

# Mod takes control in Botswana

**M**od Resources Ltd has cleared the path towards funding for its T3 copper project in Botswana after striking a deal with JV partner Metal Tiger plc to take on 100% of the project.

Mod and Metal Tiger hold the project – in the Ghanzi district of northern Botswana – in a 70/30 JV but an agreement reached in July will see ASX-listed Mod take over its AIM-listed partner's share in exchange for 17.2 million shares and 40.6 million options, valuing the deal at \$26.6 million. The options are at a zero exercise price and can be converted into Mod ordinary shares within three years, provided their conversion does not take Metal Tiger's holding in Mod above the current 12.5% mark.

Metal Tiger will continue to fund its 30% share of the JV's 4,000sq km of tenements outside T3 with Mod having the right to purchase them.

Mod managing director Julian Hanna said the agreement had the potential to add "significant value" for shareholders by consolidating ownership of the project.

"[It]... should underpin the future of this company for many years," Hanna said. "This transaction also lays the foundation for the financing and development of the T3 project and positions Mod as a dominant player in the Botswana copper belt."

The likelihood of Mod pushing ahead with an expanded vision for T3 has also increased after resource drilling delivered a 44% increase to total copper tonnes.

Total resources at T3 – part of the company's wider Kalahari copper project in northern Botswana – now stand at 60mt @ 0.98% copper and 14 g/t silver for 590,000t copper and 27 moz silver with 70% of contained copper and 61%



Julian Hanna

of total tonnes now in the indicated category.

The updated resource will be plugged into the company's feasibility studies as it looks to improve the numbers generated in a PFS released in January. The company is now reviewing how the expanded resource could impact the economics of a project already slated to produce 23,000 tpa copper over a 12-year mine life. The expansion case as laid out in the PFS suggested an increase to 28,000 tpa copper was possible.

"As a minimum, this upgrade would appear to support the compelling expansion case pit model announced in the PFS," Hanna said. "We... believe there is potential that production and mine life could be extended beyond the expansion case."

The increased resource has also en-

couraged Mod to plough ahead with regional exploration.

Transported cover has long been an obstacle to further discoveries being made on the Kalahari copper belt. However, T3's discovery via airborne EM has given the region a new focus and Mod has recently begun its quest of repeating the discovery.

In June, it announced drilling on the new A4 Dome target had intersected "multiple traces of visible, vein-hosted copper mineralisation" in the first two holes of a regional exploration programme.

"Drill hole **MO-A4-001D** has intersected the conductive marker unit exactly as predicted by the EM modelling and has also confirmed the presence of copper sulphides in veins within the underlying sediments, similar to T3," Hanna said. "Now we can start drilling specific structures within these large domes where veining may be better developed and more strongly mineralised."

"Because the buried domes defined by EM appear to be intact and are not eroded at surface, any mineralisation that was deposited within these domes should still be there."

In July, the second hole at A4 was reported to contain "potentially significant visible copper mineralisation" in veins within a zone extending up to 67m down-hole some 1.8km west of the first hole.

"Our geologists are excited that **MO-A4-003D** has intersected a mineralised stock work vein system, within what appears to be a large, intact dome," Hanna said. "This opens up the possibility that any copper that was deposited in the A4 Dome is still there."

– Dominic Piper