

17 August 2016

Ms Frieda Orr  
Adviser  
Listing Compliance (Perth)  
ASX Compliance Pty Ltd  
Level 40, Central Park  
152-158 St Georges Terrace  
PERTH WA 6000

Dear Frieda

**ASX AWARE QUERY**

We refer to your letter of 16 August 2016 titled "ASX Aware Query" in relation to:

- a) The change in the price of the Entity's securities from a closing price of \$0.038 on Thursday 11 August 2016 to a closing price of \$0.048 on Friday 12 August 2016 and an increase in the volume to the Entity's securities traded over this period to a level in excess of the average trading volume on days when the Entity's securities are traded; and
- b) The Entity's announcement entitled "Copper Intersected in First Two Drill Holes at T2" lodged with the ASX Market Announcements Platform and released at 10.11am (AEST) on Monday, 15 August 2016 ("Announcement").

In that regard, we have provided our responses to your questions as follows;

1. Yes.
2. N/A
3. As announced on 13 July 2016, in addition to ongoing resource drilling at the T3 deposit, the Company is undertaking a regional exploration program based upon several new copper anomalies including two strong copper 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. On 26 July 2016, the Company announced that drill testing of these two strong Cu soil anomalies at T2, as well as other priority regional targets, starts early August.

On Wednesday 10 August 2016, the Company commenced the first RC drill hole (MO-G-52R) of a proposed 13-hole RC drilling program to test the T2 West soil anomaly. MO-G-52R was completed on Thursday 11 August 2016. On completion, the Company's General Manager Exploration in Africa (the Company's Competent Person for JORC compliance) contacted the Managing Director from site to discuss the appearance of visible copper mineralisation in this first hole of the planned program. It was discussed that there was uncertainty regarding the significance of the visible mineralisation at this new T2 West target and a decision was made to continue with the second hole in the planned drilling program (MO-G-53R) to be located 50m north of MO-G-52.

MO-G-53R commenced on Friday 12 August 2016 and was completed later on Friday 12 August 2016. At around 5.30pm on Friday 12 August 2016 (Perth time) the Company's General Manager Exploration in Africa and the Managing Director discussed by phone the appearance of visible copper mineralisation in this second hole MO-G-53R. There was further discussion regarding the variety of copper minerals identified in MO-G-52R and MO-G-53R including chrysocolla, malachite, chalcocite and bornite sulphides and it was discussed that even though there were no assay results available, given the occurrence of visible copper mineralisation in both holes at shallow depth, an announcement should be prepared. As announced on 15 August 2016, drilling is ongoing at T2 West.

4. The Company and its investor relations advisors drafted several versions of the Announcement from Saturday 13 August 2016 to Monday 15 August 2016 to release the information promptly on the commencement of trade on Monday 15 August 2016.
5. The Company can confirm that it is in compliance with the Listing Rules, in particular Listing Rule 3.1.

Yours sincerely

MARK CLEMENTS  
**Company Secretary**



16 August 2016

Mr Mark Clements  
Company Secretary  
MOD Resources Ltd

By email: [mclements@modresources.com.au](mailto:mclements@modresources.com.au)

Dear Mr Clements

**MOD Resources Ltd (the “Entity”): ASX aware query**

ASX Limited (“ASX”) refers to the following:

1. The change in the price of the Entity’s securities from a closing price of \$0.038 on Thursday, 11 August 2016 to a closing price of \$0.048 on Friday, 12 August 2016 and an increase in the volume of the Entity’s securities traded over this period to a level in excess of the average trading volume on days when the Entity’s securities are traded.
2. The Entity’s announcement entitled “Copper Intersected in First Two Drill Holes at T2” lodged with the ASX Market Announcements Platform and released at 10.11 am (AEST) on Monday, 15 August 2016 (“Announcement”).
3. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
4. The definition of “aware” in Chapter 19 of the Listing Rules. This definition states that:

*“an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity.”*

Additionally, you should refer to section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.

5. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

*“3.1A Listing rule 3.1 does not apply to particular information while each of the following requirements is satisfied in relation to the information:*

*3.1A.1 One or more of the following applies:*



- *It would be a breach of a law to disclose the information;*
- *The information concerns an incomplete proposal or negotiation;*
- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed."*

6. ASX's policy position on the concept of "confidentiality" which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B* "Listing Rule 3.1A.2 – the requirement for information to be confidential". In particular, the Guidance Note states that:

*"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Having regard to the above, we ask that you answer the following questions in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Does the Entity consider the information in the Announcement regarding the drilling results, or any part thereof, to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view.
3. If the answer to question 1 is "yes", when did the Entity first become aware of the information disclosed in the Announcement?
4. If the answer to question 1 is "yes" and the Entity first became aware of the information disclosed in the Announcement regarding the drilling results, or any part thereof, before the date of the Announcement, did the Entity make any announcement prior to this date which disclosed the information? If so, please provide details. If not, please explain why this information was not released to the market at an earlier time, commenting specifically on when you believe the Entity was obliged to release the information under Listing Rules 3.1 and 3.1A and what steps the Entity took to ensure that the information was released promptly and without delay.



5. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 1.00pm AWST on Thursday, 18 August 2016. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent by e-mail to [tradinghaltsperth@asx.com.au](mailto:tradinghaltsperth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me time to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and



- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 Trading Halts & Voluntary Suspensions.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Frieda Orr

**Adviser, Listings Compliance (Perth)**