

BOTSWANA COPPER/SILVER PROJECT UPDATE DRILLING UNDERWAY ON DMI LICENCES

- MOD and Metal Tiger Plc have commenced Phase 1 drilling at the first target “T4” (Aphrodite Prospect) to be tested on the recently acquired DMI licences
- The T4 drilling will follow up previous DMI widely spaced intersections including 4m @ 2.6% Cu & 40g/t Ag from 81m depth in drill hole APRC 2790 and 7.0m @ 1.5% Cu & 23g/t Ag from 69.5m depth in drill hole APDD3301 (*Refer DML ASX Announcement 6 February 2013*)
- Drilling is then planned to test other targets including “T2” (Mahumo East), “T3” (Mahumo South), “T6” (Molelo-Ourea), “T9” (New Target) and “T10” (Fold Nose)
- Confirmation surface sampling in the Mahumo region is also progressing well. Assay results are awaited from infill sampling of two large (>5km) Cu anomalies at T3 and T6

The Board of MOD Resources Ltd (ASX: MOD) is pleased to advise that RC drilling has commenced on the first of a number of targets planned to be tested during the March quarter. Depending on results from this initial drilling phase, certain targets are expected to be selected for deeper diamond drilling. Diamond drilling is also planned to test for resource extensions to 600m depth (Stage Two) below MOD’s high grade Mahumo deposit.

Concurrent with the Phase 1 drilling, a substantial surface sampling campaign is also underway to infill and potentially extend known Cu anomalies interpreted to occur in a number of structural settings with strong similarities to known deposits elsewhere in the Kalahari Copper Belt. These targets include T3, T6, T7 and T9 where there is minimal or no drilling to date. The objective of the infill sampling is to assist in defining specific drill targets below sand cover. Locations of 10 targets and anomalies are shown in Figure 1.

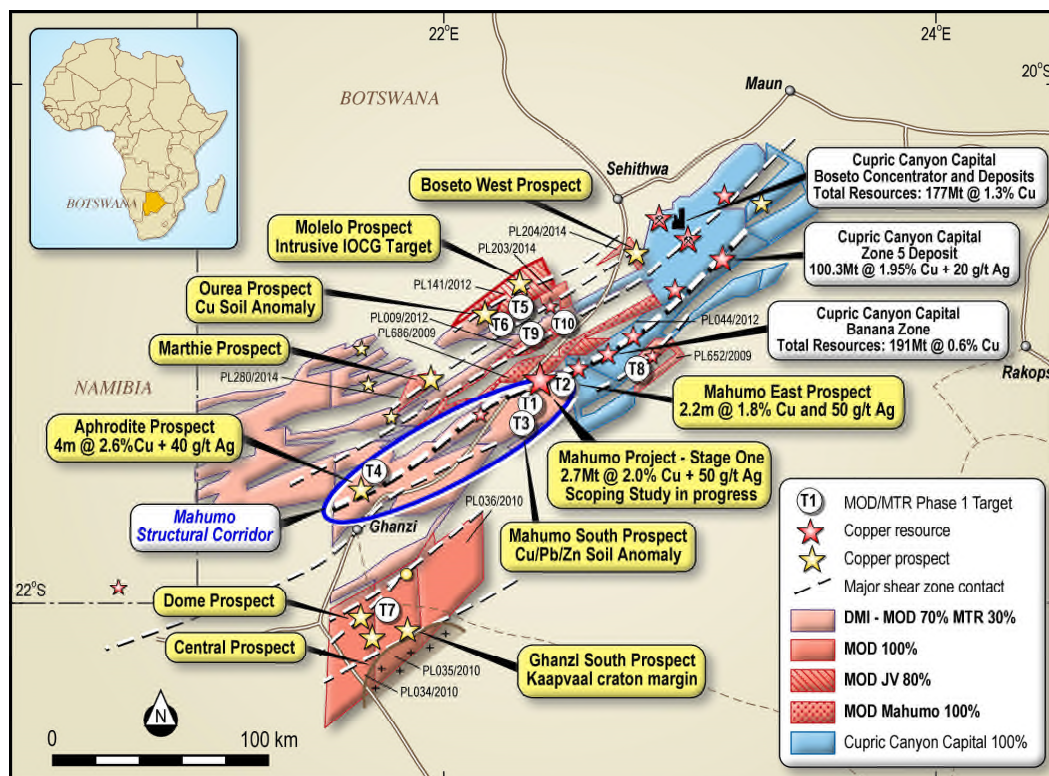


Figure 1: Kalahari Copper Belt, Botswana showing targets T1 to T10. MOD (red), DMI JV (orange), Cupric Canyon Capital (blue).



Figure 2: RC drilling in progress at Aphrodite Prospect, T4

MOD and MTR are awaiting first assay results from the surface sampling completed at T3 and T6 and will provide an update to shareholders once results are received and interpreted.

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Background

Botswana Copper Project

The combined DMI and MOD holdings comprise 25 prospecting licences with a total area >10,000km² in the relatively unexplored central and western Kalahari Copper Belt which is largely 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. The Mahumo deposit was discovered by drilling a soil anomaly along the northern margin of a major >20km wide structural zone (Mahumo Structural Corridor). The Mahumo Stage One resource is currently the highest grade copper resource in the Kalahari Copper Belt and is the basis for an underground mining scoping study. Mahumo remains completely open below the limit of drilling along 2.4km strike length and Stage Two drilling is designed to test for extensions to ~600m depth.

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 4,187km² in the Kalahari Copper Belt. MOD also owns 70% of Discovery Mines (Proprietary) Ltd ("DMI") through a subsidiary company Tshukudu Metals Botswana (Pty) Ltd, following the acquisition of DMI announced on 16 December 2015. DMI holds 14 prospecting licences with a total area of approximately 6,374km² in the same area as MOD's holdings.

London AIM listed company Metal Tiger Plc ("MTR") owns 30% interest in DMI through its interest in the UK joint venture company Metal Capital Ltd. The business fit between MTR and MOD is strong and both companies are working together to explore and potentially develop opportunities within their extensive holdings in the Kalahari Copper Belt. 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.

In November 2015 Cupric Canyon Capital announced results of a feasibility study for the potential development of a substantial 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 to date and may demonstrate the wider potential of this relatively under-explored region.

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.

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.

Examples of forward looking statements included in this announcement are: ‘Depending on results from this initial drilling phase, certain targets are expected to be selected for deeper diamond drilling’.

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