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## BOTSWANA COPPER/SILVER PROJECT UPDATE

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The Board of MOD Resources Ltd (ASX: MOD) is pleased to announce several positive developments regarding the Botswana Copper/Silver Project where MOD has various interests in licences covering >10,000km<sup>2</sup> in the Kalahari Copper Belt. This announcement follows the recent acquisition by MOD of 100% of the issued shares of Discovery Mines (Proprietary) Ltd (“**DMI**”) announced on 10 November 2015 and 16 December 2015. The initial payment for DMI was paid by London AIM listed Metal Tiger Plc (“**MTR**”). MTR owns 30% of DMI.

### Highlights

- **MTR has acquired a 4.92% stake in MOD by investing A\$350,000 of the \$630,000 recently raised from UK and Singapore investors (announced 16 December 2015)**
- **MOD now has \$760,000 with the majority of funds to be directed towards MOD’s share of exploration costs on DMI and MOD licences during 2016**
- **Phase 1 exploration (announced 10 November 2015) has commenced, initially with low cost surface sampling to infill and confirm four extensive copper anomalies**
- **Drilling is planned to test for extensions below the high grade Mahumo resource and to follow up previous high grade Cu intersections on DMI licences in Ghanzi district**
- **MOD has appointed PCF Capital to divest part, or all of MOD subsidiary Sams Creek Gold Ltd’s 80% joint venture interest in the 1.0Moz Sams Creek Gold Project in NZ**
- **Funds from the proposed sale of an interest in Sams Creek are expected to be directed to the Botswana Copper/Silver Project and to retire the loan with SHL Pty Ltd**

### Discussion

MOD Managing Director Julian Hanna said; “MOD and MTR have planned an exploration program which will test a range of high quality targets over the next few months at relatively low cost. The joint venture on the DMI holdings in the Kalahari Copper Belt with MTR also provides an opportunity to increase the exposure of this exciting project to a wide group of investors in the UK. We look forward to building the relationship with MTR further and reporting positive exploration results in the coming months”.

MOD shareholders may wish to view MTR’s website ([metaltigerplc.com](http://metaltigerplc.com)) which includes recent press releases and announcements by MTR regarding their investment in MOD and the DMI Joint Venture.

Mr Hanna added; “Sams Creek is a substantial, open ended porphyry hosted gold deposit where the next logical step is to define the extent of the high grade mineralisation and undertake a conceptual underground mining study. We rate the opportunity at Sams Creek highly, however given the potential of MOD’s extensive holdings in the Kalahari Copper Belt, MOD’s Board has decided to focus resources and funds in Botswana”.

PCF Capital Group, which is MOD’s corporate advisor for the potential sale of part or all of the Sams Creek Gold Project is an Australian based independent investment banking firm servicing clients mainly in the resource sector. PCF Capital has significant experience in Global mining, investment banking and corporate finance and was instrumental in negotiating the acquisition of DMI for MOD.

**For further information, please contact:**

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***Background***

**Botswana Copper Project**

*The DMI and MOD holdings combine comprise 25 prospecting licences with a total area >10,000km<sup>2</sup> covering a large area of the central and western Kalahari Copper Belt mainly covered by sand and soil.*

*MOD has been an active explorer in the Kalahari Copper belt since 2011 and discovered the 'Corner K Deposit', now re-named Mahumo Copper/Silver Deposit in late 2011. MOD through its subsidiary company MOD Botswana (Pty) Ltd has 100% holdings and various existing joint venture interests in 11 granted prospecting licences with a total area of approximately 4,187km<sup>2</sup> in the central and western part of the Kalahari Copper Belt.*

*The Mahumo Copper/Silver Deposit was discovered by drilling a soil anomaly along the northern margin of a major structural zone (Mahumo Structural Corridor). The Stage One resource which is the basis for the Mahumo underground scoping study is currently the highest grade resource announced in the Kalahari Copper Belt and remains open below the limit of drilling along 2.4km strike length.*

*MOD also owns 70% of Discovery Mines (Proprietary) Ltd ("DMI") through a subsidiary company Tshukudu Metals Botswana (Pty) Ltd, following completion of the acquisition of DMI announced on 16 December 2015. MTR owns 30% interest in DMI through its interest in Metal Capital Ltd. DMI holds 14 prospecting licences (of various status) with a total area of approximately 6,374km<sup>2</sup> in the same area as MOD's holdings.*

*London AIM listed MTR is primarily focused on undervalued natural resource investment opportunities in which it can provide financial and business support to companies to maximize the value of their interests. The business fit between MTR and MOD is strong and both companies are already working together to explore and potentially develop opportunities within their extensive holdings in the Kalahari Copper Belt.*

*In November 2015 Cupric Canyon Capital announced results of a feasibility study for the 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. Currently reported resources at Zone 5 are 100.3Mt @ 1.95% Cu and 20g/t Ag (December 2015). Zone 5 is the most significant announced resource in the Kalahari Copper Belt and may demonstrate the wider potential of this relatively under-explored region.*

**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 through subsidiary Sams Creek Gold Ltd, owns 80% of Sams Creek Joint Venture with OceanaGold Corporation, which is New Zealand's largest gold producer holding 20%.*

*Sams Creek has an existing JORC 2012 compliant 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. However on 18 September 2015, MOD announced the results of a review of high grade mineralisation contained in 58 drill hole intersections within the Mineral Resource.*

*The known gold mineralisation at Sams Creek is contained within a porphyry dyke with an average width up to 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.*

## **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 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.

## **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. Apart from the announced Mahumo Stage One Mineral Resource there has been insufficient exploration at other Exploration Targets 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 Limited 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 be aware that transfer of the DMI licences to MOD's Botswana subsidiary, although approved by the Mines Department in writing, is subject to final Ministerial consent and there is a risk this may not happen. Also investors should also be aware that as the DMI shares (and indirectly the DMI Licences) were purchased from a receiver, there is no guarantee or certainty as to the status of all the DMI licences. Discussions with the Mines Department regarding the DMI licences are in progress at around the date of this announcement.

Examples of forward looking statements included in this announcement are: 'planned an exploration program which will test a range of high quality targets over the next few months at relatively low cost'; 'Drilling is planned to test for extensions below the high grade Mahumo resource and to follow up previous high grade Cu intersections on DMI licences', and 'MTR also provides an opportunity to increase the exposure of this exciting project to a wide group of investors in the UK. We look forward to building the relationship with MTR further', and 'divest part, or all of MOD subsidiary Sams Creek Gold Ltd's 80% joint venture interest in the 1.0Moz Sams Creek Gold Project'.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, MOD Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by MOD Resources Limited. The document contains background Information about MOD Resources Limited current at the date of this announcement. The announcement is in summary form and does not purport to be all inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

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