

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MOD RESOURCES LIMITED

ABN

78 003 103 544

Quarter ended ("current quarter")

31 December 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current Quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(48)	(697)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(199)	(692)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	1	4
1.5	Interest and other costs of finance paid	-	(13)
1.6	Income taxes (paid)/refund	-	12
1.7	Other (R&D refund)	97	97
Net Operating Cash Flows		(149)	(1,289)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	(5)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	15	15
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		15	10
1.13	Total operating and investing cash flows (carried forward)	(134)	(1,279)

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1.13	Total operating and investing cash flows (brought forward)	(134)	(1,279)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	560	1,325
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (costs of share issue)	(19)	(104)
	Net financing cash flows	541	1,221
	Net increase (decrease) in cash held	407	(58)
1.20	Cash at beginning of quarter/year to date	49	516
1.21	Exchange rate adjustments to item 1.20	(3)	(5)
1.22	Cash at end of quarter (Note 1)	453	453

Note 1:

Subsequent to 31 December 2015, the Company received \$350,000 relating to the placement of the shortfall of the Rights Issue as announced on 16 December 2015. In addition, funds of \$39,000 have been received from a related party in pursuant to the Rights Issue which will be available subject to shareholder approval.

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current Quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	24
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included at 1.23 are payments for director fees and company secretarial fees paid to a director or director associated companies.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

As announced on 10 November 2015 and 16 December 2015, London AIM listed resource fund Metal Tiger Plc completed the acquisition of Discovery Mines (Proprietary) Ltd (DMI) by paying US\$100,000 for a 30% interest in DMI (MOD: 70%) which is the owner of 14 prospecting licences with a total area of approximately 6,300km² in the central and western part of the Kalahari Copper Belt.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	2,000	2,000
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	150
4.2 Development	-
4.3 Production	-
4.4 Administration	150
Total	300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	453	49
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (Note 1) (item 1.22)	453	49

Note 1:

Subsequent to 31 December 2015, the Company received \$350,000 relating to the placement of the shortfall of the Rights Issue as announced on 16 December 2015. In addition, funds of \$39,000 have been received from a related party in pursuant to the Rights Issue which will be available subject to shareholder approval.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
	PL016/2013	Relinquished	100%	Nil
	PL017/2013	Relinquished	100%	Nil
	PL018/2013	Relinquished	100%	Nil
6.2	Interests in mining tenements acquired or increased			
	PL186/2008	Acquired	Nil	70%
	PL187/2008	Acquired	Nil	70%
	PL188/2008	Acquired	Nil	70%
	PL189/2008	Acquired	Nil	70%
	PL190/2008	Acquired	Nil	70%
	PL191/2008	Acquired	Nil	70%
	PL192/2008	Acquired	Nil	70%
	PL102/2005	Acquired	Nil	70%
	PL103/2005	Acquired	Nil	70%
	PL104/2005	Acquired	Nil	70%
	PL60/2012	Acquired	Nil	70%
	PL61/2012	Acquired	Nil	70%
	PL62/2012	Acquired	Nil	70%
	PL63/2012	Acquired	Nil	70%

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+securities			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	1,184,603,328	1,184,603,328	
7.4	Changes during quarter			
	(a) Increases through issues	153,866,856	153,866,856	
	(b) Decreases through returns of capital, buy-backs			
	(c) Released from Escrow			

+ See chapter 19 for defined terms.

7.5	+Convertible debt securities <i>(description)</i>	N/A			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	21,000,000 63,000,000 2,000,000 20,083,441 3,333,333 52,516,667 5,000,000	- - - 20,083,441 3,333,333 52,516,667 -	<i>Exercise price</i> 20 cents 6 cents 7.5 cents 1 cent 1 cent 1 cent 1 cent	<i>Expiry date</i> 12 June 2016 4 March 2017 20 June 2017 1 May 2018 1 May 2018 1 May 2018 21 May 2018
7.8	Issued during quarter	20,083,441 3,333,333 52,516,667	20,083,441 3,333,333 52,516,667	Exercise Price 1 cent 1 cent 1 cent	Expiry Date 1 May 2018 1 May 2018 1 May 2018
7.9	Exercised during quarter	NIL			
7.10	Expired during quarter	NIL			
7.11	Debentures <i>(totals only)</i>	N/A			
7.12	Unsecured notes <i>(totals only)</i>	N/A			

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act [or other standards acceptable to ASX \(see note 5\)](#).
- 2 This statement does give a true and fair view of the matters disclosed.

Mark Clements
Company Secretary
29 January 2016

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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