

## Numerous EM Anomalies Identified Along T3 Dome

- 19 potential targets identified from preliminary interpretation of Airborne EM data
- Targets include discrete, formational, and deeper conductive anomalies
- Several anomalies (A1-A3 and A4) show similarities to EM signature at T3
- Anomalies now being systematically verified and prioritised for drilling

MOD Resources Ltd (ASX: MOD) today announced the completion of preliminary interpretation of data from the high-resolution Airborne EM (AEM) survey, extending ~50km along the T3 Dome. This is the first time AEM has been trialled in this area of the Kalahari Copper Belt.

T3 Dome is one of several regional scale exploration areas covered by licences held by Tshukudu Metals Botswana (Pty) Ltd (Tshukudu), owned by MOD (70%) and Metal Tiger Plc (30%).

The AEM survey detected numerous anomalies and has enabled fast track exploration for potential 'T3 type' vein hosted and 'structural contact type' copper/silver deposits below surface.

An image of the AEM data prepared by MOD's consultants, Spectral Geophysics, is included to show anomalies identified by the preliminary interpretation (Figure 1). EM channel 21 (early to mid time delay) is used to illustrate the potential shallow to moderate depth conductive responses.

As a result of the preliminary interpretation, Spectral Geophysics identified 19 anomalies as potential targets. The targets were initially ranked (A1 to A19) based on the geophysical characteristics of each anomaly, taking into account the interpreted geological setting.

Numbered anomalies (Figure 1) are colour coded for approximate depth of the potential conductive source interpreted for each anomaly. Colours are: red (shallow), blue (mid) and black (deep).

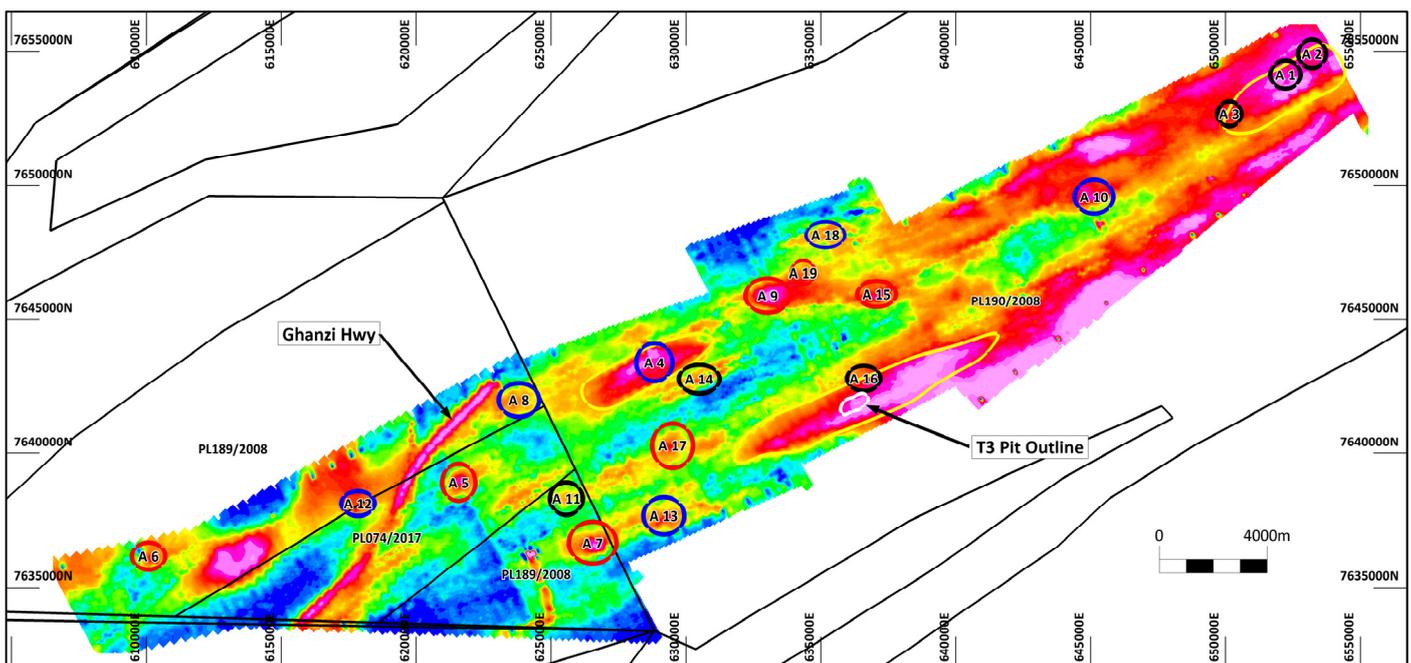
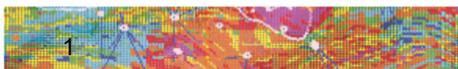


Figure 1: Airborne EM image of T3 Dome (channel 21) showing location of EM anomalies (A1-A19). The EM anomaly associated with the T3 deposit appears within the proposed T3 Pit (outlined in white).



Detailed interpretation of all available data and site inspections have commenced to verify each anomaly with the objective to produce a list of highest priority targets for drilling.

### **Preliminary Interpretation of EM Anomalies**

MOD understands this is the first time a high-resolution airborne EM survey has been flown over this part of the Kalahari Copper Belt in Botswana. Similar surveys were reportedly flown over the Boseto mine area, 120km north east of T3 during the early 1990's and successfully detected several of the large structural contact type copper deposits in that area.

EM anomalies highlighted in Figure 1 appear to fit three broad types:

1. Discrete anomalies possibly associated with large, deeper anomalies (eg A1, A2, A3, A4, A16)
2. Discrete anomalies, not always related to obvious geological contacts (eg A5, A6, A7, A9)
3. Formational anomalies, related to geological contacts or structures (eg A14, A17, A18)

Spectral Geophysics ranked four anomalies (A1-A3 and A4) as the highest, partly because they are associated with large, deeper formational anomalies. The deeper anomalies are ~ 5km long and may represent 'domes' of conductive sediments (outlined in yellow in Figure 1) below A1 to A4.

In addition to the apparent association with a deeper anomaly, the A1, A2 and A3 anomalies are also located directly along strike from the large Banana Zone copper resources owned by Cupric Canyon Capital. The Banana Zone deposits occur around the margins of a large basement dome.

The large, 10km long canoe shaped anomaly associated with the T3 EM anomaly (which appears within the proposed T3 Pit outline in Figure 1) is also interpreted to be a conductive 'dome' below the T3 host sequence and below the underlying mineralised Zone 3 thrust contact.

Anomalies A3 and A5 are interpreted to occur at the intersection of fold noses.

Several discrete and formational type anomalies (eg A4, A9, A10, A15, A18) are interpreted from magnetic data to occur adjacent to east-west structures, which include a cross cutting dolerite dyke and fault offsets of various geological contacts. One of these structures appears to offset the western end of the T3 deposit and drilling is planned to test an IP target in this area.

### **Discussion**

Within weeks of commencing the EM survey, numerous new anomalies and targets have been identified within this highly prospective and largely unexplored region surrounding the T3 Project.

The EM survey and resulting interpretation work to date has been managed and conducted to a very high standard from South Africa by NRG geophysical contractors, Spectral Geophysics and MOD's Business Development Manager Mr Jacques Janse van Rensburg.

MOD's Managing Director, Mr Julian Hanna said, "While it is still too early to explain what is causing the individual EM anomalies, the large number and variety of these anomalies opens up some very exciting possibilities along the T3 Dome. Our geological team is now prioritising targets and preparing a drilling program, which is the most effective way to test these targets."

The T3 Environmental Management Plan (EMP) public review period is due to end in early August. Four diamond rigs are expected to commence drilling, initially in the immediate T3 Project area, subject to final DEA sign-off.

For and on behalf of the Board.

**Julian Hanna**  
Managing Director

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**MOD Resources Ltd (ASX: MOD)** is an Australian-listed copper company actively exploring in the Kalahari Copper Belt, Botswana. The Company has a joint venture with AIM-listed Metal Tiger Plc (30%) which includes 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 and is due for completion in November 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.

**Competent Person's Statement**

The information in this announcement that relates to Geophysical Data and Airborne Electromagnetic (AEM) results at the Botswana Copper/Silver Project, which includes T3 is reviewed and approved by Cas Lötter, MSc, Geophysical Consultant from Spectral Geophysics for MOD Resources Ltd. He is an active member of the Australian Society of Exploration Geophysicists (ASEG) and South African Geophysical Association (SAGA) and has reviewed the technical information in this report. Mr Lötter has more than 30 years of experience, which is relevant to the type of geophysical survey conducted, which is required 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 Lötter 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 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 (including AEM Anomalies or Targets)

This announcement refers to Exploration Targets as defined under Sections 18 and 19 of the 2012 JORC Code. Exploration Targets include airborne electromagnetic (AEM) anomalies and conceptual targets and the quantity and quality referred to in this announcement are conceptual in nature only. Apart from T3 and T1, there has been insufficient exploration at other Exploration Targets along the interpreted “T3 Dome” mentioned in this announcement to determine the potential source of the AEM anomalies and targets, or define a Mineral Resource. It is uncertain if further exploration will result in any of the conceptual Exploration Targets along the T3 Dome hosting any mineralisation or 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: ‘Detailed interpretation of all available data and site inspections have commenced to verify each anomaly with the objective to produce a list of highest priority targets for drilling.’ and ‘Spectral Geophysics ranked four anomalies (A1-A3 and A4) as the highest, partly because they are associated with large, deeper formational anomalies. The deeper anomalies are ~ 5km long and may represent ‘domes’ of conductive sediments (outlined in yellow in Figure 1) below A1 to A4.’ and ‘The large, 10km long canoe shaped anomaly associated with the T3 EM anomaly (which appears within the proposed T3 Pit outline in Figure 1) is interpreted to be a conductive ‘dome’ below the T3 host sequence and below the underlying mineralised Zone 3 thrust contact.’ and ‘Anomalies A3 and A5 are interpreted to occur at the intersection of fold noses.’ and ‘Several discrete and formational type anomalies (eg A4, A9, A10, A15, A18) are interpreted from magnetic data to occur adjacent to east-west structures, which include a cross cutting dolerite dyke and fault offsets of various geological contacts. One of these structures appears to offset the western end of the T3 deposit and drilling is planned to test an IP target in this area.’ and ‘Our geological team is now prioritising targets and preparing a drilling program, which is the most effective way to test these targets.’ and ‘The T3 Environmental Management Plan (EMP) public review period is due to end in early August. Four diamond rigs are expected to commence drilling, initially in the immediate T3 Project area, subject to final DEA sign-off.’

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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