

MOD Doubles Exploration Budget to A\$10M

- **MOD doubles exploration spend to fast track drilling of regional targets**
- **A\$10M exploration budget approved for 12 months from October 2017**
- **Focus along 150km prospective corridor which hosts T3 and T1**
- **Drilling targets include many airborne EM and surface copper anomalies**

MOD Resources Ltd (ASX: MOD) today announced plans to double its exploration budget to approximately A\$10 million at its Botswana Copper Project for the 12 months commencing 1 October 2017. The budget increase is in recognition of the substantial untested potential that exists within the Company's regional licence holdings.

MOD plans to extend drilling well beyond T3, where a 70 hole diamond drilling campaign is in progress (announced 7 August 2017), to encompass district scale targets including the >50km long T3 Dome surrounding T3 and the >60km long T20 Dome 100km west of T3 (Figure 1). In addition to the existing T3 drilling currently underway, the revised exploration program is expected to include more than 160 diamond and 40 RC holes with the majority to focus upon targets along the T3 Dome and T20 Dome.

Of the budgeted exploration expenditure, approximately A\$7.5 million represents MOD's share of the Joint Venture drilling program to be conducted with Joint Venture partner, AIM-listed Metal Tiger Plc (30%), through the Botswana operating company Tshukudu Metals Botswana (Pty) Ltd (**Tshukudu**). MOD has also budgeted approximately A\$2.5 million to accelerate exploration on its 100% owned licences, specifically targeting extensions to the high-grade T1 resource and the potential on the extensive T7 Domes area.

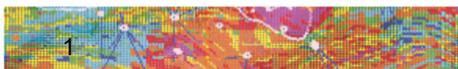
MOD's Managing Director, Mr Julian Hanna, said that with a 50% rise in the copper price during the past year, improving market sentiment and the rapidly evolving understanding of the potential of this copper belt means the Company needs to scale up exploration now.

"While MOD's first major discovery, T3, has substantial upside and will remain our primary focus to bring into production, it may be just the beginning of a much larger story. Numerous other targets hold excellent potential, particularly along the same structural corridor which hosts T3 and other substantial resources already defined within the eastern Kalahari Copper Belt," Mr Hanna said.

Mr Hanna said the immediate focus would be on drill testing many of the 19 airborne EM targets along the 50km long axis of the T3 Dome, centred around T3.

The T20 Dome located 100km west of T3 is also a high priority for drilling with multiple copper soil anomalies, several with similar values to those associated with the original T3 discovery. The copper soil anomalies may continue from the T20 Dome through the T4 and T22 prospects towards the western end of the T3 Dome where there are a number of yet untested EM targets (Figure 1). The combined strike length of the zone of soil and EM anomalies appears to be about 150km.

Two additional prospecting licences (PL099/2017 and PL189/2017) were recently granted to Tshukudu to cover further areas of the large T20 Dome. These licences provide an additional 655km² of prospective geology, increasing the current JV holding to just over 8,000km².



MOD is planning an Airborne EM survey over large areas of the T20 Dome as soon as possible to identify possible conductors, which may be associated with surface copper anomalies. Tshukudu is currently working with its experienced environmental consultants to seek environmental approvals from the Department of Environmental Affairs, initially to drill 14 EM and copper soil anomaly targets along the T3 Dome (refer ASX announcement 21 July 2017).

Another high priority target for drilling is T1, to test potential extensions to the existing shallow high-grade copper/silver resource of 2.7Mt @ 2.0% Cu and 50g/t Ag (announced 25 March 2015). Drilling is planned to commence with a 20 hole diamond drilling program, to test underground resource potential to around 600m depth. The environmental assessment process is in progress to obtain authorisation for this drilling work.

“We expect the doubling of the exploration budget will help us unlock and realise the potential of this completely under-explored copper belt. The number of drill holes planned on regional targets is more than double what we have drilled at T3 to date which reflects our confidence in the potential of the wider region,” said Mr Hanna.

MOD is well funded to launch an extensive drilling program in addition to the ongoing feasibility studies for T3 with cash reserves of \$15.8 million as at 30 June 2017.

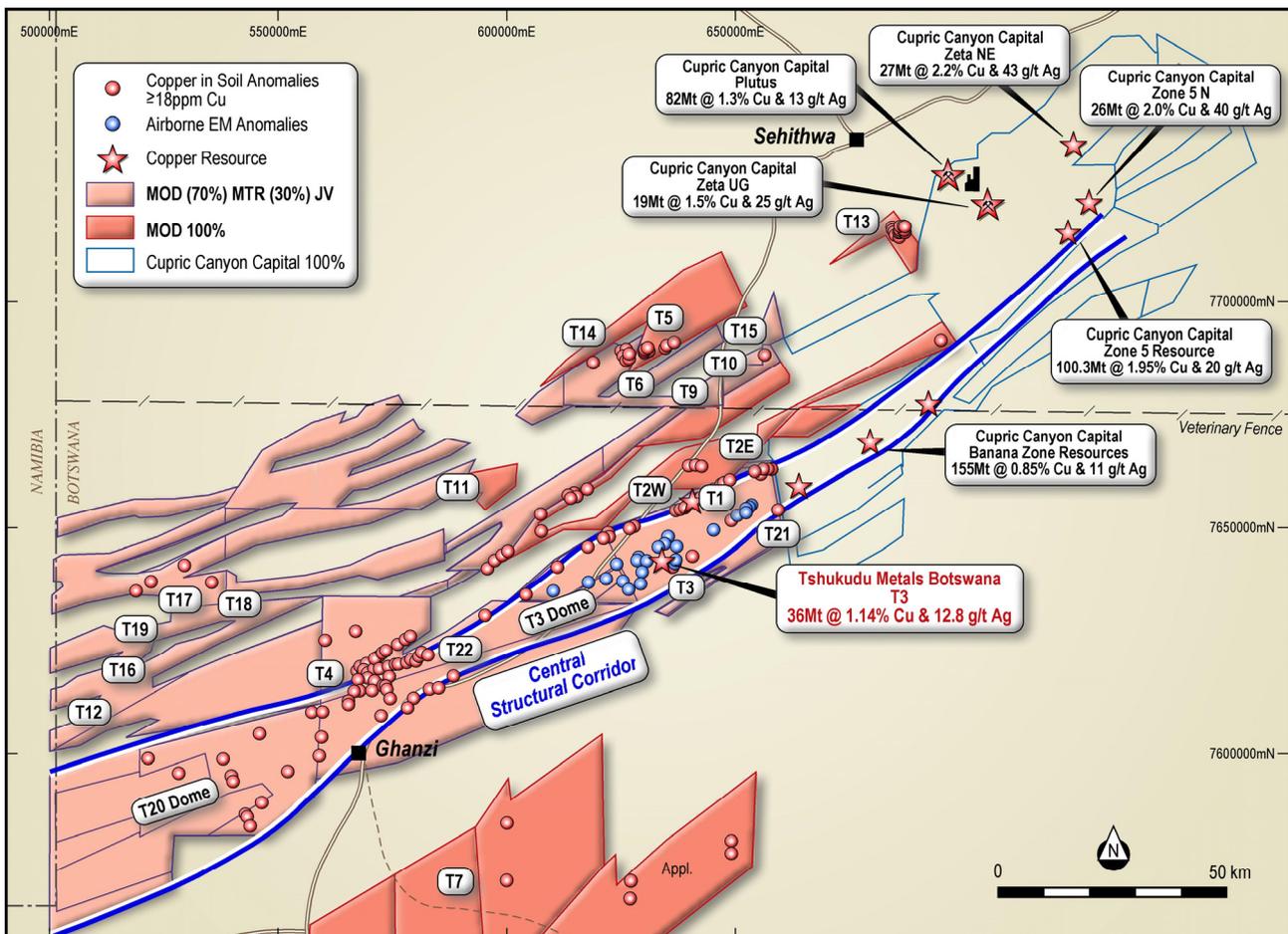


Figure 1: Kalahari Copper Belt showing the location of copper soil and EM anomalies along the Central Structural Corridor

Africa Down Under 2017

MOD will be exhibiting and presenting at the Africa Down Under conference in Perth, Western Australia, 6-8 September 2017. To request a direct meeting or interview with management during the conference, please contact Margie Livingston of AMN Corporate.

For and on behalf of the Board.

Julian Hanna
Managing Director

Mark Clements
Executive Chairman and Company Secretary

Margie Livingston
AMN Corporate
+61 438 661 131
margie@amncorporate.com

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 and is due for completion in December 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 Geological Data and Exploration Results at the Botswana Copper/Silver Project 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 (which include copper soil anomalies and airborne EM anomalies) quantity and quality referred to in this announcement are conceptual in nature. There has been insufficient exploration at Exploration Targets mentioned in this announcement to define a Mineral Resource and it is uncertain if further exploration will result in the Exploration Targets being delineated as a Mineral Resource. This announcement includes several 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: 'MOD plans to extend drilling well beyond T3, where a 70 hole diamond drilling campaign is in progress (announced 7 August 2017), to encompass district scale targets including the >50km long T3 Dome surrounding T3 and the >60km long T20 Dome 100km west of T3' and 'In addition to the existing T3 drilling currently underway, the revised exploration program is expected to include more than 160 diamond and 40 RC holes with the majority to focus upon targets along the T3 Dome and T20 Dome.' and 'MOD has also budgeted approximately A\$2.5 million to accelerate exploration on its 100% owned licences, specifically targeting extensions to the high-grade T1 resource and the potential on the extensive T7 Domes area.' and 'While MOD's first major discovery, T3, has substantial upside and will remain our primary focus to bring into production, it may be just the beginning of a much larger story. Numerous other targets hold excellent potential, particularly along the same structural corridor which hosts T3 and other substantial resources already defined within the eastern Kalahari Copper Belt' and 'The copper soil anomalies may continue from the T20 Dome through the T4 and T22 prospects towards the western end of the T3 Dome where there are a number of yet untested EM targets (Figure 1). The combined strike length of the zone of soil and EM anomalies appears to be about 150km.' and 'MOD is planning an Airborne EM survey over large areas of the T20 Dome as soon as possible to identify possible conductors, which may be associated with surface copper anomalies.' and 'Drilling is planned to commence with a 20 hole diamond drilling program, to test underground resource potential to around 600m depth. The environmental assessment process is in progress to obtain authorisation for this drilling work.' and 'We expect the doubling of the exploration budget will help us unlock and realise the potential of this completely under-explored copper belt. The number of drill holes planned on regional targets is more than double what we have drilled at T3 to date which reflects our confidence in the potential of the wider region.'

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. Subject to any continuing obligations under applicable law and ASX Listing Rules, MOD Resources Limited does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

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.

The announcement is for information purposes only. Neither this announcement nor information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction.

The announcement may not be distributed in any jurisdiction except in accordance with legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

This announcement does not constitute investment advice and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs and the opinions and recommendations in this announcement are not intended to represent recommendations of particular investments to particular persons.

Recipients should seek professional advice when deciding if an investment is appropriate. All securities transactions involve risks, which include (among others) the risk of adverse or unanticipated market, financial or political developments. To the fullest extent of the law, MOD Resources Limited, its officers, employees, agents and advisers do not make any representation or warranty, express or implied, as to the currency, accuracy, reliability or completeness of any information, statements, opinion, estimates, forecasts or other representations contained in this announcement. No responsibility for any errors or omissions from the announcement arising out of negligence or otherwise is accepted.

T1 -Mineral Resources (Announced 25 March 2015)

Mahumo Stage One - Total Resources @ 1.0% Cu cut-off						
JORC Category	Tonnes	Cu %	Ag g/t	CuEq ² %	Cu Tonnes	Ag Ounces
Measured	518,000	1.93%	48.8	2.37%	10,000	813,000
Indicated	1,726,000	1.87%	48.0	2.30%	32,280	2,660,000
Inferred	433,000	2.52%	57.4	3.03%	10,900	800,000
Total	2,677,000	2.00%	50.0	2.44%	53,180	4,273,000
1. Tonnes, grade and metal content have been rounded. Rounding may lead to computational discrepancies. 2. The formula used is: $CuEq = Cu\% + (Agg/t \times 0.009)$.						