
BOTSWANA COPPER/SILVER PROJECT UPDATE
VISIBLE COPPER INTERSECTED IN FIRST DRILLING ON DMI LICENCES

- **Significant widths of visible, disseminated Cu mineralisation intersected in first five RC drill holes completed at Tshimologo Prospect (Target 'T4'), 25km north of Ghanzi Town**
- **Tshimologo occurs along the same regional structure that hosts MOD's high grade Mahumo Cu/Ag deposit and Cupric Canyon Capital's >2Mt Cu Zone 5 deposit**
- **The widest mineralised interval extends approximately 42m down hole, from 65m to 107m depth in drill hole MO-A-04R, within an interpreted shear zone**
- **Tshimologo is structurally complex and further drilling is required to estimate true widths of the recent intersections. Cu grades will be reported when assays are received**
- **Cu occurs in two distinct zones: Mahumo type sediment hosted contact mineralisation and shear related mineralisation associated with quartz veining**
- **The only outcrop is a 30m to 40m wide area of quartz veining and early prospector pits within the shear zone. Samples of quartz veins have been sent for precious metal assay**
- **Drilling is expected to resume at Tshimologo once initial assays are received. In the meantime drilling will test two separate targets at T2, 6km east of the Mahumo deposit**
- **Recent soil sampling has also confirmed a Cu anomaly at T3 in the centre of the Mahumo Structural Corridor, ~70km NE of Tshimologo. Soil sampling is ongoing in several areas**

The Board of MOD Resources Ltd (ASX: MOD) is pleased to announce the first five RC drill holes (MO-A-01R to MO-A-05R) completed by MOD and Metal Tiger Plc (MTR) at Tshimologo intersected significant down hole widths (between 5m and 42m) of disseminated Cu mineralisation. Drilling intersected both oxide Cu (malachite and chrysocolla) and deeper sulphide Cu (chalcocite and bornite) mineralization.

Tshimologo is the first target to be drilled by MOD and MTR on the recently acquired DMI licences (MOD:70%; MTR:30%) which cover approximately 200km of the prospective structural contact between the Namibian border and the Mahumo Cu/Ag deposit (Figure 1). Tshimologo, which means 'Beginning' in Setswana and was previously named 'Aphrodite' by DMI. DMI conducted limited, widely spaced drilling at Tshimologo in 2012.

The recent holes were drilled on two traverses spaced approximately 400m apart (Table 1 and Figure 2). Three holes were designed to test the prospective hangingwall/footwall sediment contact and three were designed to follow up previous intersections on an interpreted shear zone 200m south of the contact.

The occurrence of visible Cu mineralization in five of the six recent drill holes suggests potential may extend well outside the area tested to date and that additional mineralized zones may occur within this structurally complex area. Assays are awaited before drilling resumes to test this potential. Further details of drill holes MO-A-01R to MO-A-06R will be released when assay results are reported.

Previous intersections at Tshimologo (announced by Discovery Metals Ltd on 6 February 2013) include:

APRC 2790: 19.0m @ 1.0% Cu & 13g/t Ag from 73m depth, including 4m @ 2.6% Cu & 40g/t Ag
APDD 3301: 17.5m @ 0.9% Cu & 13g/t Ag from 59m depth, including 7m @ 1.5% Cu & 23g/t Ag

Managing Director Julian Hanna said ‘Drilling commenced on the DMI licences only two weeks ago and is already off to a strong start. MOD and MTR are very encouraged by the indicative drilling results to date and remain focused upon defining potential new copper and silver resources in the under-explored western and central Kalahari Copper Belt, centered around MOD’s high grade Mahumo deposit’.

MOD directors Julian Hanna and Steve McGhee and MTR Chairman Terry Grammer recently visited site with MOD’s General Manager Exploration (Africa), Jacques Janse van Rensburg. Tshimologo is located only 25kms from MOD’s office and core yard facility in Ghanzi and is easily accessed off the Ghanzi Highway (Figure 3) which runs for 250km through MOD and MTR’s extensive holdings in the Kalahari Copper Belt (Figure 1).

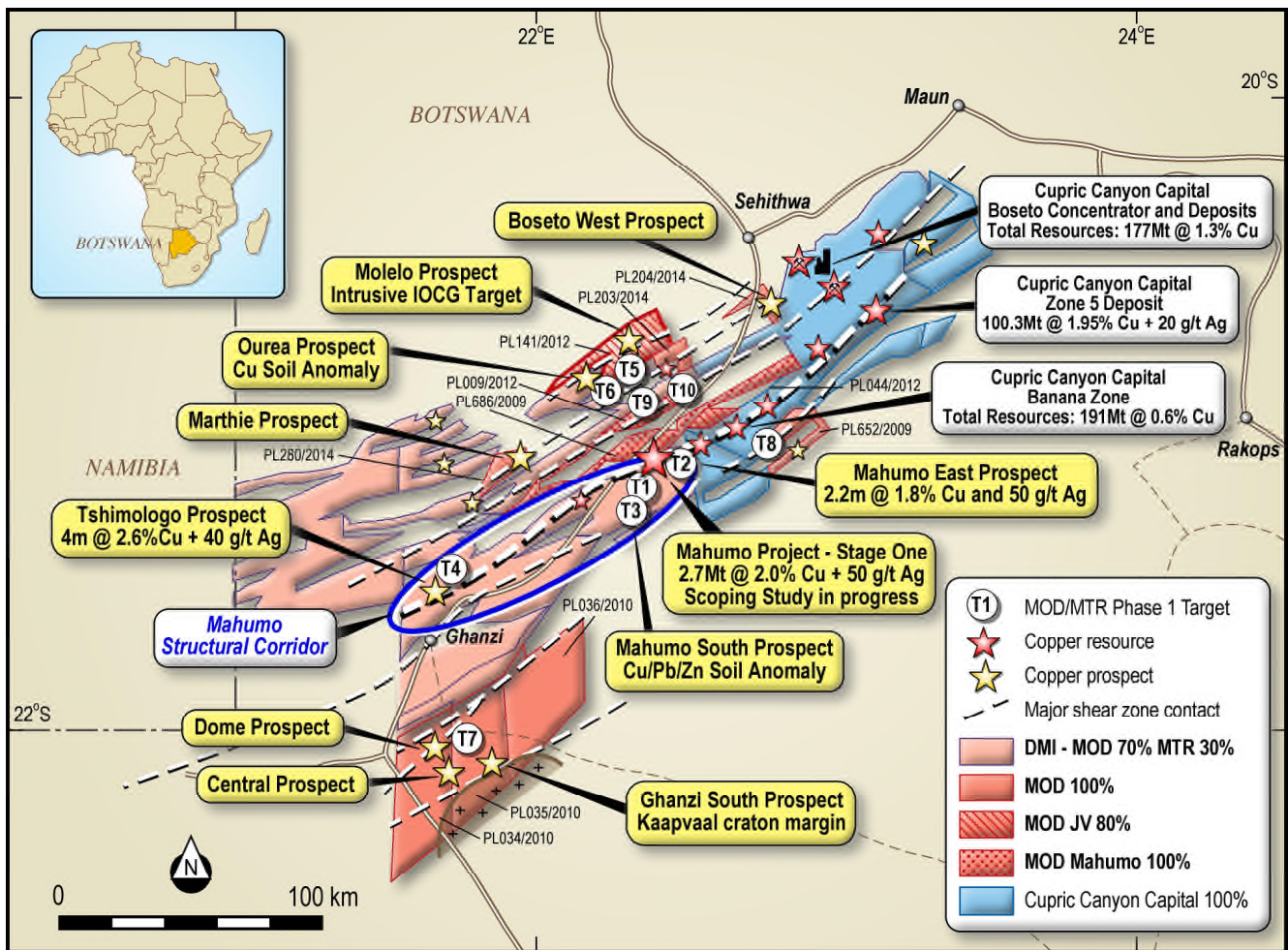


Figure 1: Kalahari Copper Belt, Botswana showing targets T1 to T10. MOD (red), DMI JV (orange), Cupric Canyon Capital (blue)

Drill Hole ID	Collar UTM East	Collar UTM North	Azi	Dip	EOH m
MO-A-01R	569707	7618720	345	-60	73
MO-A-02R	569731	7618692	345	-60	100
MO-A-03R	570128	7618742	345	-60	100
MO-A-04R	570099	7618675	160	-60	150
MO-A-05R	570133	7618582	340	-60	139
MO-A-06R	569802	7618570	160	-60	120

Table 1: Tshimologo RC drill hole collar coordinates and survey parameters

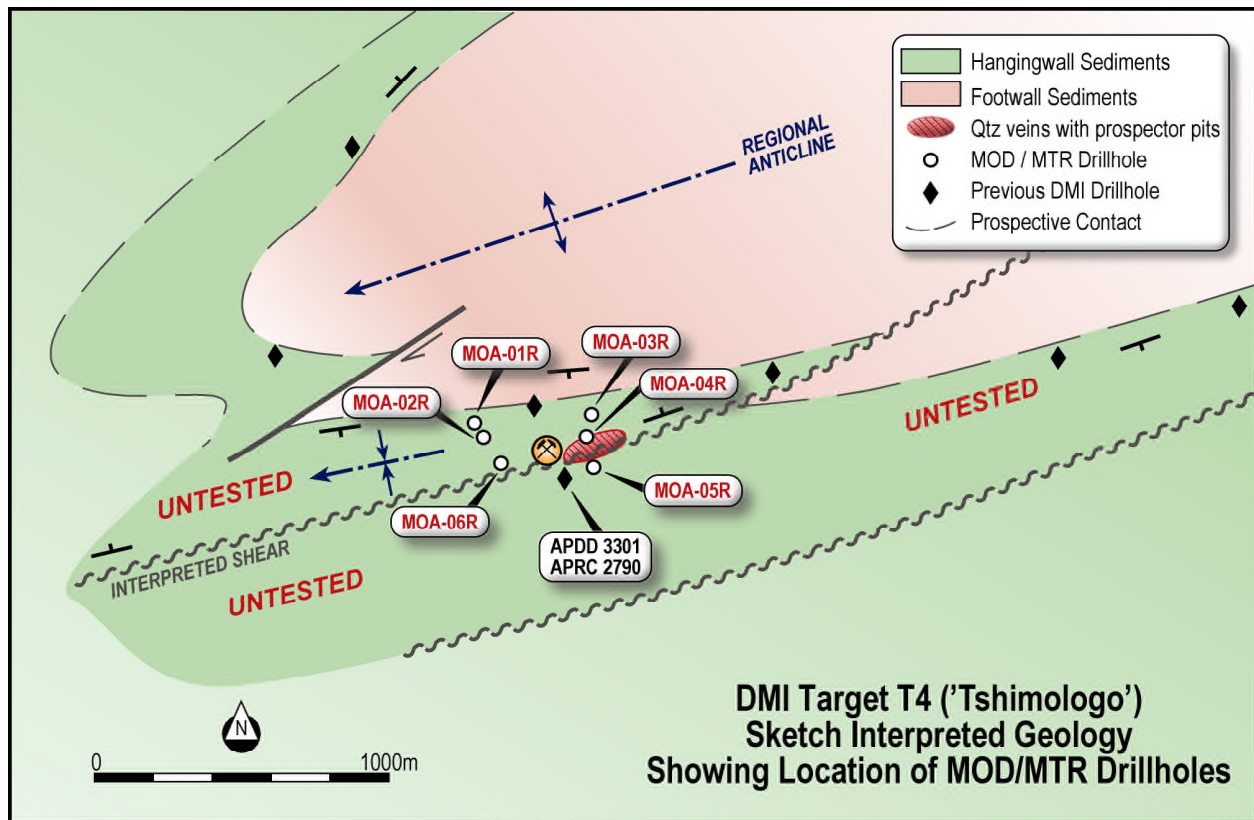


Figure 2: Tshimologo Prospect - Sketch Interpretative Geology Plan showing location of MOD/MTR drill holes



Figure 3: Ghanzi Highway provides easy access to MOD and DMI licences

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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: 'Drilling is expected to resume at Tshimologo once initial assays are received', and 'The occurrence of visible Cu mineralization in five of the six recent drill holes suggests the potential may extend well outside the area tested to date and that additional mineralized zones may occur within this structurally complex area.'

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