

Section 708A Notice

MOD Resources Ltd (ASX: MOD) (the **Company**) advises that it has issued 53,971 fully paid ordinary shares to employees in accordance with the Company's Employee Incentive Plan (**Plan**) (**STI Shares**) and 5,030,000 unlisted \$0.522 options expiring 12 April 2023 with a 3-year vesting period from the date of issue (**LTI Options**). The Plan was approved by shareholders at the meeting held 30 May 2018.

The Company also wishes to advise that it has allotted 766 fully paid ordinary shares following the exercise of 766 \$0.60 unlisted options expiring 15 April 2019 (**Exercised Option Shares**). The remaining 4,922,716 \$0.60 options have expired without exercise.

In accordance with section 708A(5)(e) of the Corporations Act 2001 (Cth) (**Corporations Act**), the Company gives notice that;

- (i) the STI shares and Exercised Option Shares were issued without disclosure under Part 6D.2 of the Corporations Act;
- (ii) this notice is being given under paragraph 5(e) of section 708A of the Corporations Act;
- (iii) as at the date of this notice, the Company has complied with the provisions of the Chapter 2M of the Corporations Act (as they apply to the Company) and section 674 of the Corporations Act;
- (iv) as at the date of this notice, there is no excluded information with respect to the Company for the purposes of sections 708A(7) and (8) of the Corporations Act.

An Appendix 3B reflecting the revised capital structure following the issue of the above securities has been released with this announcement

-ENDS-

For and on behalf of the MOD Board.

Julian Hanna
Managing Director

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Executive Chairman and
Company Secretary

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Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

MOD Resources Limited

ABN

78 003 103 544

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | (i) Fully Paid Ordinary Shares
(ii) Fully Paid Ordinary Shares
(iii) Unlisted \$0.522 options expiring 12 April 2023 |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | (i) 53,971 Fully Paid Ordinary Shares
(ii) 766 Fully Paid Ordinary Shares
(iii) 5,030,000 Unlisted \$0.522 Options expiring 12 April 2023 |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | (i) Fully Paid Ordinary Shares
(ii) Fully Paid Ordinary Shares
(iii) Unlisted \$0.522 Options expiring 12 April 2023, vesting 36 months from date of issue and subject to a restriction period until 12 April 2022. |

+ See chapter 19 for defined terms.

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state: the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</p>	<p>(i) Yes, the shares will rank equally with ordinary shares currently on issue.</p> <p>(ii) Yes, the shares will rank equally with ordinary shares currently on issue.</p> <p>(iii) Upon exercise of the options, the shares will rank equally with ordinary shares currently on issue other than they will be subject to a restriction period until 12 April 2022.</p>
5	Issue price or consideration	<p>(i) \$0.3652 per share</p> <p>(ii) \$0.60 per share</p> <p>(iii) Nil</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>(i) Issue of shares to employees pursuant to Company's Employee Incentive Plan approved by shareholders at the meeting held 30 May 2018.</p> <p>(ii) Issue of shares following exercise of unlisted options.</p> <p>(i) Issue of options to employees pursuant Company's Employee Incentive Plan approved by shareholders at the meeting held 30 May 2018.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 May 2018
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A

+ See chapter 19 for defined terms.

6f	Number of +securities issued under an exception in rule 7.2	(i) 53,971 Fully Paid Ordinary Shares (ii) 766 Fully Paid Ordinary Shares (iii) 5,030,000 unlisted \$0.522 Options expiring 12 April 2023	
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15-day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A	
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Refer Annexure 1	
7	+Issue dates Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A. Cross reference: item 33 of Appendix 3B.	(i) 12 April 2019 (ii) 12 April 2019 (iii) 12 April 2019	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number 303,737,076	+Class Fully Paid Ordinary shares

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the ⁺ securities in section 2 if applicable)	40,673,566	Unlisted options with a nil exercise price and expiring on 16 November 2021
		3,015,000	Unlisted options exercisable at \$0.457 on or before 30 January 2023, vesting 12 months from the date of issue and subject to a restriction period to 30 January 2022;
		3,015,000	Unlisted options exercisable at \$0.707 on or before 30 January 2023 vesting 24 months from the date of issue and subject to a restriction period to 30 January 2022;
		3,015,000	Unlisted options exercisable at \$0.907 on or before 30 January 2023 vesting 36 months from the date of issue and subject to a restriction period to 30 January 2022;
		3,050,000	Performance Rights vesting in various tranches expiring 21 February 2022;
		5,030,000	Unlisted options exercisable at \$0.522 on or before 12 April 2023 vesting 36 months from the date of issue and subject to a restriction period to 12 April 2022;
		3,015,000	Unlisted options exercisable at \$0.457 on or before 30 January 2023, vesting 12 months from the date of issue and subject to a restriction period to 30 January 2022;

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	The Company does not have a dividend policy.
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Part 2 - Pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A

⁺ See chapter 19 for defined terms.

13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A
15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has security holders who will not be sent new offer documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	N/A
19	Closing date for receipt of acceptances or renunciations	N/A
20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A

+ See chapter 19 for defined terms.

28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell part of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000

+ See chapter 19 for defined terms.

5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of +securities for which +quotation is sought

N/A

39 +Class of +securities for which quotation is sought

N/A

40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:

- the date from which they do
- the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
- the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment

N/A

41 Reason for request for quotation now

Example: In the case of restricted securities, end of restriction period

(if issued upon conversion of another +security, clearly identify that other +security)

N/A

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	N/A	

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

MARK CLEMENTS
Company Secretary
16 April 2019

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12 Amended 04/03/13

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid +ordinary securities on issue 12 months before the +issue date or date of agreement to issue	231,298,203
Add the following:	
<ul style="list-style-type: none"> • Number of fully paid +ordinary securities issued in that 12-month period under an exception in rule 7.2 • Number of fully paid +ordinary securities issued in that 12-month period with shareholder approval <ul style="list-style-type: none"> (i) 20 April 2018 Issue of Shares following exercise of options 284,146 (ii) 26 April 2018 Issue of Shares following exercise of options 40,952 (iii) 30 April 2018 Issue of Shares following exercise of options 211,835 (iv) 1 May 2018 Issue of Shares following exercise of options 61,619 (v) 2 May 2018 Issue of Shares following exercise of options 2,000 (vi) 16 November 2018 Issue of Shares 17,090,000 (vii) 30 January 2019 Issue of Shares 423,069 (viii) 27 February 2019 Issue of Shares pursuant to non-renounceable entitlement offer 21,353,317 (ix) 12 April 2019 Issue of Shares 53,971 (x) 12 April 2019 Issue of Shares following exercise of options 766 • Number of partly paid +ordinary securities that became fully paid in that 12-month period 	

+ See chapter 19 for defined terms.

<p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	
<p>Subtract the number of fully paid +ordinary securities cancelled during that 12-month period</p>	Nil
<p>“A”</p>	270,099,395

<p>Step 2: Calculate 15% of “A”</p>	
<p>“B”</p>	<p>0.15</p> <p><i>[Note: this value cannot be changed]</i></p>
<p>Multiply “A” by 0.15</p>	40,514,909
<p>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</p>	
<p><i>Insert</i> number of +equity securities issued or agreed to be issued in that 12-month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <ul style="list-style-type: none"> (i) 26 April 2018 Share Issue (ii) 30 January 2019 Issue of Shares pursuant to a placement <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>304,348</p> <p>33,333,333</p>
<p>“C”</p>	33,637,681
<p>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</p>	

+ See chapter 19 for defined terms.

<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	40,514,909
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	33,637,681
<p>Total [“A” x 0.15] – “C”</p>	<p>6,877,228</p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
<p>“A”</p> <p><i>Note: number must be same as shown in Step 1 of Part 1</i></p>	270,099,395
Step 2: Calculate 10% of “A”	
<p>“D”</p>	<p>0.10</p> <p><i>Note: this value cannot be changed</i></p>
<p>Multiply “A” by 0.10</p>	27,009,939
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
<p>Insert number of +equity securities issued or agreed to be issued in that 12-month period under rule 7.1A</p> <p>Notes:</p> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	
<p>“E”</p>	-

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
<p>“A” x 0.10 <i>Note: number must be same as shown in Step 2</i></p>	<p>27,009,939</p>
<p>Subtract “E” <i>Note: number must be same as shown in Step 3</i></p>	<p>-</p>
<p>Total [“A” x 0.10] – “E”</p>	<p>27,009,939 <i>Note: this is the remaining placement capacity under rule 7.1A</i></p>

+ See chapter 19 for defined terms.