

MOD RESOURCES LIMITED (ASX: MOD)
QUARTERLY REPORT FOR PERIOD ENDED 30 JUNE 2013

HIGHLIGHTS

Sams Creek Gold Project

- 12-hole Stage 2c infill drilling program at the >1Moz Main Zone porphyry gold deposit at Sams Creek completed on schedule and on budget in early July 2013
- Stage 2 results include significant down-hole width¹ intersections of gold mineralisation including:
 - 31.1m @ 3.6g/t gold in drill hole SCDDH088
 - 19.6m @ 6.0g/t gold in drill hole SCDDH080
 - 16.2m @ 5.2g/t gold in drill hole SCDDH081
 - 63.0m @ 2.4g/t gold in drill hole SCDDH083
 - 16.0m @ 3.4g/t gold in drill hole SCDDH082
 - 13.9m @ 3.3g/t gold in drill hole SCDDH079
- Revised Main Zone mineral resource estimate on track for completion in the September 2013 Quarter. Target is to upgrade 550,000oz gold into Indicated Mineral Resource category as a prerequisite for MOD to earn 60% in the Sams Creek permit from OceanaGold
- Stage 3 drilling program commenced at Sams Creek on 29 July 2013. The aim is to test for extensions below and along strike from the Main Zone deposit. First priority is to test below the limit of drilling in the central core of the deposit with a 550m drill hole which may be extended to test the source a magnetic anomaly interpreted below the Main Zone
- Review of previous metallurgical test work indicates very encouraging preliminary results from conventional sulphide flotation with overall gold recoveries of 90%. Further metallurgical test work and a conceptual underground mining study are planned to commence in the September Quarter in parallel with the Stage 3 drilling program
- Funding to advance Sams Creek secured via a \$2 million, 12 month unsecured loan facility which remains undrawn. MOD has the option to extend this facility for a further 12 month period. MOD reported a cash balance of ~\$1.5 million at 30 June 2013

Botswana Copper Project

- Negotiations remain at an advanced stage for divestment of Botswana Copper Project
- Regional exploration work at Botswana Copper Project identified an encouraging 9km soil copper anomaly ~120km southwest of MOD's Corner K copper-silver deposit

Note 1: Due to the geometry of the gold zones within the Main Zone deposit and the variable orientation of drill holes resulting from limited availability of drill sites, MOD reports drill hole intersections as down hole widths. MOD notes this on intersection tables included in each announcement and also represents intersections in cross sections where possible to provide an indication of true widths of the gold mineralised zones. In addition, an estimate of the true width of the porphyry dyke hosting the gold is shown in the table (Appendix) included with each announcement.

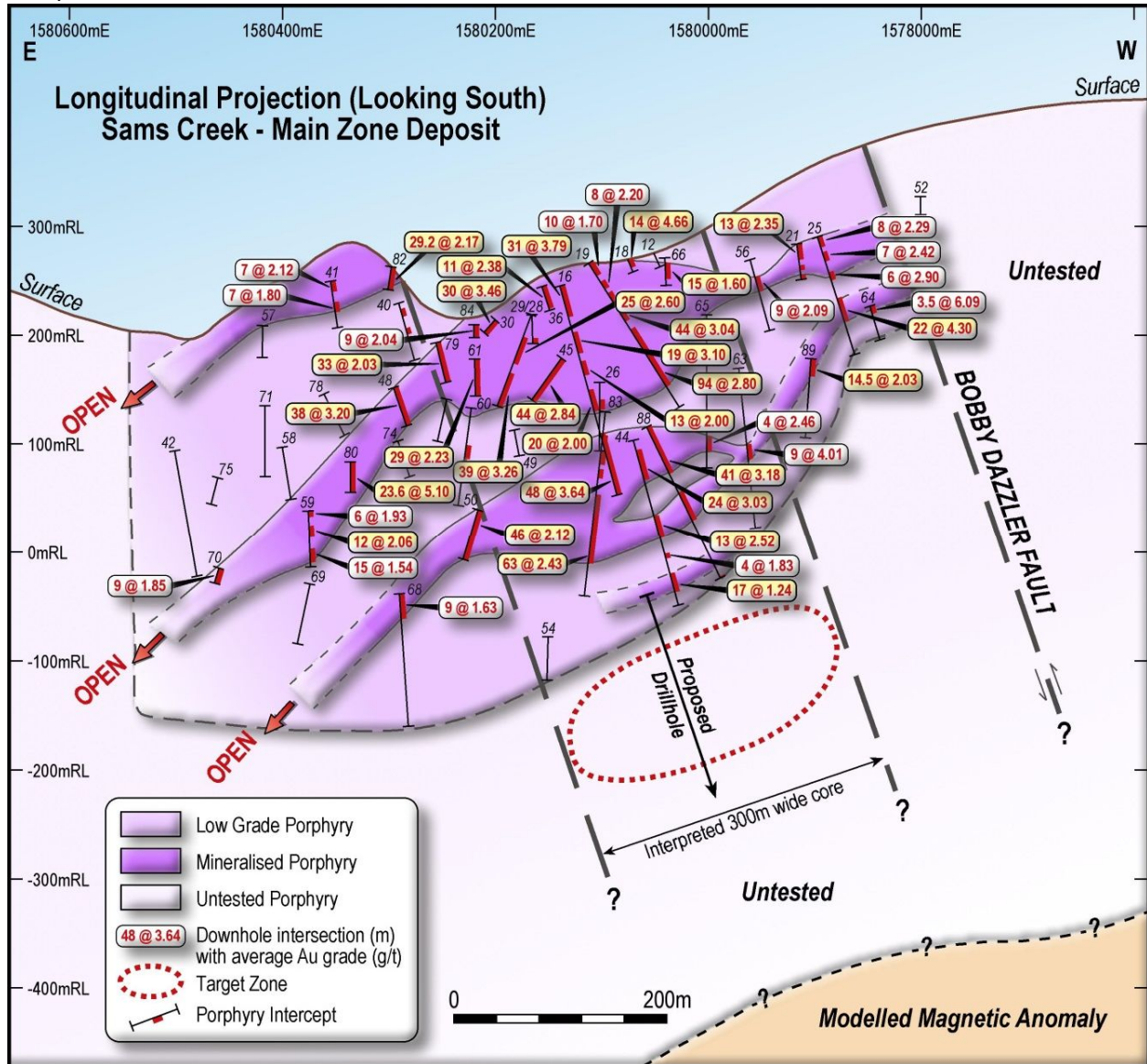


Figure 1: Interpretative Longitudinal Projection of the Main Zone deposit at Sams Creek, looking south. Drill hole intersections are represented as down hole widths (m) and average gold grade (g/t) for each intersection within the host porphyry

1. SAMS CREEK GOLD PROJECT

Stage 2 Drilling Program Completed

MOD Resources Limited (ASX: MOD) made excellent progress at Sams Creek during the Quarter. A program of 12 diamond core drill holes was completed (Stage 2c) with the majority (10) designed to infill widely spaced drilling within the Main Zone and Bobby Dazzler resource area. Bobby Dazzler is the western extension of the Main Zone.

Table 1 lists the most significant intersections (averaging >2g/t gold) in drill holes completed since April 2013 and includes estimates of true widths of the host porphyry. A full list of results from the 12 drill holes completed since April is included as Appendix 1 in MOD’s ASX announcement on 17 July 2013.

Sams Creek Stage 2c - Significant Drilling Intersections (>2g/t)									
Hole ID	Northing (m) NZTM	Easting (m) NZTM	RL (m)	Dip / Azi	Total Depth (m)	From (m)	To (m)	Estimated True width of porphyry dyke (m)	Results intersected over downhole width (>2.0 g/t gold)
SCDDH079	5454476	1580260	294.0	-83/309	170.6	114.0	147.9	30	33.9m @ 2.03 g/t Au
						114.0	120.0		Incl. 6.0m @ 2.35 g/t Au
						134.0	147.9		Incl. 13.9m @ 3.28 g/t Au*
SCDDH080	5454451	1580331	327.0	-77/000	299.2	255.4	279.0	16	23.6m @ 5.1g/t Au
						255.4	275.0		Incl. 19.6m @ 6.0 g/t Au
						255.4	263.0		Incl. 7.6m @ 8.69 g/t Au
SCDDH081	5454430	1580142	245.0	-90/000	49.4	0.5	24.2	21	23.7m @ 3.86 g/t Au
						1.0	17.2		Incl. 16.2m @ 5.15 g/t Au
SCDDH082	5454451	1580331	327.0	-55/200	126.4	76.0	92.0	32	16.0m @ 3.36 g/t Au
SCDDH083	1580103	5454510	231.0	-75/015	307.0	197.0	260.0	55	63m @ 2.43 g/t Au
						265.0	266.0		1m @ 4.38 g/t Au
						284.0	285.0		1m @ 2.21 g/t Au
						296.0	297.0		1m @ 4.14 g/t Au
SCDDH084	5454418	1580209	209.0	-75/050	21.0	4.7	9.4	9	9.4m @ 2.06 g/t Au*
SCDDH086	1579814	5453979	560.9	-90/000	15.4	1.0	11.0	11	10.0m @ 2.08 g/t Au
SCDDH087	1579796	5454214	491.0	-75/145	64.0	28.5	34.0	30	5.5m @ 2.24 g/t Au
SCDDH088	1580103	5454510	231.0	-66/285	278.3	128.9	139.0	35	10.1m @ 2.41 g/t Au
						143.9	175.0		31.1m @ 3.55 g/t Au
						239.0	240.2		1.2m @ 3.30 g/t Au
SCDDH089	1579861	5454417	398.5	-77/042	326.0	257.0	271.5	30	14.5m @ 2.03 g/t Au

* partial intercept

Table 1: Assay results for intersections >2g/t from Stage 2c drilling program at Sams Creek

Results of drilling by MOD and earlier exploration programs conducted by OceanaGold and CRA Exploration within the Main Zone are represented in Figures 1, 3 & 4. Exploration is still considered to be at an early stage at Sams Creek with the majority of drilling concentrated in a relatively small area of the host porphyry at the Main Zone deposit (Figure 1).

Based on geological mapping and drilling to date, a revised interpretation suggests the 800m long Main Zone deposit consists of:

- A 300m long 'central core' of the porphyry which has an estimated maximum true width up to ~50m. It plunges north-west towards the source of a magnetic anomaly interpreted to occur approximately 400m below the current limit of drilling (Figure 1). The central core forms a large part of the current mineral resource at Sams Creek and remains open at depth.
- A number of shallow north-east plunging shoots within the porphyry on both sides of the central core. These contain locally high grade down hole width intersections (eg: 22m @ 4.3g/t in SCDDH025 and 23.6m @ 5.1g/t gold in SCDDH080) and remain open (Figure 1). The host porphyry is offset to the south by the Bobby Dazzler Fault at the western end of the Main Zone.

Higher grade gold mineralisation in the central core and adjacent shallow plunging shoots is generally associated with zones of strong sulphide veining and silica alteration of the host porphyry (Figure 5).

Golder Associates is currently undertaking a revised resource estimate with results expected in the current quarter. As previously announced, the aim of the Stage 2c infill drilling program is to upgrade 550,000oz gold from the current Inferred Mineral Resource category into Indicated Mineral Resource category. This is the main prerequisite for MOD to increase its interest in Sams Creek from 40% to 60% under the agreement with OceanaGold. MOD can earn an 80% interest from OceanaGold on completion of a feasibility study at Sams Creek.

Drilling is planned to test the potential to increase the current mineral resource to a new target of 1.5 Moz gold in the area of the Main Zone deposit. The initial phase of this drilling program commenced on 29 July 2013 and involves drilling a 550m drill hole down the interpreted central core of the Main Zone (Figures 1 & 3). This drill hole will test the host porphyry up to 250m below the current limit of drilling and may be extended to test the magnetic anomaly interpreted below the Main Zone (Figure 1).

It is proposed that three additional holes will also be drilled as part of a future program to test the 800m long SE Traverse prospect located ~800m south-west of the Main Zone. The outcropping porphyry dyke was sampled by CRA with 47 rock chip samples collected along the porphyry averaging approximately 3.7g/t gold.

Review of Metallurgical Test Work

MOD engaged Independent Metallurgical Operations (IMO) to undertake a review of previous metallurgical test work results on Sams Creek sulphide mineralisation. This preliminary review concluded that the mineralisation is amenable to sulphide flotation processing and that approximately 95% of the gold reports to a small volume of sulphide concentrate with overall recoveries of ~90% gold.

Further metallurgical test work is planned on drill core from Stage 3 drilling to confirm the flotation test work results.

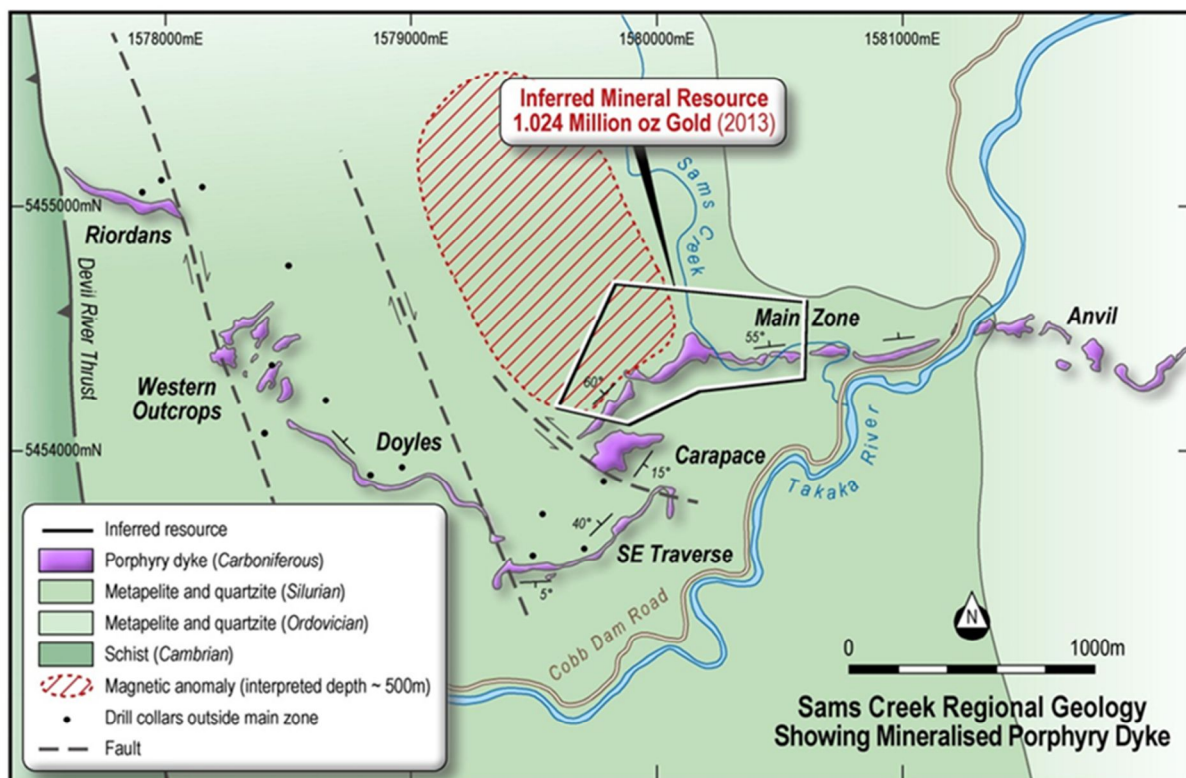


Figure 2: 6km extent of the Sams Creek Porphyry Dyke within the JV Area

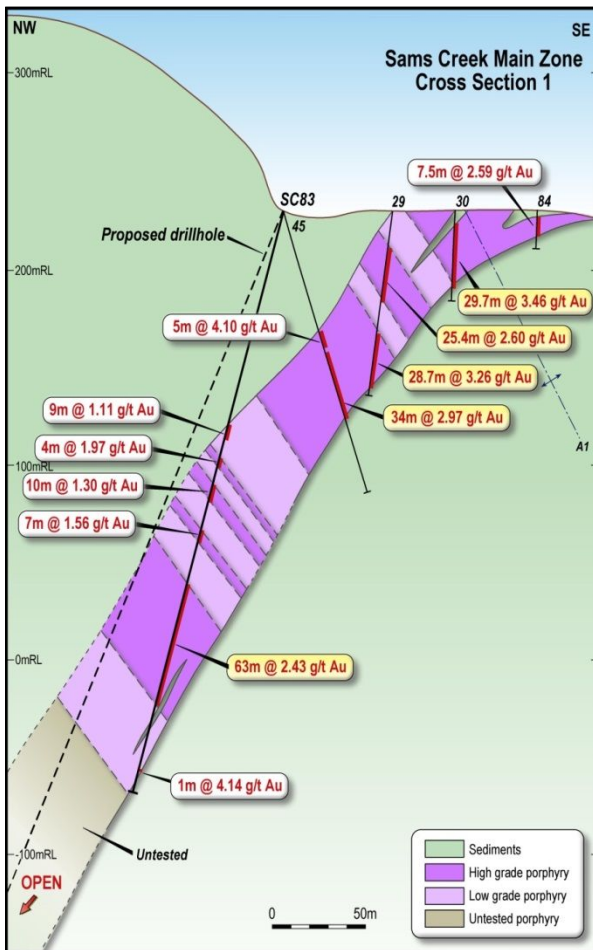


Figure 3: Main Zone interpreted cross section 1 (refer Figure 1)

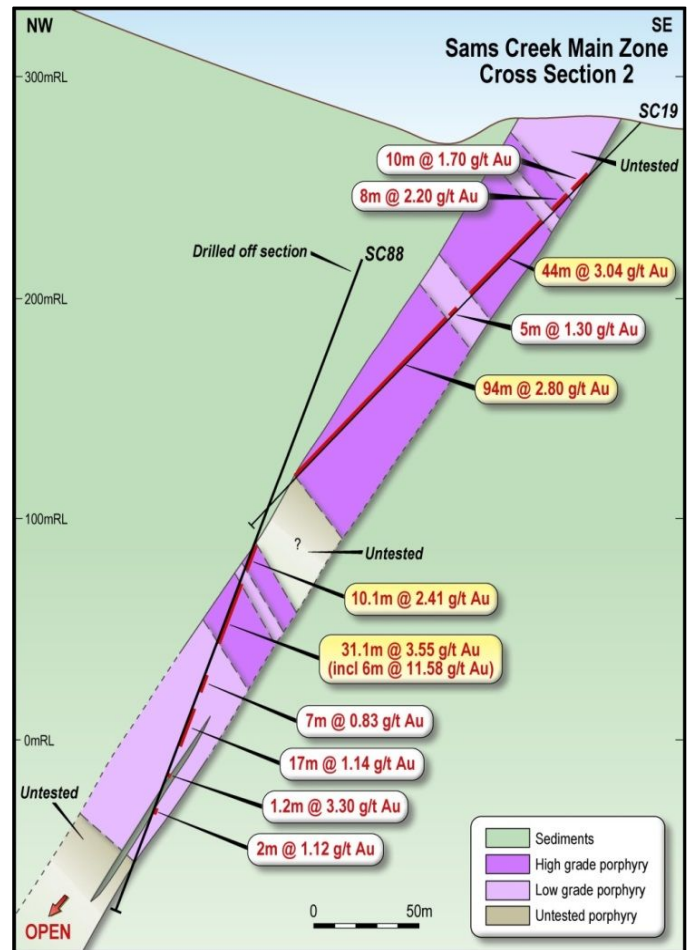


Figure 4: Main Zone interpreted cross section 2 (refer Figure 1)



Figure 5: Drill core of moderate to high grade gold mineralisation showing fine sulphide veinlets in strongly silicified porphyry host from drill hole SCDDH088. Drill core shown averaged ~4.1g/t gold

2. BOTSWANA COPPER PROJECT

During the Quarter, MOD continued to advance negotiations for the divestment of the Company's Botswana Copper Project.

Regional exploration work continued on the project during the Quarter. An encouraging 9km long soil copper anomaly was identified on PL018/2013 on a previously untested geological contact approx 120km southwest of MOD's Corner K copper deposit (Figures 6 & 7). The anomaly was interpreted from six, 3km spaced regional soil traverses (Figure 7). MOD is conducting infill soil sampling to confirm this anomaly and also to test other prospective covered areas near the Namibian border.

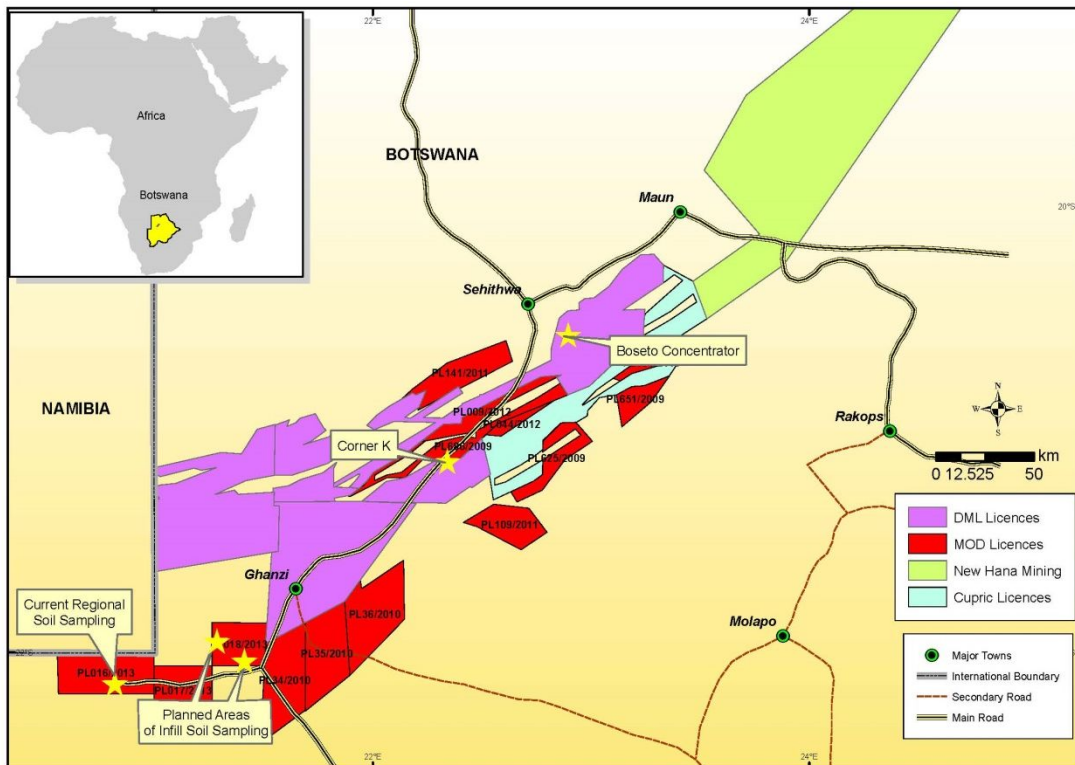


Figure 6: MOD's Kalahari Copper Belt licences in proximity to Discovery Metals and Cupric Canyon

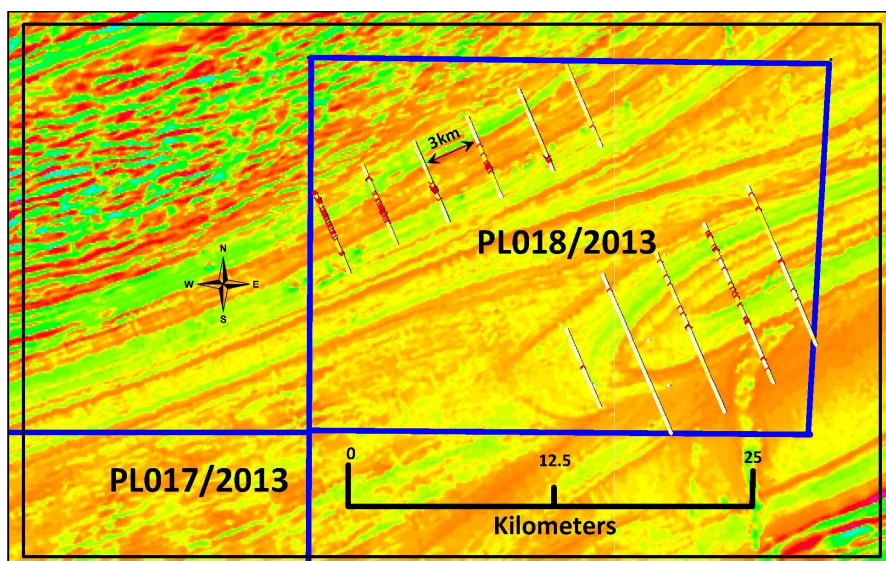


Figure 7: MOD PL018/2013 showing location of anomalous copper soil results on 3km spaced sampling traverses overlying regional magnetic image

3. CORPORATE

As announced to the ASX on 8 July 2013, MOD secured a \$2 million loan from SHL Pty Ltd, a long-standing shareholder of the Company controlled by a related party of MOD director Simon Lee, AO. The two-year loan facility will help MOD fund the planned expansion of activities at Sams Creek, including the Stage 3 drilling program which commenced on 30 July 2013.

As announced on 8 July 2013, the \$2 million loan is unsecured for the first 12 months and can be extended for a further 12 month period on a secured basis. The loan will supplement MOD's cash position which stood at ~\$1.5 million at 30 June 2013.

MOD continued to evaluate other advanced gold opportunities during the Quarter in line with the Company's previously-announced growth strategy. However, none of the opportunities assessed by MOD during the Quarter was considered to have potential similar to Sams Creek.

As announced on 16 May 2013, 12 million unlisted \$0.20 options exercisable on or before 15 May 2013 expired without exercise.

As announced on 13 June 2013, MOD issued 18 million unlisted \$0.20 options expiring 12 June 2016 to directors, or their nominees, following shareholder approval at the annual general meeting on 31 May 2013.

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Competent Person's Statements

The information in this announcement that relates to Mineral Resource Estimation, Geological Data and Exploration Results at the Sams Creek Gold Project is based on information compiled by Mr Paul Angus, Project Manager of Sams Creek and a Director of MOD Resources Ltd's subsidiary, Sams Creek Gold Ltd. Mr Angus is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the December 2004 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Angus consents to the inclusion in this announcement of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resource Estimation, 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 2004 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.

PROJECT BACKGROUND

Sams Creek Gold Project

The Sams Creek Gold Project is located 100km north of the Reef ton gold field in the South Island of New Zealand.

MOD, through subsidiary Sams Creek Gold Ltd, owns 40% of Sams Creek and has completed a resource infill drilling program at the Main Zone with the aim of increasing its interest to 60%. MOD can earn up to 80% of Sams Creek from OceanaGold Corporation, which is MOD's third largest shareholder and New Zealand's largest gold producer.

Sams Creek is New Zealand's largest undeveloped gold project with an existing JORC compliant Inferred Mineral Resource of 18.65Mt @ 1.71g/t gold (0.7g/t cut-off) containing approximately 1.024Moz gold (See ASX announcement 25 June 2012). The known gold mineralisation at Sams Creek is contained within a porphyry dyke with an average thickness of 30-35m. The dyke can be traced 6km along strike within the Sams Creek permit area and extends into the 100% owned Barrons Flat permit area which directly adjoins Sams Creek.

The current 1.024Moz Mineral Resource at Sams Creek is contained within an 800m section of the Main Zone deposit, highlighting the potential for a significant increase in the known gold resource elsewhere along the 6-7km long porphyry dyke. This potential is supported by zones of highly anomalous gold mineralisation confirmed by surface sampling along the porphyry on either side of the Main Zone.

Another feature of the Sams Creek deposit is a large magnetic anomaly which is interpreted to occur directly down dip below the current 1.024Moz Main Zone resource model. This could indicate a large felsic intrusion at depth which may be the source of the porphyry dyke and the sulphide hosted mineralisation.

Botswana Copper Project

MOD's Botswana Copper Project comprises strategically located tenement holding of ~7,800km² at the centre of the Kalahari Copper Belt (Figure 6). This includes three licences which were renewed recently.

MOD's Botswana licences directly adjoin exploration licences held by ASX-listed Discovery Metals Ltd and Canadian-based Hana Mining Ltd, which was taken over by Cupric Canyon Capital in February 2013. The Kalahari Copper Belt became Africa's newest copper-silver mining province during 2012 when Discovery Metals commissioned its Boseto mine.

MOD discovered copper-silver mineralisation at the Corner K prospect (on Prospecting Licence 686) with its initial drilling program in 2011. In September 2012, MOD announced a maiden JORC compliant Indicated and Inferred Mineral Resource of 9.5Mt grading 1.14% copper equivalent¹ at Corner K (See ASX announcement 24 September 2012).

¹ Based on indicated and inferred resource of 9.5Mt @0.91% Cu and 18.4g/t Ag using a 0.4g/t cut-off (CuEq= Cu% + (Ag g/t x 0.01231))

Forward Looking Statements and Disclaimer

This announcement contains certain statements which constitute “forward looking statements”. Examples of forward looking statements in this release are: “Main Zone mineral resource estimate on track for completion in the September 2013 Quarter,” and: “Target is to upgrade 550,000oz gold into Indicated Mineral Resource category as a prerequisite for MOD to earn 60% in the Sams Creek permit from OceanaGold,” and: “test for extensions below and along strike from the Main Zone deposit,” and: “Negotiations remain at an advanced stage for divestment of Botswana Copper Project, and: “central core’ of the porphyry which has an estimated maximum true width up to ~50m. It plunges north-west towards the source of a magnetic anomaly interpreted to occur approximately 400m below the current limit of drilling”, and: “Drilling is planned to test the potential to increase the current mineral resource to a new target of 1.5 Moz gold in the area of the Main Zone deposit”.

Such forward looking statements are only predictions and are subject to inherent risks and uncertainties which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statement. No representation or warranty, expressed or implied, is made by MOD Resources Ltd that material contained in this announcement will be achieved or proved correct.

This announcement does not include reference to all available information on MOD Resources Limited or the Sams Creek Gold Project or the Botswana Copper Project and should not be used in isolation as a basis to invest in the Company. Potential investors should refer to MOD Resources Limited’s other public releases and consult professional advisers before investing in the Company.

Exploration Targets

This announcement refers to Exploration Targets as defined under Section 18 of the JORC Code.

The Exploration Targets quantity and quality referred to in this release are conceptual in nature. There has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a mineral resource.

SAMS CREEK GOLD PROJECT

Sampling Method

Drill core is logged, split and sampled by MOD personnel at site. The logging process documents lithological, alteration and structural information as well as geotechnical data, % recovery and density measurements.

Diamond core is sampled and assayed at 1m intervals, or less, as dictated by lithological contacts, and assayed for gold at SGS’s laboratory in Waihi, New Zealand and a 50 element suite by ALS in Brisbane.

Industry standards and blanks are submitted with each batch along with duplicates created by splitting half core and submitting both samples into the sample stream.

Sample Preparation, Analysis and Security

MOD has implemented an industry-standard QA/QC program. Drill core is logged, split by sawing and sampled at site. Samples are bagged, labelled, and shipped to SGS laboratory in Waihi, New Zealand. Certified Reference.

Material standards including blanks are inserted into the sample stream at approximately every 25th sample interval. Samples at the lab are prepared using industry standard techniques including a silica wash after each sample has been pulverised. SGS split out a 50gm pulverised sample which is sent to ALS in Brisbane for multi-element determinations.

The following analytical methods are utilized:

- Gold is analysed by 30gm Fire Assay.
- Other elements (50 element suite including As, S, Cu, Pb, Zn and Sb), by aqua-regia acid digestion and ICPMS.

All results are reported as down hole widths with estimates made of the true width of the host porphyry.

BOTSWANA COPPER PROJECT

Sampling Method

All samples are taken at 40m intervals, at a depth of 40cm – 50cm below surface, along lines at 3 km spacing. Every soil sampling position is marked by handheld GPS and tagged in the field.

Sample Preparation, Analysis and Security

In a controlled area at camp, samples are dried as necessary and sieved to 80 mesh (-180 micron), with 100 to 200g of this size fraction placed in labelled paper kraft bags. Duplicate samples are kept in storage for reference purposes. Samples are thoroughly checked prior to being packaged and dispatched to ALS Laboratories in Johannesburg, South Africa. Samples are analysed by the ME-ICP41 method for Cu only. This method comprises digestion in nitric aqua regia with analysis by inductively coupled plasma atomic emission spectroscopy. For QA/QC control, the laboratory inserts standards and blanks, as well as performing duplicate analysis, at the approximate rate of one in ten in the sample sequence.

SCHEDULE OF EXPLORATION LICENCES

Sams Creek Gold Project

Permit/Licence Number	Size (Ha)	Holding	Title Holder	Licence Commencement Date	Renewal Date
EP 40 388	3,063	40%	Sams Creek Gold Limited	27-Mar-98	27-Mar-17
EP 54 454	3,199	100%	Sams Creek Gold Limited	25-Sep-12	25-Sep-17
TOTAL	6,262				

Botswana Copper Project

Licence Number	Size (km ²)	Holding	Title Holder	Licence Commencement Date	Renewal Date
Northern Licences					
650/2009	177.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
651/2009	285.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
652/2009	398.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
686/2009	463.0	100%	MOD Resources Botswana (Pty) Ltd	1-Oct-12	30-Sep-14
Southern Licences					
016/2013	934.3	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
017/2013	670.8	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
018/2013	638.9	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-15
034/2010	921.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
035/2010	789.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
036/2010	941.0	100%	MOD Resources Botswana (Pty) Ltd	1-Jan-13	31-Dec-14
JV Licences					
PL009/2012	310.4	80%	GGZ Investments (Pty) Ltd	1-Jan-12	31-Dec-14
PL141/2012	643.4	80%	Mokgweetsi Mining (Pty) Ltd	1-Apr-12	31-Mar-15
PL044/2012	151.1	80%	Mokgweetsi Mining (Pty) Ltd	1-Jan-12	31-Dec-14
PL109/2011	506.2	80%	MOS World (Pty) Ltd	1-Jul-11	30-Jun-14
TOTAL	7,829.10				