn up to 10% in the Mahumo Joint Venture and certain rights to design, construct and operate a processing plant, subject to separate contracts.

A separate, conceptual 'expanded target case' model for Mahumo has been prepared assuming significant high grade copper/silver mineralisation extends below the Stage One Resource. This expanded conceptual model is based on a potential doubling of mine life with a 500,000tpa processing plant constructed on site.

The proposed Stage Two Resource drilling program is intended to test the potential for extensions below current resource along the 2.4km long deposit and will proceed as soon as possible, subject to availability of funding. The deepest drill hole at Mahumo to date (MO-147-D) intersected high grade mineralization (4m down hole width @ 2.1% Cu and 55.0g/t Ag) and provides further encouragement of this potential (Figure 1).

Sams Creek Gold Project, New Zealand (MOD 80%)

As announced on 18 September 2015, the Company earned an additional 20% interest in the Sams Creek Gold Project from OceanaGold (New Zealand) Ltd at minimal additional cost to MOD. MOD and OceanaGold have executed an Implementation Agreement which has been submitted to New Zealand Petroleum and Minerals for consent to transfer the new interests in the Joint Venture. The 80% ownership is regarded by MOD as an important milestone for this large porphyry hosted gold deposit with potential for significant upside.

In addition, MOD recently received confirmation that an application for a change of conditions for a 100% owned Minerals Exploration Permit (EP 54 454) located adjacent to Sams Creek was approved until September 2017. EP 54 454 is considered important for potential future underground access or infrastructure associated with possible future development at Sams Creek.

On 18 September 2015, MOD announced that as a result of informal remodelling of the Sams Creek resource data at a higher cut-off grade (2.0g/t), potentially significant and apparently continuous higher grade gold zones were identified within the 1.0Moz Main Zone resource. 58 previously announced drill hole intersections within the Main Zone resource which contain >5m down hole width intervals at a 2.0g/t gold cut-off are listed in Table 1.

MOD plans to appoint an independent consulting group to remodel the drill hole data to generate a new resource model at 2.0g/t cut-off grade, to comply with JORC Code (2012) standards. The objective of the resource upgrade is to determine whether sufficient high grade mineralisation exists which could be considered to have potential for underground mining.

Main Zone - Drill hole Intersections (>5m @ >2.0g/t Au)					Main Zone - Drill hole Intersections (>5m @ >2.0g/t Au)				
Hole	From (m)	To (m)	Interval (m)	Au g/t	Hole	From (m)	To (m)	Interval (m)	Au g/t
DDH82SC07	15.6	23.1	7.5	3.56	SCDDH044	247	255	8	3.41
DDH82SC09	22	42	20	3.15	SCDDH045	76	108	32	3.06
DDH83SC13	63	69	6	5.42	SCDDH048	192	212	20	4.36
DDH83SC15	18	24	6	11.11	SCDDH048	220	228	8	2.97
DDH84SC16	1	27	26	4.2	SCDDH050	231	237	6	2.48
DDH84SC16	93	100	7	5.74	SCDDH050	260	265	5	4.02
DDH84SC16	161	200	39	3.85	SCDDH059	300	305	5	2.55
DDH84SC16	203	208	5	4.1	SCDDH060	177	183	6	3.51
DDH84SC16A	1.2	27	25.8	4.41	SCDDH061	142	152	10	4.27
DDH84SC17	5	17	12	2.95	SCDDH063	245	254	9	4.01
DDH84SC17A	2	13	11	3.97	SCDDH079	135	146	11	3.91
DDH84SC17A	20	26	6	4.59	SCDDH080	255.4	275	19.6	6
DDH84SC18	10	15	5	7.76	SCDDH081	1	10	9	6.73
DDH84SC19	61	67	6	4.2	SCDDH082	76	88	12	3.98
DDH84SC19	79	105	26	3.25	SCDDH083	197	212	15	2.67
DDH84SC19	131	137	6	7.22	SCDDH083	216	221	5	3.45
DDH84SC19	143	159	16	2.99	SCDDH083	227	237	10	3.02
DDH84SC19	162	173	11	3.25	SCDDH083	250	260	10	4.24
DDH84SC19	177	200	23	2.77	SCDDH086	2	7	5	3.05
DDH84SC19	203	212	9	3.16	SCDDH087	28.5	34	5.5	2.42
DDH84SC21	133	145	12	2.42	SCDDH088	130	138	8	2.73
DDH84SC25	140	148	8	2.29	SCDDH088	143.9	153	9.1	8.51
DDH84SC25	153	160	7	2.42	SCDDH088	157	163	6	2.95
DDH84SC25	172	178	6	2.9	SCDDH089	259	268	9	2.48
DDH84SC25	202	218	16	5.37	SCDDH090	325	332	7	2.57
DDH86SC35	9	16	7	5.17	SCDDH091	347	353	6	5.07
DDH86SC36	0	25.5	25.5	4.78	SCMDH029	32	47	15	3.72
DDH87SC40	116	122	6	3.06	SCMDH029	63	81	18	3.79
SCDDH044	183	204	21	3.26	SCMDH030	11.2	27	15.8	3.84

Table 1: Sams Creek - high grade down hole intersections (>5m down hole width & 2.0g/t cut-off) within Main Zone resource

Notes to Table 1:

- 1) Drill hole intervals shown in Table 1 are >5m down hole widths and > 2.0g/t gold. These intervals represent down hole widths not true widths.
- 2) Drill hole collar coordinates, azimuth & inclinations are provided in previous announcements (including those announced: 24 April 2012; 31 October 2012; 16 May 2013, 17 July 2013, 19 September 2013).
- 3) JORC Code (2012) Assessment Criteria - Table 1 relating to the above drill holes in Table 1 was included with the Sams Creek resource announcement (announced: 9 October 2013).
- 4) There are no material changes to this information since it was announced previously, other than applying the 2.0g/t gold cut-off to the drill hole intersections.

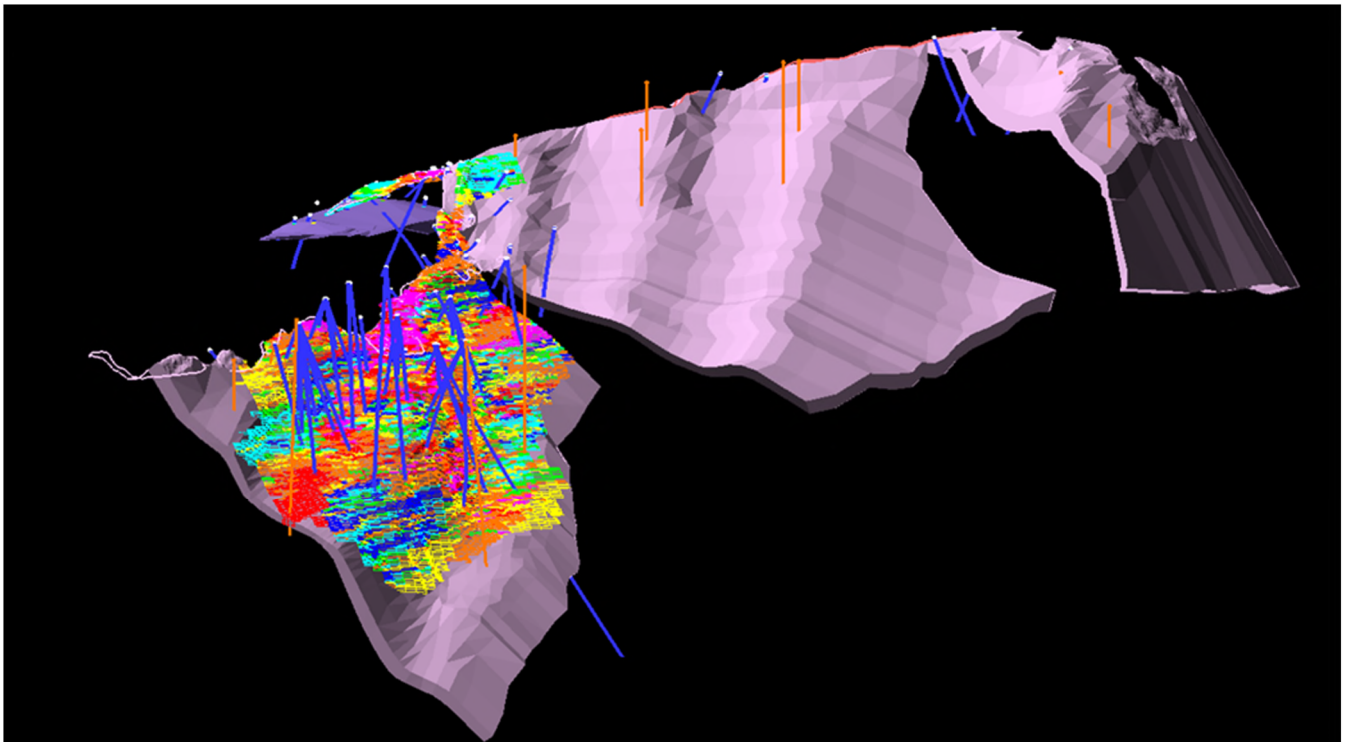


Figure 2: Sams Creek - 3D model of Main Zone Resource looking west towards interpreted extension of porphyry dyke

As announced previously, MOD Board is considering a range of options at Sams Creek while directing the majority of activities and funding to expanding the Company's Copper/Silver Project in Botswana.



Figure 3: Sams Creek mineralised porphyry in drill core. Assays for this interval average 4.1g/t gold

Corporate

On 9 September 2015, the Company announced an opportunity for MOD shareholders to participate in a non-renounceable pro-rata rights issue to raise up to \$1.2 million (before costs) to progress with the proposed development pathway at the Mahumo Copper/Silver Project and explore MOD's significant interests in the wider Botswana Kalahari Copper Belt (Rights Issue).

The Company also advised that it reached agreement with SHL Pty Ltd to extend the repayment date for its existing \$2 million secured loan to 4 April 2016. If MOD does not have the capacity to repay the loan on this date, the parties have agreed that the repayment date for the loan will be extended a further three months to 4 July 2016.

The Rights Issue enabled MOD shareholders to subscribe for one new fully paid MOD share for every five shares held at an issue price of \$0.006 per share, together with a free attaching unlisted \$0.01 option expiring 21 May 2018 for every two new shares subscribed. The Rights Issue was lead-managed by Patersons Securities Limited.

On 27 October 2015, the Company announced that it had received valid applications from shareholders for 34,855,780 fully paid ordinary shares (Offer Shares) and 5,311,075 fully paid ordinary shares (Shortfall Shares) pursuant to the Rights Issue representing total funds of \$241,001, before costs and a further application for 6,500,000 fully paid ordinary shares totalling \$39,000 from a related party on the same terms as the Rights Issue which will be issued along with 3,250,000 Options subject to shareholder approval.

The directors are actively discussing with interested parties to place the shortfall on the same terms as that offered under the Rights Issue.

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Competent Person's Statements

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper Project is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), General Manager Exploration (Africa) 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.

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.

Information in this announcement relates to previously released exploration data disclosed under the JORC Code 2004. It has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported and is based on and fairly represents information reviewed and approved by Jacques Janse van Rensburg and Paul Angus.

The Competent Person responsible for the geological interpretation, Stage One Mineral Resource estimation and classification of the Mahumo Copper/Silver Project is Mr A.I. Pretorius, who is a full-time employee of Sphynx Consulting CC and registered with SACNASP (400060/91). Details relating to the Mahumo Stage One Mineral Resource estimation were announced on 25 March 2015 with a subsequent Mineral Resource Statement announced on 15 April 2015. Mr Pretorius has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pretorius consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

Forward Looking Statements and Disclaimer

This announcement contains certain statements which constitute "forward looking statements".

Examples of forward looking statements in this release are: "Potential transaction to acquire licences to cover all potential extensions to Mahumo plus other targets. Formal documentation well advanced and subject to conditions precedent", and: "further resource drilling to extend potential target mine life >10 years and proceed with the proposed PFS subject to funding", and: "Informal remodelling of the resource @ 2.0g/t cut-off defined potentially significant, higher grade gold zones within current resource", and: "The Board expects that as a result, MOD will be in a stronger position to advance the Botswana assets towards potential development and benefit from any uplift in the market during 2016", and: "Further details of the Acquisition and proposed drilling priorities on the acquired licences will be released once documentation is finalised", and: "A decision by MOD to proceed with the PFS will trigger commencement of the MoU with Sedgman ", and: "potentially significant and apparently continuous higher grade gold zones were identified within the 1.0Moz Main Zone resource", and: "objective of the resource upgrade is to determine whether sufficient high grade mineralisation exists which could be considered to have potential for underground mining", and: "directors are actively discussing with interested parties to place the shortfall on the same terms as that offered under the Rights Issue".

Such forward looking statements are only predictions based on current information and assumptions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statement. No representation or warranty, expressed or implied, is made by MOD Resources Ltd that material contained in this announcement will be achieved or proved correct.

This announcement does not include reference to all available information on MOD Resources Limited or the Sams Creek Gold Project or the Botswana Copper Project and should not be used in isolation as a basis to invest in the Company. Potential investors should refer to MOD Resources Limited's other public releases and consult professional advisers before investing in the Company.

Exploration Targets and Results

This announcement refers to Exploration Targets as defined under Sections 18 and 19 of the 2012 JORC Code.

The Exploration Targets quantity and quality referred to in this release are conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a mineral resource.

This release includes no reference to new assay results or drilling intersections or Mineral Resources which haven't already been announced by MOD Resources Ltd previously.

PROJECT BACKGROUND

1. **Botswana Copper Project**

MOD's Botswana Copper Project comprises a tenement holding of ~6,918km² in the central and western part of the Kalahari Copper Belt in Botswana. MOD is conducting a substantial exploration program in Botswana and is currently focussed on the Stage One scoping study programs at Mahumo which is centrally located to MOD's other licences and priority targets.

Mahumo has an existing JORC 2012 compliant Inferred and Mineral Resource which comprises approximately 2.67Mt @ 2.00 Cu and 50.0g/t Ag announced 25 March 2015.

Any future development and infrastructure established at Mahumo may provide a strategic opportunity to develop other deposits in the region. For this reason, MOD intends to progress exploration on other targets (eg Molelo, Marthie) and is considering a number of ways to fund this work in addition to the current substantial program underway at Mahumo.

2. **Sams Creek Gold Project**

The Sams Creek Gold Project is located 100km north of the Reefton gold field in the South Island of New Zealand.

MOD Resources Limited (ASX: MOD), through subsidiary Sams Creek Gold Ltd, owns 80% of Sams Creek Joint Venture with OceanaGold Corporation, which is New Zealand's largest gold producer.

Sams Creek has an existing JORC 2012 compliant Inferred and Indicated Mineral Resource containing approximately 1.0Moz gold (announced 9 October 2013). The resource estimate was prepared by Golder Associates Pty Ltd. The resource has not materially changed since it was last reported in an announcement to ASX on 9 October 2013.

The known gold mineralisation at Sams Creek is contained within a porphyry dyke with an average thickness of 30-35m in the Main Zone deposit. The dyke can be traced 6km along strike within the Sams Creek permit area and extends into the 100% owned Barrons Flat permit area which directly adjoins Sams Creek. It should be noted that the Sams Creek porphyry dyke does not always contain gold mineralisation.

Mineral Resource Estimates as at 30 September 2015

Mahumo Stage One - Total Resources @ 1.0% Cu cut-off						
JORC Category	Tonnes (Mt)	Cu %	Ag g/t	CuEq ² %	Cu Tonnes	Ag Ounces
Measured	518,000	1.93%	48.8	2.37%	10,000	813,000
Indicated	1,726,000	1.87%	48.0	2.30%	32,280	2,660,000
Inferred	433,000	2.52%	57.4	3.03%	10,900	800,000
Total	2,677,000	2.00%	50.0	2.44%	53,180	4,273,000
<p>1. Tonnes, grade and metal content have been rounded. Rounding may lead to computational discrepancies.</p> <p>2. The formula used is: CuEq= Cu% + (Ag g/t x 0.009).</p>						

Sams Creek Resource Category	Cut-Off g/t Au	Tonnes (Mt)	Grade g/t Au	Contained 000's oz Au
Indicated	0.7	10.1	1.77	575
Inferred	0.7	10.4	1.31	439
TOTAL	0.7	20.5	1.54	1,014
Indicated	1.0	7.9	2.03	515
Inferred	1.0	5.8	1.70	315
TOTAL	1.0	13.7	1.89	830
Indicated	1.5	5.0	2.48	402
Inferred	1.5	2.5	2.33	187
TOTAL	1.5	7.5	2.43	588

TABLE 2 - SCHEDULE OF EXPLORATION LICENCES AS AT 30 SEPTEMBER 2015

Botswana Copper Project

LICENCE NUMBER	SIZE (KM ²)	HOLDING	TITLE HOLDER	LICENCE COMMENCEMENT DATE	RENEWAL DATE
Northern Licences					
PL652/2014	190.9	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-14	30-Sep-16
PL686/2014	463.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-14	30-Sep-16
PL203/2014	77.7	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-14	31-Mar-17
PL204/2014	70.8	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-14	31-Mar-17
PL280/2014	116.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jul-14	30-Jun-17
Southern Licences					
PL016/2013	934.3	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL017/2013	670.8	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL018/2013	638.9	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
PL034/2015	921.0	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-15	31-Mar-17
PL035/2015	789.0	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-15	31-Mar-17
PL036/2015	941.0	100%	MOD Resources Botswana (Pty) Ltd	1-Apr-15	31-Mar-17
JV Licences					
PL009/2012 ⁽ⁱ⁾	310.4	80%	GGZ Investments (Pty) Ltd	1-Jan-12	31-Dec-14
PL141/2012 ⁽ⁱ⁾	643.4	80%	Mokgweetsi Mining (Pty) Ltd	1-Apr-12	31-Mar-15
PL044/2012 ⁽ⁱ⁾	151.1	80%	Mokgweetsi Mining (Pty) Ltd	1-Jan-12	31-Dec-14
TOTAL	6,918.30				

Notes:

⁽ⁱ⁾ Renewal applications submitted. Awaiting response from Department of Mines.

Sams Creek Gold Project

PERMIT/LICENCE NUMBER	SIZE (KM ²)	HOLDING	TITLE HOLDER	LICENCE COMMENCEMENT DATE	RENEWAL DATE
EP40338	30.6	60%	Sams Creek Gold Limited	27-Mar-98	27-Mar-17
EP54454	32.0	100%	Sams Creek Gold Limited	25-Sep-12	25-Sep-17
PP55645	39.2	100%	Sams Creek Gold Limited	28-Feb-14	28-Feb-16
TOTAL	101.8				