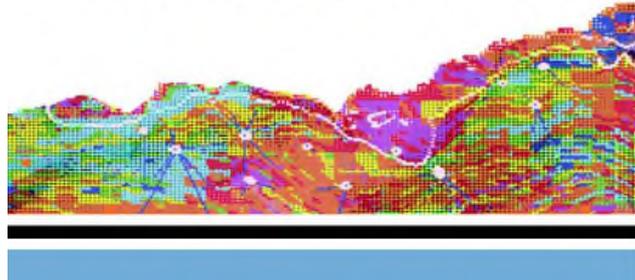


MOD

R E S O U R C E S L T D



MOD RESOURCES LIMITED
ACN 003 103 544

PROSPECTUS

FOR

A non-renounceable pro rata entitlement issue of one New Share for every 10 Shares held by Eligible Shareholders at the Record Date at an issue price of \$0.024 per New Share (together with one free attaching New Option for every four New Shares subscribed for and issued) to raise up to approximately \$3,070,248 (before costs).

Eligible Shareholders may also apply for additional New Securities under the Top Up Offer.

THE ENTITLEMENT OFFER AND TOP UP OFFER ARE CURRENTLY EXPECTED TO CLOSE AT 5:00PM (WST) ON 13 JULY 2016.

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

PLEASE READ THE INSTRUCTIONS IN THIS PROSPECTUS AND ON THE ACCOMPANYING ENTITLEMENT AND ACCEPTANCE FORM REGARDING THE ACCEPTANCE OF YOUR ENTITLEMENT UNDER THE ENTITLEMENT OFFER.

THIS IS AN IMPORTANT DOCUMENT WHICH REQUIRES YOUR IMMEDIATE ATTENTION AND SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR STOCKBROKER, ACCOUNTANT, SOLICITOR, OR OTHER PROFESSIONAL ADVISOR.

AN INVESTMENT IN THE SECURITIES OFFERED BY THIS PROSPECTUS SHOULD BE CONSIDERED HIGHLY SPECULATIVE IN NATURE.

IMPORTANT INFORMATION

General

This Prospectus is dated, and was lodged with ASIC on, 17 June 2016. Neither ASIC nor ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Securities will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX within seven days of the date of this Prospectus for Official Quotation by ASX of the New Securities.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at First Floor, 1304 Hay Street, West Perth, Western Australia during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (refer to Sections 7.1 and 7.13). Eligible Shareholders only can obtain a copy of this Prospectus during the period of the Entitlement Offer on the Company's website.

No person or entity is authorised to give any information or to make any representation in connection with the Offers which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Offers.

Entitlement and Acceptance Forms

The Entitlement and Acceptance Forms accompanying this Prospectus are important. Application for New Securities under the Offers can only be submitted on an Entitlement and Acceptance Form. If acceptance is by BPAY® there is no need to return an original Entitlement and Acceptance Form. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement. Please refer to instructions in Section 4 regarding the acceptance of your Entitlement and completion of the Entitlement and Acceptance Form.

By returning an Entitlement and Acceptance Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offers detailed in this Prospectus.

Eligibility

Eligible Shareholders can only take up their Entitlement by completing and returning the Entitlement and Acceptance Form, accompanying this Prospectus. The Entitlement and Acceptance Form sets out an Eligible Shareholder's Entitlement to participate in the Entitlement Offer and application to apply for Top Up Offer.

Overseas shareholders

This Prospectus does not, and is not intended to, constitute an offer of New Securities and New Securities in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Entitlement Offer and Top Up Offer are not being extended, and New Securities and New Securities will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand, Singapore or the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of New Securities and New Securities these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of New Securities and New Securities to existing Shareholders in any jurisdiction other than Australia, New Zealand, Singapore or the United Kingdom. The distribution of this Prospectus in jurisdictions outside Australia, New Zealand, Singapore or the United Kingdom is restricted by law and persons outside of New Zealand, Singapore or the United Kingdom should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

Further detail in relation to the United Kingdom and Singapore is as follows:

United Kingdom

Neither the information in this Prospectus has, nor any other documents relating to the Entitlement Offer or Top Up Offer have, been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (**FSMA**)) has been published or is intended to be published in respect of the New Securities or New Securities. No prospectus is required under Section 85(1) FSMA as this document is issued on a confidential basis to fewer than 150 persons (other than "qualified investors" (within the meaning of section 86(7) of FSMA)) in the United Kingdom, and the New Securities and New Securities may not be offered or sold in the United Kingdom by means of this Prospectus, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 FSMA) received in connection with the issue or sale of the New Securities or New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) FSMA does not apply to the Company.

This Prospectus is only directed at persons who are: (i) outside the United Kingdom; (ii) who fall within Article 43 (members of certain bodies corporate) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005; or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

Singapore

This document and any other materials relating to the Entitlement Offer or Top Up Offer have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Prospectus and any other document or materials in connection with the Offer may not be issued, circulated or distributed, nor may any New Securities or New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (**SFA**), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an existing Shareholder. In the event that you are not an existing Shareholder, please return this Prospectus immediately. You may not forward or circulate this Prospectus to any other person in Singapore.

Any offer is not made to you with a view to the New Securities or New Securities being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire the New Securities or New Securities. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Notice to nominees and custodians

Shareholders resident in Australia, New Zealand, Singapore or the United Kingdom holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up an Entitlement under the Entitlement Offer or applying for New Securities under the Top Up Offer does not breach regulations in the relevant jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

Continuously Quoted Securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the

Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure Period

No exposure period applies to the Offers.

Speculative Investment

An investment in the New Securities should be considered highly speculative. Refer to Section 5 for details of the key risks applicable to an investment in the Company.

Persons wishing to apply for New Shares should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to New Securities.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. If persons considering apply for New Securities have any questions, they should consult their stockbroker, solicitor, accountant or other professional adviser.

There is no guarantee that New Securities will make a return on the capital invested, that dividends will be paid on the New Shares or that there will be an increase in the value of the New Shares in the future.

Forward-looking Statements

This Prospectus contains forward-looking statements which may be identified by words such as "believes", "estimates", "expects", "intends", "may", "will", "would", "could", or "should" and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 5. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Diagrams

Any diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available at the date of this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to WST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 9.

CORPORATE DIRECTORY

Directors

Mr Mark Clements Executive Chairman
Mr Julian Hanna Managing Director
Mr Simon Lee AO Non-executive Director
Mr Steven McGhee Non-executive Director

Company Secretary

Mr Mark Clements Company Secretary

Registered Office

First Floor, 1304 Hay Street
West Perth WA 6005
Tel: +61 8 9322 8233
Fax: +61 8 9322 8077
Email: administrator@modresources.com.au
Website: www.modresources.com.au
ASX Code: MOD

Share Registry

Security Transfer Registrars Pty Ltd
770 Canning Highway
Applecross WA 6153
Tel: +61 8 9315 2333
Fax: +61 8 9315 2233
Email: registrar@securitytransfer.com.au

Lawyers

DLA Piper Australia
Level 31
152 - 158 St Georges Terrace
Perth WA 6000

Auditor*

Grant Thornton Audit Pty Ltd
Level 1, 10 Kings Park Road
West Perth WA 6005

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

INDICATIVE TIMETABLE

Event	Date
Lodgement of Prospectus with ASIC and provision of a copy to ASX	17 June 2016
Company sends letters to Shareholders	21 June 2016
"Ex" Date	22 June 2016
Record Date (at 5.00pm WST)	23 June 2016
Prospectus despatched to Eligible Shareholders	28 June 2016
Opening Date	29 June 2016
Closing Date (at 5.00pm WST)	13 July 2016
Securities quoted on a deferred settlement basis	14 July 2016
Anticipated issue date of New Securities	20 July 2016
Anticipated date for despatch of holding statements	20 July 2016
Deferred settlement trading ends	20 July 2016
Anticipated date for commencement of trading of New Shares	22 July 2016

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Closing Date, without prior notice. Any extension of the Closing Date will have a consequential effect on the anticipated date for issue of the New Securities. The Directors also reserve the right not to proceed with the whole or part of the Offers at any time prior to allotment. In that event, the relevant Application Monies will be returned without interest.

LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the board of MOD Resources Limited (**Company**), I am pleased to present you with an opportunity to subscribe for additional shares in the Company by participating in the offer detailed in this Prospectus. The Company is undertaking a non-renounceable pro rata entitlement issue of one New Share for every 10 Shares held by Shareholders at the Record Date at an issue price of \$0.024 per New Share (together with one free attaching New Option for every four New Shares subscribed for and issued) to raise up to \$3,070,248 (**Entitlement Offer**). The number of New Shares to which you are entitled to subscribe for is detailed in the Entitlement and Acceptance Form that accompanies this Prospectus.

Eligible Shareholders are also offered the opportunity to apply for New Securities in addition to their Entitlement, if the Entitlement Offer is not fully subscribed (**Top Up Offer**). Subject to any restrictions imposed by the Corporations Act and Listing Rules, the Directors reserve the right to issue the New Securities under the Top Up Offer. The Top Up Offer is a separate offer made pursuant to this Prospectus and may remain open after the Closing Date. The New Securities offered under the Top Up Offer will have the same price and rights as the New Securities offered under the Entitlement Offer.

As announced on 20 April 2016, the Company has successfully raised \$2 million (less costs) from an equity placement. Those funds have been utilised to advance the drilling program at the T3 Dome and explore the potential of other targets identified on the Company's extensive joint venture and 100% holdings in the Botswana Kalahari Copper Belt. The placement involved the issue of 66.67 million Shares at an issue price of \$0.03 per Share and was within the Company's existing placement capacity (**Placement**).

Funds raised by the Placement, Entitlement Offer and Top Up Offer will allow the Company to commit to further drilling of priority targets on the Company's and its joint venture partner Metal Tiger Plc (**MTR**)'s joint venture licences and on the Company's 80% and 100% owned licences. Apart from targets along the T3 Dome, the additional funds will enable drilling to proceed at several other Cu surface anomalies identified in the region, pay down a portion of the Company's debt and provide for working capital requirements.

The Directors and MTR intend to apply for their full entitlements under the Entitlement Offer.

Further information about the Company and its operations is contained in publically available documents lodged by the Company with the ASIC and ASX. This Prospectus should be read in conjunction with this material.

There are a number of risks associated with investing in the share market generally and the Company specifically. The New Securities being offered under this Prospectus must be regarded as highly speculative. Investors should read this Prospectus in its entirety before deciding to invest and in particular, consider the risks detailed in Section 5.

If you have any queries concerning the Entitlement Offer or Top Up Offer, or the action you are required to take to subscribe for New Securities, please consult your stockbroker, accountant, solicitor or other professional advisor.

Yours faithfully

Mark Clements
Executive Chairman

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1. Investment Overview

Topic	Summary	More Information
<p>What is the Entitlement Offer?</p>	<p>One New Share for every 10 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.024 per New Share (together with one free attaching New Option for every four New Shares subscribed for and issued).</p>	<p>Section 2.1</p>
<p>What is the purpose of the Entitlement Offer?</p>	<p>The purpose of the Entitlement Offer is to raise up to approximately \$3,070,248 (before costs).</p> <p>A majority of the funds raised from the Entitlement Offer will be used to accelerate drilling of priority targets at the Company's Botswana Copper/Silver Project, including the recent significant T3 discovery, nearby surface anomalies and deeper IP targets. Part of the proceeds will also be used to pay down a portion of the \$2 million loan facility provided by SHL Pty Ltd and for working capital requirements, assuming that the Offers are fully subscribed.</p>	<p>Section 2.2</p>
<p>What are the key investment highlights?</p>	<ul style="list-style-type: none"> • The Company is focused on directing the majority of activities and funding to the Company's substantial copper/silver assets in Botswana which are located in an emerging exploration province where large copper and silver discoveries have been made on adjacent properties. • All licences comprising the wider Botswana Copper/Silver Project are considered to have significant exploration potential. • The Company has an 80% interest in New Zealand's largest underdeveloped gold resource, Sams Creek, which is a 1.0Moz porphyry hosted gold deposit. 	
<p>What are key risks associated with an investment in the Company?</p>	<p>Some of the key risks that may affect the Company are detailed below. This list is not exhaustive, and further details of these risks and other risks associated with an investment in the Company are detailed in Section 5.</p> <p>In undertaking its business activities, the Company will be exposed to risks which include, but are not limited to:</p> <ul style="list-style-type: none"> • loan security risk - the Company and SHL Pty Ltd have agreed that the Company will repay all or part of the SHL Loan and any outstanding interest payments due and owing, as at 30 June, 2016 on 4 July 2016. If this cannot be done, the parties have agreed to extend this on a rolling three month basis. There is a risk that the Company may not be able to pay this loan when it is due and may not be able to secure funding alternatives; • future capital needs and additional funding - the Company believes that the proceeds from the Entitlement Offer will provide adequate funding to advance the drilling program at T3 Dome and explore the potential of other targets identified on the Company's extensive joint venture and 100% holdings in the Botswana Kalahari Copper Belt. However, if the Company did require additional funding there is no assurance that it will be 	<p>Section 5.1(a)</p> <p>Section 5.1(b)</p>

Topic	Summary	More Information
	<p>obtainable, this would have a material adverse effect on the Company's business and its financial condition and performance;</p> <ul style="list-style-type: none"> • expiry of licences - the Company will apply to the Botswana and New Zealand authorities for renewal of certain licences as and when they are due to expire. There are risks that these licences may or may not be granted as determined by the Botswana and New Zealand authorities, at their discretion. The consequence of this is that the Company will have no further right to conduct any exploration on these licences and all funds previously invested in exploration activities on these licences will be lost. Any deferred exploration expenditure relating to any licences which are not renewed will be written off in the consolidated accounts, thereby impacting the consolidated statement of financial position; and • minimum expenditure requirements - under Botswana and New Zealand mining legislation the Company is required to meet minimum expenditure commitments in order to maintain its interest in the exploration licences. There is a risk that the Company may fail to satisfy these minimum expenditure requirements and may be required to relinquish part or all of its interests in these licences. The consequence of this is that the Company will have no further right to conduct any exploration on these licences and all funds previously invested in exploration activities on these licences will be lost. Any deferred exploration expenditure relating to any licences which are not renewed will be written off in the consolidated accounts, thereby impacting the consolidated statement of financial position. <p>See Section 5 for further risks affecting the Company.</p>	<p>Section 5.1(e)</p> <p>Section 5.1(f)</p>
What is the effect of the Offers on the Company?	The maximum number of New Securities that will be issued under the Offers is 127,927,000 New Shares and 31,981,750 New Options (subject to rounding).	Section 3.1
Is the Entitlement Offer subject to a minimum subscription?	No.	Section 2.3
What are the terms of the New Options?	The New Options will be unlisted and have an exercise price of \$0.06 and an expiry date of 15 April 2019. The terms and conditions of the New Options are set out in Section 6.2.	Section 6.2
Who can participate in the Entitlement Offer?	Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia, New Zealand, Singapore or the United Kingdom on the Share Register, may participate in the Entitlement Offer.	Section 2.4
How do I accept my Entitlement?	All Eligible Shareholders are entitled to participate in the Entitlement Offer. If you wish to take up all or part of your Entitlement, you must complete your Entitlement and Acceptance Form that accompanies this Prospectus and	Section 4.1

Topic	Summary	More Information												
	send it to the Share Registry together with payment by cheque or follow the instructions to pay via BPAY®.													
How will New Securities be allocated?	<p>New Securities not taken up under the Entitlement Offer will be offered under the Top Up Offer and be allocated at the absolute discretion of the Directors. New Securities will be allocated within three months after the Closing Date.</p> <p>Eligible Shareholders may apply for New Securities by completing the relevant section of their Entitlement and Acceptance Form.</p>	Section 2.6												
Key Dates	<table border="0"> <tr> <td>Ex-Date</td> <td>22 June 2016</td> </tr> <tr> <td>Record Date (at 5.00pm WST)</td> <td>23 June 2016</td> </tr> <tr> <td>Opening Date</td> <td>29 June 2016</td> </tr> <tr> <td>Closing Date (at 5.00pm WST)</td> <td>13 July 2016</td> </tr> <tr> <td>Issue date</td> <td>20 July 2016</td> </tr> <tr> <td>Trading commences</td> <td>22 July 2016</td> </tr> </table>	Ex-Date	22 June 2016	Record Date (at 5.00pm WST)	23 June 2016	Opening Date	29 June 2016	Closing Date (at 5.00pm WST)	13 July 2016	Issue date	20 July 2016	Trading commences	22 July 2016	See Indicative Timetable on page 2
Ex-Date	22 June 2016													
Record Date (at 5.00pm WST)	23 June 2016													
Opening Date	29 June 2016													
Closing Date (at 5.00pm WST)	13 July 2016													
Issue date	20 July 2016													
Trading commences	22 July 2016													
Enquiries concerning Prospectus	Enquiries relating to this Prospectus should be directed to the Company Secretary on +61 (08) 9322 8233.	Section 2.19												

2. Details of the Offers

2.1 The Entitlement Offer

The Company is making a non-renounceable pro rata entitlement issue of one New Share for every 10 Shares held by Eligible Shareholders on the Record Date at an issue price of \$0.024 per New Share (together with one free attaching New Option for every four New Shares subscribed for and issued) to raise up to approximately \$3,070,248 (before costs) (**Entitlement Offer**).

Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia, New Zealand, Singapore or the United Kingdom, are eligible to participate in the Entitlement Offer.

As at the date of this Prospectus, the Company has on issue 1,279,269,995 Shares and 143,933,441 Options. Assuming no Options are exercised before the Record Date, up to 127,927,000 New Shares and 31,981,750 New Options will be issued under the Entitlement Offer (subject to rounding). If all of the existing Options are exercised before the Record Date, up to 142,320,344 New Shares and 35,580,086 New Options will be issued under the Entitlement Offer (subject to rounding).

Where the determination of the Entitlement of any Shareholder results in a fraction of a New Security, such fraction will be rounded up to the nearest whole New Security.

All of the New Shares offered under this Prospectus will rank equally with the Shares on issue at this date of this Prospectus. All Shares issued on the conversion of New Options will rank equally with the Shares on issue at the date of this Prospectus. Refer to Section 6.1 for a summary of the rights attaching to New Shares. Refer to Section 6.2 for a summary of the rights attached to New Options.

2.2 Reasons for the Entitlement Offer and Funding Allocation

The primary purpose of the Entitlement Offer is to raise up to approximately \$3,070,248 (before costs).

The purpose of the Entitlement Offer is to fund further drilling of priority targets at the Botswana Copper/Silver Project, pay down a portion of the SHL Loan and provide for working capital requirements.

The Company intends to apply the funds raised from the Entitlement Offer as follows:

Description of Cash Outflows	\$	%
Botswana Copper/Silver Project – further resource drilling at T3 and other priority drilling targets (MOD 70%)	1,682,500	55%
Botswana Copper/Silver Project - Mahumo (MOD 100%)	240,000	8%
Sams Creek Gold Project (MOD 80%)	35,000	1%
Loan repayment to SHL	410,000	13%
Working capital	646,748	21%

Description of Cash Outflows	\$	%
Associated expenses of the Entitlement Offer	56,000	2%
Total funds raised under the Entitlement Offer	\$3,070,248	100%

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In the light of this, the Board reserves the right to alter the way the funds are applied.

If less than the total funds are raised pursuant to the Offers, the Company intends to firstly pay the associated expenses of the Offers and then apply the balance of the funds as follows: to further resource drilling at T3 and other priority drilling targets (70%), repay a reduced portion of the SHL Loan (15%) and the remainder of funds will be applied to the Sams Creek Gold Project and working capital (15%).

2.3 Minimum Subscription

There is no minimum subscription for the Entitlement Offer.

2.4 No Rights Trading

The rights to New Securities under the Entitlement Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX and you may not dispose of your rights to subscribe for New Securities under the Entitlement Offer to any other party. If you do not take up your Entitlement to New Securities under the Entitlement Offer by the Closing Date, the Entitlement Offer to you will lapse.

2.5 Opening and Closing Dates

The Company will accept Entitlement and Acceptance Forms in respect to the Entitlement Offer from Eligible Shareholders from the Opening Date until 5.00pm (WST) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

2.6 Application under Top Up Offer

Any New Securities offered under the Entitlement Offer for which Applications are not received will be offered to Eligible Shareholders in excess of their Entitlement (**Top Up Offer**). The Top Up Offer is a separate offer under this Prospectus.

Under the Top Up Offer, Eligible Shareholders may apply for New Securities in excess of their Entitlement, at the same price as New Securities under the Entitlement Offer. The New Securities offered under the Top Up Offer will have the same rights as the New Securities offered under the Entitlement Offer (refer to Section 6.1).

Eligible Shareholders wishing to apply for additional New Securities under the Top Up Offer must apply for New Securities at the same time as they take up New Securities under their Entitlement, by completing the appropriate section of the Entitlement and Acceptance Form. There is no limit on the number of New Securities that Eligible Shareholders may

apply for under the Top Up Offer, however, applications under the Top Up Offer will only be satisfied to the extent that the Entitlement Offer is not fully subscribed.

In addition, no New Securities will be issued to any Eligible Shareholder if, in the view of the Directors, to do so would increase that Eligible Shareholder's voting power above 19.9% or otherwise result in a breach of the Listing Rules, the Corporations Act or any other applicable law.

The issue of New Securities under the Top Up Offer is at the discretion of the Directors. Should such applications exceed the New Securities available, a scale-back will be applied in a manner determined by the Directors.

2.7 Risks of the Offers

As with any securities investment, there are risks associated with investing in the Company. However, having regard to the matters detailed in Section 2.2 and the risks applicable to the Company and its business detailed in Section 5, Eligible Shareholders should be aware that an investment in the New Securities offered under this Prospectus should be considered highly speculative and there exists a risk that you may, in the future, lose some or all of the value of your investment.

Before deciding to invest in the Company, investors should read this Prospectus in its entirety, in particular the specific risks associated with an investment in the Company (detailed in Section 5), and should consider all factors in light of their personal circumstances and seek appropriate professional advice.

2.8 Opening and Closing Dates

The Offers open on the Opening Date, being 29 June 2016. The Company will accept Entitlement and Acceptance Forms until the Closing Date, being 5.00 pm (WST time) on 13 July 2016, or such other date as the Directors shall determine, subject to the Listing Rules.

Please note that payment made by BPAY® must be received by no later than 5.00 pm (WST time) on the Closing Date. It is the responsibility of all Eligible Shareholders to ensure that their BPAY® payments are received by the Company on or before the Closing Date.

The Directors may at any time decide to withdraw this Prospectus, the Entitlement Offer or Top Up Offer, in which case the Company will return all Application Monies (without interest) in accordance with the Corporations Act.

2.9 Entitlement and Acceptance Forms and BPAY® Payments

Acceptance of a completed Entitlement and Acceptance Form, or alternatively, a BPAY® payment, to the Company creates a legally binding contract between the Applicant and the Company for the number of New Securities accepted by the Company. The Entitlement and Acceptance Form does not need to be signed to be a binding acceptance of New Securities.

If the Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision whether to treat the Entitlement and Acceptance Form as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

2.10 Issue and Dispatch

The expected dates for issue of New Securities and dispatch of holding statements are expected to occur on the dates specified in the Indicative Timetable.

It is the responsibility of Applicants to determine their allocation prior to trading in New Securities. Applicants who sell New Securities before they receive their holding statements will do so at their own risk.

2.11 Application Monies held on trust

All Application Monies will be held on trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the New Securities are issued. All Application Monies will be returned (without interest) if the New Securities are not issued.

2.12 ASX Quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the New Shares offered pursuant to this Prospectus. If ASX does not grant Official Quotation of the New Shares offered by this Prospectus within three months after the date of this Prospectus (or such period as the ASX allows), no New Securities will be issued or allotted under the Offers and the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares offered pursuant to this Prospectus.

2.13 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offers, in which case, the Company will return all Application Monies (without interest) in accordance with the provisions of the Corporations Act.

2.14 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement will send you a CHESS statement.

The CHESS statement will set out the number of New Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Security Transfer Registrars and will contain the number of New Securities issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.15 Foreign Shareholders

The Entitlement Offer is not being extended to any Shareholders whose registered address is outside Australia, New Zealand, Singapore or the United Kingdom. The Company is of the view that it is unreasonable to make the Entitlement Offer to Shareholders outside Australia, New Zealand, Singapore or the United Kingdom, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Shares to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer other than for Shareholders in Australia, New Zealand, Singapore or the United Kingdom. The Company is not required to make offers under this Prospectus to Shareholders other than in Australia, New Zealand, Singapore or the United Kingdom. Where this Prospectus has been despatched to Shareholders domiciled outside Australia, New Zealand, Singapore or the United Kingdom and where the country's securities code or legislation prohibits or restricts in any way the making of the Offers contemplated by this Prospectus, this Prospectus is provided for information purposes only.

Shareholders resident in Australia, New Zealand, Singapore or the United Kingdom holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Entitlement Offer and applying for New Securities under the Top Up Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

2.16 Taxation Implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for New Securities.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. Shareholders should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.17 Major Activities and Financial Information

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2015 is contained in the Annual Report which is available on the Company's website at www.modresources.com.au.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its Annual Report for the year end 31 December 2015 with ASX on 1 April 2016 are detailed in Section 7.1.

Copies of these documents are available free of charge from the Company or the Company's website: www.modresources.com.au. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offers.

2.18 Privacy

The Company collects information about each Applicant provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Entitlement and Acceptance Form for the purposes detailed in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2.19 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary on +61 (08) 9322 8233.

3. Effect of the Offers

3.1 Capital Structure on completion of the Offers

On the basis that the Company completes the Offers on the terms in this Prospectus and that the Offers are fully subscribed, the Company's capital structure will be as follows:

	Number of Shares	Number of Options ⁽¹⁾
Balance at the date of this Prospectus	1,279,269,995	143,933,441 ⁽¹⁾
To be issued under the Offers ⁽²⁾	127,927,000	31,981,750
Balance after the Offers	1,407,196,995	175,915,191⁽¹⁾

Notes:

- (1) Options currently on issue:
- (a) 63,000,000 unlisted Options exercisable at \$0.06 on or before 4 March 2017;
 - (b) 2,000,000 unlisted Options exercisable at \$0.075 on or before 20 June 2017;
 - (c) 60,933,441 listed Options exercisable at \$0.01 on or before 1 May 2018; and
 - (d) 18,000,000 unlisted Options exercisable at \$0.06 on or before 15 April 2019.
- (2) The number of New Shares to be issued under the Entitlement Offer is subject to rounding and assumes that no Options are exercised before the Record Date.

3.2 Pro-Forma Statement of Financial Position

Set out on the following pages are the Company's Consolidated Statement of Financial Position as at 31 December 2015 (audited) and the Company's Pro-Forma Consolidated Statement of Financial Position as at 31 December 2015 (unaudited) (**Statements**).

The Statements are presented in abbreviated form insofar as they do not include all the disclosures that are present in annual financial reports as required by Australian Accounting Standards. The significant accounting policies that underpin the Statements are the same policies as those outlined in the Company's Annual Report.

The Pro-Forma Statement of Financial Position has been prepared on the basis that there are no material movements in the assets and liabilities of the Company between 31 December 2015 and the completion of the Offers except for:

- at full subscription, the issue of 127,927,000 New Shares at \$0.024 each and 31,981,750 New Options (subject to rounding) to raise up to approximately \$3,070,248; and
- estimated costs of the Offers of \$56,000.

No allowance has been made for expenditure incurred in the normal course of business from 31 December 2015 to the Closing Date.

**UNAUDITED PRO-FORMA CONSOLIDATED STATEMENT OF
FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	Audited \$	Proforma \$
CURRENT ASSETS		
Cash and cash equivalents	452,553	3,471,801
Trade and other receivables	405,320	405,320
Other current assets	40,280	40,280
	<u>898,153</u>	<u>3,917,401</u>
Non-current assets held-for-sale	<u>78,300</u>	<u>78,300</u>
TOTAL CURRENT ASSETS	<u>976,453</u>	<u>3,995,701</u>
NON-CURRENT ASSETS		
Exploration and evaluation expenditure	11,321,429	11,321,429
Plant and equipment	18,368	18,368
TOTAL NON-CURRENT ASSETS	<u>11,339,797</u>	<u>11,339,797</u>
TOTAL ASSETS	<u>12,316,250</u>	<u>15,335,498</u>
CURRENT LIABILITIES		
Trade and other payables	537,936	537,936
Interest bearing liabilities	2,000,000	2,000,000
Employee benefits provision	11,661	11,661
TOTAL CURRENT LIABILITIES	<u>2,549,597</u>	<u>2,549,597</u>
NON-CURRENT LIABILITIES		
Trade and other payables	<u>110,628</u>	<u>110,628</u>
TOTAL NON-CURRENT LIABILITIES	<u>110,628</u>	<u>110,628</u>
TOTAL LIABILITIES	<u>2,660,225</u>	<u>2,660,225</u>
NET ASSETS	<u>9,656,025</u>	<u>12,675,273</u>
EQUITY		
Issued capital	62,780,151	65,799,399
Share option reserves	490,798	490,798
Foreign currency translation reserves	1,241,421	1,241,421
Accumulated losses	(54,879,835)	(54,879,835)
Equity attributable to equity holders of the Parent	<u>9,632,535</u>	<u>12,651,783</u>
Non-controlling interests	<u>23,490</u>	<u>23,490</u>
TOTAL EQUITY	<u>9,656,025</u>	<u>12,675,273</u>

4. Action required by Shareholders

4.1 Eligible Shareholders

Your entitlement to participate in the Entitlement Offer will be determined on the Record Date. The number of New Securities which Eligible Shareholders are entitled to is shown on the accompanying Entitlement and Acceptance Form.

If you do not take up your Entitlement, then your percentage holding in the Company will be diluted.

If you are an Eligible Shareholder you may either:

- (a) take up all or part of your Entitlement in accordance with this Prospectus;
- (b) take up all of your Entitlement and apply for New Securities in excess of your Entitlement pursuant to the Top Up Offer in accordance with this Prospectus; or
- (c) decline to exercise all or part of your Entitlement and allow it to lapse.

If you are an Eligible Shareholder and wish to take up all or part of your Entitlement:

- (a) carefully read this Prospectus in its entirety;
- (b) consider the risks associated with the an investment in the Company (refer to Section 5) in light of your personal circumstances;
- (c) complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form; and
- (d) return the completed Entitlement and Acceptance Form together with the Application Monies (in full) in accordance with Section 4.7, to the following address so that it is received by no later than 5.00pm (WST) on the Closing Date:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953
Email: registrar@securitytransfer.com.au

4.2 Non-Eligible Shareholders – Foreign Shareholders

If you are a Foreign Shareholder, you may not take up any of, or do anything in relation to, your Entitlement. Refer to Section 2.15 for treatment of Foreign Shareholders.

4.3 Acceptance of all of your Entitlement

If you wish to accept all of your Entitlement, then applications for New Securities must be made on the Entitlement and Acceptance Form in accordance with the instructions in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form and return the completed form, together with the Application Monies (in full), in accordance with Section 4.7, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953
Email: registrar@securitytransfer.com.au

4.4 Acceptance of all of your Entitlement and applying for New Securities

If you wish to accept all of your Entitlement and apply for New Securities in excess of your Entitlement under the Top Up Offer, then applications for New Securities must be made by completing the relevant sections on the Entitlement and Acceptance Form, in accordance with the instructions in this Prospectus and on the Entitlement and Acceptance Form. Please read the instructions carefully.

Please complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form and return the completed form, together with the Application Monies (in full), in accordance with Section 4.7, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953
Email: registrar@securitytransfer.com.au

4.5 Taking up part of your Entitlement and allowing the balance to lapse

If you wish to take up part of your Entitlement and allow the balance to lapse, complete the personalised Entitlement and Acceptance Form in accordance with the instructions detailed on the form, including the number of New Securities you wish to accept and the Application Monies (calculated at \$0.024 per New Share accepted) and return the completed Entitlement and Acceptance Form together with the Application Monies (in full) in accordance with Section 4.7, to the Share Registry so that it is received at the following address by no later than 5.00pm (WST) on the Closing Date:

Security Transfer Registrars Pty Ltd
PO Box 535
Applecross WA 6953
Email: registrar@securitytransfer.com.au

4.6 Allow all or part of your Entitlement to lapse

If you do not wish to accept any of your Entitlement, you are not obliged to do anything.

The number of Shares you currently hold and the rights attaching to those Shares will not be affected should you choose not to accept any part of your Entitlement.

4.7 Payment

The offer price of New Shares under the Offers is \$0.024 per New Share.

For all Eligible Shareholders, payments must be received by 5.00pm (WST) on the Closing Date.

If paying by cheque, completed Entitlement and Acceptance Forms must be accompanied by a cheque, drawn in Australian dollars, made payable to "MOD Resources Limited" and crossed "Not Negotiable".

If you wish to pay via BPAY® you must follow the instructions on the Entitlement and Acceptance Form. You will be deemed to have accepted all or party of your Entitlement (as applicable) upon receipt of the BPAY® payment by the Company.

If paying via BPAY®, Eligible Shareholders should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment and it is the responsibility of Eligible Shareholders to ensure that funds are submitted through BPAY® by the date and time mentioned above. If you elect to pay via BPAY®, you must follow the instructions for BPAY® set out in the Entitlement and Acceptance Form and you will not need to return the Entitlement and Acceptance Form.

The Company shall not be responsible for any postal or delivery delays, or delay in the receipt of the BPAY® payment.

4.8 Representations by Applicant

Completing and returning your personalised Entitlement and Acceptance Form or paying any Application Monies by BPAY®, in addition to the representations set out elsewhere in this Prospectus and in the Entitlement and Acceptance Form, you:

- (a) represent to the Company that you are an Eligible Shareholder;
- (b) acknowledge that you have received a copy of this Prospectus and the accompanying Entitlement and Acceptance Form, and read them both in their entirety;
- (c) agree to be bound by the terms of the Entitlement Offer and if applicable, the Top Up Offer, the provisions of this Prospectus and the Constitution;
- (d) authorise the Company to register you as the holder(s) of the New Securities allotted to you;
- (e) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (f) declare that you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (g) acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- (h) agree to accept and be issued up to the number of New Securities specified in the Entitlement and Acceptance Form at the issue price of \$0.024 per New Share;
- (i) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Securities to be issued to you, including to act on instructions of the Share Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- (j) declare that you were the registered holder at 5.00 pm on the Record Date of the Shares indicated on your personalised Entitlement and Acceptance Form as being held by you at 5.00 pm on the Record Date;
- (k) acknowledge the statement of risks in Section 5 of this Prospectus and that an investment in the Company is subject to risk;

- (l) represent and warrant that the law of any place does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from accepting New Securities and that you are otherwise eligible to participate in the Entitlement Offers;
- (m) represent and warrant that you are not in the United States and you are not acting for the account or benefit of a person in the United States;
- (n) understand and acknowledge that neither the Entitlement or New Securities have been, or will be, registered under the United States Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, Singapore or the United Kingdom and accordingly, the New Securities may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- (o) agree not to send this Prospectus, the Entitlement and Acceptance Form or any other material relating to the Offers to any person in the United States or that is a person in the United States, or is acting for the account or benefit of a person in the United States; and
- (p) agree that if in the future you decide to sell or otherwise transfer your New Securities you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a person in the United States.

4.9 Brokerage

No brokerage or stamp duty is payable by Eligible Shareholders who accept their Entitlement.

4.10 Enquiries concerning your Entitlement

If you have any queries concerning your Entitlement please contact the Company Secretary on +61 (08) 9322 8233.

5. Key Risks

The New Securities offered under this Prospectus are considered highly speculative and carry no guarantee with respect to the payment of dividends or returns of capital. An investment in the Company is not risk free and the Directors strongly recommend that potential investors consult their professional advisers and consider the risks described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for New Securities.

The following list of key risks ought not to be taken as exhaustive of all the risks faced by the Company or by Shareholders. The proposed future activities of the Company are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be managed and mitigated by planning and the use of safeguards and appropriate controls. However, many of the risks are outside the control of the Company or the Directors and cannot be mitigated.

5.1 Risks specific to the Company

(a) Loan Security Risk

On 4 July 2013, the Company secured a \$2 million loan from SHL Pty Ltd (**SHL Loan**), a company controlled by a related party of MOD director Simon Lee, AO. The SHL Loan was unsecured for an initial 12-month period at an interest rate of 8% per annum, payable monthly in arrears. A Deed of Extension and Variation was signed on 5 May 2014 so as to extend the SHL Loan to 4 January 2015. The Company exercised its option to extend the term of the SHL Loan for a further 12 month period at a reduced interest rate of 7% per annum with the Company having the right to repay it early without incurring any penalty. As announced on 27 March 2015, ASX granted the Company a waiver to Listing Rule 10.1 to permit the SHL Loan to be a secured loan.

The Company has reached an agreement with SHL Pty Ltd that the Company will repay \$0.5 million owing to SHL by 4 July 2016 and to extend the repayment date for the balance of the SHL Loan to 4 July 2016. This agreement has been documented in a further deed of extension and variation. The Company and SHL Pty Ltd have agreed that the Company will repay all or part of the SHL Loan on 4 July 2016. However, if the parties agree that the Company does not have the financial capacity to repay the SHL Loan on 4 July 2016, the parties have agreed to extend the repayment date on a rolling three month basis. Further, the Company and SHL Pty Ltd have agreed the Company will pay any outstanding interest payments due and owing to SHL Pty Ltd as at 30 June 2016 by 4 July 2016.

The Company is considering a number of funding alternatives to repay the loan and discharge the security. There is a risk that if the Company is unable to secure funding alternatives, it may be unable to repay the SHL Loan when due.

(b) Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including its business development activities. The Company believes that the proceeds from the Entitlement Offer will provide adequate funding to advance the drilling program at the T3 Dome and explore the potential of other targets identified on the Company's extensive joint venture and 100% holdings in the Botswana Kalahari Copper Belt.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability

to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

(c) **Botswana**

There are risks attaching to the exploration and mining operations in a developing country which are not necessarily present in a developed country which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations. Any future material adverse changes in government policies or legislation in Botswana that affect mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

(d) **New Zealand**

There are risks attaching to the exploration and mining operations in other countries, such as New Zealand, which are not necessarily present in Australia, which can impact on a range of factors such as sovereign risk, safety, security, costs, ability to operate, country policy, fiscal provisions and laws and can lead to delays or even the suspension of operations. Any future material adverse changes in government policies or legislation in New Zealand that affect mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

(e) **Expiry of Licences**

In accordance with the provisions of the relevant mining legislation, the Company will apply to the Botswana and New Zealand authorities for renewal of certain licences as and when they are due to expire depending upon the outcome of the exploration activities on each licence. There are risks that these licences may or may not be granted as determined by the Botswana and New Zealand authorities, at their discretion. Should the licences not be renewed by the Botswana or New Zealand authorities, the consequences are that the Company will have no further right to conduct any exploration on these licences and all funds previously invested in exploration activities on these licences will be lost. Any deferred exploration expenditure relating to any licences which are not renewed in Botswana or New Zealand and which is capitalised in the consolidated accounts of the Company will be written off, thereby impacting the consolidated statement of financial position.

(f) **Minimum Expenditure Requirements**

In order to maintain an interest in the exploration licences in which the Company is involved, the Company is committed to meet the conditions under which the licences were granted and the obligations of the Company are subject to minimum expenditure commitments required by Botswana and New Zealand mining legislation. The extent of work performed on each exploration licence may vary depending upon the results of the exploration programme which will determine the prospectivity of the relevant area of interest. As at the date of this Prospectus, the Company is not in breach of its minimum expenditure commitments. There is a risk that if the Company fails to satisfy these minimum expenditure requirements at the time of expiry, the Company may be required to relinquish part or all of its interests in these licences. Accordingly, whilst there is no guarantee that the Botswana or New Zealand authorities will grant the Company an extension of the licences, the Company is not aware of any reason why the licences would not be renewed upon expiry.

(g) **Risks Associated with Technical Studies**

The Company is currently undertaking a scoping study to evaluate potential open pit and underground mining options and on-site processing for the Mahumo Project. Subject to the results of the scoping study, the Company intends to progress towards completion of pre-feasibility studies for the Mahumo Project. The Company cannot guarantee that the technical studies undertaken in relation to the technical and economic viability of any of its projects will produce positive findings. Further, the results of technical studies do not provide any guarantee that the conclusions from these studies will be realised.

(h) **New Application Risks**

To the extent that the Company may apply for additional licences in Botswana, the risk exists that those licences may not be granted or that they may be offered for grant subject to conditions which are unacceptable to the Company.

(i) **Ability to Attract Personnel**

The Company's success depends, in part, on its ability to identify, attract, motivate and retain suitably qualified management personnel. Competition for qualified and experienced staff is strong. The inability to access and retain the services of a sufficient number of qualified and experienced staff could be disruptive to the Company's development efforts or business development and could materially adversely affect its operating results.

(j) **Contract Risks**

The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

(k) **Regulatory Risk**

Operations by the Company may require approvals from regulatory authorities which may not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. While the Company has no reason to believe that all requisite approvals will not be forthcoming and whilst the Company's obligations for expenditure will be predicated on any requisite approvals being obtained, Applicants should be aware that the Company cannot guarantee that any requisite approvals will be obtained. A failure to obtain any approvals would mean that the ability of the Company to develop or operate any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

The regulatory environment for the Company's operations could change in ways that could substantially increase the Company's liabilities, tax liability or costs of compliance. This could materially and adversely affect the Company's financial position.

(l) **Equipment Risk**

The operations of the Company could be adversely affected if essential equipment fails.

(m) **Foreign Operations and Sovereign Risk**

The Company's exploration activities are to be carried out in Botswana and New Zealand. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties should also be considered.

Potential risk to the Company's activities may occur if there are changes to the political, legal and fiscal systems which might affect the ownership and operation of the Company's interests in Botswana and New Zealand. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes.

(n) **Litigation**

Neither the Company nor any of its subsidiaries are presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company or any of its subsidiaries may arise.

(o) **HIV/AIDS**

Botswana has one of the highest HIV infection rates in the world. The exact impact of increased mortality rates due to HIV/AIDS related deaths on the cost of doing business in Botswana and the potential growth in the economy is unclear at this time although employee related costs in Botswana could increase as a result of the HIV/AIDS epidemic. The Company's results may be adversely affected by the loss of productivity and increased costs arising from any effect of HIV/AIDS on the Company's workforce.

5.2 Industry Risks

(a) **Exploration and Development Risks**

Mineral exploration and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration and development of the mineral interests owned by the Company, or any other projects that may be acquired in the future can be profitably exploited.

(b) **Operational Risks**

The operations of the Company may be disrupted by a variety of risks and hazards which are beyond the control of the Company, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement or hazardous weather conditions, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) **Occupational Health and Safety Risk**

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(d) **Mining and Prospecting Rights**

Acquisition and retention of prospecting rights and mining rights in Botswana and New Zealand is a detailed and time-consuming process. A wide range of factors and principles must be taken into account by the relevant minister(s) when considering applications for mining rights, if the Company develops its licences for this stage. The factors taken into account include the applicant's access to financial resources, the applicant's technical ability to conduct the proposed mining operation optimally in accordance with the mining work program, the mining must not result in unacceptable pollution, ecological degradation or damage to the environment, the applicant must provide financially and otherwise for the prescribed social and labour plan. In addition, the grant of a mining or prospecting right may be disputed or challenged by third parties in the event that the correct procedures were not followed.

(e) **Resource Estimates**

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(f) **Water Supply**

Water supply for the Mahumo Project and the wider Botswana Copper/Silver Project, and any future projects, will be sourced from individual locations. The Company will be required to apply for and obtain water use licences from the relevant government authorities. The process for obtaining a water use licence is a lengthy one and the Company's operations may be adversely affected in the event that the relevant licences are not obtained in a timely fashion. An inadequate water supply would negatively affect the Mahumo Project and the wider Botswana Copper/Silver Project and any future projects.

(g) **Payment Obligations**

Under the licences and certain other contractual agreements to which the Company is or may in the future become party, the Company is or may become

subject to payment and other obligations. In particular, mineral licence holders are required to expend the funds necessary to meet the minimum work commitments attaching to the licences. Failure to meet these work commitments will render the licence liable to be cancelled.

(h) **Commodity Price Volatility**

It is anticipated that any future revenues derived from mining will primarily be derived from the sale of copper/silver and other minerals. Consequently, any future earnings are likely to be closely related to the price of copper and silver.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for base metals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(i) **Competition**

The Company competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(j) **Title**

All of the licences in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each tenement or licence is at the discretion of the relevant government authorities in Botswana or New Zealand.

If a licence is not granted or received, the Company may suffer significant damage through the loss of the opportunity to develop and discover mineral deposits on that licence.

(k) **Environmental**

The Company's projects are subject to various environmental laws. As with all exploration and mining projects, the Mahumo Project, the wider Botswana Copper/Silver Project and Sams Creek Gold Project have a variety of environmental impacts. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks

inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

5.3 General Risks

(a) Securities investments

There are risks associated with any securities investment. The prices at which the securities of the Company trade may fluctuate in response to a number of factors. Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that trading prices will be sustained. These factors may materially affect the market price of the securities of the Company regardless of its operational performance.

(b) Share Market Conditions

Share market conditions may affect the value of the Company's Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) mineral price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital;
- (vii) terrorism or other hostilities; and
- (viii) other factors beyond the control of the Company.

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company, or any return on an investment in the Company.

(c) **Economic Risk**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption, the rate of growth of gross domestic product in Australia, Botswana or New Zealand, interest rates, exchange rates and the rate of inflation.

(d) **Policies and Legislation**

Any material adverse changes in government policies or legislation of Australia, Botswana and New Zealand or any other country that the Company has economic interests may affect the viability and profitability of the Company.

5.4 Investment Speculative

The above list of key risks ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors and others not specifically referred to above, may, in the future, materially affect the financial performance of the Company and the value of the New Securities.

The New Securities offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Securities.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Securities.

6. Rights attaching to Securities

6.1 Rights Attaching to New Shares

A summary of the rights attaching to Shares is set out below. The New Shares will be rank pari passu in all respects with existing Shares. This summary is qualified by the full terms of Company's Constitution (a full copy of the Constitution is available from Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid Share has a fraction of a vote with respect to the Share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General Meetings

Each Shareholder is entitled to, receive notice of, attend and vote at general meetings of Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the constitution of Company, the Corporations Act and the Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number and the amount paid on the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the constitution, and to the provisions of the Corporations Act, the Listing Rules and the ASX Settlement Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the Listing Rules or the ASX Settlement Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the Listing Rules or the ASX Settlement Rules.

(e) Variation of Rights

The Company may only modify or vary the rights attaching to any class of Shares with the prior approval by a special resolution of the holders of Shares in that class at a meeting of those holders, or with the written consent of the holders of at least three-fourths of the issued Shares of that class.

(f) **Directors**

The minimum number of Directors is three (3) and the maximum is ten (10). Currently, there are four (4) Directors. Directors must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a Director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) **Decisions of Directors**

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) **Issue of Further Shares**

Subject to the Company's constitution, the Corporations Act and the Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference shares, including redeemable preference shares, and may issue shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) **Officers' Indemnity**

To the full extent permitted by the law and to the extent not covered by insurance, Company must indemnify each officer of Company against all losses and liabilities incurred by the person as an officer of Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act in respect to such proceedings.

(j) **Alteration to the Constitution**

The Company's constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least twenty eight (28) days' notice of the intention to propose the special resolution must be given.

6.2 Rights Attaching to New Options

(a) **Entitlement**

Each New Option entitles the holder to subscribe for one Share upon the exercise of the New Option.

(b) **Exercise Price**

Subject to paragraph 6.2(j), the amount payable upon the exercise of the each New Option will be \$0.06 (**Exercise Price**).

(c) **Expiry Date**

Each New option will expire at 5.00 pm (WST) on 15 April 2019 (**Expiry Date**). A New Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

- (d) **Exercise Period**
- The New Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**)
- (e) **Notice of Exercise**
- The New Options may be exercised during the Exercise Period by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each New Option being exercised in Australian currency by electronic fund transfer or other means of payment acceptable to the Company in accordance with the requirements in the Notice of Exercise.
- (f) **Exercise Date**
- A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each New Option being exercised in cleared funds (**Exercise Date**).
- (g) **Timing of the Issue of Shares on Exercise**
- Within 15 Business Days after the Exercise Date the Company will allot and issue the number of Shares required under these terms and conditions in respect of the number of New Options specified in the Notice of Exercise and which cleared funds have been received by the Company.
- (h) **Shares Issued on Exercise**
- Shares issued on exercise of the New Options rank equally with the then issued shares of the Company.
- (i) **Quotation of Shares on exercise**
- If admitted to the official list of the ASX at any time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.
- (j) **Reconstruction of Capital**
- If at any time the issued capital of the Company is reconstructed, all rights of an optionholder are changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (k) **Participation in New Issues**
- There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options without exercising the New Options.
- (l) **Change in Exercise Price**
- A New Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the New Option can be exercised.
- (m) **Quotation of New Options**
- The New Options will not be listed.

(n) **Transferability**

The New Options are transferable.

6.3 Dividend Policy

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

7. Additional Information

7.1 Continuous Disclosure Obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's securities. The New Shares which will be issued pursuant to this Prospectus and the Shares underlying the New Options, are in the same class as Shares that have been quoted on the official list of the ASX during the three months prior to the issue of this Prospectus.

This Prospectus is a "transaction specific prospectus" to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issue of New Securities on the Company and the rights attaching to the New Securities. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the closing date of the Entitlement Offer:
 - (i) the annual financial report of the Company for the financial year ended 31 December 2015 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and

- (ii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the financial statements referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

The Company is a mineral exploration company and is currently undertaking a drilling program. Accordingly, the Company expects to issue further announcements in respect of its projects and licences during the period up to the issue of the New Securities. Shareholders are encouraged to keep up to date with publicly available information in relation to the Company. If any drilling results or any other information comes to the attention of the Company before the New Securities are issued which is material, the Company will consider issuing a supplementary or replacement prospectus in accordance with the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 1 April 2016:

Date	Description of Announcement
16 June 2016	Entitlement Offer - Letter to Optionholders
15 June 2016	Potential Grows Around T3 Discovery
15 June 2016	MOD to Present at Botswana Resource Conference
14 June 2016	Change of Director's Interest Notices
14 June 2016	Expiry Unlisted Options
8 June 2016	Entitlement Offer to Raise up to \$3.1m
2 June 2016	Resource Drilling Commences and Exploration Steps Up at T3
27 May 2016	Change of Director's Interest Notices
27 May 2016	Appendix 3B
25 May 2016	Results of Meeting
25 May 2016	AGM Presentation
20 May 2016	First T3 Diamond Hole Intersects 28m @ 1.76% Cu & 22.9g/t Ag
5 May 2016	Copper Extended Along Strike and Bonanza 994g/t Silver at T3
29 April 2016	Section 708A Notice and Appendix 3B
29 April 2016	Quarterly Activities Report
29 April 2016	Quarterly Cashflow Report
26 April 2016	Notice of Annual General Meeting/Proxy Form
21 April 2016	UK Investor Presentation - Botswana Copper/Silver Project
20 April 2016	MOD Raises \$2M to Advance Exploration
18 April 2016	Trading Halt

Date	Description of Announcement
14 April 2016	Latest Intersections Include 52m @ 2.0%Cu with High Grade Ag
12 April 2016	Trading Halt
8 April 2016	High Cu Assays and Significant Pb/Zn Intersections at T3
6 April 2016	Trading Halt
1 April 2016	High Grade Copper Assays at T4 as Drilling Resumes at T3

7.2 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- (a) the formation or promotion of the Company; or
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (d) any Director to induce him or her to become, or to qualify as, a Director; or
- (e) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Entitlement Offers.

7.3 Control Implications and Potential Dilution

Eligible Shareholders should note that if they do not participate in the Entitlement Offer and the Offers are otherwise fully subscribed, their holdings will be diluted. Examples of how the dilution may impact Eligible Shareholders are detailed in the table below:

Holder	Shareholding as at Record Date	% at Record Date	Entitlements under the Entitlement Offer	Shareholding if Entitlement Offer not taken up	% post Entitlement Offer
Shareholder 1	50,000,000	3.90%	5,000,000	50,000,000	3.55%
Shareholder 2	25,000,000	1.95%	2,500,000	25,000,000	1.78%
Shareholder 3	10,000,000	0.78%	1,000,000	10,000,000	0.71%
Shareholder 4	1,000,000	0.08%	100,000	1,000,000	0.07%
Shareholder 5	10,000	0.001%	8,333	100,000	0.001%

7.4 Directors' Interests

Each Director's interest in the securities of the Company as at the date of this Prospectus and their Entitlement is detailed in the table below.

Director	Shares	Options	Entitlement ⁽¹⁾
Mark Clements ⁽²⁾	24,346,940	7,028,912	2,434,694
Julian Hanna ⁽³⁾	43,725,684	9,643,809	4,372,569
Simon Lee AO ⁽⁴⁾	130,372,455	3,250,000	13,037,246
Steven McGhee ⁽⁵⁾	33,409,175	20,409,098	3,340,918

Notes:

- (1) The Entitlement shown assumes that none of the Options held by a Director are exercised prior to the Record Date.
- (2) Mr Clements is a director and shareholder of Balion Pty Ltd which is the holder 24,245,636 Shares, 5,000,000 unlisted \$0.06 Options expiring 15 April 2019 and 2,020,470 listed \$0.01 Options expiring 1 May 2018.
- (3) Mr Hanna is the spouse of Mrs Patricia Hanna who is the holder of 12,284,261 Shares, 3,000,000 unlisted \$0.06 Options expiring 15 April 2019 and 1,023,689 listed \$0.01 Options expiring 1 May 2018. Mr Hanna is a trustee and beneficiary of J Hanna Superannuation Fund which is the holder of 31,441,423 Shares and 2,620,120 listed \$0.01 Options expiring 1 May 2018.
- (4) Phoenix Properties International Pty Ltd is a Trustee of the Wellington Place Property Trust which is the holder of 92,906,477 Shares. Mr Lee AO is not a director, shareholder or involved in the management of Phoenix Properties International Pty Ltd as trustee for the Wellington Place Property Trust. He is only a direct and indirect contingent beneficiary of this trust.
- (5) Mr McGhee is a director and shareholder of McGhee Investment Holdings Pty Ltd which is the holder of 33,409,175 Shares, 15,625,000 unlisted \$0.06 Options expiring 4 March 2017 and 2,784,098 listed \$0.01 Options expiring 1 May 2018.

As at the date of this Prospectus, each Director intends to take up their Entitlements in full.

7.5 Directors' Remuneration

The remuneration (including superannuation) of existing Directors for the past two financial years (31 December year-end) are as follows:

Director	Title	Financial Year to 31 December 2015	Financial Year to 31 December 2014
Mark Clements ⁽¹⁾⁽²⁾	Executive Chairman and Company Secretary	\$108,000	\$90,000
Julian Hanna ⁽²⁾	Managing Director	\$160,000	\$254,781
Simon Lee AO ⁽²⁾	Non-executive director	\$36,000	\$35,904
Steven McGhee ⁽²⁾	Non-executive director	\$52,560	\$43,775
TOTAL		\$356,560	\$424,460

Notes:

- (1) Director and company secretarial services were provided by an associated company of Mr Clements. The Director and company secretarial services were provided in the ordinary course of business and on normal commercial terms and conditions.

- (2) During 2015, the Board suspended payments to all directors to operate at a level of expenditure designed to ensure there was at all times sufficient funds to continue operations at the Botswana Copper/Silver Project and Sams Creek Gold Project. As such the actual amounts paid for the year ended 31 December 2015 were as follows; Mr Clements (\$45,595), Mr Hanna (\$82,812), Mr Lee (Nil) and Mr McGhee (\$37,231).

7.6 Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offers; or
- (c) the Offers,

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be paid to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Offers, except as disclosed in this Prospectus and as follows:

- (d) DLA Piper has acted as the Australian lawyers to the Company for the Offers. In respect of this work the Company will pay approximately \$25,000. During the two years before the date of this Prospectus, DLA Piper has provided the Company with legal services and was paid approximately \$52,800 for these services; and
- (e) Security Transfer Registrars conducts the Company's share registry functions and will provide administrative services in respect to the proposed Share applications pursuant to this Prospectus. Security Transfer Registrars will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST.

7.7 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus.

7.8 Market Price of Shares

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.049 (5 April 2016)

Lowest: \$0.009 (17 March 2016)

The latest available market sale price of Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.023 per Share on 16 June 2016.

7.9 Expenses of the Offers

The estimated expenses of the Offers payable by the Company are as follows:

	\$
ASIC lodgement fee	2,320
ASX quotation fee (assuming fully subscribed)	9,866
Legal expenses	25,000
Printing, mailing, and other administration expenses	<u>18,814</u>
Total	<u><u>56,000</u></u>

7.10 Taxation Implications

The acquisition and disposal of New Securities will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the New Securities.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for New Securities.

7.11 Litigation and Claims

So far as the Directors are aware, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company (or any other member of the Group) is directly or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company or the Group.

7.12 Consents

Each of the parties referred to in this Section 7.12:

- (a) has given the following consents in accordance with the Corporations Act which have not been withdrawn as at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Offers;
- (c) makes no, and purports to have made no, statement in this Prospectus or on which a statement in this Prospectus is based except as set out in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

None of the parties referred to in this Section 7.12 authorised or caused the issue of this Prospectus or the making of the Offers.

Name	Role
DLA Piper	Lawyers
Security Transfer Registrars	Share Registry

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

7.13 Documents Available for Inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Constitution.

7.14 Information Excluded from Continuous Disclosure Notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

7.15 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the New Securities offered under this Prospectus.

7.16 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of New Securities in response to an electronic Entitlement and Acceptance Form, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form from an Applicant if it has reason to believe that when that Applicant was given access to the electronic Entitlement and Acceptance Form, it was not provided together with an electronic copy of this Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such a case, the Application Monies shall be held by the Company on trust and returned (without interest) to the Applicant as soon as practicable.

8. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:

A handwritten signature in black ink, appearing to read 'Mark Clements', is displayed on a light blue rectangular background.

MARK CLEMENTS
Executive Chairman

17 June 2016

9. Glossary

In this Prospectus, unless the context otherwise requires:

Annual Report means the financial report lodged by the Company with ASIC in respect to the year ended 31 December 2015 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled entities for the year ended 31 December 2015, together with a Directors' report in relation to that financial year and the auditor's report for the period to 31 December 2015.

Applicant means a person who submits an Entitlement and Acceptance Form.

Application means a valid application for New Securities an Offer made pursuant to an Entitlement and Acceptance Form.

Application Monies means application monies for the New Securities received by the Company from an Applicant.

ASIC means the Australian Securities & Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the market operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of the ASX

Board means the board of Directors.

Botswana Copper/Silver Project means the Company's 100% owned or joint venture exploration licences that are located in Botswana.

Business Day means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

CHESS means ASX Clearing House Electronic Subregistry System.

Closing Date means the date referred to as such in the Indicative Timetable.

Company means MOD Resources Limited ACN 003 103 544.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Director means a director of the Company.

DLA Piper means DLA Piper Australia.

Eligible Shareholder means a person who:

- (a) is a Shareholder at 5.00pm (WST) on the Record Date; and
- (b) has a registered address in Australia, New Zealand, Singapore or the United Kingdom as recorded with the Share Registry as at the Record Date.

Entitlement means a Shareholder's entitlement to subscribe for New Securities under the Entitlement Offer.

Entitlement Offer has the meaning given to that term in Section 2.1.

Entitlement and Acceptance Form means the entitlement and acceptance form attached to, or accompanying this Prospectus, that sets out the entitlement of an Eligible Shareholder to subscribe for New Securities pursuant to the Entitlement Offer and provides for an Eligible Shareholder to apply for additional New Securities pursuant to the Top Up Offer.

Exercise Date has the meaning given to that term in Section 6.2(f).

Exercise Period has the meaning given to that term in Section 6.2(d)

Exercise Price has the meaning given to that term in Section 6.2(b).

Expiry Date has the meaning given to that term in Section 6.2(c).

Foreign Shareholder means any Shareholder who is not an Eligible Shareholder.

Group means the Company and each of its subsidiaries.

Indicative Timetable means the indicative timetable on page 2 of this Prospectus.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESSE.

Listing Rules means the official listing rules of ASX.

Offers means the Entitlement Offer and Top Up Offer.

Official Quotation means quotation of Shares on the official list of ASX.

Opening Date means the date referred to as such in the Indicative Timetable.

Option means an option to acquire a Share.

Mahumo Project or **Mahumo** means the Company's Mahumo project that is located in Botswana.

New Option means an Option offered pursuant to this Prospectus.

New Securities means the New Shares and New Options.

New Share means a Share offered pursuant to this Prospectus.

Notice of Exercise has the meaning given to that term in Section 6.2(e)

Prospectus means this prospectus dated 17 June 2016.

Record Date means the date referred to in the Indicative Timetable.

Sams Creek Gold Project means the Company's Sams Creek gold project that is located approximately 100km north of the Reef ton gold field on New Zealand's South Island.

Section means a section of this Prospectus.

Security Transfer Registrars means Security Transfer Registrars Pty Ltd ACN 008 894 488.

Share means a fully paid ordinary share in the capital of the Company.

Share Registry means Security Transfer Registrars.

Shareholder means a registered holder of Shares.

SHL Loan has the meaning given in Section 5.1(a).

Shortfall means those New Securities not applied for by Eligible Shareholders under the Entitlement Offer or the Top Up Offer.

Statements has the meaning given to that term in Section 3.2.

Top Up Offer has the meaning given to that term in Section 2.6.

Voting Power has the meaning given in section 610 of the Corporations Act.

WST means Australian Western Standard Time, being the time in Perth, Western Australia.

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ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:
FIRST FLOOR
1304 HAY STREET
WEST PERTH WA 6005
AUSTRALIA

MOD RESOURCES LIMITED

ACN: 003 103 544

SHARE REGISTRY:
Security Transfer Registrars Pty Ltd

All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

«Company_code» «Sequence_number»

«Holder_name»
«Address_line_1»
«Address_line_2»
«Address_line_3»
«Address_line_4»
«Address_line_5»

Code:

Holder Number:

Number of Shares held as at
5.00 pm WST on 23 June 2016:

Entitlement to New Shares on a
1 for 10 basis:

Amount payable for full entitlement
@ \$ 0.024 per New Share:

NON-RENOUNCEABLE PRO RATA ENTITLEMENT OFFER AND TOP UP OFFER CLOSING AT 5.00 PM (WST) ON 13 JULY 2016

(1) I/We the above named being Eligible Shareholders at 5.00 pm (WST) on 23 June 2016 hereby accept as follows:

		NUMBER OF NEW SHARES ACCEPTED / TOP UP SHARES APPLIED FOR					PAYMENT AMOUNT ENCLOSED @ A\$0.024 PER NEW SHARE / TOP UP SHARE			
A	Entitlement or Part Thereof	<input type="text"/>	<input type="text"/>	<input type="text"/>	B	A\$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
C	Top Up Shares* (if any)	<input type="text"/>	<input type="text"/>	<input type="text"/>	D	A\$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
E	TOTAL NUMBER	<input type="text"/>	<input type="text"/>	<input type="text"/>	F	TOTAL A\$	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

(* refer to section 2.6 of the Prospectus)

(2) I/We have enclosed/made payment for amount shown above (following the payment instructions as detailed overleaf).

(3) I/We understand that if any information on this form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be accepted.

Any decision of the Directors as to whether to accept this form, and how to construe, amend or complete it shall be final.

(4) I/We authorise the Company to send me/us a substituted form if this form ceases to be current.

(5) I/We declare that I/we have received a full and unaltered version of the Prospectus either in an electronic or paper format.

(6) My/Our contact details in case of enquiries are:

G - CONTACT DETAILS – CONTACT NAME

TELEPHONE NUMBER

()

EMAIL ADDRESS

@

Capitalised terms used in this Entitlement and Acceptance Form have the same meaning as defined in the Prospectus, save that "New Shares" means Shares issued pursuant to the Entitlement Offer and "Top Up Shares" means Shares issued pursuant to the Top Up Offer.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form.

PAYMENT OPTIONS – OPTION 1: BPAY® OR OPTION 2: CHEQUE, BANK DRAFT OR MONEY ORDER



If paying by cheque, bank draft or money order, complete and return this Entitlement and Acceptance Form with your Application Monies (being A\$0.024 multiplied by the number of New Shares accepted and any Top Up Shares applied for). Your cheque, bank draft or money order must be made payable to "MOD RESOURCES LIMITED" and crossed "Not Negotiable". This Entitlement and Acceptance Form with your Application Monies must be received by the Share Registry before 5:00 pm (WST) on the 13 July 2016.

BPAY® this payment via internet or phone banking. Your BPAY® reference number is unique to these offers and is not to be used for any other offer. Payment must be received via BPAY before 5:00 pm (WST) on the 13 July 2016.

REGISTRY DATE STAMP

E & O.E.

INSTRUCTIONS ON HOW TO COMPLETE AND LODGE THIS ENTITLEMENT AND ACCEPTANCE FORM

The Offers to which this Entitlement and Acceptance Form relates are not being made to Shareholders with registered addresses outside of Australia, New Zealand, Singapore or the United Kingdom as at 5:00 pm (WST) on the Record Date.

The Prospectus and this Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares and Top Up Shares in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue the Prospectus or this Entitlement and Acceptance Form. The Offers are not being extended, and News Shares and Top Up Shares will not be issued, to Shareholders with a registered address that is outside Australia, New Zealand, Singapore and the United Kingdom. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of News Shares and Top Up Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. No action has been taken to permit the offer of New Shares and Top Up Shares under the Prospectus or this Entitlement and Acceptance Form to existing Shareholders in any jurisdiction other than Australia, New Zealand, Singapore and the United Kingdom. The distribution of the Prospectus or this Entitlement and Acceptance Form in jurisdictions outside of Australia, New Zealand, Singapore and the United Kingdom is restricted by law and persons outside of Australia, New Zealand, Singapore and the United Kingdom should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

ACCEPTANCE

Receipt of this completed Entitlement and Acceptance Form by 5:00pm (WST) on 13 July 2016 with payment to the Share Registry, will constitute acceptance in accordance with the terms and conditions set out in the Prospectus and this Entitlement and Acceptance Form.

HOW TO APPLY FOR NEW SHARES AND TOP UP SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY® at: www.bpay.com.au.

Calculate the total amount payable by you. To calculate the total amount, multiply the number of New Shares and any Top Up Shares you wish to apply for by the Offer Price of A\$0.024. The Company will treat you as applying for as many New Shares as your BPAY® payment will pay for in full. Any amount received by the Company in excess of the amount required to be paid by you to apply for your entitlement ("Excess Amount") may be treated by the Company as an application for as many Top Up Shares as your Excess Amount will pay for in full. Your Application for Top Up Shares may not be successful (wholly or partially). The decision of the Company on the number of Top Up Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned. Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to accept in respect of that holding.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY Applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of this Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of this Entitlement and Acceptance Form.

A. Application for New Shares

Enter into Box A the number of New Shares you wish to accept. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount for New Shares

To calculate the payment amount, multiply Box A by the Offer Price of A\$0.024 and enter this in Box B.

C. Application for Top Up Shares

If any, please enter the number of Top Up Shares that you wish to apply for in Box C. Your Application for Top Up Shares may not be successful (wholly or partially). The decision of the Company on the number of Top Up Shares to be allocated to you will be final. No interest will be paid on any Application Monies received or returned.

D. Payment Amount for Top Up Shares

To calculate the payment amount, multiply Box C by the Offer Price of A\$0.024 and enter this in Box D.

E. Total Number of New Shares and Top Up Shares

To calculate the total number of New Shares accepted and if applicable, Top Up Shares applied for, add Box A and Box C and enter this in Box E.

F. Application Monies

To calculate the Application Monies, multiply Box E by the Offer Price of A\$0.024 and enter this in Box F.

G. Contact details

Enter your contact details and telephone number where we may contact you regarding your acceptance of New Shares and Top Up Shares applied for, if necessary.

DECLARATIONS

By completing and returning this Entitlement and Acceptance Form with payment to the Share Registry or paying by BPAY®, I/we:

- represent to the Company that I/we am/are an Eligible Shareholder;
- acknowledge that I/we have received a copy of the Prospectus and this Entitlement and Acceptance Form, and read them both in their entirety;
- agree to be bound by the terms of the Entitlement Offer and if applicable, the Top Up Offer, the provisions of the Prospectus, this Entitlement and Acceptance Form and the Constitution;
- authorise the Company to register me/us as the holder(s) of the New Shares and if applicable, Top Up Shares, allotted to me/us;
- declare that all details and statements in this Entitlement and Acceptance Form are complete and accurate;
- declare that I/we am/are over 18 years of age and have full legal capacity and power to perform all my/our rights and obligations under this Entitlement and Acceptance Form;
- acknowledge that once this Entitlement and Acceptance Form is completed and returned, or a BPAY® payment instruction is given in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law;
- agree to accept and be issued up to the number of New Shares specified in this Entitlement and Acceptance Form at the issue price of \$0.024 per New Share;
- if applicable, agree to apply for and be issued up to the number of Top Up Shares specified in this Entitlement and Acceptance Form at the issue price of \$0.024 per Top Up Share;
- authorise the Company and its respective officers or agents to do anything on my/our behalf necessary for the New Shares and if applicable, Top Up Shares, to be issued to me/us, including to act on instructions of the Share Registry upon using the contact details set out in this Entitlement and Acceptance Form;
- declare that I/we was/were the registered holder(s) at 5:00 pm on the Record Date of the Shares indicated on this Entitlement and Acceptance Form as being held by me/us at 5:00 pm on the Record Date;
- acknowledge the statement of risks in Section 5 of the Prospectus and that an investment in the Company is subject to risk;
- represent and warrant that the law of any place does not prohibit me/us from being given the Prospectus and this Entitlement and Acceptance Form, nor does it prohibit me/us from making from accepting New Shares and if applicable, offering to acquire Top Up Shares, and that I/we am/are otherwise eligible to participate in the Offers;
- represent and warrant that I/we am/are not in the United States and I/we am/are not acting for the account or benefit of a person in the United States;
- understand and acknowledge that neither the Entitlement, New Shares nor if applicable, Top Up Shares, have been, or will be, registered under the United States Securities Act of 1933, as amended ("US Securities Act") or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand, Singapore or the United Kingdom and accordingly, the New Shares and if applicable, Top Up Shares, may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and any other applicable securities laws;
- agree not to send the Prospectus, this Entitlement and Acceptance Form or any other material relating to the Offers to any person in the United States or that is a person in the United States, or is acting for the account or benefit of a person in the United States; and
- agree that if in the future I/we decide to sell or otherwise transfer my/our New Shares or if applicable, Top Up Shares, I/we will only do so in transactions where neither I/we nor any person acting on my/our behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, in the United States or a person in the United States.

By accepting the Entitlement Offer and if applicable the Top Up Offer, you agree that the Share Registry, Security Transfer Registrars Pty Ltd, may disclose your personal information for purposes relating to your shareholding to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law.

Your Application to accept New Shares and if applicable, offer to acquire Top Up Shares, is irrevocable and may not be varied or withdrawn.

3. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

Your completed Entitlement and Acceptance Form and payment for New Shares and if applicable, Top Up Shares, must be received by the Share Registry no later than 5:00pm (WST) on 13 July 2016. If paying by BPAY® you do not need to complete or return this Entitlement and Acceptance Form.

By Post

MOD Resources Limited
C/- Security Transfer Registrars Pty Ltd,
PO Box 535, APPLECROSS WA 6953

By Hand

MOD Resources Limited
C/- Security Transfer Registrars Pty Ltd,
770 Canning Highway APPLECROSS WA 6953

(Please do not use this address for mailing purposes)

Entitlement and Acceptance Forms will NOT be accepted at the Company's registered office.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Security Transfer Registrars Pty Ltd on Telephone +61 8 9315 2333.

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.

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MOD

RESOURCES LTD

