ASX RELEASE **23 MARCH 2016**

BOTSWANA COPPER/SILVER PROJECT UPDATE
COPPER IN LATEST DRILL HOLE CONFIRMS CONTINUITY OF MINERALISATION AT T3

HIGHLIGHTS

- **Latest RC drill hole at T3, MO-G-13R intersected 58m down hole width (107-165m EOH) with multiple zones of visible disseminated and vein hosted chalcopyrite and bornite**
- **All four RC drill holes drilled along a traverse across part of the interpreted T3 Dome have intersected significant visible Cu sulphides. Assay results are awaited**
- **MO-G-13R is the deepest intersection to date and supports the initial interpretation that T3 is a wide, shallow dipping zone of Cu sulphides starting ~60m below surface**
- **MOD is taking steps to accelerate the turnaround of assay results from the current drilling. Assays are awaited from the ten drill holes completed to date at T3 and T4**
- **Preliminary downhole EM survey (DHEM) at T3 has been completed and data are currently being modelled. An IP survey is also in progress at T4, 70km west of T3**
- **Diamond drilling will commence in early April to test potential for extensions along strike from the current intersections and also at deeper levels in the interpreted T3 Dome**

The Board of MOD Resources Ltd (ASX: MOD) is pleased to announce the fourth RC drill hole at T3 (MO-G-13R) intersected approximately 58m down hole width containing multiple zones of visible Cu mineralization similar to the intersections in the first three drill holes (MO-G-10R to MO-G-12R) announced on 17 March 2016. Drill hole parameters (Table 1) and a summary drill log of MO-G-13R are included in this release.

The RC drilling program at T3 will resume after the Easter break. MOD and Metal Tiger Plc (LON: MTR) have also approved an initial 2,000m diamond core drilling program at T3 commencing in early April. The next phase of drilling will test the potential for extensions to the mineralization along strike, (ie along the axis of the interpreted T3 Dome), across the axis of the dome, and also at depth. As announced on 17 March 2016, the Cu mineralization intersected in the RC drill holes is hosted within hanging wall sediments which are interpreted to overlie the Kalahari 'prospective contact' at an unknown depth.

A preliminary downhole EM (DHEM) survey has been completed at T3 by a South African based geophysical consultant and modeling of the data is in progress. Results of the DHEM survey of two drill holes (MO-G-10R and MO-G-12R) at T3 will be reported when the interpretation is completed.

An IP survey is also in progress at T4, 70km west of T3 to cover part of a large, coherent copper soil anomaly which extends up to 2km west of the area of visible disseminated copper mineralization intersected in recent drilling (announced 17 February 2016 and 2 March 2016).

Figure 1: 5m interval in drill hole MO-G-13R (124 -129m) showing quartz vein hosted chalcopyrite mineralisation

T3 Drill hole parameters and summary drill logs

Drill hole collars for the four RC drill holes MO-G-10R, MO-G-11R, MO-G-12R and MO-G-13R are spaced 60m apart along one drill traverse. The holes were drilled at an inclination of -60 degrees and an azimuth of 335 degrees NNW. Collar positions and drill hole traces are shown in Figure 2.

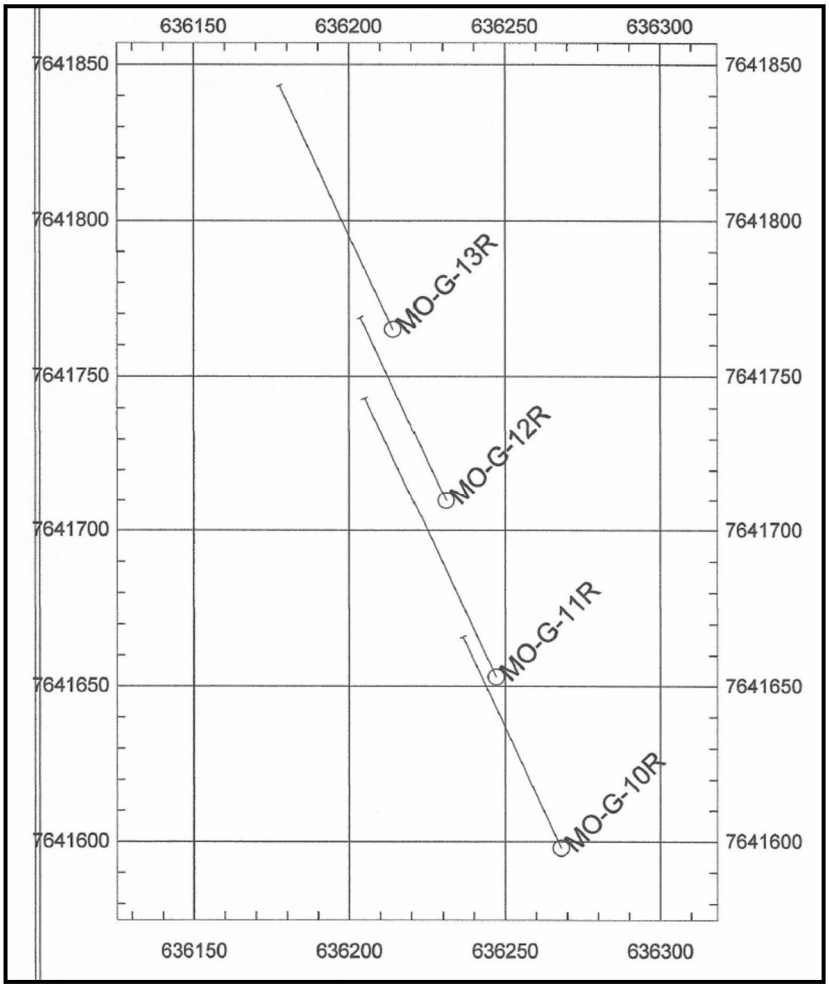

Figure 2: Plan of collar positions for completed T3 drill holes

Drill Hole ID	Collar UTM East	Collar UTM North	Azi	Dip	EOH m
MO-G-10R	636268	7641598	335	-60	150
MO-G-11R	636247	7641653	335	-60	199
MO-G-12R	636231	7641710	335	-60	130
MO-G-13R	636214	7641765	335	-60	173

Table 1: T3 RC drill hole collar coordinates and survey parameters

A summary drill log for RC drill hole MO-G-13R is provided below. The disseminated and vein style mineralisation has been visually determined into six different categories (Refer to Notes below).

Drill Hole ID MO-G-13R (m)	Geology and Mineralisation Category
0-1	Soil
1-5	Calcrete with SST
5-16	Alternating SLT, SST and MST
16-42	Red Oxidised SST
42-84	Alternating SLT, MST and SST
84-86	Whitish SST (++py)
86-93	Alternating SLT and MST (py)
93-96	SLT (chryso and mal)
96-100	SLT
100-104	SST (fine grained bn at 101-102m)
104-107	SST (chryso)
107-112	SST (fine grained cc)
112-119	SLT with quartz vein (++cpy, +py, bn)
119-124	SLT (++py, +cpy)
124-129	SLT with quartz vein (++cpy)
129-137	SLT (+cpy, bn)
137-143	SLT (++cpy)
143-148	SLT (+py, cpy, bn)
148-155	Whitish grey SST (+py, bn)
155-162	SLT (fine grained cpy)
162-165	SST (between 163-164 ++bn, specs of cpy and cc)
165-170	SST
170-172	SST (finely disseminated bn)
172-173 EOH	SST

Notes:
Mineralisation Categories:
(i) + = weak; ++ = moderate; +++ = strong;
(ii) cpy = chalcopyrite; bn = bornite; cc = chalcocite, mal = malachite; chryso = chrysocola; py = pyrite

Note: *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.*

For further information, please contact:

Julian Hanna
Managing Director
MOD Resources Limited
Ph: (61 8) 9322 8233
jhanna@modresources.com.au

Mark Clements
Executive Chairman and Company Secretary
MOD Resources Limited
Ph: (61 8) 9322 8233
mclements@modresources.com.au

Background

Botswana Copper Project

The combined DMI and MOD holdings comprise 25 prospecting licences with a total area >11,600km² 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 Resources 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 7,446km² 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: 'All four RC drill holes drilled along a traverse across part of the interpreted T3 Dome have intersected significant visible Cu sulphides. Assay results are awaited'; 'test potential for extensions along strike from the current intersections and also at deeper levels in the interpreted T3 Dome'; and 'Results of the DHEM survey of two drill holes (MO-G-10R and MO-G-12R) at T3 will be reported when the interpretation is completed'.

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.

The announcement is for information purposes only. Neither this announcement nor the information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with the legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, MOD Resources Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

JORC Code, 2012 Edition
Table 1 Reporting Exploration Results from Botswana Copper Project
Section 1 Sampling Techniques and Data
(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• Sampling was carried out using RC Drilling, at 1m sampling intervals. • After every 1m interval the hole is flushed by compressed air. • The full 1m interval was collected before being weighed and the weight recorded. • All samples were riffle split (50:50) into samples weighing approximately 1.5kg • These samples were taken to the core logging facility where a unique sample number was allocated to every interval sampled • All samples were geologically logged by a suitably qualified geologist on site • Samples are submitted to Setpoint laboratories in Johannesburg
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• The four drill holes referred to in this release were drilled by reverse circulation drilling using a 5 inch – 127mm face sampling bit diameter and 900pfm – 24 bar compressor
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• RC sample recovery was recorded by weighing every sample before splitting. • Sample size was found to be consistent
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• During the core logging geologists follow MOD's standard operating procedure for RC logging processes. The metre interval (from & to) is recorded and the data below is described within the RC drill logs: ▪ Major rock unit (colour, grain size, texture)

Criteria	JORC Code explanation	Commentary
		▪ Weathering ▪ Alteration (style and intensity) ▪ Mineralisation (type of mineralisation, origin of mineralisation, estimation of % sulphides/oxides) ▪ Veining (type, style, origin, intensity) • Data is originally recorded on paper (hard copies) and then transferred to Excel logging sheets • Logging is semi quantitative based on visual estimation
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• All RC samples were taken at 1m intervals and riffle split into ~1.5kg samples. A reference sample is retained at core logging facility • All RC intervals are geologically logged and sample intervals selected for assays at Setpoint Laboratories in Johannesburg • Field duplicates, blanks and standards are inserted at a ratio of 1:10. Setpoint also has its own internal QA/QC control to ensure assay quality.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Field duplicates, blanks and standards are inserted at a ratio of 1:10 on site. • At the lab the split for analysis is milled to achieve a fineness of 90% less than 106 µm (or a fineness of 80 % passing 75 µm. Prep QC: At least one out of every 10 samples of every batch is screened at 75µm or 106µm, whichever is applicable, to check that 80% of the material passes. The % loss for samples screened should be <2% • Analysis for Cu, Ag, Zn, Pb and Mo by determination of 3 acid digest followed by ICP-OES finish: **PROCEDURE:** One gram of pulp material is digested using a combination of three acids (HNO3, HClO4 and HCl) and made up to a volume of 100ml. The resulting solutions are

Criteria	JORC Code explanation	Commentary
		analysed for metals by the technique of ICP-OES (Inductively Coupled Plasma – Optical Emission Spectrometry). **REPORTING**: A detection limit of <10ppm is reported. Values >10ppm are reported with no decimals and when the midpoint (5) between rounded off values is reached the number is rounded up. Below the midpoint, the number is rounded down. • All reported results are down hole widths.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic.* • *protocols.* • *Discuss any adjustment to assay data.*	• 15-20% QA/QC checks are inserted in the sample stream, as lab standards, blanks and duplicates.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• The collar coordinates of the 4 drill holes were taken by hand held GPS and are reflected in Table 1. • No down hole surveys have been done
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Samples of RC chips for assaying were throughout taken at 1m intervals
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drilling planned at right angles to known strike and at best practical angle to intersect the target mineralisation at approximately right angles
Sample security	• *The measures taken to ensure sample security.*	• Sample bags were tagged, logged and transported to Setpoint laboratory in Johannesburg by Project Manager
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• MOD's sampling procedure is done according to standard industry practice

Section 2 Reporting of Exploration Results
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• PL190/2008 is a granted Prospecting Licence held by 100% by Discovery Mines (Pty) Ltd which is wholly owned by Tshukudu Metals Botswana (Pty) Ltd which is wholly owned by Metal Capital Limited which is owned 70% MOD Resources Ltd and 30% Metal Tiger Plc. • In January 2016, the Minister of Minerals, Water and Energy extended the licence date to 31 December 2016. MOD expects to apply for a further renewal or an extension at least 3 months ahead of that date. MOD is already in discussion with the Ministry regarding this.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No previous exploration in the area of drilling apart from widely spaced soil sampling conducted by Discovery Mines.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The visible copper mineralisation intersected in drill holes on PL190/2008 is interpreted to be a Proterozoic or early Palaeozoic age vein related sediment hosted occurrence similar to other known deposits and mines in the central Kalahari Copper Belt. A photo image of chalcopyrite sulphide mineralization from drilling is included in this release
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• All information relating to the four RC drill holes is listed in Table 1 of the release • No down hole surveys have been done • There is no material change to this drill hole information

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Further information may be provided when assays are received
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• True widths are not quoted • Down hole widths are used throughout
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• No cross sections have been generated pending assay results • A plan of drill hole collar locations is included at Figure 2
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• The accompanying document is considered to be a balanced report with a suitable cautionary note
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• All substantive data is reported
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Any further work on PL190/2008 will be dependent on results from the four RC holes