

## 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")

30 June 2019
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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation <sup>1</sup>	(2,438)	(4,096)
(b) feasibility studies	(395)	(2,055)
(c) development	-	-
(d) production	-	-
(e) staff costs	(504)	(1,427)
(f) administration and corporate costs	(744)	(1,580)
1.3 Dividends received	-	-
1.4 Interest received	78	93
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>2</sup>	(569)	(779)
<b>1.9 Net cash used in operating activities</b>	<b>(4,572)</b>	<b>(9,844)</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>Current quarter includes 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.

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Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment <sup>3</sup>	(806)	(961)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	44	44
(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 Net cash used in investing activities</b>	<b>(762)</b>	<b>(917)</b>

**Notes**

<sup>3</sup>Includes instalment payment for the purchase of the farm on which the T3 Copper Project is located. This is lower than the forecasted cash outflow in the 31 March 2019 quarterly cash flow report as MOD has not yet taken a decision to develop the T3 Project.

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	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	(140)	(1,218)
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	42	275
<b>3.10 Net cash from financing activities</b>	<b>(98)</b>	<b>14,182</b>

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</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	13,820	5,038
4.2	Net cash used in operating activities (item 1.9 above)	(4,572)	(9,844)
4.3	Net cash used in investing activities (item 2.6 above)	(762)	(917)
4.4	Net cash from financing activities (item 3.10 above)	(98)	14,182
4.5	Effect of movement in exchange rates on cash held	(90)	(161)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>8,298</b>	<b>8,298</b>

<b>5. Reconciliation of cash and cash equivalents</b>		<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts			
5.1	Bank balances	3,798	2,820
5.2	Call deposits	4,500	11,000
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>8,298</b>	<b>13,820</b>

<b>6. Payments to directors of the entity and their associates</b>		<b>Current quarter \$A'000</b>
6.1	Aggregate amount of payments to these parties included in item 1.2	332
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	

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

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<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	50
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	

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

<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	1,400
9.2 Studies <sup>1</sup>	150
9.3 T3 Project capital cost and other capital cost <sup>2</sup>	750
9.4 Staff costs <sup>3</sup>	900
9.5 Administration and corporate costs	600
9.6 Other (provide details if material) <sup>4</sup>	670
Other (provide details if material) <sup>5</sup>	(120)
<b>9.7 Total estimated cash outflow</b>	<b>4,350</b>

**Notes:**

1. Finalisation of costs associated with the T3 Feasibility Study and supplementary studies.
2. Predominantly consisting of a further payment for the purchase the farm on which the T3 Copper Project is located, subject to MOD taking a decision to develop the T3 Copper Project.
3. Includes short term incentive payments for the half year to 30 June 2019.
4. Transaction costs in relation to the Scheme of Arrangement between Sandfire Resources NL and MOD Resources Limited.
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	PL334/2018 PL335/2018 PL336/2018 PL065/2018		100% 100% 100% 100%	100% 100% 100% 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  
30 July 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.