Copper mineralisation increasing with depth at Stark

- **Follow-up drill hole NRC14008 at Stark Central EM Conductor intersects:**
  - **25 metres of disseminated sulphides followed by a further 4 metres of semi-massive and massive sulphides**
- **Intersection lies approximately 40 metres down dip of previous drill hole NRC14003:**
  - **7 metres of disseminated sulphides followed by a further 2 metres of semi-massive sulphides**
- **Both intersections lie at the top of a 500m long modelled EM plate with the rest of the conductor yet to be drill tested**
- **Downhole EM planned to start this week and analytical results expected early in the New Year**

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that a follow-up drill hole (NRC14008) completed at the Stark copper nickel prospect (Central EM conductor – *Figures 1 and 2*), has demonstrated that the width and abundance of copper mineralisation is increasing with depth.

NRC14008 intersected 14 metres* of weakly disseminated sulphides (from 169m downhole) followed by 11 metres* of strongly disseminated sulphides and a further **4 metres* of semi-massive and massive sulphides** (pyrrhotite - chalcopyrite) within a gabbro adjacent to a contact with a Banded Iron Formation (BIF) and metasediments (*Figures 3 and 4*).

The NRC14008 intercept lies approximately 40 metres down dip of drill hole NRC14003 completed by Mithril last week, which intersected 7 metres* of strongly disseminated sulphides (from 145m) followed by a further 2 metres* of semi-massive sulphides (pyrrhotite - chalcopyrite - pyrite) at the equivalent stratigraphic position (*see ASX Announcement dated 11 December 2014*).

Portable NITON XRF readings also indicate **anomalous nickel values in both drill holes**, suggesting the presence of nickel sulphides.

Significantly the sulphides in both holes were intersected at the **top of a 500m long modelled EM plate** with NRC14003 and NRC14008 being the only holes drilled into the target to date (*Figure 5*).

Both holes have been cased for downhole EM surveying (which is planned to commence this week) and samples have been dispatched to the laboratory for analysis with results expected early in the New Year.

The holes were drilled as part of a 1,700 metre drill program which tested **four priority copper-nickel targets** including the **Stark copper-nickel prospect** and the interpreted northern extension to the **Nanadie Well Copper Deposit** (151,506 tonnes copper metal – *see JORC note below*).

Stark and the Nanadie Well Deposit lies within the Nanadie Well Project located 80 kilometres south east of Meekatharra, WA (*Figure 1*) on tenements subject to a Farmin and Joint Venture Agreement with Intermin Resources Limited (**ASX: IRC**).

Under the terms of the joint venture, Mithril can earn up to a 75% interest in the project tenements by completing expenditure of $4M over 6 years with a minimum expenditure of $250,000 required by 14 April 2015 and before any withdrawal (*ASX Announcement dated 6 December* 2013).

***All intercept widths are quoted as downhole widths – true widths are unknown at this stage.**

Chalcopyrite is a copper ore forming sulphide mineral. Pyrrhotite and pyrite are iron sulphide minerals.

A 2004 JORC Code Compliant Inferred Resource of 36.07Mt @ 0.42% copper (151,506 tonnes copper / 74,233 ounces gold) was estimated for the Nanadie Well Copper Deposit by Intermin in September 2013. Refer to Intermin Resources' ASX Announcement "Initial Resource Estimate for the Nanadie Well Cu-Au Project" dated 19 September 2013.The information pertaining to the Nanadie Well Copper Deposit Inferred Resource was prepared and first disclosed by Intermin Resources under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

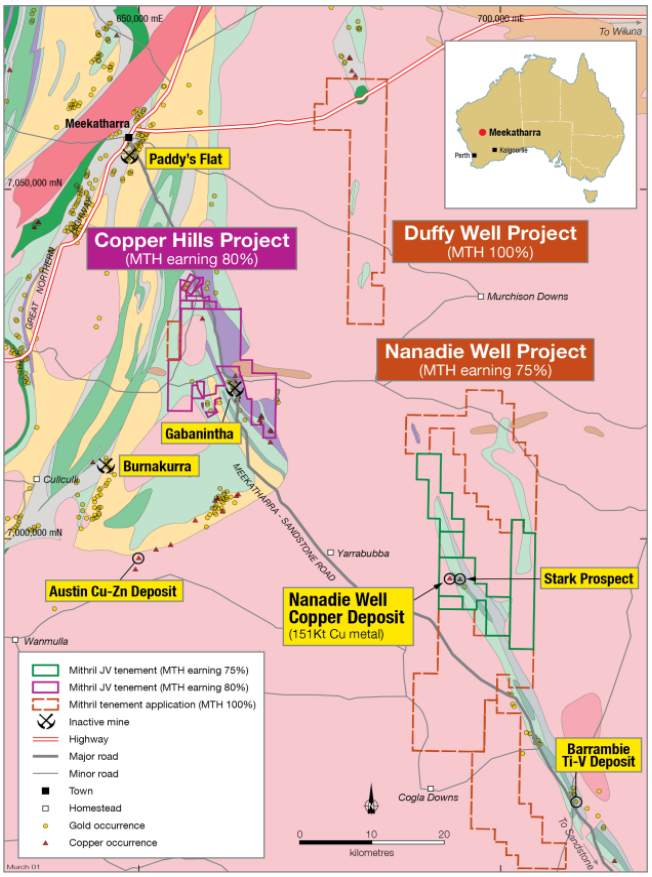

Figure 1: Stark Prospect / Nanadie Well Location Plan

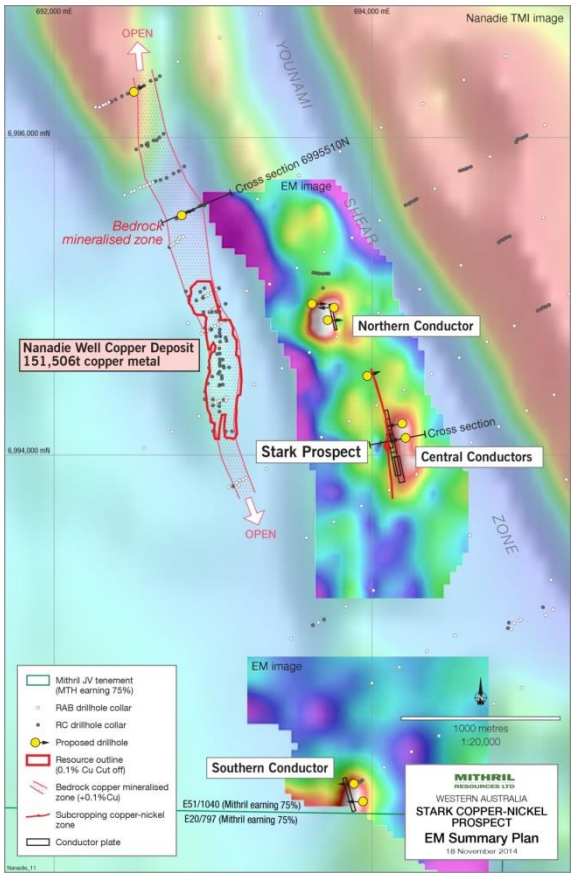

Figure 2: Drillhole locations - Stark prospect area

Figure 3: Sieved RC drill sample from NRC14008 – 197 to 198 metres showing abundant chalcopyrite (yellow)

Table 1: Drilling Details

Prospect	Hole Id	Easting	Northing	Dip°	Azi°	EOH Depth	Comments
Central EM Conductor	NRC14001	693,968	6,994,518	-60	70	89	Assays Awaited
Central EM Conductor	NRC14002	694,191	6,994,198	-60	260	304	Assays Awaited
Central EM Conductor	NRC14003	694,190	6,994,111	-60	260	186	Assays Awaited
Southern EM Conductor	NRC14004	693,883	6,991,931	-55	270	124	Assays Awaited
Northern EM Conductor	NRC14005	693,620	6,994,956	-60	90	226	Assays Awaited
Northern EM Conductor	NRC14006	693,721	6,994,835	-60	90	139	Assays Awaited
Northern EM Conductor	NRC14007	693,762	6,994,936	-60	270	99	Assays Awaited
Central EM Conductor	NRC14008	694,214	6,994,120	-55	260	219	Assays Awaited

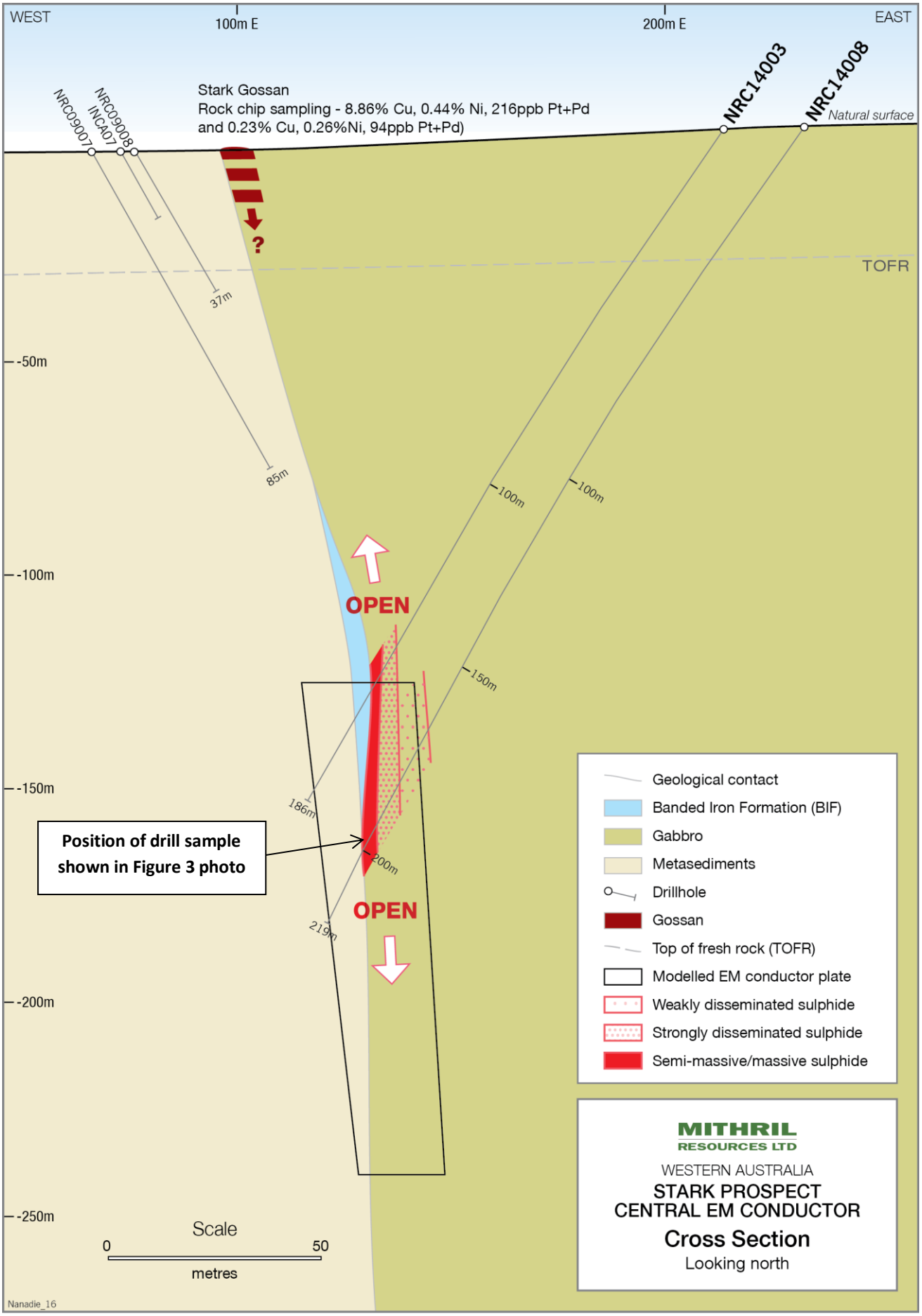

Figure 4: Stark Central EM Conductor cross-section showing NRC14003, NRC14008 and historic drilling

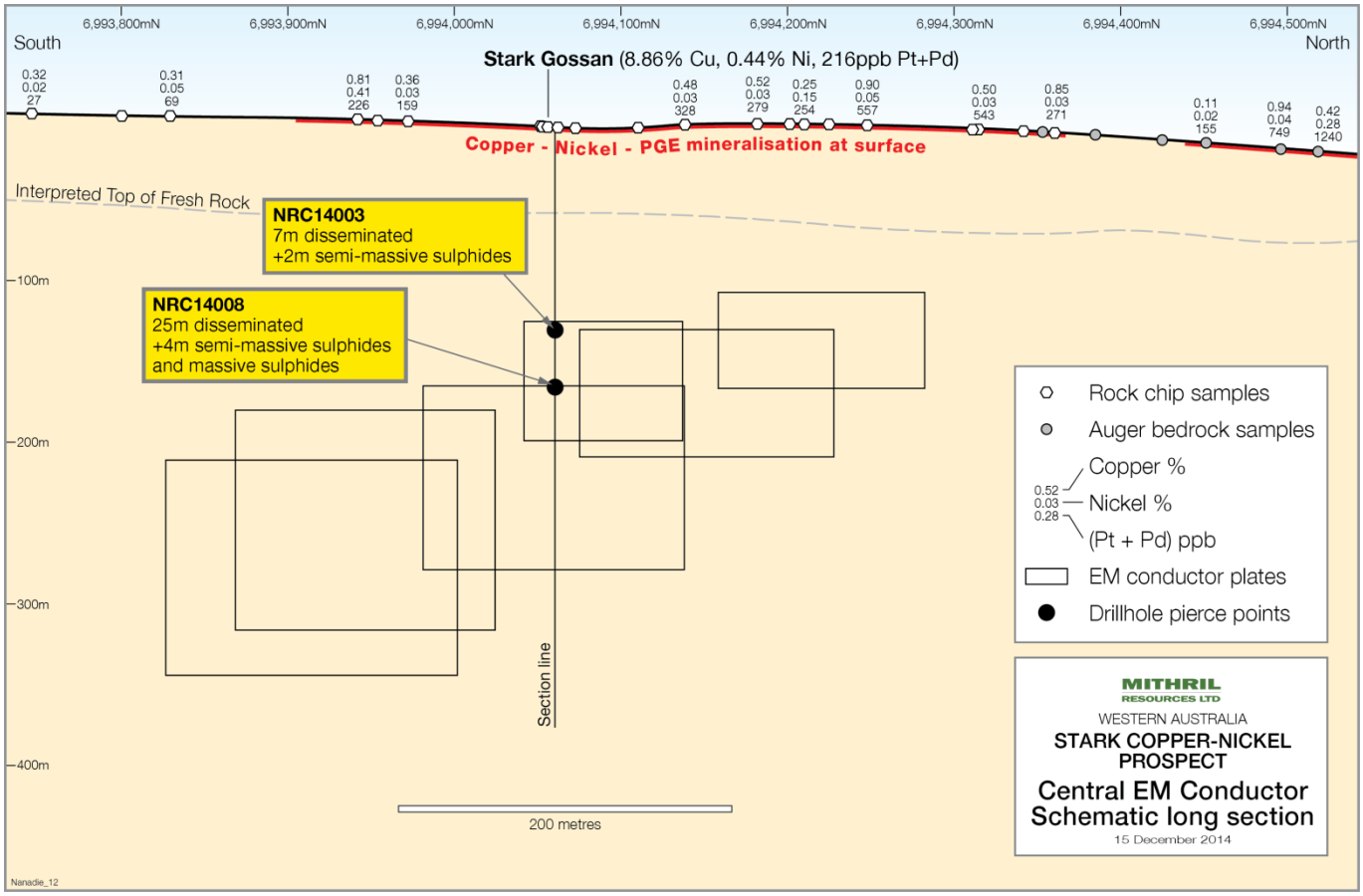

Figure 5: Stark Central EM Conductor long section showing EM Conductor plates and drillholes

JORC Code, 2012 Edition - TABLE 1
Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.*	Reverse Circulation (RC) drilling was completed at the Stark copper - nickel prospect. Samples were either collected as 1m splits directly from the rig cyclone, or as composites (up to 6m) from the drill spoils laid out on the ground. Sample sizes were ~2-3kg.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Each drill hole location (easting and northing) was collected by a handheld GPS. Detailed logging of Collar, Drilling, Survey, Lithology, Sample, and Magnetic Susceptibility information was completed for every metre, or as necessary, for each drill hole. All logging and sampling protocols remained constant throughout the program.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	RC chip samples were collected from either the cyclone as a representative 1m split or from the drill spoils as a 2-6m composite. Around 2 – 3kg samples were collected for geochemical analysis by ALS Laboratories in Perth, WA. No analytical results have been reported in this Announcement.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond*	A KWL350 Reverse Circulation (RC) rig was used to complete the program. Drill bit size was 146mm.

Criteria	JORC Code explanation	Commentary
	tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	No recordings of recoveries were undertaken.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No measures taken to maximise sample recovery.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	No relationship has been identified.
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Detailed logging of Collar, Drilling, Survey, Lithology, Sample, and Magnetic Susceptibility information was completed in each hole. Lithology and Magnetic Susceptibility was logged for every metre intervals, and Surveys collected every 30 – 50m down hole.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	Logging of rock chip samples is of a qualitative nature. RC chip samples were logged for lithology, colour, texture, weathering, minerals, alteration, and sulphide percentage and type, with comments included as necessary. Photos of the chip trays (include 5m/per photo) are taken for the entire hole. Logging is qualitative in nature.
	The total length and percentage of the relevant intersections logged.	Every hole was logged (Lithology and magnetic susceptibility) for every metre (entire length of hole).
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Drilling was by RC only – no core.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Samples were collected either as a 1m split directly from the rig cyclone or as a composite sample (2-6m) from the drill spoils (scoop used) laid out on the ground. Majority of samples were dry, with only a few wet samples. Wet samples were not listed as wet.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of the RC samples follows industry best practice, involving oven drying (110°C) where necessary, crushing and pulverising (~90% less than 75µm).
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Along with RC chip samples taken at the rig, standards and blanks were inserted (around every 50 samples) and were included in the laboratory analysis process. Standards were Certified Reference Material (from Geostats Pty Ltd) of varying grades of Cu and Ni, and blanks were coarse sand.
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.	1 to 2 duplicate samples will be taken from mineralised intervals within each upon completion of the drill program.
	Whether sample sizes are appropriate to the grain size of the material being sampled	Sample sizes are considered appropriate for the exploration method and produce results to indicate degree and extent of mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Fire Assay and a four acid digest are considered near total digest and are appropriate for the type of exploration undertaken.
	For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	A handheld XRF instrument (NITON) was used in the field to assist with identifying anomalous base metal zones. Magnetic susceptibility readings were also taken of each sample.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	The laboratory will complete repeats analysis on samples returning >10000 ppm Ni, >5% S, and >20% Mg. Routine (around 1 in 30) repeats and regular blanks and standards analysed throughout. From results achieved it is determined an acceptable level of accuracy and precision has been established.
Verification of sampling and	*The verification of significant intersections by either independent or alternative company personnel.*	While no analytical results have been provided in this Announcement, the geological results included within were verified by the Company's Geology Manager and Managing Director.

Criteria	JORC Code explanation	Commentary
assaying	*The use of twinned holes.*	No twin holes were drilled
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Collar locations were predetermined in the office and modified in the field as necessary (dependent on access etc.). All data collection (lithology logging, sampling, etc.) was completed at each drill hole location as hole was being drilled. Data initially written on paper log sheets. A complete data set (excel spreadsheet) will be created by Mithril on completion of the program, based on all information collected. Following verification, all data will be included in an Access Database.
	Discuss any adjustment to assay data	No analytical data has been provided in this Announcement.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Each drill hole location (easting and northing) was collected by a handheld GPS. Down hole surveys were recorded using an electronic surveying tool which is supported by quality checks that quantify anomalies allowing drillers to record survey data accurately without errors.
	Specification of the grid system used.	Data points have been quoted in this Report using the MGA Zone 50 (GDA94) coordinate system.
	Quality and adequacy of topographic control.	Level of topographic control offered by the handheld GPS was considered sufficient for the work undertaken.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	There was no pre-determined grid space for the program, drill holes based on specific targeting.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing and distribution is not sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s).
	Whether sample compositing has been applied.	Sample compositing was employed throughout the drillholes – typically over 2 to 6 metre intervals depending on the geology.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	RC chip samples are unable to be orientated and do not provide structural information.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	No orientation based sampling bias has been identified.
Sample security	*The measures taken to ensure sample security.*	All drill samples were collected by company personnel and stored in a secure location until completion of the program. Samples were taken to the ALS Laboratory in Perth.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	All results were reviewed by Company personnel including the Geology Manager and Managing Director. No negative issues were identified from these reviews.

JORC Code, 2012 Edition - TABLE 1
Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The work described in this Report was undertaken on Exploration Licence 51/1040 which is owned by Intermin Resources and in which, Mithril has the right to earn up to a 75% interest by completing $4M expenditure over 6 years (*See ASX Announcement dated 6 December 2013*).
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	There are no existing impediments to the tenements.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Intermin estimated a 2004 JORC Code Compliant Inferred Resource for the Nanadie Well Copper Deposit of 36.07Mt @ 0.42% Cu in September 2013. This work followed the completion of various previous RAB,

Criteria	JORC Code explanation	Commentary
		RC and geophysical surveys throughout the area by Intermin and previous exploration companies.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Nanadie Well Copper Deposit and Stark prospect is interpreted to be an Archaean – age, mafic-hosted magmatic copper-nickel deposit. Disseminated copper (+/- lead, zinc, nickel) sulphide mineralisation occurs within a package of structurally deformed mafic lithologies.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* *easting and northing of the drill hole collar, elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar, dip and azimuth of the hole, down hole length and interception depth, hole length.*	A summary of the RC drilling referred to in this Announcement is presented in Table 1 of the Report. Also see Figures 3 to 5.
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	No information has been excluded
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	No exploration analytical results have been given in this Announcement.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Not applicable see previous response.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	Widths of mineralisation have not been postulated
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	The geometry of the mineralisation is not known.
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	The Exploration Results in this Announcement are reported as down hole widths only and true width not known.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See Figures 4 - 5 of this Report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	No exploration analytical results have been given in this Announcement.
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	All relevant data has been included within this Report
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Further RC drilling and downhole EM surveying is planned as a further test of the Stark copper – nickel mineralised zone outlined in this Announcement.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Figure 2 displays areas of interest within the Nanadie Well area

ENDS

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Competent Persons Statement:

The information in this report that relates to Mineral Resources is based on information compiled by Mr David O'Farrell who is a full-time employee of Intermin Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr O'Farrell has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves".

Mr O'Farrell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr David Hutton, who is a Competent Person, and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Hutton is Managing Director and a full-time employee of Mithril Resources Ltd.

Mr Hutton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Mithril Resources Ltd:

Mithril Resources Ltd is an Australian exploration company focused on the discovery and development of base metal deposits primarily copper. Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground.