

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MOD RESOURCES LIMITED

ABN

78 003 103 544

Quarter ended ("current quarter")

30 September 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation ¹	(3,990)	(12,692)
(b) development	-	-
(c) production	-	-
(d) staff costs	(332)	(1,044)
(e) administration and corporate costs	(544)	(1,618)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	110	240
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – MOD/MTR transaction and London Stock Exchange listing ²	(290)	(450)
1.9 Net cash used in operating activities	(5,046)	(15,571)

Notes

¹Based on 100% of Exploration and Evaluation payments and therefore includes Metal Tiger 30% contribution on JV licences (refer section 3.9). Section 1.2 also include payments for the T3 Feasibility Study.

²Payments in relation to the MOD/Metal Tiger transaction announced to the ASX on 18 July 2018 and dual listing on the London Stock Exchange as announced to the ASX on 2 August 2018.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(346)	(1,860)
(b) tenements (see item 10)	-	-
(c) investments	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets	-	(4)
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash used in investing activities	(346)	(1,864)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	18,322
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	255
3.4	Transaction costs related to issues of shares, convertible notes, options or performance rights	(2)	(1,238)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	(500)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Metal Tiger contributions to Joint Venture	931	3,401
3.10	Net cash from financing activities	929	20,240
4.	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	17,284	10,020
4.2	Net cash used in operating activities (item 1.9 above)	(5,046)	(15,571)
4.3	Net cash used in investing activities (item 2.6 above)	(346)	(1,864)
4.4	Net cash from financing activities (item 3.10 above)	929	20,240
4.5	Effect of movement in exchange rates on cash held	8	4
4.6	Cash and cash equivalents at end of period	12,829	12,829

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	3,829	3,281
5.2 Call deposits	9,000	14,003
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	12,829	17,284

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

258

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Included in 6.1 are payments for director fees and company secretarial fees paid to a director or director associated companies.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

122

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Included in 7.1 are consultancy services for metallurgical test work and feasibility study work provided by Independent Metallurgical Operations Pty Ltd, a company associated with Steve McGhee and consultancy services provided by Integra Management Solutions a company associated with Bronwyn Barnes.

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	3,000
9.2 Studies ¹	2,000
9.3 Capital cost	150
9.4 Staff costs	350
9.5 Administration and corporate costs	500
9.6 Other (provide details if material) ²	560
Other (provide details if material) ³	(1,060)
9.7 Total estimated cash outflow	5,500

Notes:

¹ Costs associated with the T3 Feasibility Study including sterilisation and other drilling required to complete this study.

² Costs associated with the UK Listing and completing the Metal Tiger transaction

³ Reflects the Metal Tiger JV contributions.

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Mark Clements

Company Secretary

31 October 2018

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.