

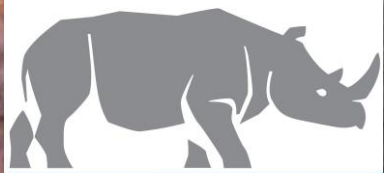
2018 ANNUAL GENERAL MEETING

29 MAY 2019

MOD
RESOURCES LTD



TSHUKUDU
METALS



TSHUKUDU
EXPLORATION



DISCLAIMER & FORWARD LOOKING STATEMENTS

Feasibility Study - Cautionary Statement

The FS is based on Probable Ore Reserves derived from Indicated Mineral Resources only. No Inferred or Measured Mineral Resources were included in the estimation of Ore Reserves. The FS was prepared to an overall level of accuracy of $\pm 15\%$. It is based on material assumptions outlined elsewhere in this announcement and in the Reserve update, announced 25 March 2019. There is no certainty that the FS or the Ore Reserve from which it was derived will result in commercial production or the assumptions used in the FS and resulting economic outcomes that are included in this announcement will be realised. Given the uncertainties involved, investors should not make any investment decisions based solely on the FS. The Company has concluded it has a reasonable basis for providing the forward-looking statements included in this announcement.

Forward Looking Statements and Disclaimers

This announcement includes forward-looking statements that are only predictions and are subject to risks, uncertainties and assumptions, which are outside the control of MOD.

Actual values, results, interpretations or events may be materially different to those expressed or implied in this announcement. Given these uncertainties, recipients are cautioned not to place reliance on forward-looking statements in the announcement as they speak only at the date of issue of this announcement. Subject to any continuing obligations under applicable law and ASX Listing Rules, MOD does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement or any changes in events, conditions or circumstances on which any such forward-looking statement is based.

This announcement has been prepared by MOD. The document contains background information about MOD current at the date of this announcement. The announcement is in summary form and does not purport to be all-inclusive or complete. Recipients should conduct their own investigations and perform their own analysis in order to satisfy themselves as to the accuracy and completeness of the information, statements and opinions contained in this announcement.

The announcement is for information purposes only. Neither this announcement nor information contained in it constitutes an offer, invitation, solicitation or recommendation in relation to the purchase or sale of shares in any jurisdiction. The announcement may not be distributed in any jurisdiction except in accordance with legal requirements applicable in such jurisdiction. Recipients should inform themselves of the restrictions that apply to their own jurisdiction as a failure to do so may result in a violation of securities laws in such jurisdiction.

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

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

Previously Reported Information

This announcement includes information that relates to the T3 Mineral Resource and T3 Ore Reserve which were prepared in accordance with the requirements of the JORC Code (2012). This information was included in the Company's previous announcements as follows:

ASX announcement dated 25 March 2019, MOD Delivers 61% Increase in T3 Ore Reserve to 34.4Mt.

ASX announcement dated 16 July 2018, 13% Increase to T3 Indicated Resource Category

These announcements are available at the Company's website www.modresources.com.au

INTRODUCTION



TODAY'S AGENDA

1. INTRODUCTION
2. FORMAL BUSINESS OF THE MEETING
3. OVERVIEW OF 2018
4. T3 FEASIBILITY STUDY
5. GROWTH
6. OUTLOOK



FORMAL BUSINESS



YOUR BOARD OF DIRECTORS



Julian Hanna
Managing Director



Mark Clements
Executive Chairman



Steve McGhee
Technical Director



Bronwyn Barnes
Non-Executive
Director



Simon Lee AO
Non-Executive
Director



Michael McNeilly
Non-Executive
Director

YOUR MANAGEMENT TEAM



Julian Hanna
Managing Director



Mark Clements
Company Secretary



Steve McGhee
Technical Director



Gaba Chinyepi
In-Country Executive



Kebalemogile (KB) Tau
GM Exploration



Stef Weber
Chief Financial Officer



Jacques Janse van Rensburg
Business Development Manager



T3 COPPER PROJECT

- Feasibility Study confirmed outstanding T3 open pit economics
- Expanded T3 Resource Base
- Identified optimisation opportunities: 3.0Mtpa



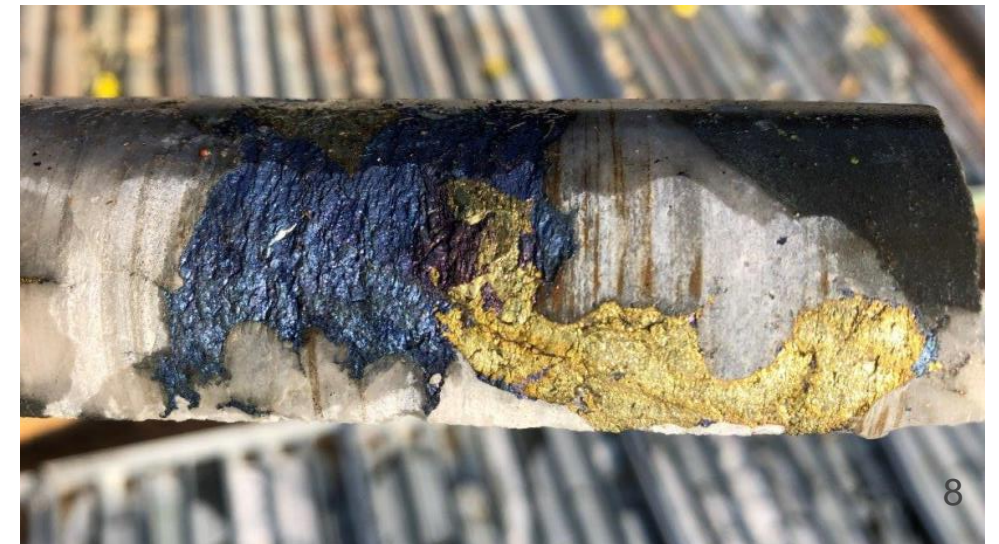
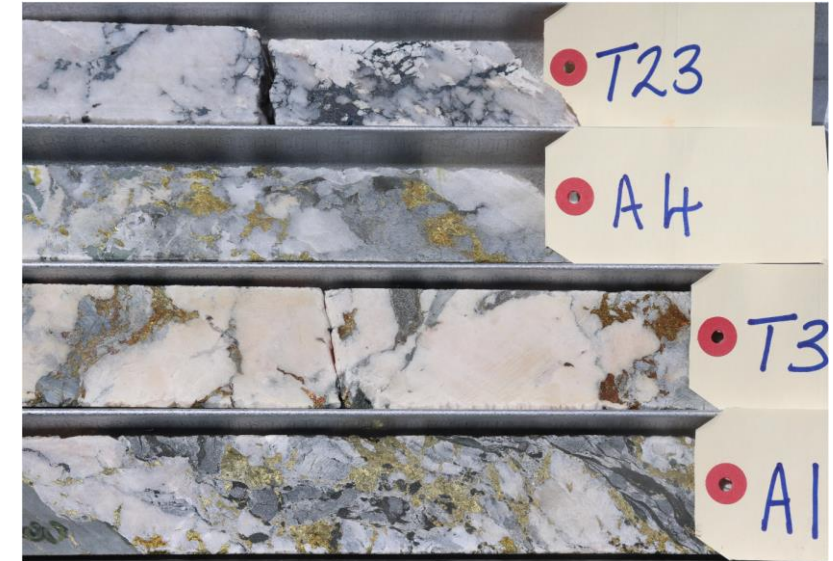
EXPLORATION

- Identified strong pipeline of exploration / growth targets
- Intersected copper in first holes at T23, A4 Dome, A1 Dome
- Aerial EM breakthrough technology



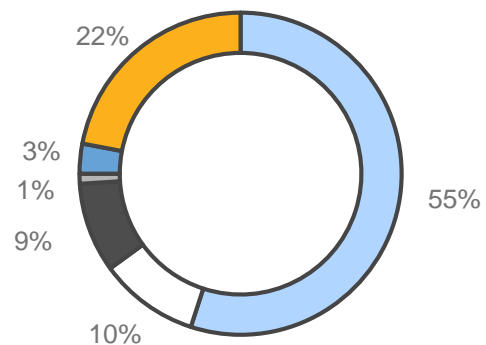
CORPORATE

- Key licences extended
- Acquired 100% of T3 Copper Project
- Listed on LSE
- Diversified share register



DIVERSIFYING THE REGISTER⁽¹⁾

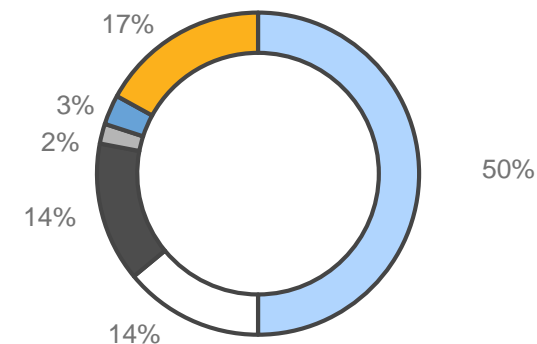
2018 GEOGRAPHIC DISTRIBUTION



■ ANZ ■ UK ■ Asia ■ Rest of Europe ■ Rest of World ■ Unidentified⁽²⁾

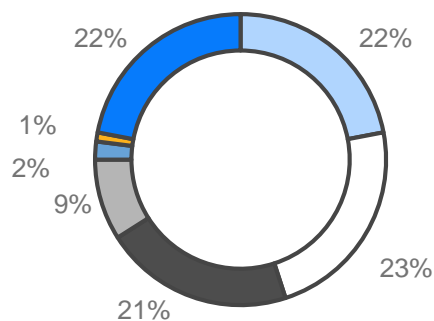
- › **UK FOCUS:** UK holdings increased in-line with LSE listing strategy
- › **DIVERSIFICATION:** Global diversification to continue, targeting the UK and Europe

2019 GEOGRAPHIC DISTRIBUTION



■ ANZ ■ UK ■ Asia ■ Rest of Europe ■ Rest of World ■ Unidentified⁽²⁾

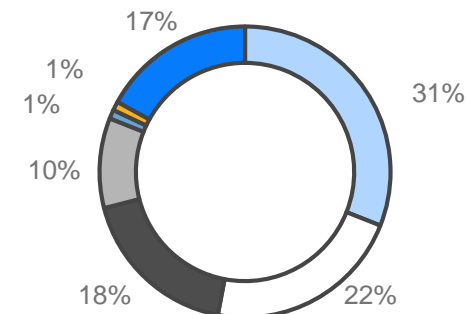
2018 SHAREHOLDER COMPOSITION



■ Institutional ■ Retail ■ Corporate ■ Related Party
■ Broker ■ Custodian ■ Unidentified⁽²⁾

- › **INSTITUTIONS:** Supportive with long-term focus; expect further institutional growth
- › **STYLE:** Still considered a Growth stock⁽³⁾
- › **LOW TURNOVER:** Top 10 remained relatively unchanged

2019 SHAREHOLDER COMPOSITION

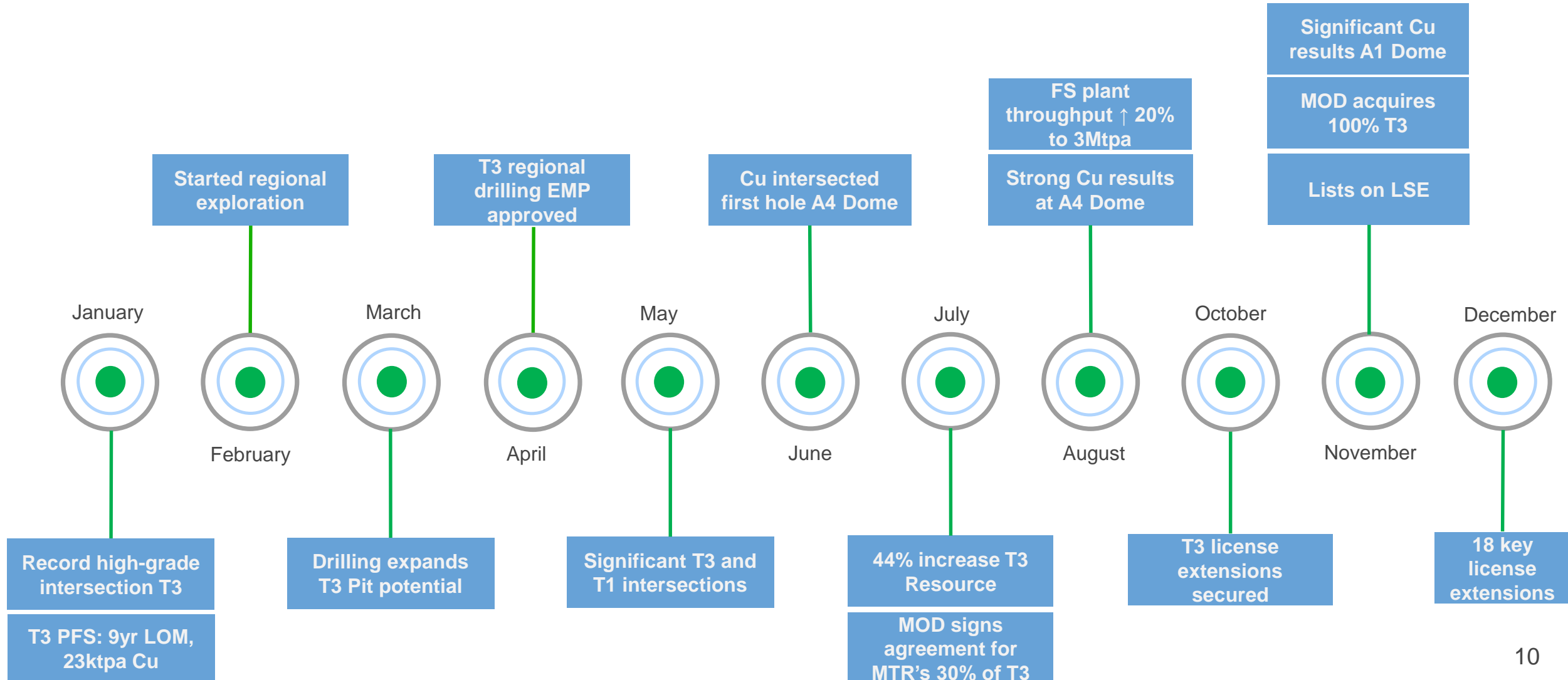


■ Institutional ■ Retail ■ Corporate ■ Related Party
■ Broker ■ Custodian ■ Unidentified⁽²⁾

Notes:

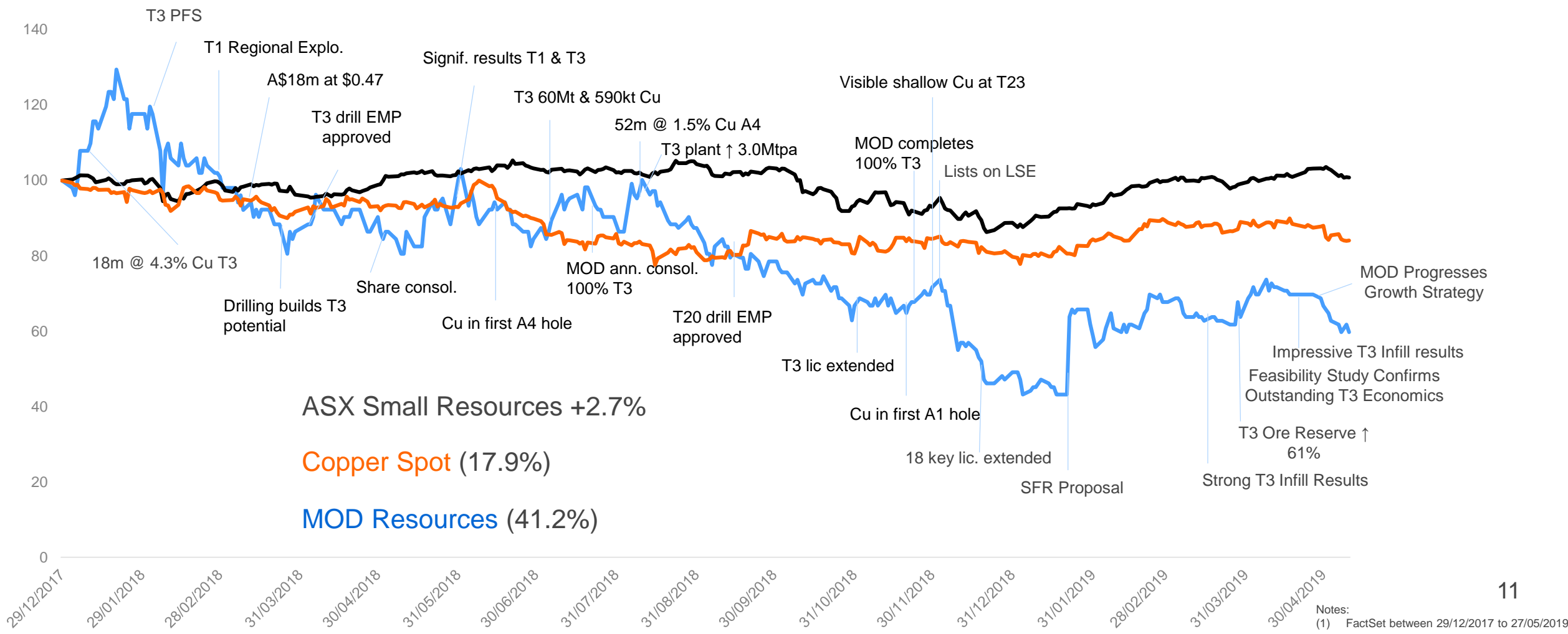
- (1) Source: Nasdaq. Register as of 31 March 2018 and at 30 April 2019
- (2) Unidentified indicates a shareholder position outside the top 100
- (3) Growth and growth at a reasonable price ("GARP") investment styles

2018 – TRANSFORMATIONAL YEAR



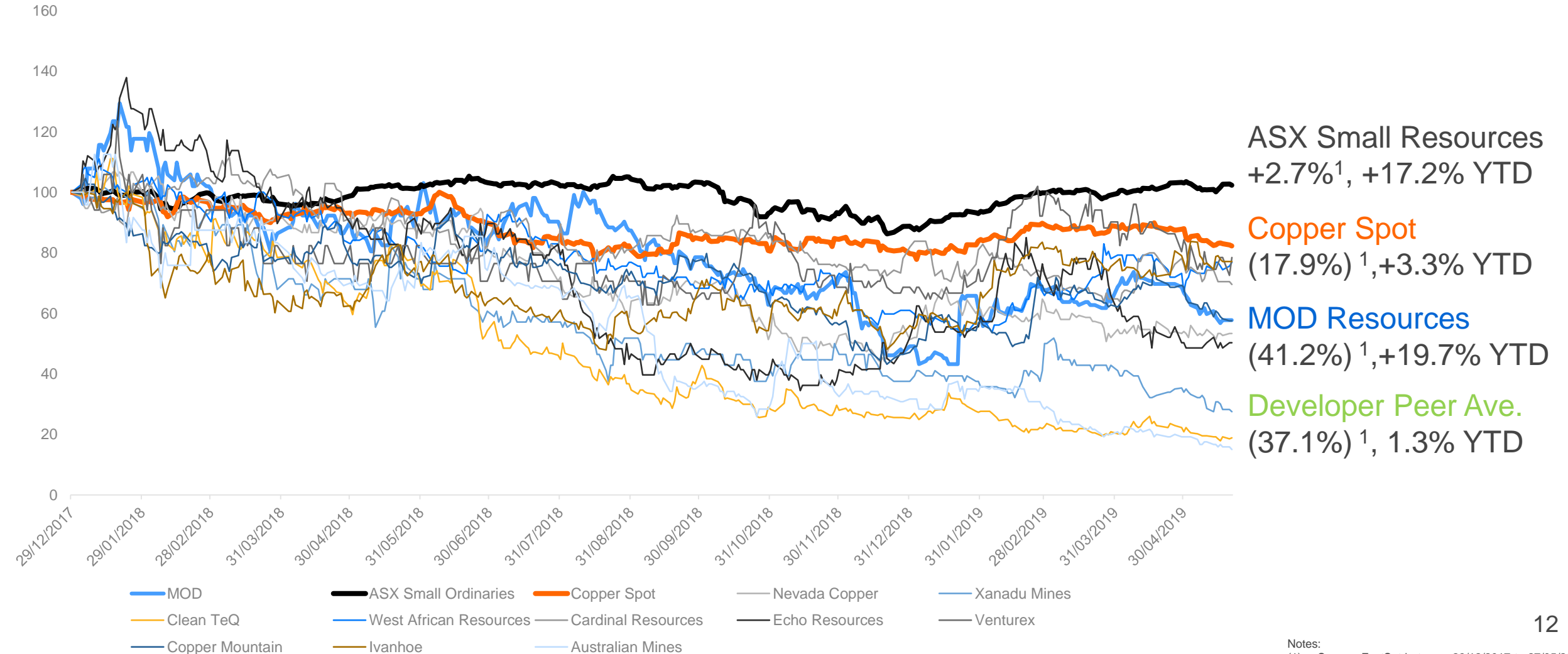
MOD SHARE PRICE PERFORMANCE INDEX¹

SHARE PRICE PERFORMANCE



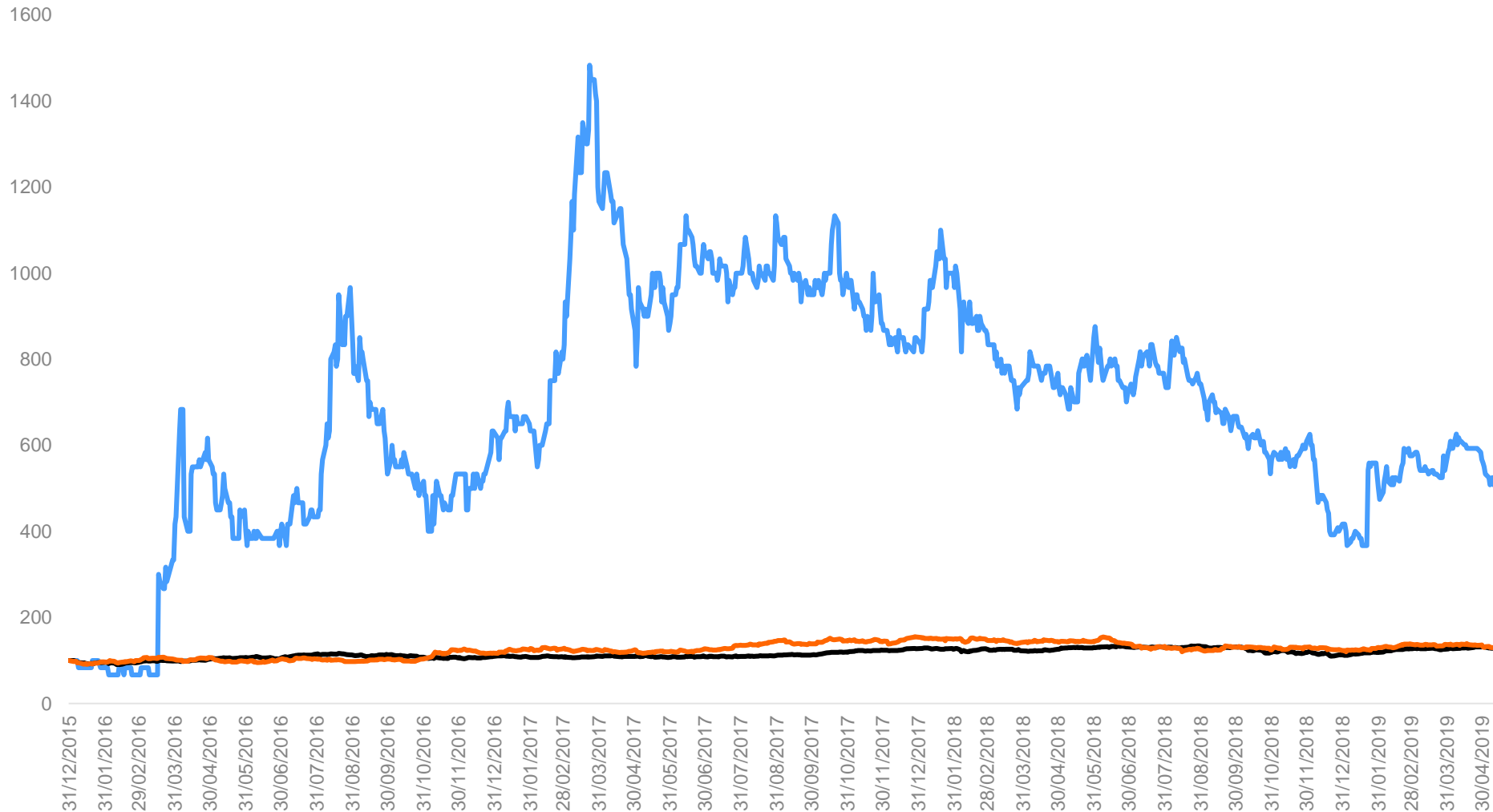
PEER SHARE PRICE PERFORMANCE INDEX

DEVELOPER PEERS SHARE PRICE PERFORMANCE



3 YEAR PERFORMANCE INDEX

3 YEAR PERFORMANCE INDEX¹



MOD Resources
+399.4%

Copper Spot
+30.8%

ASX Small Resources
+26.9%



T3 Copper Project

Expected to become MOD's first mine

T3 FEASIBILITY STUDY HIGHLIGHTS

ROBUST PRODUCTION

~28ktpa with 7 years¹ over 30ktpa

COMPELLING NPV²

US\$368 million

EXCELLENT IRR

33%³

LOW PAYBACK

3.7 years (31% LOM)

STRONG CASHFLOW

US\$777 million⁴

LOW CAPITAL

US\$182 million⁵

OUTSTANDING FINANCIALS

Revenue: US\$2.3 billion

EBITDA: US\$1.1 billion

LOWEST QUARTILE AISC

US\$1.56/lb⁶

STRONG MARGINS

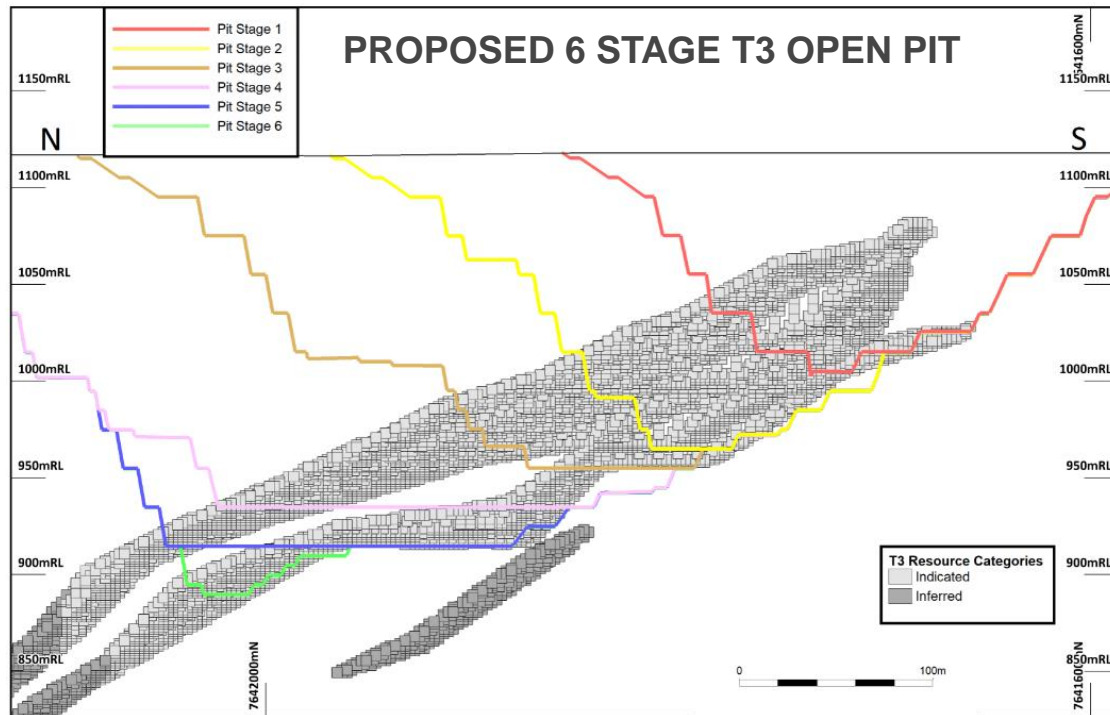
EBITDA: 47%

AISC: 49%⁷

Notes:

- (1) 2021-2028 following ramp-up
- (2) Pre-tax NPV with 8% discount rate
- (3) Pre-tax IRR
- (4) Total Free Cash Flow
- (5) Development capital excludes \$84 m sustaining capital
- (6) AISC = C1 Costs – By-product credits + Royalties + Sust Capital
- (7) AISC margin assumes a long term \$3.08 per pound copper price

T3 COPPER PROJECT



Notes:

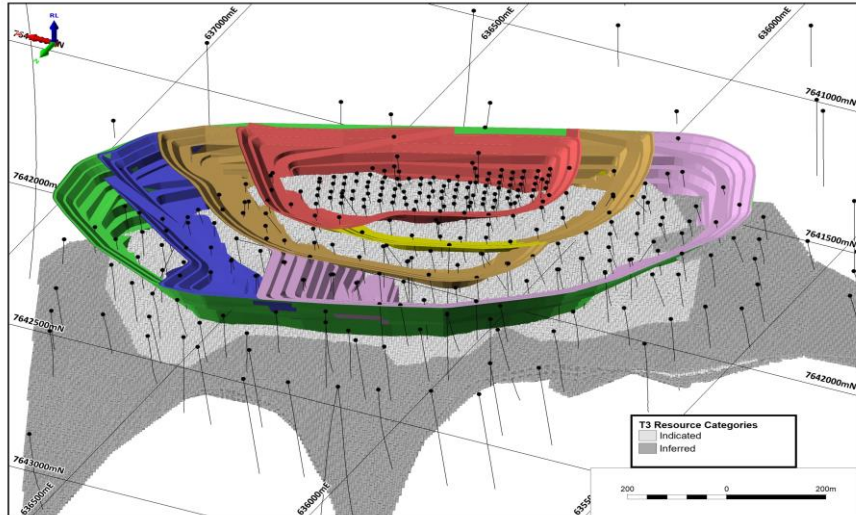
1. The Probable Ore Reserve is based on the Indicated category of the Mineral Resource. No Inferred category has been included.
2. In a scheduling period, the lowest average grade of ore added to the process plant feed was 0.22% Cu.
3. Ore Reserves are calculated based on a copper price of US\$2.91/lb and a silver price of US\$16.81/oz.
4. Ore loss and dilution were applied to the Mineral Resource model in a two-step process which resulted in an ore loss of approximately 9% and a diluted tonnage addition of approximately 8%.
5. Metallurgical testwork recoveries were applied in accordance to the recovery algorithms developed from the variability testwork program conducted during the feasibility study.
6. Appropriate modifying factors were applied.

- › **PIT DIMENSIONS:** 1,400m long, 700m wide and 250m deep
- › **GEOTECHNICAL:** Detailed structural assessment; defined 3 geotechnical zones
- › **SLOPE ZONES:** Top 20m (27°), Hanging wall (57°), Footwall (35°)
- › **STRIP RATIO:** LOM 5.7 :1

Ore Reserve Category	Tonnes (Mt)	Copper		Silver	
		Grade (%)	Kt	Grade (g/t)	Moz
Proven	-	-	-	-	-
Probable	34.4	1.0	342.7	13.2	14.6
Total Ore Reserve	34.4	1.0	342.7	13.2	14.6

SIMPLE GEOLOGY; CONVENTIONAL MINING

PROPOSED 6 STAGE T3 OPEN PIT

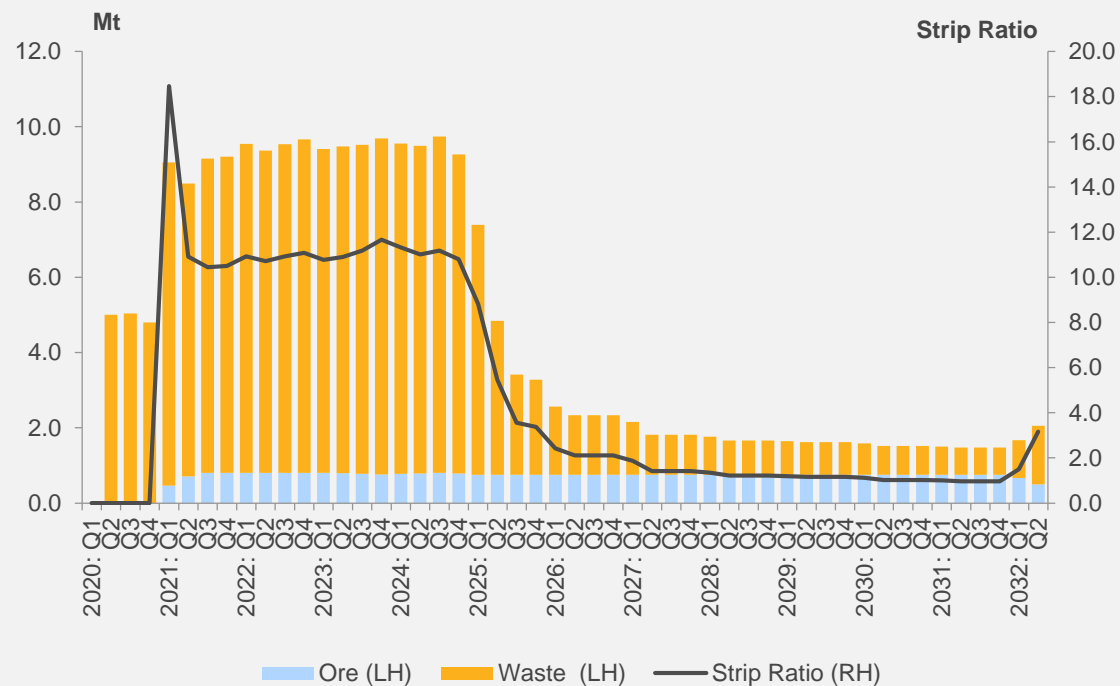


- › **OPEN PIT:** Conventional mining, load & haul, stockpiles with ROM
- › **CONTRACTOR MINING:** Reduces operational risk
- › **DRILL & BLAST:** 10m benches
- › **MINING:** Ore mined on 2.5m flitches, waste on 3.5m flitches
- › **STOCKPILES:** Waste, mineralised waste and low-grade stockpiles
- › **GRADE CONTROL:** In pit RC on 12m x 6m angled pattern
- › **6 STAGED PITS:** Enables deferment part capital

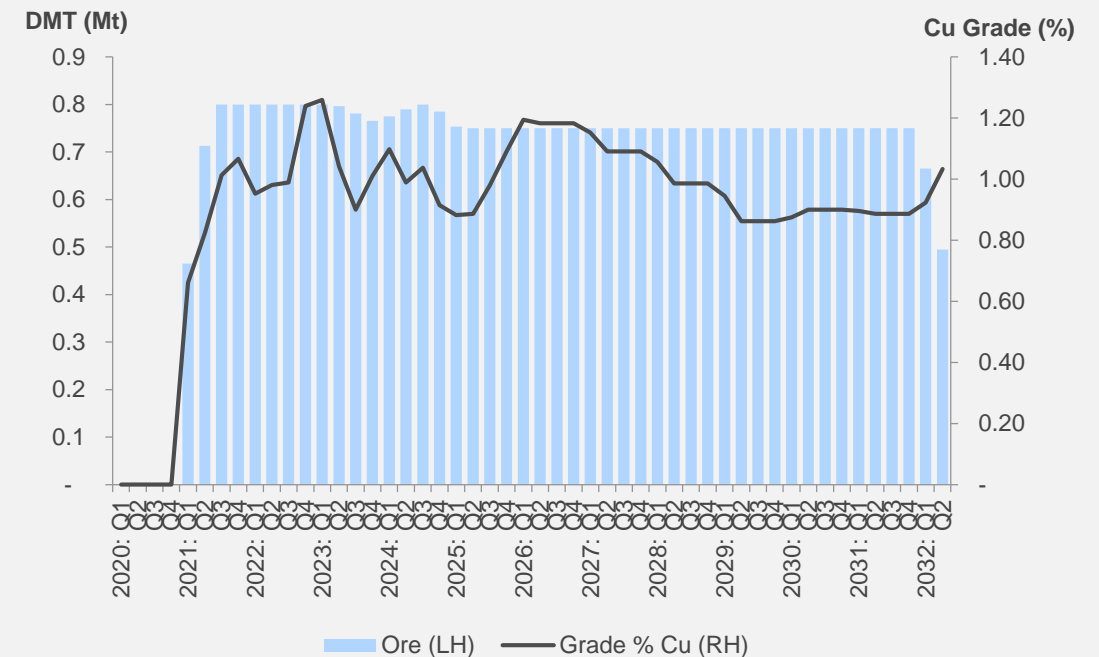
PARAMETERS	OPEN PIT MINING STAGES						
	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5	Stage 6	TOTAL
Ore (Mt)	2.9	4.0	4.0	8.9	9.0	5.7	34.4
Waste (Mt)	24.2	16.9	24.4	65.3	36.0	29.1	195.9
Material Mined (Mt)	27.1	20.9	28.4	74.2	45.0	34.7	230.4
Stripping Ratio	8.2	4.2	6.1	7.4	4.0	5.1	5.7
Cu grade (%)	1.0	1.1	1.1	1.1	0.9	0.9	1.0
Ag grade (g/t)	9.9	14.2	12.1	16.8	11.7	12.5	13.2

T3 PRODUCTION

T3 OPEN PIT MINING SCHEDULE



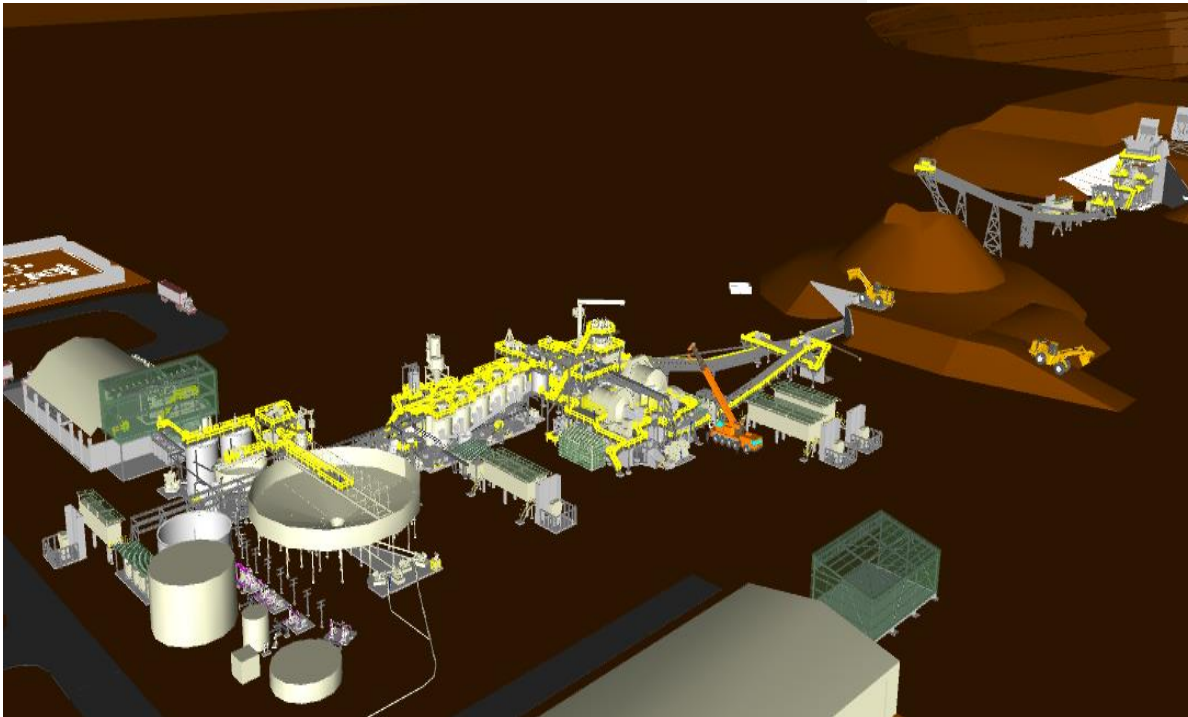
T3 ORE MINED AND GRADE



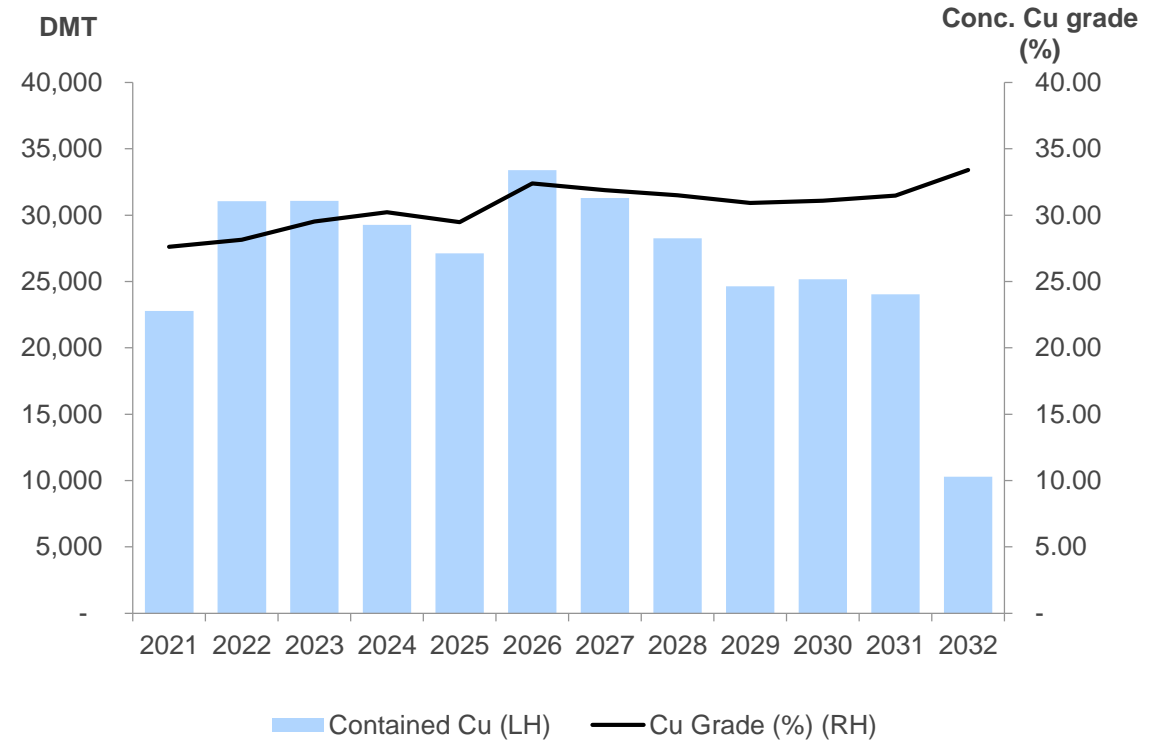
- › **MINING FLEET:** up to 5 excavators (120-250t), up to 24 haul trucks (140t)
- › **MATERIAL MINED:** Peak movement 39Mt (annualized) Y1-Y4

- › **YEAR 5:** Average annualised peak movement 6Mt Y5-LOM
- › **GRADE:** LOM Average 1.0% Cu and 13.2 g/t Ag

T3 PROCESS PLANT LAYOUT

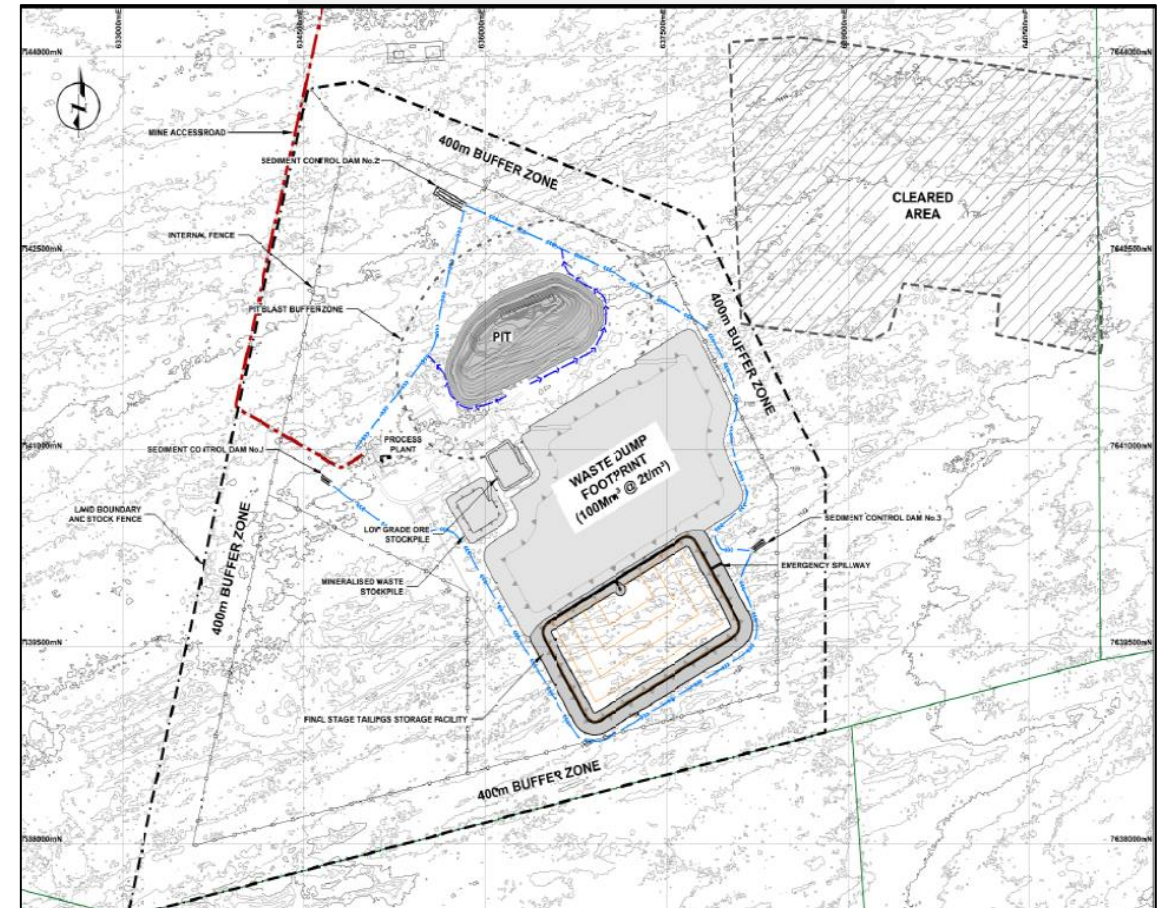


CONTAINED COPPER vs CONC. GRADE



T3 INFRASTRUCTURE

- › **ACCESS ROAD:** Unsealed, all weather ~14km x 12m wide
- › **HAUL ROADS:** Unsealed, all weather, calcrete sheeted
- › **ACCOMMODATION:** 400-person camp, 80km from site
- › **POWER:** Grid power (~2020)
- › **BORE FIELD:** ~1.5km west of open pit
- › **PROCESS PLANT:** <1km from open pit
- › **WASTE DUMP:** ~192Mt capacity, expandable
- › **TSF:** Engineered; HDPE lined; 34.4Mt capacity; 68% solids



T3 INFRASTRUCTURE



MAUN TO GHANZI HIGHWAY

CONSTRUCTION OF GRID POWER INFRASTRUCTURE



- › **PROCESS:** Well defined; significant public consultation; transparent
- › **ACCESS AGREEMENTS:** Land access & landowner agreements in place
- › **ESIA:** DEA provided feedback on DRAFT ESIA 11 March 2019; MOD preparing response to comments received; once reviewed ESIA is updated and submitted to DEA a 4-week public consultation process commences
- › **MINING LICENCE:** Upon final ESIA approval a mining licence application will be made



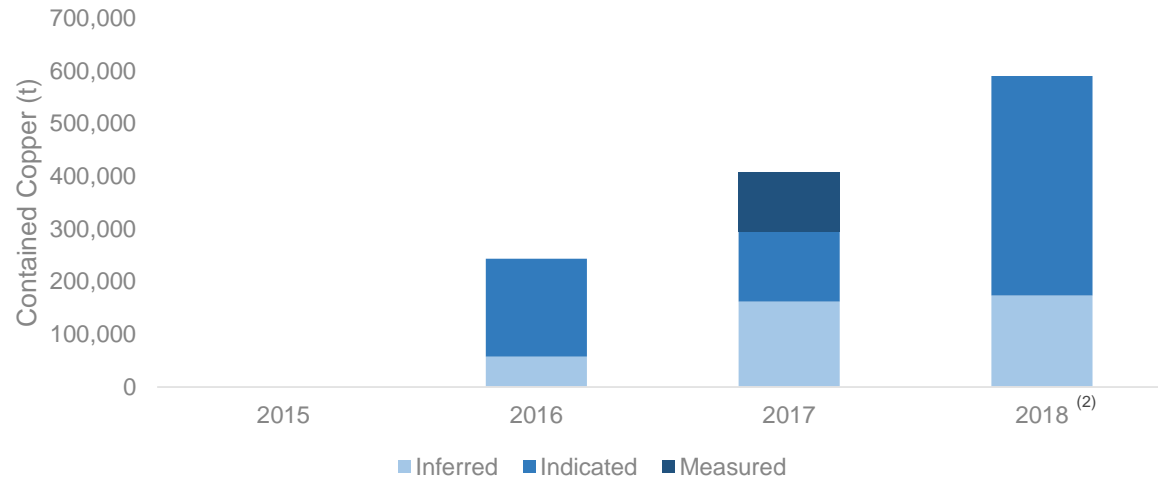


GROWTH

Numerous encouraging targets

LOW-COST RESOURCE NEAR INFRASTRUCTURE

T3 COPPER PROJECT TOTAL RESOURCE GROWTH ⁽¹⁾



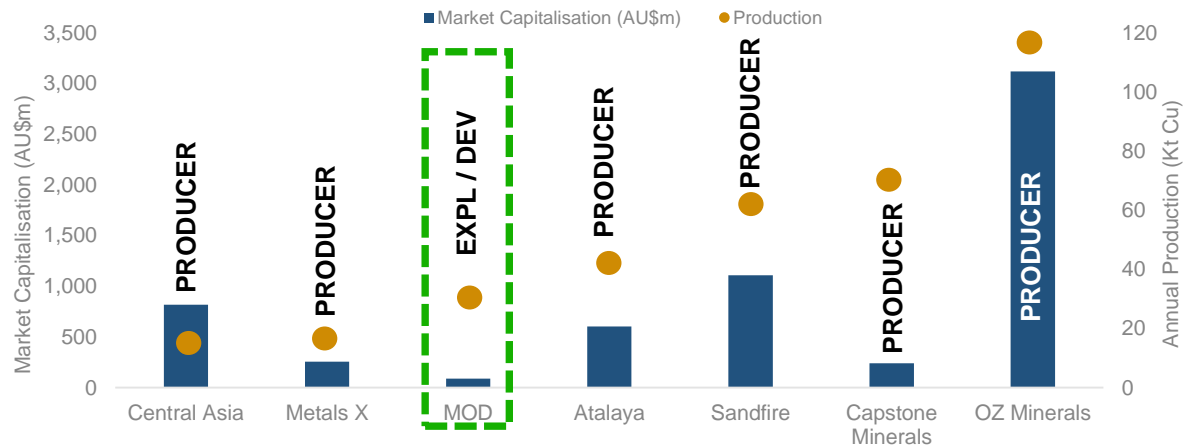
› **RESOURCE GROWTH:** Continued to find copper at low capital cost

› **OPPORTUNITY:** Drilling commenced Q2 2019; designed to delineate further high-grade copper and silver mineralisation

› **U/G SCOPING STUDY:** Indicated positive preliminary results

› **GROWTH OPPORTUNITY:** Drilling could confirm continuous, potentially economically viable widths and grades of mineralisation; potentially supporting additional production in the medium-term.

MARKET CAPITALISATION vs PRODUCTION ⁽³⁾



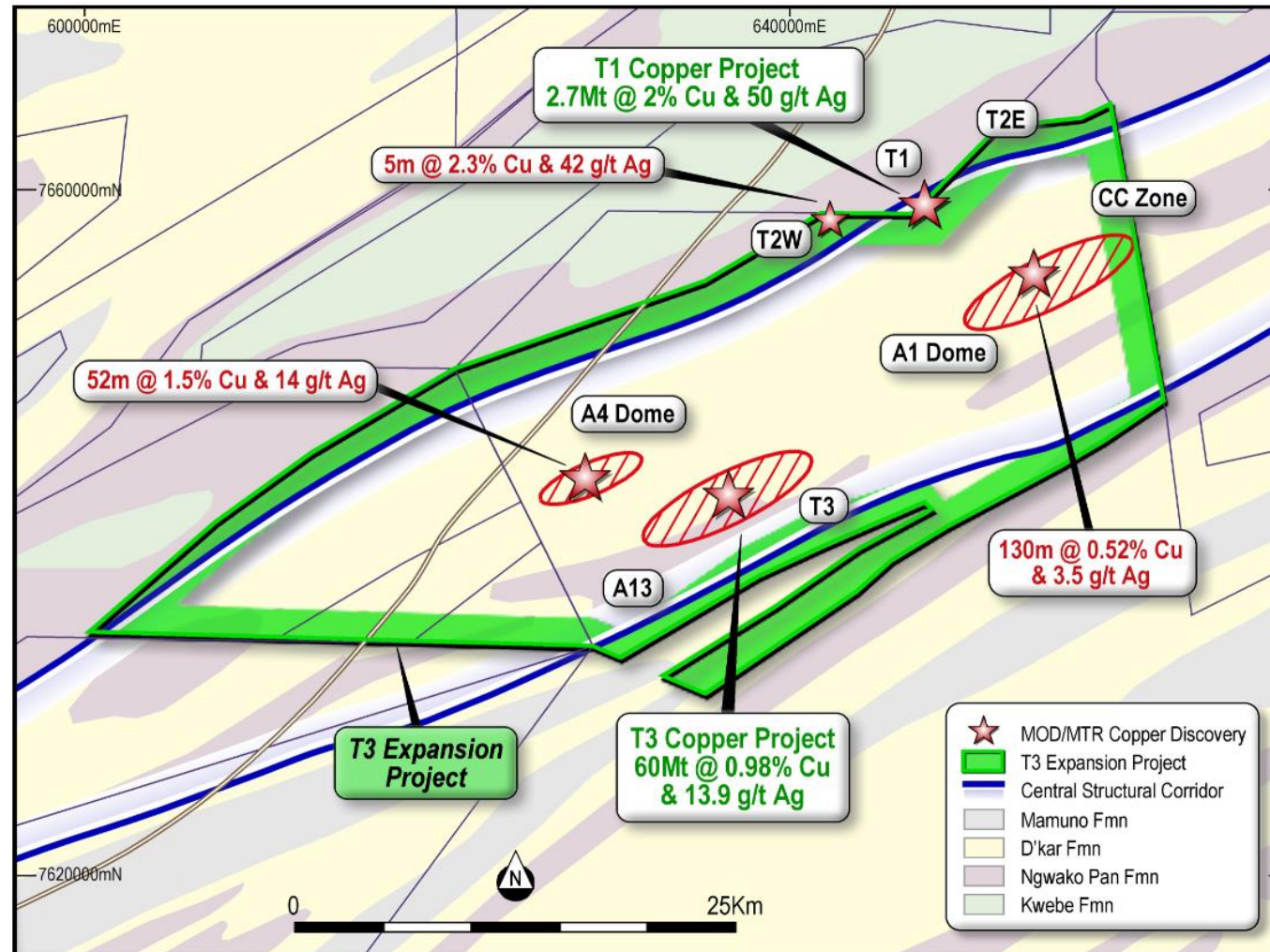
Notes:

(1) Resource data sourced from Company annual Reports and ASX announcements available on website.

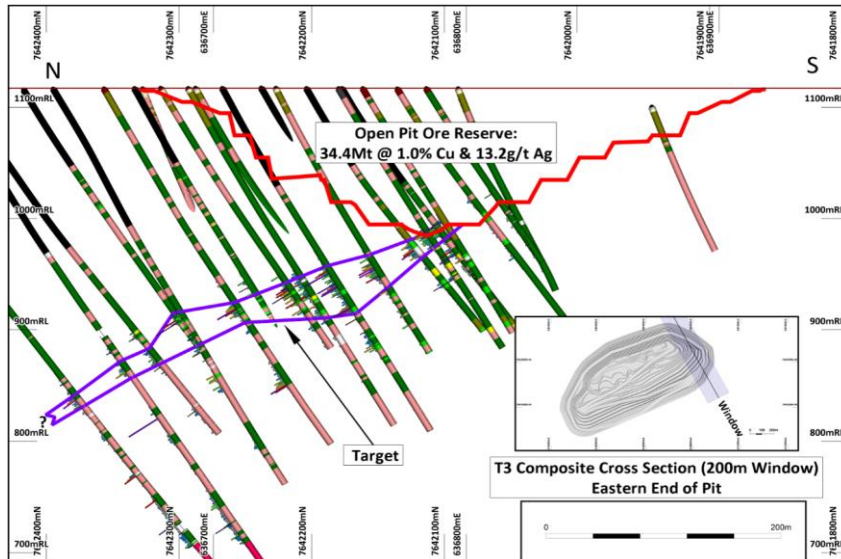
(2) Q1 2019 infill drilling program in progress to convert part of T3 resource from JORC category Indicated to Measured category.

(3) Based on Company reports and 2018 copper production. Based on Central Asia mid-point 2018 production guidance; MOD FS targeted average annual production of 30kt Cu.

T3 EXPANSION PROJECT – MINING HUB CONCEPT



T3 EXPANSION PROJECT – T3 UNDERGROUND

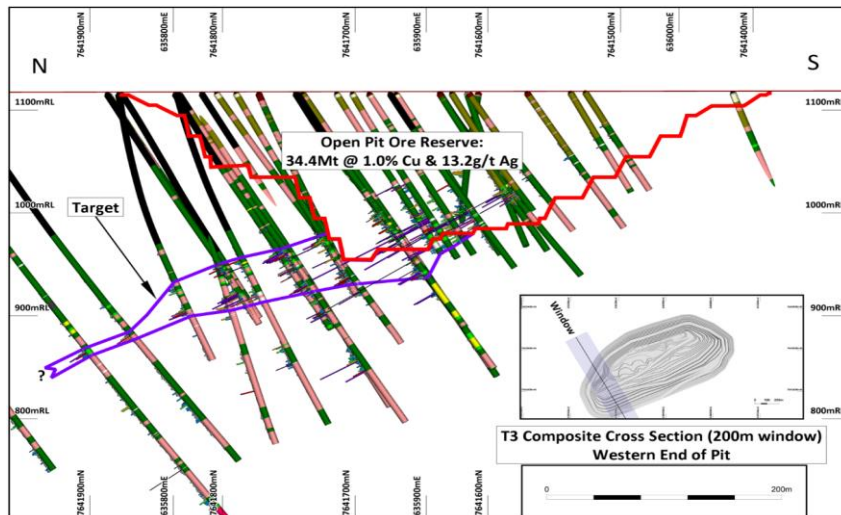


› **HIGH-GRADE VEINS:** Extend outside planned open pit boundaries (cut-off 1.5% Cu)

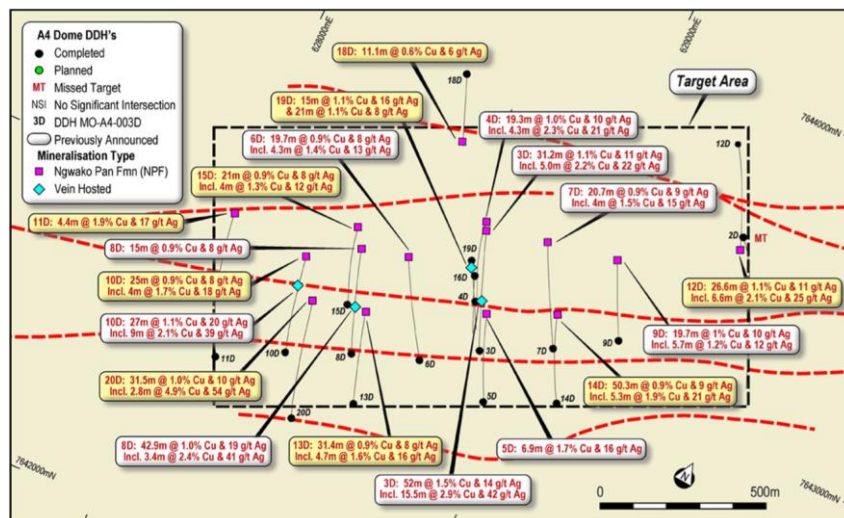
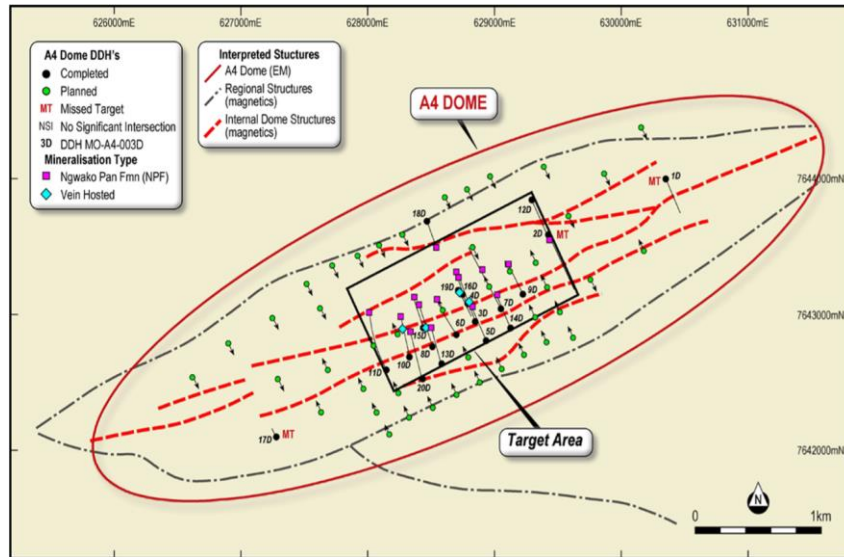
› **RESOURCE DEFINITION:** Drilling to commence Q2 2019; designed to delineate further high-grade copper and silver mineralisation

› **U/G SCOPING STUDY:** Indicated positive preliminary results

› **GROWTH OPPORTUNITY:** Drilling could confirm continuous, potentially economically viable widths and grades of mineralisation; potentially supporting additional production in the medium-term.



T3 EXPANSION PROJECT – A4 DOME



- › **NEAR MINE:** Located 8km west of the proposed T3 open pit
- › **IMMEDIATE SUCCESS:** 20 holes drilled; interested 52m @ 1.5% Cu from 232.2m downhole depth, including 15.5m @ 2.9% Cu ⁽¹⁾
- › **STAGED DRILLING:** to follow up on three different targets;
 1. Shallow vein-hosted mineralisation intersected in hole MO-A4-019D
 2. High-grade vein hosted mineralisation in MO-A4-003D and MO-A4-008D
 3. Widespread NPF contact mineralisation below the A4 Dome
- › **GROWTH OPPORTUNITY:** Drilling could confirm continuous, potentially economically viable widths and grades of mineralisation; potentially supporting additional production in the medium-term

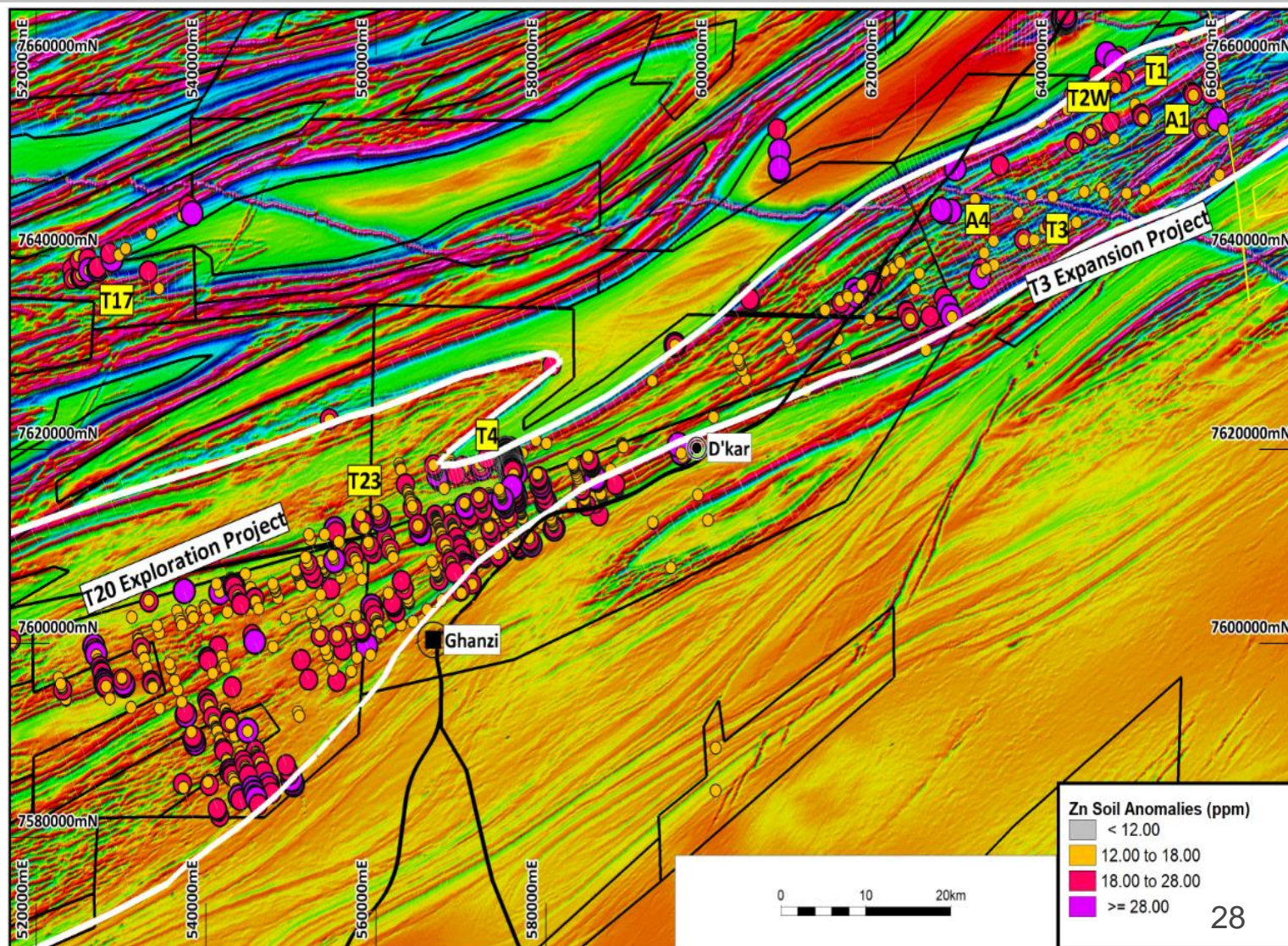
Notes:

1. As announced 6 August 2018
2. As announced 20 December 2018

REGIONAL SCALE POTENTIAL

SOIL ANOMALIES OVER MAGNETICS

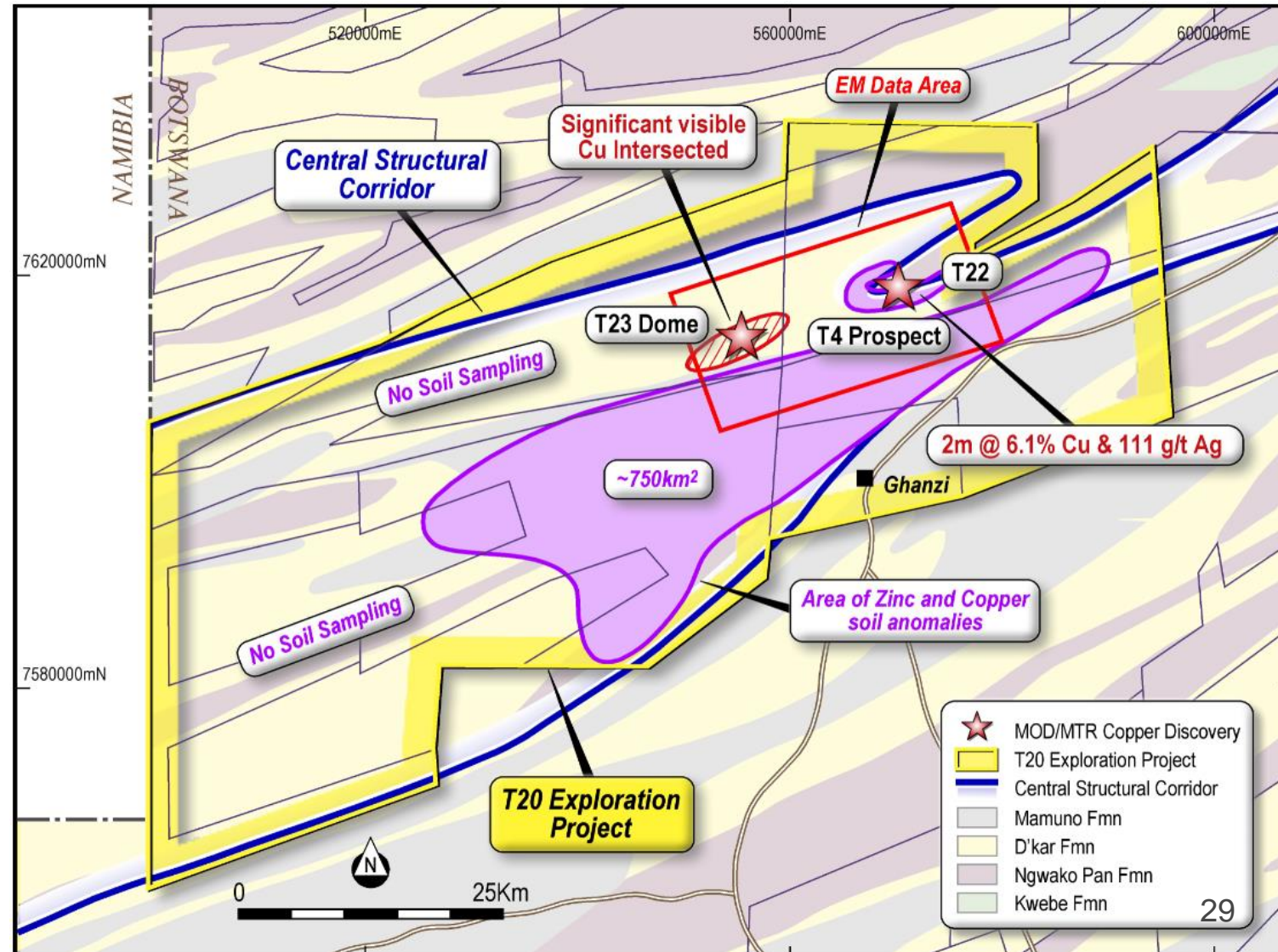
- › **SOIL SAMPLES:** ~80,000 along licence holding
- › **T3:** Discovered in first hole under a 28ppm Cu-Zn soil anomaly
- › **NUMEROUS ANOMALIES:** similar tenor to T3 yet to be tested
- › **CALCRETE COVER:** masks Cu-soil response, zinc is main indicator of copper



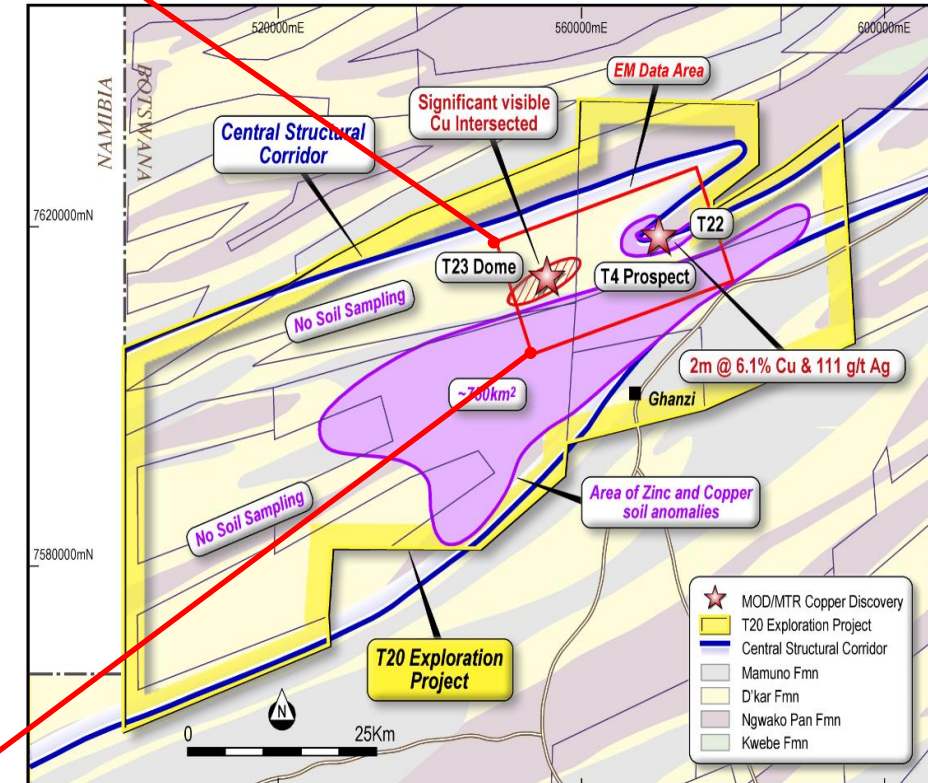
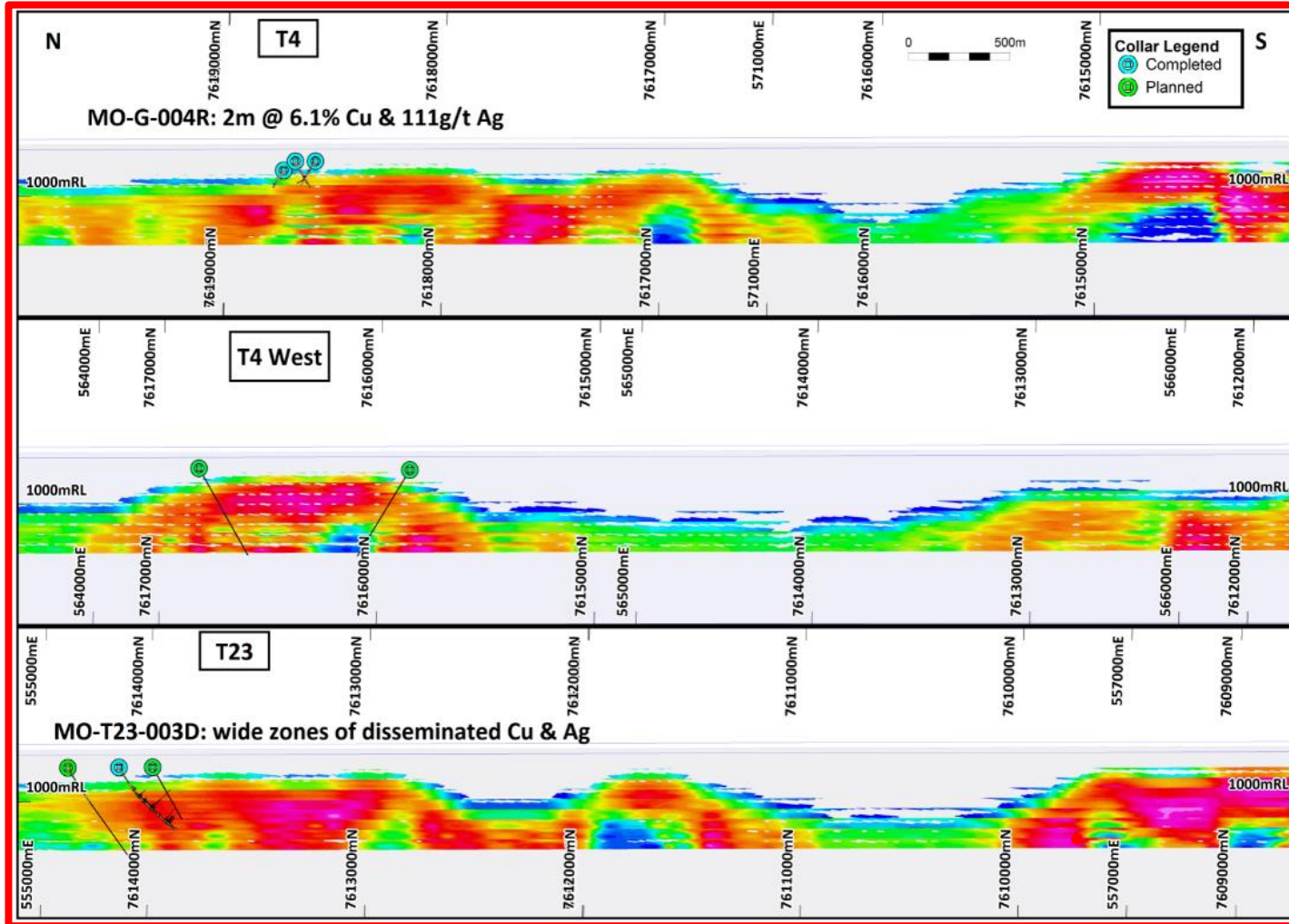
T20 EXPLORATION PROJECT

MAJOR REGIONAL POTENTIAL

- › **MINIMAL PREVIOUS DRILLING:** 3,300km² exploration project
- › **FIRST DRILLING:** T4 and T23 drilling, all holes intersected disseminated or vein Cu
- › **BEST INTERSECTION:** 2m @ 6.1% Cu & 111g Ag⁽¹⁾
- › **LARGE UNTESTED AREA:** 750km² area with numerous soil anomalies; shallow targets
- › **GROWTH OPPORTUNITY:** Drilling at T23 commenced



T20 EXPLORATION PROJECT ~100KM WEST OF T3



2019 PRIORITIES

T3 COPPER PROJECT

APPROVAL OF ESIA
MINING LICENCE
DECISION TO MINE
COMMENCE CONSTRUCTION

EXPLORATION / GROWTH FOCUS

T23 EXPLORATION PROJECT
T3 UNDERGROUND RESOURCE DEF.
PROGRESS A4 TOWARDS RESOURCE
TEST REGIONAL NPF POTENTIAL

CORPORATE

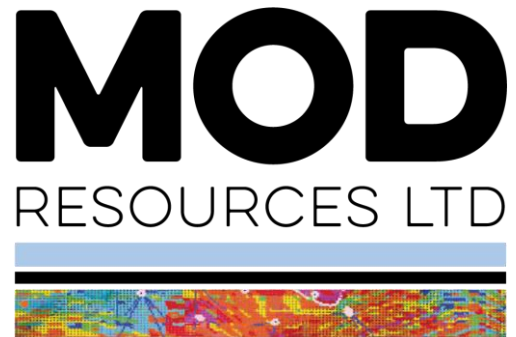
FINALISE T3 FUNDING
SUPPORT IN-COUNTRY GROWTH
EXPAND OPERATIONAL CAPACITY

BEGINNING OF A MUCH LARGER STORY

COMPELLING GROWTH AND VALUE OPPORTUNITY



- › **UNIQUE COPPER-BELT SCALE POTENTIAL:** MOD has dominant holding (~11,700km²)
- › **HISTORY:** Minimal prior drilling; huge soil anomaly area; breakthrough technology
- › **INVESTMENT DRIVERS:** Right team, right place, right commodity
- › **T3 COPPER PROJECT:** Expected to be first mine, low-capital, high-margin Cu project
- › **GROWTH:** T3 Mining Hub targeting greater Cu Production
- › **T3 EXPANSION:** Numerous satellite targets include T3 U/G, A4 and A1 Domes





www.modresources.com.au

ASX / LSE: **MOD**

Follow us on  



IR@modresources.com.au



Corporate office +61 8 9322 9233



First Floor, 1304 Hay Street
West Perth WA 6005
Australia

