
COMPLETION OF ACQUISITION OF KALAHARI COPPER BELT LICENCES

The Board of MOD Resources Ltd (ASX: **MOD**) refers to the announcement on 10 November 2015 regarding the acquisition of Discovery Mines (Proprietary) Ltd ("**DMI**") which is the owner of 14 prospecting licences with a total area of 6,300km² in the central and western part of the Kalahari Copper Belt ("**Acquisition**"). MOD is now pleased to announce that all conditions precedent to the Acquisition have been satisfied or waived and the Acquisition has completed with MOD owning 70% and London AIM listed resource fund, Metal Tiger Plc ("**MTR**") owning 30% of DMI.

The Acquisition is considered an important part of the future growth plans for the Mahumo area and covers any potential extensions to MOD's high grade copper/silver project in the Kalahari Copper Belt, Botswana.

MOD's Managing Director, Julian Hanna commented, "We consider the extensive DMI holdings are a 'perfect fit' with MOD's high grade Mahumo copper/silver project and include other high quality satellite targets which could enhance the potential to develop Mahumo. The current downturn in the market has provided a rare and exciting opportunity for us and for MTR as we look to maximize the value of this prospective and under-explored geological region."

"We also acknowledge the many people involved in negotiating and finalising the DMI acquisition for their hard work over several months including PCF Capital, Metal Tiger, MOD's in-country representatives, DLA Piper, Collins Newman and Deloitte in Botswana and South Africa."

Capital Raising

As announced on 10 November 2015, MOD has been actively discussing with interested parties to place the shortfall on the same terms as those offered under the Rights Issue announced on 30 October 2015. To date MOD has successfully placed \$630,000 from UK and Singapore investors to add to the raising of approximately \$280,000 (before costs) as previously announced. MOD will continue its efforts to place the balance of the shortfall amounting to approximately \$330,000 prior to 22 January 2016, three months following the close of the Rights Issue.

The majority of the funds raised will be applied to MOD's 70% share of the Phase 1 drilling and exploration program expected to commence in January 2016 as announced on 10 November 2015. This program is planned to test potential resource extensions at Mahumo, follow up previous high grade copper/silver intersections at other prospects and test the source of two large copper surface anomalies in the area.

Mahumo is located approximately 100km SW along the same interpreted structural contact as Cupric Canyon Capital's Zone 5 deposit. On 19 November 2015 Cupric announced an updated resource at Zone 5 of 100.3Mt @ 1.95% Cu and 20g/t Ag (Figure 1).

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Background to DMI Acquisition

DMI was a subsidiary of ASX listed Botswana copper producer Discovery Metals Ltd (“DML”). DML was placed in administration in February 2015 and wound up in June 2015. While DMI held all the regional exploration licences, DML’s other subsidiary Discovery Copper Botswana (Pty) Ltd (“DCB”) operated two large scale open pit mines and constructed a 3Mtpa processing plant at Boseto in the eastern part of the copper belt (Figure 1).

Between 2012 and 2014, DCB mined and processed lower grade oxide and transitional open pit copper ores through the Boseto plant. By comparison, MOD is evaluating the potential for underground mining of high grade (2.0% Cu & 50g/t Ag) vein style sulphide mineralisation and may process this through a proposed flotation plant at Mahumo with the objective to produce high grade, high quality concentrates.

DCB was acquired by Cupric Canyon Capital (“Cupric”) in July 2015 for ~US\$33.7M. Cupric previously acquired the assets of Canadian listed Hana Mining Ltd in 2013 through a plan of arrangement valued at C\$82M. The Cupric assets include the Banana Zone, substantial Zone 5 deposit and the Boseto deposits (Figure 1) which contain a total of more than 5Mt Cu in announced resources.

On 19 November 2015 Cupric announced results of an updated mineral resource and feasibility study for potential development of an underground mine at the Zone 5 deposit. Zone 5 is located approximately 100km NE of Mahumo along the same interpreted structural contact as Mahumo (Figures 1 & 2).

Cupric’s announced resources at Zone 5 are 100.3Mt @ 1.95% Cu and 20g/t Ag. Cupric also announced results of a feasibility study which is based on utilizing the Boseto mill to process Zone 5 underground ore to produce about 50,000 tpa Cu and 1.4M oz pa Ag in concentrate grading 42% Cu, at a C1 cash cost estimated in the range \$1.05-\$1.10/lb Cu net of by-product credits.

Existing targets on MOD and DMI licences include extensions to the Mahumo resource, previous high grade Cu intersections in other areas which have had minimal follow up work and extensive undrilled copper soil anomalies. Mahumo was discovered in 2011 by MOD drilling a soil anomaly along the northern margin of the ~100km long Mahumo structural corridor (Figures 1 & 2).

The Stage One resource which is the basis for the Mahumo scoping study is currently the highest grade resource announced in the belt and remains completely open below the limit of drilling along 2.4km strike length.

MOD and MTR are committed to supporting Botswana Government initiatives regarding employment and training as well as supporting small businesses in the Ghanzi area.

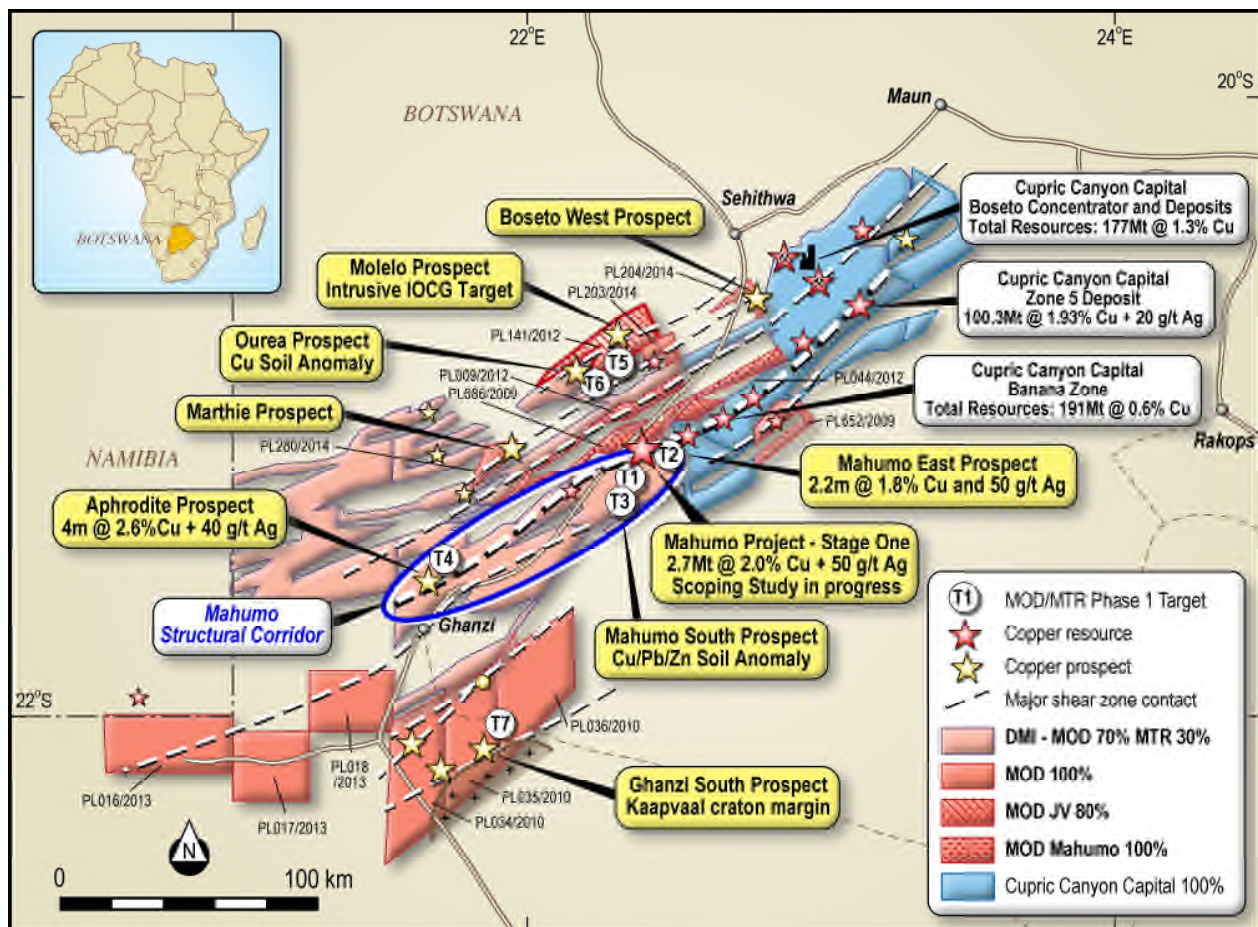


Figure 1: Kalahari Copper Belt, Botswana. MOD (red), DMI (orange), Cupric Canyon Capital (blue).

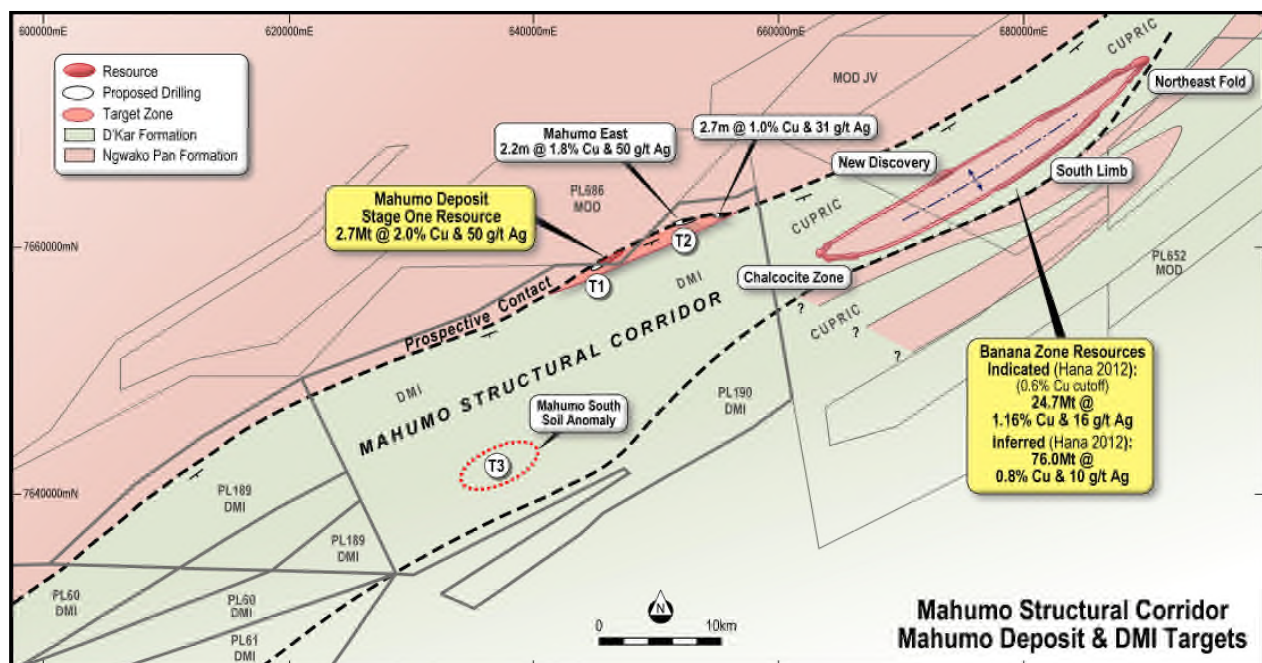


Figure 2: Simplified geology of 50km section of Mahumo Structural Corridor showing current resources & DMI targets

Competent Person's Statement

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 Competent Person responsible for the geological interpretation, 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). 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.

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 announcement 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 announcement includes several drill hole intersections which have been announced by MOD Resources Ltd 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. Investors should also be aware that as the DMI shares (and indirectly the DMI prospecting licences) have been purchased from a receiver, there is no guarantee or certainty as to their status.

Examples of forward looking statements included in this announcement are: 'DMI holdings are a 'perfect fit' with MOD's high grade Mahumo copper/silver project and include other high quality satellite targets which could enhance the potential to develop Mahumo. The current downturn in the market has provided a rare and exciting opportunity for us and for MTR as we look to maximize the value of this prospective and under-explored geological region.'

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