

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")

31 December 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation ¹	(7,041)	(19,733)
(b) development	-	-
(c) production	-	-
(d) staff costs	(271)	(1,315)
(e) administration and corporate costs	(506)	(2,124)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	56	296
1.5 Interest and other costs of finance paid	-	(7)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other –MTR transaction and London Stock Exchange listing ²	(839)	(1,289)
1.9 Net cash used in operating activities	(8,601)	(24,172)

Notes

¹Based on 100% of Exploration and Evaluation payments and therefore includes Metal Tiger (MTR) 30% contribution on JV licences (refer section 3.9). In addition to exploration drilling and associated costs, section 1.2 also includes payments for the T3 Feasibility Study including resource drilling, metallurgical testwork, once-off lease payment for T3 mine access road, hydrological testing and geotechnical drilling, resource and mine evaluation study costs.

²Payments in relation to the completion of the Metal Tiger transaction announced 16 November 2018 and dual listing on the London Stock Exchange announced 26 November 2018.

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(182)	(2,042)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(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	(182)	(2,046)

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	(21)	(1,259)
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	996	4,397
3.10	Net cash from financing activities	974	21,214

4.	Net increase/(decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,829	10,020
4.2	Net cash used in operating activities (item 1.9 above)	(8,601)	(24,172)
4.3	Net cash used in investing activities (item 2.6 above)	(182)	(2,046)

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.4	Net cash from financing activities (item 3.10 above)	974	21,214
4.5	Effect of movement in exchange rates on cash held	18	22
4.6	Cash and cash equivalents at end of period	5,038*	5,038

* Subsequent to end of the quarter, the Company announced a capital raising of \$15 million of capital through a combination of a share placement and a rights issue.

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	3,038	3,829
5.2	Call deposits	2,000	9,000
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)	5,038	12,829

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**

213

-

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**

157

-

Included in 7.1 are consultancy services for metallurgical test work and feasibility study work provided by Independent Metallurgical Operations Pty Ltd and Metallurgy Pty Ltd, companies 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.		

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation ¹	1,200
9.2 Studies ²	1,550
9.3 Capital cost	140
9.4 Staff costs ³	950
9.5 Administration and corporate costs	600
9.6 Other (provide details if material) ⁴	310
Other (provide details if material) ⁵	(250)
9.7 Total estimated cash outflow	4,500

Notes:

1. Predominantly consist of infill drilling on the T3 Copper Project
2. Costs associated with the T3 Feasibility Study.
3. Includes Short Term Incentive payments for the 2018 year.
4. Costs associated with the dual listing on the London Stock Exchange and MTR Transaction.
5. Reflects the MTR 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	PL093/2018	Acquired	0%	100%

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
29 January 2019

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.