



21 June 2016

Dear Shareholder

NON-RENOUNCEABLE RIGHTS ISSUE TO RAISE UP TO APPROXIMATELY \$3.1 MILLION

On 8 June 2016, the Company announced that it would be offering shareholders the opportunity to participate in a non-renounceable pro-rata entitlement offer to raise up to approximately \$3.1 million (before costs) (**Offer**), on the basis of one fully paid ordinary share in the capital of the Company (**New Share**) for every 10 fully paid ordinary shares held at the record date, at an issue price of \$0.024 per New Share, with an attaching \$0.06 unlisted option expiring on 15 April 2019 for every four New Shares subscribed (**New Options**).

If the Offer is fully subscribed, a total of 127,927,000 New Shares and 31,981,750 New Options will be issued (subject to rounding).

Only shareholders with a registered address in Australia, New Zealand, Singapore or the United Kingdom will be eligible to participate in the Offer (**Eligible Shareholders**).

The Offer is made to Eligible Shareholders registered at 5.00pm (Perth-time) on the record date of 23 June 2016 (**Record Date**).

Eligible Shareholders will also be given the opportunity to apply for New Shares in excess of their entitlement (**Top-Up Offer**). New Shares will only be available under the Top-Up Offer if all Eligible Shareholders do not take up their entitlements in full. Allocations under the Top-Up Offer will be determined by the Company in its absolute discretion.

The Offer and Top-Up Offer will be made pursuant to a prospectus to be lodged with ASIC on or about 17 June 2016 (**Prospectus**) and which will be available on the Company's website at www.modresources.com.au and on the ASX website at www.asx.com.au.

Purpose of Offer

Successful completion of the Offer will raise up to approximately \$3.1 million (before costs). A majority of the funds raised from the Offer will be used to accelerate drilling of priority targets at the Company's Botswana Copper/Silver Project including the recent significant T3 discovery, nearby surface anomalies and deeper IP targets. Part of the proceeds will also be used to pay down a portion of the \$2 million loan facility provided by SHL Pty Ltd and for working capital requirements.

MOD Directors and joint venture partner AIM-listed Metal Tiger Plc intend to apply for their full entitlement under the Entitlement Offer.

Indicative Timetable

The timetable for the Offer is as follows:

Event	Date
Notice of Offer and Top-Up Offer sent to option holders	Thursday, 16 June 2016
Lodgment of Prospectus with ASIC and ASX	Friday, 17 June 2016
Notice of Offer and Top-Up Offer sent to shareholders	Tuesday, 21 June 2016
Ex-Date	Wednesday, 22 June 2016
Record Date	Thursday, 23 June 2016
Prospectus and entitlement and acceptance form dispatched to shareholders	Tuesday, 28 June 2016
Opening date	Wednesday, 29 June 2016
Closing date	Wednesday, 13 July 2016
New Shares quoted on a deferred settlement basis	Thursday, 14 July 2016
Notification of shortfall	Monday, 18 July 2016
Issue date. Allotment and issue of New Shares and New Options	Wednesday, 20 July 2016

The above timetable is indicative only and all dates may be subject to change. MOD Directors reserve the right to extend the Closing Date for the Offers at their discretion. Should this occur, the extension will have a consequential effect on the anticipated date of issue for the New Shares and New Options.

Shortfall

If Eligible Shareholders do not wish to take up any part of their entitlement they are not required to take any action. That part of their entitlement that is not taken up, and which is not subscribed for under the Top-Up Offer by other Eligible Shareholders, will form the shortfall and will be placed at the absolute discretion of the Company within 3 months of the Closing Date of the Offers.

Prospectus

Details of the Offer and the Top-Up Offer will be contained in the Prospectus. Eligible Shareholders should consider the Prospectus carefully before deciding whether to participate in the Offer and Top-Up Offer and consult with their professional advisors if they have any queries.

Yours sincerely

MARK CLEMENTS
Executive Chairman