



19 March 2015

ASX RELEASE

KalNorth to resume 100% ownership of the Spargoville Project

KalNorth Gold Mines Limited (ASX: KGM – “KGM” or the “Company”) advises that it has received a notice from Mithril Resources Ltd (ASX: MTH – “Mithril”) withdrawing from the Mining Farm-In and Joint Venture Agreement (“Agreement”) relating to the Spargoville Project (“Spargoville”) in the Goldfields region, Western Australia.

The farm-in and joint venture commenced in December 2012 and by March 2014, Mithril had earned a 20% interest in Spargoville. Mithril has continued to sole fund exploration in order to earn a further 60% interest by May 2017.

In issuing its withdrawal notice, Mithril has agreed to hand back its existing 20% interest in Spargoville for nil consideration. Consequently, KGM will resume 100% ownership of Spargoville in May 2015 when Mithril’s notice period is completed.

The Company notes that Mithril’s exploration focus since the commencement of the farm-in was primarily for nickel, however Mithril also identified near surface gold mineralisation at Logan’s Find. The Company looks forward to resuming exploration at Spargoville, and the gold and nickel targets identified by Mithril..

Lijun Yang
Executive Director