



ASX ANNOUNCEMENT

13 JULY 2016

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## NEW TARGETS IDENTIFIED BY REGIONAL SOIL SAMPLING

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**MOD Resources Limited (ASX: MOD)** today announced the Company has identified several new copper anomalies from its regional soil sampling campaign.

The three regional targets of interest (T2, T9 and T10) are located north of the T3 deposit in the Kalahari Copper Belt, Botswana (Figure 1) and form part of the joint venture between MOD Resources (70%) and AIM-listed Metal Tiger Plc (30%).

The regional exploration program is in addition to MOD's ongoing resource drilling at T3. Soil sampling is a relatively simple, low-cost technique, which has proven very effective in locating copper deposits at shallow depth not only at T3 and T4, but also previously at the Company's Mahumo deposit.

MOD has two teams exploring for satellite deposits in the region surrounding T3. One team is testing IP and copper soil targets already identified along the 25km-long T3 Dome and the other is conducting soil sampling along structural targets within the joint venture's other extensive regional holdings.

Today's results identified two strong copper soil anomalies at T2, approximately 20km north of the T3 deposit and 3.5km west and 5.5km east of MOD's high-grade Mahumo copper/silver deposit.

Both anomalies comprise wide intervals of consistently high values up to 85ppm Cu in the T2-West anomaly (Figure 2) and up to 83ppm Cu in the T2-East anomaly (Figure 3). By comparison, the highest values in soil sampling to date at the T3 Deposit is 28ppm Cu and at the Mahumo Deposit is 24ppm Cu.

Two additional extensive copper soil anomalies were identified at T9 and T10, approximately 60km north of T3 (Figure 1). T9 and T10 are located on major regional structures with no previous drilling.

MOD Resources' Managing Director, Mr Julian Hanna, said the results of the soil sampling were very encouraging, particularly considering the high copper values in the two anomalies at T2. "Not only are the values notable, the T2 anomalies each extend over 1.5km and occur directly along strike from Mahumo."

Both anomalies appear from magnetic data to be associated with folding of the prospective Mahumo contact on either side of the high-grade Mahumo deposit which remains open below current drilling.

RC drilling will test the T2-West and T2-East anomalies as soon as a rig is available.

### Entitlement Offer Closes Today

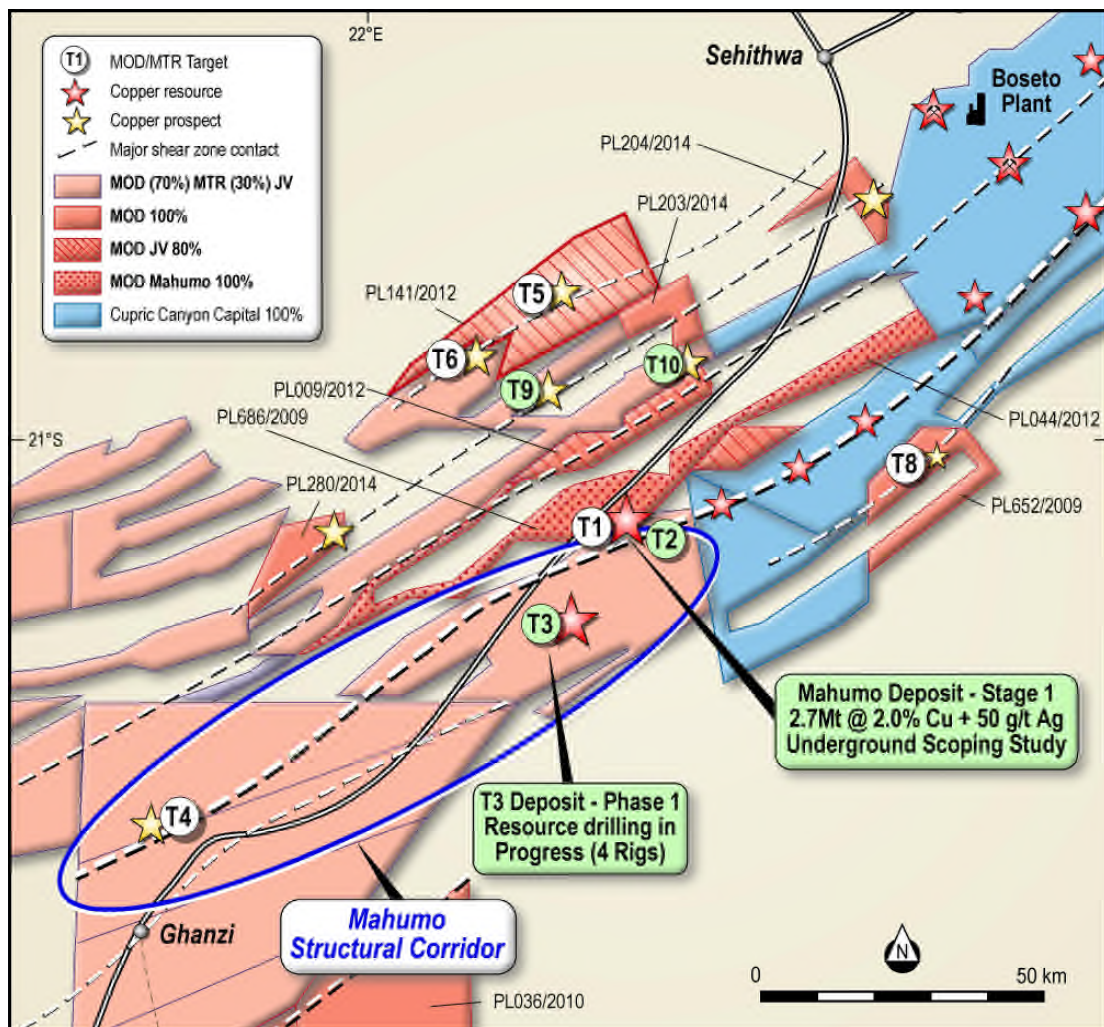
MOD also wishes to advise that the non-renounceable pro rata entitlement offer, as announced on 8 June 2016 and pursuant to a prospectus dated 17 June 2016 is to close today at 5.00pm WST.

For and on behalf of the MOD Board.

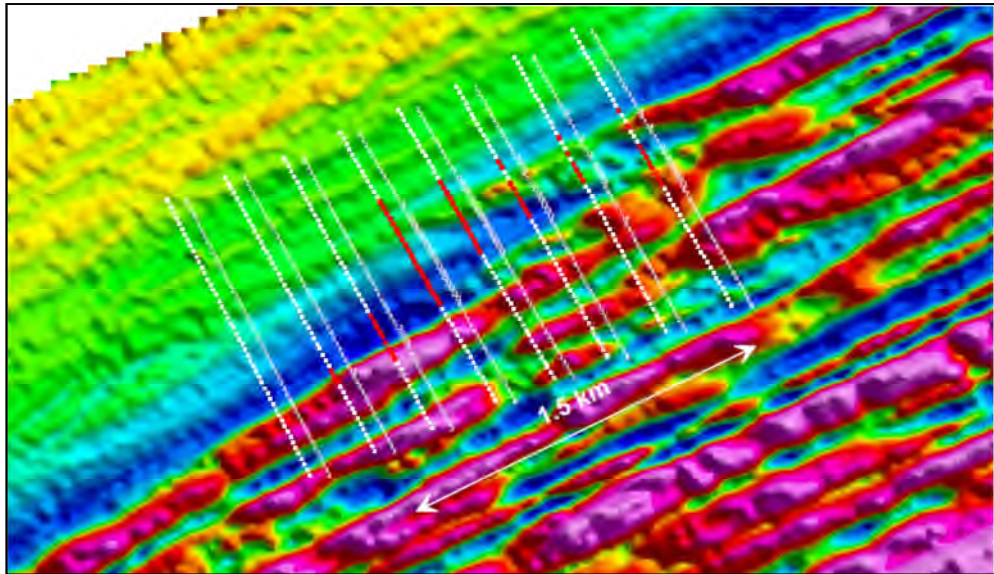
**Julian Hanna**  
Managing Director

**Mark Clements**  
Executive Chairman and Company Secretary

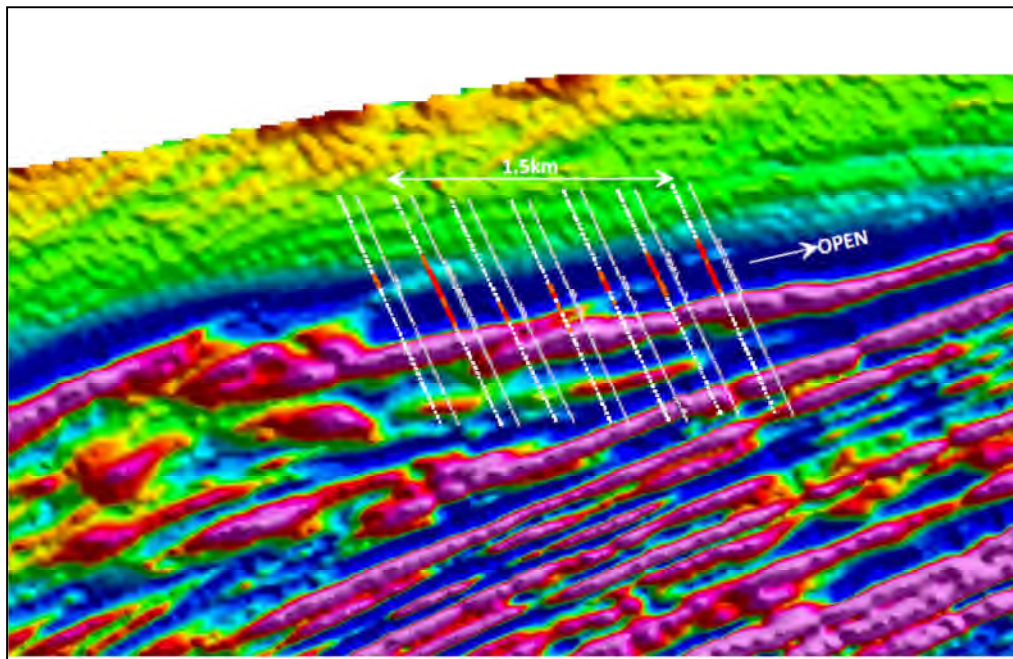
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**Figure 1:** Plan of MOD/MTR JV and MOD 100% licences showing location of targets



**Figure 2:** Magnetic image of T2 West showing Cu values (in red) extending along 1.5km



**Figure 3:** Magnetic image of T2 East showing Cu values (in red) extending along 1.5km



## Background

### **Botswana Copper/Silver Project**

*The combined MOD holdings comprise 25 prospecting licences with a total area >11,600km<sup>2</sup> in the relatively unexplored central and western Kalahari Copper Belt which is largely covered by sand and soil.*

*MOD's combined holdings comprise:*

- *100% holdings and various joint venture interests in 11 granted prospecting licences with a total area of approximately 4,187km<sup>2</sup> held through a subsidiary MOD Resources Botswana (Pty) Ltd.*
- *70% of Discovery Mines (Proprietary) Ltd (DMI) which holds 14 granted prospecting licences with a total area of approximately 7,446km<sup>2</sup> in the same area as MOD's 100% holdings. MOD's interests are held through UK joint venture company, Metal Capital Ltd (MCL) and its wholly owned subsidiary Tshukudu Metals Botswana (Pty) Ltd (TMB), following the acquisition of DMI announced on 16 December 2015.*

*London AIM-listed company Metal Tiger Plc. (MTR) owns a 30% interest in DMI through MCL and TMB. 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.*

*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. 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 MOD's underground mining scoping study. Mahumo remains completely open below the limit of drilling along 2.4km strike length and Stage Two drilling is proposed to test for extensions to ~600m depth, starting in the December quarter 2016.*

*In March 2016, MOD and MTR announced the discovery of significant Copper/Silver mineralisation in drilling at shallow depth at T3, 20km southwest of Mahumo. Mineralisation at T3 consists of vein hosted and disseminated chalcopyrite, bornite and chalcocite within a 50-60m wide sequence of shallow dipping green siltstones and marl units (the 'Target Sequence'). There is no outcrop or previous drilling at T3, which is interpreted from magnetic data to form part of a 25km long structural 'dome' (T3 Dome) within the Mahumo Structural Corridor.*

*Since the discovery of T3 in March 2016, MOD and MTR have commenced a substantial resource drilling campaign along an 800m strike length at T3 with the objectives to define an initial resource (Phase One resource) during the September quarter 2016 and determine the open pit potential at T3. Soil sampling and IP geophysical surveys in the area surrounding T3 have also identified a number of additional high priority drilling targets which are planned to be tested in the coming months. Four drill rigs are on site at T3, including 3 diamond drill rigs conducting the Phase One resource drill out and testing for extensions to the resource area, and one RC drill rig testing new shallow copper targets along the T3 Dome.*

*In November 2015, neighbouring Cupric Canyon Capital announced results from a feasibility study for the potential development of a substantial underground mine at the Zone 5 deposit. Zone 5 is located ~100km NE of MOD's 100% owned Mahumo deposit, along the same interpreted structural contact. Cupric's reported resources at Zone 5 are 100.3Mt @ 1.95% Cu and 20g/t Ag (December 2015). Zone 5 is currently the most significant announced resource in the Kalahari Copper Belt and demonstrates the wider potential of this relatively under-explored, sand covered region.*

### **Competent Person's Statement**

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper/Silver 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. There has been insufficient exploration at T3 or at other Exploration Targets mentioned in this announcement 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: 'the T2 anomalies each extend over 1.5km and occur directly along strike from Mahumo.' and 'Both anomalies appear from magnetic data to be associated with folding of the prospective Mahumo contact on either side of the high-grade Mahumo deposit.' And 'RC drilling will test the T2-West and T2-East anomalies as soon as a rig is available.'

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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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/Silver Project**  
**Section 1 Sampling Techniques and Data**  
**(Criteria in this section apply to all succeeding sections.)**

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. 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.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where 'industry standard' work has been done this would be relatively simple (e.g. '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 (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Soil Sampling was carried out using 25m sample intervals.</li> <li>Soil samples are taken at an average depth of roughly 40cm deep, to sample the B horizon.</li> <li>All samples are dried at MOD's core logging facility in Ghanzi.</li> <li>All dried samples are sieved to -180µm and packaged in marked envelopes.</li> <li>Soil Samples are submitted to ALS Laboratories in Johannesburg where it is flown to ALS Labs in Vancouver, for analysis.</li> </ul>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. 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.).</li> </ul>	<ul style="list-style-type: none"> <li>This announcement does not refer to drilling results.</li> </ul>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This announcement does not refer to drilling results.</li> </ul>
<b>Logging</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>This announcement does not refer to drilling results.</li> </ul>
<b>Sub-sampling techniques and sample</b>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</li> </ul>	<ul style="list-style-type: none"> <li>20% QAQC blanks, standards and duplicates are inserted by the laboratory</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>preparation</b>	<ul style="list-style-type: none"> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>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.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	
<b>Quality of assay data and laboratory tests</b>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>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.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>ME-ICP41 analysis for Cu, Pb and Zn by determination of aqua-regia digest followed by ICP-AES finish</li> </ul> <p>REPORTING: A detection limit of 1ppm is reported for Cu and 2 ppm for Pb and Zn.</p>
<b>Verification of sampling and assaying</b>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>20% QA/QC checks are inserted in the sample stream, as lab standards, blanks and duplicates.</li> </ul>
<b>Location of data points</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Specification of the grid system used.</li> <li>Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>The sample coordinates of all the soil samples were taken by hand held GPS .</li> </ul>
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>Data spacing for reporting of Exploration Results.</li> <li>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.</li> <li>Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>This announcement does not refer to drilling results.</li> </ul>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>This announcement does not refer to drilling results.</li> </ul>



Criteria	JORC Code explanation	Commentary
<b>Sample security</b>	<ul style="list-style-type: none"> <li>The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>Sample bags were tagged, logged and transported to ALS laboratory in Johannesburg by Project Manager.</li> </ul>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>MOD's sampling procedure is done according to standard industry practice.</li> </ul>

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>Previous exploration in the area of sampling was conducted by Discovery Mines.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Geology</b>	<ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The geology 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</li> </ul>
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> <li>○ <i>down hole length and interception depth</i></li> <li>○ <i>hole length.</i></li> </ul> </li> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• This announcement does not refer to drilling results.</li> </ul>
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• <i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i></li> <li>• <i>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.</i></li> <li>• <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i></li> </ul>	<ul style="list-style-type: none"> <li>• This announcement does not refer to drilling results.</li> </ul>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• <i>These relationships are particularly important in the reporting of Exploration Results.</i></li> <li>• <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i></li> <li>• <i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i></li> </ul>	<ul style="list-style-type: none"> <li>• This announcement does not refer to drilling results.</li> </ul>

Criteria	JORC Code explanation	Commentary
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Images of T2, T9 and T10 area showing current soil sampling is shown at Figure 1. Magnetic images of T2 Cu values are shown at Figures 2 and 3.</li> </ul>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• The accompanying document is considered to be a balanced report with a suitable cautionary note.</li> </ul>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• <i>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.</i></li> </ul>	<ul style="list-style-type: none"> <li>• All substantive data is reported.</li> </ul>
<b>Further work</b>	<ul style="list-style-type: none"> <li>• <i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li>• <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul>	<ul style="list-style-type: none"> <li>• Any further work on PL190/2008 will be dependent on results from the next RC and diamond drill holes.</li> </ul>