

## 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**

<b>MOD RESOURCES LIMITED</b>
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**ABN**

78 003 103 544
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**Quarter ended ("current quarter")**

31 March 2019
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<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation <sup>1</sup>	(1,659)	(1,659)
(b) feasibility studies	(1,660)	(1,660)
(c) development	-	-
(d) production	-	-
(e) staff costs <sup>2</sup>	(922)	(922)
(f) administration and corporate costs	(835)	(835)
1.3 Dividends received	-	-
1.4 Interest received	14	14
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other – MTR transaction, London Stock Exchange listing and Advisory fees <sup>3</sup>	(210)	(210)
<b>1.9 Net cash used in operating activities</b>	<b>(5,272)</b>	<b>(5,272)</b>

**Notes**

<sup>1</sup>Based on 100% of Exploration and Evaluation payments and therefore includes Metal Tiger (MTR) 30% contribution on JV licences (refer section 3.9).

<sup>2</sup>Payments include short term incentive awards for the 2018 year.

<sup>3</sup>Payments in relation to the completion of the MTR Transaction, the dual listing on the London Stock Exchange and other advisory fees.

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(155)	(155)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
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)	-	-
<b>2.6</b>	<b>Net cash used in investing activities</b>	<b>(155)</b>	<b>(155)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	15,125	15,125
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes, options or performance rights	(1,078)	(1,078)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	MTR contributions to Joint Venture	233	233
<b>3.10</b>	<b>Net cash from financing activities</b>	<b>14,280</b>	<b>14,280</b>

<b>4.</b>	<b>Net increase/(decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,038	5,038
4.2	Net cash used in operating activities (item 1.9 above)	(5,272)	(5,272)
4.3	Net cash used in investing activities (item 2.6 above)	(155)	(155)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from financing activities (item 3.10 above)	14,280	14,280
4.5	Effect of movement in exchange rates on cash held	(71)	(71)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>13,820</b>	<b>13,820</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	2,820	3,038
5.2	Call deposits	11,000	2,000
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>13,820</b>	<b>5,038</b>

**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

<b>Current quarter \$A'000</b>
540
-

Included in 6.1 are payments for director fees, company secretarial fees and short term incentive payments 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

<b>Current quarter \$A'000</b>
245
-

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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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
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.		

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation <sup>1</sup>	2,000
9.2 Studies <sup>2</sup>	500
9.3 T3 Project capital cost and other capital cost <sup>3</sup>	2,200
9.4 Staff costs	500
9.5 Administration and corporate costs	600
9.6 Other (provide details if material) <sup>4</sup>	800
Other (provide details if material) <sup>5</sup>	(250)
<b>9.7 Total estimated cash outflow</b>	<b>6,350</b>

**Notes:**

1. Predominantly consisting infill drilling on the T3 Copper Project, T3 Underground Project, T4-T23 area and A4 Dome.
2. Costs associated with the T3 Feasibility Study and further study work on the T3 Underground Project.
3. Predominantly consisting the payment to complete the purchase the farm on which the T3 Copper Project is located, subject to MOD taking a decision to develop the T3 Copper Project.
4. Success fees in relation to the MTR Transaction and fees for advisors and independent technical experts on the strategic investor and debt process for the T3 Copper Project.
5. Reflects the MTR JV contributions.

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
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  
26 April 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.