

## Drilling Resumes at T3 Copper Project

- **Drilling at T3 Copper Project resumes today following DEA approval**
- **Approval granted for 17 months, until December 2018**
- **Initial program will include up to 70 diamond holes to test several areas:**
  - **Potential extensions east and west of planned open pit**
  - **High grade underground potential down dip from open pit, along >1,000m**
  - **IP and EM anomalies located directly north and northeast of T3 resource**
  - **Extent of Zone 3 mineralised contact, 300m below T3 resource**

**MOD Resources Ltd (ASX: MOD)** is pleased to announce that drilling resumes today at the T3 Copper Project (**T3**) following approval of the Environmental Management Plan (**EMP**) by the Department of Environmental Affairs (**DEA**). The approval is subject to several conditions which are all manageable. The EMP will enable an unlimited number of RC and diamond drill holes to be drilled up to December 2018 within a 48km<sup>2</sup> farm block surrounding the T3 project.

T3 forms part of the joint venture (**JV**) between MOD (70%) and AIM listed Metal Tiger Plc (30%) and includes an extensive licence holding in the central and western parts of the Kalahari Copper Belt. The in-country operating company is Tshukudu Metals Botswana (Pty) Ltd (Tshukudu).

Initial drilling will utilise three diamond and two RC drill rigs. Three additional diamond drill rigs are on standby at T3 and will be available as needed.

The first stage of the program will include up to 70 diamond drill holes to test a range of targets summarised below. RC drilling will be used for precollars, hydrological testwork and sterilisation holes below planned infrastructure at T3 (eg: process plant, waste dump and tailings storage facility).

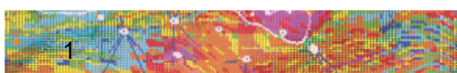
A large part of the drilling is targeted to be completed before the end of 2017. The EMP allows for a further 12 months drilling period to follow up any new discoveries or resource extensions around T3 and complete hydrological and sterilisation drilling in line with current feasibility studies.

MOD's Managing Director Mr Julian Hanna commented, "We are all very excited to resume drilling on the T3 Copper Project, with numerous drilling targets identified. An updated resource will be released soon and the Pre-Feasibility Study remains on track to be completed in the December Quarter 2017."

### Planned Program

Diamond drilling will focus on targets in five principal areas (Figure 1).

1. **Resource extensions** east and west of the planned open pit and several resource infill holes. Drilling is planned to test up to 400m west and 200m east of the planned pit.
2. **High grade veins** with potential for underground development, down dip and below the planned open pit. Drilling will test sections along >1,000m, up to 360m down dip from the pit.
3. **Two IP anomalies** (Western and Eastern IP Targets) ~800m north of T3. These IP targets are interpreted to dip south towards T3 and may occur on the north limb of a syncline.
4. **AEM target (A16)** approximately 1km northeast of T3. Drilling is planned to test the source of this low order EM anomaly identified during the recent airborne EM survey.
5. **Zone 3 Mineralised Contact** located ~300m below the top of T3 resource. Widely spaced drilling is planned to define this significant contact interpreted across the T3 Dome.



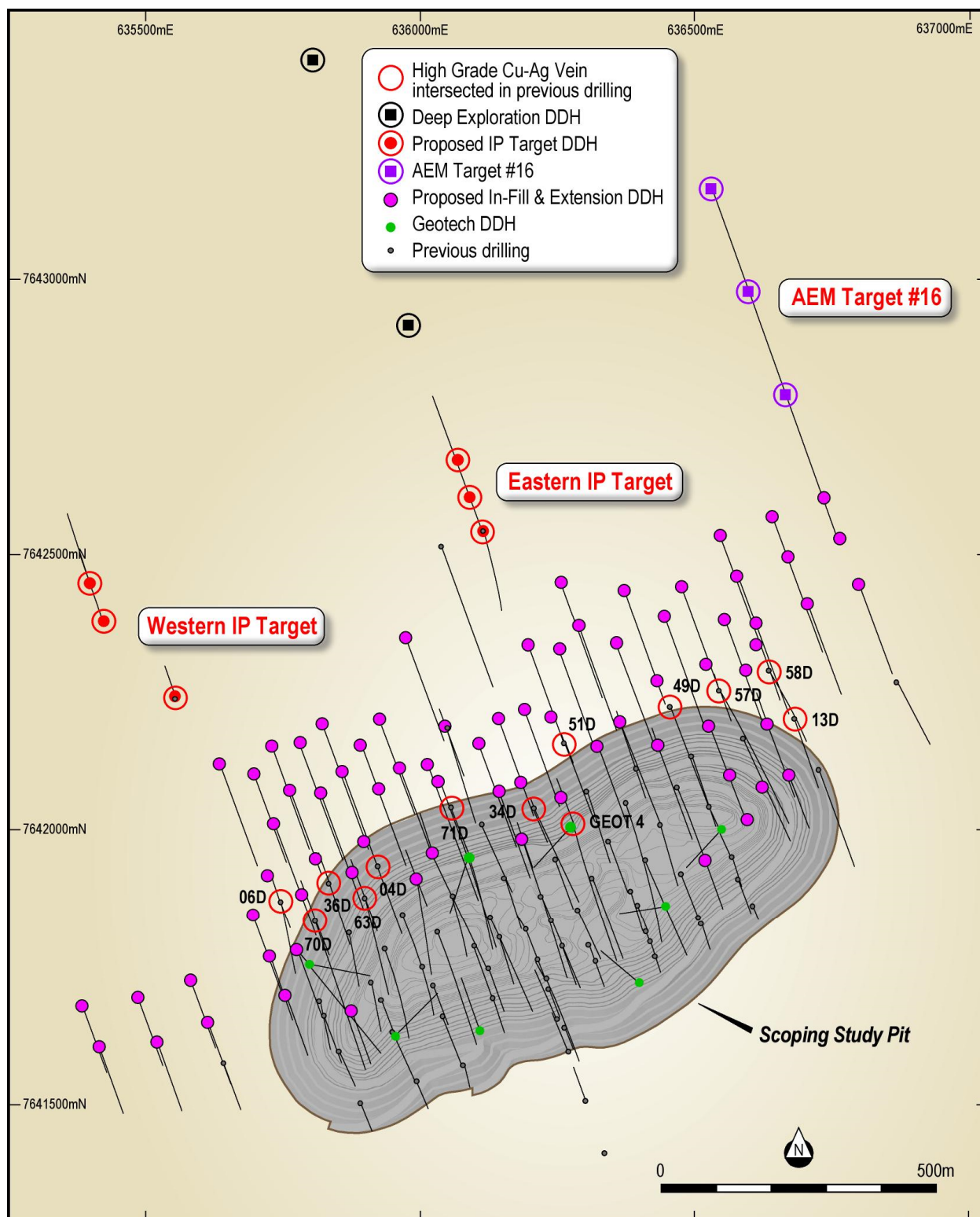


Figure 1: Plan of T3 Project Area showing previous drill holes, new targets and planned drilling

### High grade veins outside planned open pit design

A systematic review of previously announced drilling results has identified many high grade vein hosted copper/silver intersections (averaging >2% Cu) between approximately 4-6m down hole widths. High grade veins at T3 commonly occur within wide, lower grade intervals within the current resource and open pit design. Several of these veins are interpreted to extend down dip and below the open pit and have been intersected in the deepest resource holes drilled to date.

Individual high grade veins appear to demonstrate moderate to strong continuity between drill holes and dip approximately 20-30 degrees north, along a strike length that may extend >1,000m. The following is a list of significant high grade vein intersections in the deepest T3 resource drill holes. (Section lines spaced approximately 50m apart and hole collars are plotted on Figure 1).

- **MO-G-06D**                      6.0m @ 1.9% Cu & 38g/t Ag from 223m downhole
- **MO-G-70D**                      4.0m @ 2.6% Cu & 23g/t Ag from 177.2m downhole
- **MO-G-36D**                      4.0m @ 2.3% Cu & 44g/t Ag from 224m downhole  
3.9m @ 2.7% Cu & 50g/t Ag from 297m downhole
- **MO-G-63D**                      4.4m @ 2.8% Cu & 39g/t Ag from 176m downhole
- **MO-G-04D**                      5.0m @ 2% Cu & 49g/t Ag from 185m downhole
- **MO-G-71D**                      4.0m @ 2.7% Cu & 2.7g/t Ag from 195m downhole  
5.5m @ 2.5% Cu & 46g/t Ag from 225m downhole
- **GEOTECH-4**                      4.5m @ 2.2% Cu & 49g/t Ag from 174.5m downhole
- **MO-G-34D**                      4.9m @ 2.2% Cu & 42g/t Ag from 182m downhole
- **MO-G-51D**                      5.0m @ 2.7% Cu & 42g/t Ag from 215m downhole
- **MO-G-49D**                      5.0m @ 2.2% Cu & 45g/t Ag from 278m downhole  
4.0m @ 2.0% Cu & 31g/t Ag from 294m downhole
- **MO-G-57D**                      4.3m @ 2.3% Cu & 24g/t Ag from 210.2m downhole
- **MO-G-58D**                      5.6m @ 1.8% Cu & 24g/t Ag from 209m downhole
- **MO-G-13D**                      5.0m @ 1.9% Cu & 6g/t Ag from 179m downhole

The apparent consistency of width and the high copper/silver grades of these veins may represent a potential underground development target. The current drilling program is planned to include a substantial amount of diamond drilling to test this potential. Drilling will be carried out on 50m and 100m spaced sections, initially to test up to 360m down dip from the planned open pit.

### Regional Drilling Targets

Additional environmental applications are being prepared for submission to the DEA for high priority regional drilling targets. These include the T1 resource extensions, the T3 Dome AEM anomalies (announced 21 July 2017) and soil anomalies identified along the T20 Dome.

MOD is well funded to launch an extensive drilling program whilst simultaneously developing T3, with cash reserves of \$15.8 million as at 30 June 2017. JV partner Metal Tiger Plc completed a capital placement of £4.85 million in the June Quarter.

-ENDS-

For and on behalf of the Board.

**Julian Hanna**  
Managing Director

**Mark Clements**  
Executive Chairman  
and Company Secretary

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## About MOD Resources

**MOD Resources Ltd (ASX: MOD)** is an Australian-listed copper company actively exploring in the Kalahari Copper Belt, Botswana. MOD owns (70%) of a UK incorporated joint venture company, Metal Capital Limited with AIM-listed Metal Tiger Plc (30%). Metal Capital's wholly owned subsidiary, Tshukudu Metals Botswana (Pty) (Ltd) is the Botswana operating company which owns the T3 copper/silver deposit where a discovery RC drill hole intersected 52m @ 2.0% Cu and 32g/t Ag from shallow depth in March 2016.

MOD announced a substantial maiden copper/silver resource at T3 on 26 September 2016. Total cost of discovery of T3 and delineation of the maiden resource was an exceptionally low US\$1.7 million, equivalent to only US 0.22 cents/lb copper contained within the resource.

On 6 December 2016, MOD announced the results of its scoping study for an open pit mine at T3. A pre-feasibility study (PFS) commenced in early 2017.

MOD is continuing with the strategy to increase mineral resources and complete a PFS for a potential open pit mine and processing plant at T3 and conduct a substantial regional exploration program exploring for satellite deposits at other priority targets around T3.

T3 is located within the central part of the T3 Dome (approximately 1,000km<sup>2</sup>) which is the focus of increasing exploration activity undertaken by Tshukudu. Two significant resources have been discovered to date within the T3 Dome: T1 (100% MOD) and T3 (70% MOD).

## Competent Person's Statement

The information in this announcement that relates to Geological Data and Exploration Results at the Botswana Copper/Silver Project, which includes T3 is reviewed and approved by Jacques Janse van Rensburg, BSc (Hons), Business Development Manager 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.

## No New Information

To the extent that this announcement contains references to prior exploration results and Mineral Resource estimates, which have been cross referenced to previous market announcements made by the Company, unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

## 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 T3 and T1, there has been insufficient exploration at other Exploration Targets (for example the "T3 Dome") mentioned in this announcement to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Targets along the T3 Dome being delineated as a Mineral Resource. This announcement includes 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 EMP will enable an unlimited number of RC and diamond drill holes to be drilled up to December 2018 within a 48km<sup>2</sup> farm block surrounding the T3 project.' and 'The first stage of the program will include up to 70 diamond drill holes to test a range of targets.' and 'RC drilling will be used for precollars, hydrological testwork and sterilisation holes below planned infrastructure at T3 (eg: process plant, waste dump and tailings storage facility).' and 'A large part of the drilling is targeted to be completed before the end of 2017. The EMP allows for a further 12 months drilling period to follow up any new discoveries or resource extensions around T3 and complete hydrological and sterilisation drilling in line with current feasibility studies.' and 'An updated resource will be released soon and the Pre-Feasibility Study remains on track to be completed in the December Quarter 2017.' and 'These IP targets are interpreted to dip south towards T3 and may occur on the north limb of a syncline.' and 'Individual high grade veins appear to demonstrate moderate to strong continuity between drill holes and dip approximately 20-30 degrees north, along a strike length that may extend >1,000m.' and 'The apparent consistency of width and the high copper/silver grades of these veins may represent a potential underground development target. The current drilling program is planned to include a substantial amount of diamond drilling to test this potential.' and 'Additional environmental applications are being prepared for submission to the DEA for high priority regional drilling targets. These include the T1 resource extensions, the T3 Dome AEM anomalies (announced 21 July 2017) and soil anomalies identified along the T20 Dome.'

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.

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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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Drill Hole ID	WGS84_34S_E	WGS84_34S_N	RL	Azi	Dip	EOH (m)
MO-G-06D	635744.034	7641870.189	1114.963	160	-60	259.70
MO-G-70D	635808.520	7641835.785	1115.344	160	-60	373.42
MO-G-36D	635833.747	7641904.351	1115.241	160	-60	247.76
MO-G-63D	635898.447	7641876.686	1115.553	160	-60	352.60
MO-G-04D	635921.954	7641935.780	1115.480	160	-60	253.70
MO-G-71D	636055.409	7642038.329	1116.141	160	-60	451.73
T3_GEOTECH_4	636274.130	7642006.678	1117.049	223	-60	197.27
MO-G-34D	636207.867	7642041.078	1116.468	160	-60	226.82
MO-G-51D	636262.517	7642160.214	1115.960	160	-60	273.57
MO-G-49D	636455.797	7642226.091	1116.208	160	-60	301.69
MO-G-57D	636545.327	7642256.369	1116.705	160	-60	271.48
MO-G-58D	636636.285	7642291.340	1116.934	160	-60	274.57
MO-G-13D	636681.227	7642204.157	1116.937	160	-60	271.79

**Table 1: Drilling parameters for drill holes described in this announcement**