

New Stark copper-nickel-PGE targets prioritised for EM geophysics

- 5 new targets adjacent to, and along strike from Stark prioritised for follow-up ground EM surveying – scheduled to commence late July
- Targets include areas of outcropping copper mineralisation with latest rockchip sampling returning up to 12.85% copper and 6.97g/t gold
- No previous ground EM on any of the targets and no previous drilling on 4 of the 5 targets

Mithril Resources Ltd (ASX: MTH) is pleased to advise that 5 new targets adjacent to, and along strike from the **Stark copper-nickel-PGE prospect** (located 80 kilometres south east of Meekatharra, WA – Figure 1) have been prioritised for follow-up ground electromagnetic (MLTEM) surveying which is scheduled to commence in late July.

The targets have been generated from the interpretation of aeromagnetic data, geological mapping and prospecting and are considered prospective for the discovery of magmatic copper-nickel-PGE mineralisation.

Targets have been prioritised based on their similarities with Stark being the presence of magmatic sulphides, mafic and/or ultramafic rocktypes and the presence of a discrete magnetic anomaly.

The targets have not been covered by previous ground electromagnetic (EM) surveying and with the exception of one target, have no previous drill testing.

Strongly anomalous results were returned from rock chip sampling of outcropping copper mineralisation at two of the targets including; **12.85% copper, 6.97g/t gold; 7.91% copper, 2.95g/t gold** (Target D); and **0.55% copper, 0.04g/t gold** (Target A).

The new targets are in addition to a series of bedrock EM conductors that have already been identified along strike from and beneath semi-massive and massive sulphide mineralisation at Stark (ASX Announcements dated 1 June 2015).

Each of the new targets are detailed on the following pages and their locations are shown on Figure 2.

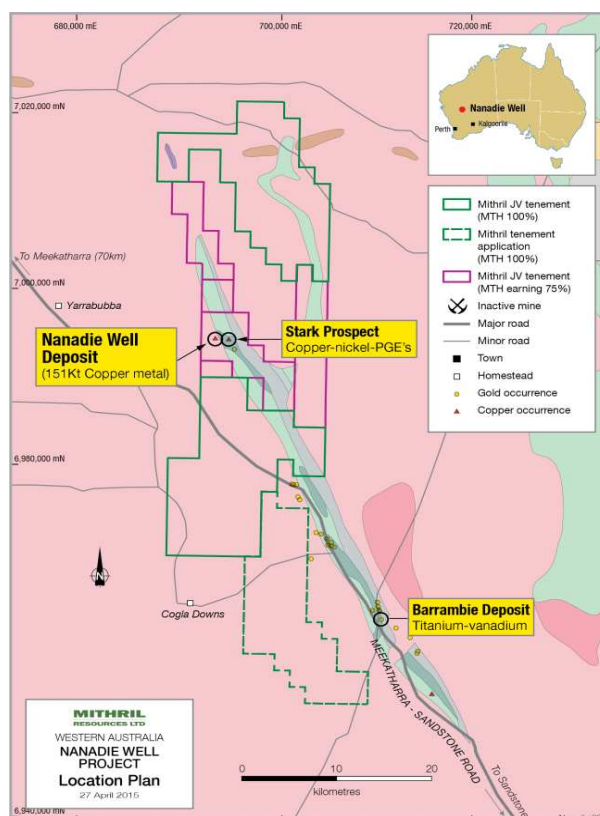


Figure 1: Location Plan - Nanadie Well Project

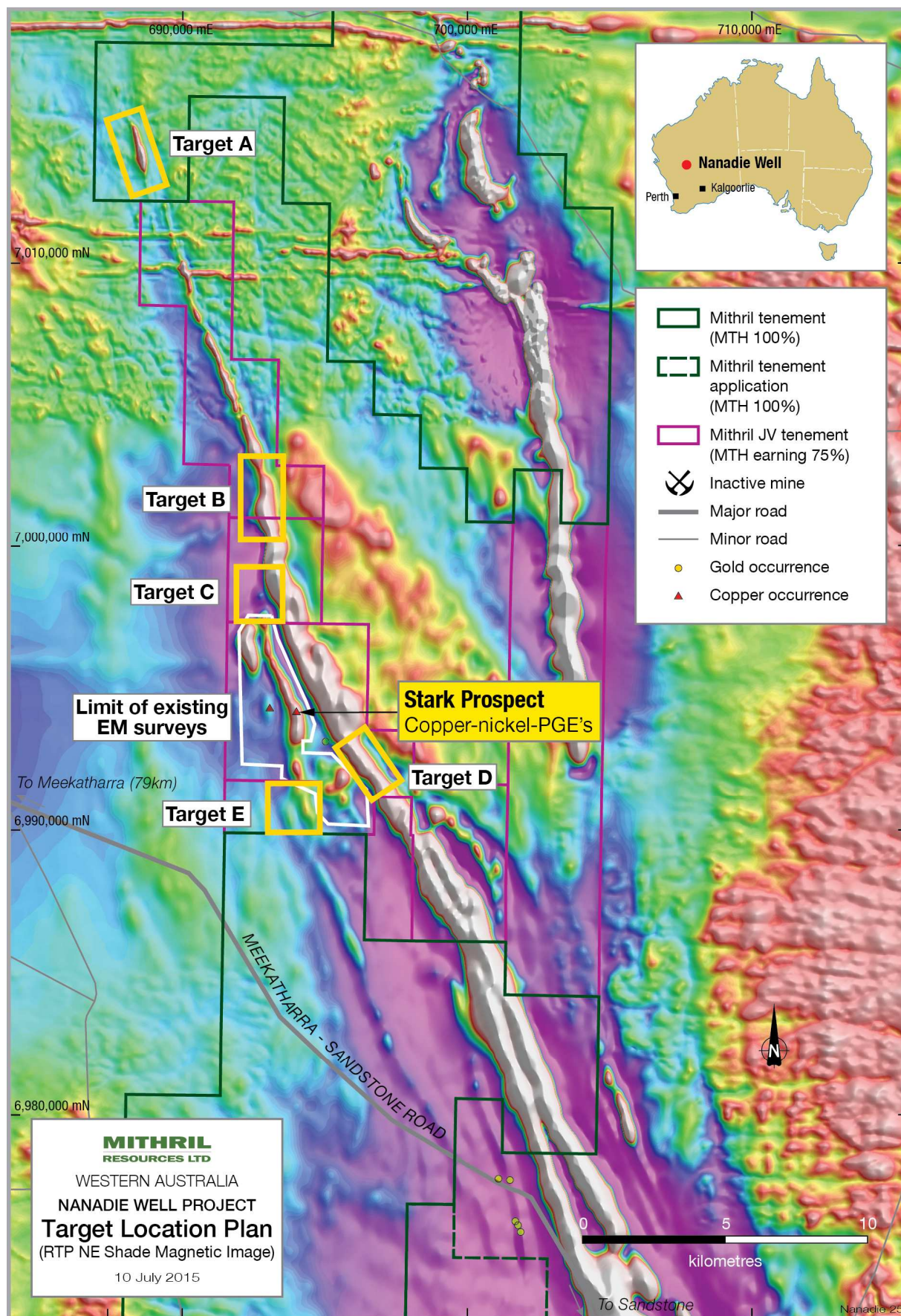


Figure 2: Regional Target Location Plan showing regional targets referred to in this announcement, location of the Stark prospect and limit of existing EM surveys on background aeromagnetic (RTP NE Shade) image

Description of Target Details

Target A is an area of outcropping ultramafic and mafic rocks approximately 20 kilometres NNW of Stark. The rocks are favourable for hosting nickel - copper sulphide mineralisation and are interpreted to be equivalent to the host rocks at Stark. The target's prospectivity is strengthened by the presence of blebby sulphides (*Figure 3*), rock chip sampling of which returned 0.55% copper, 0.04g/t gold (Sample NAN1506-19).

The target has not been previously drilled or tested with EM geophysics.

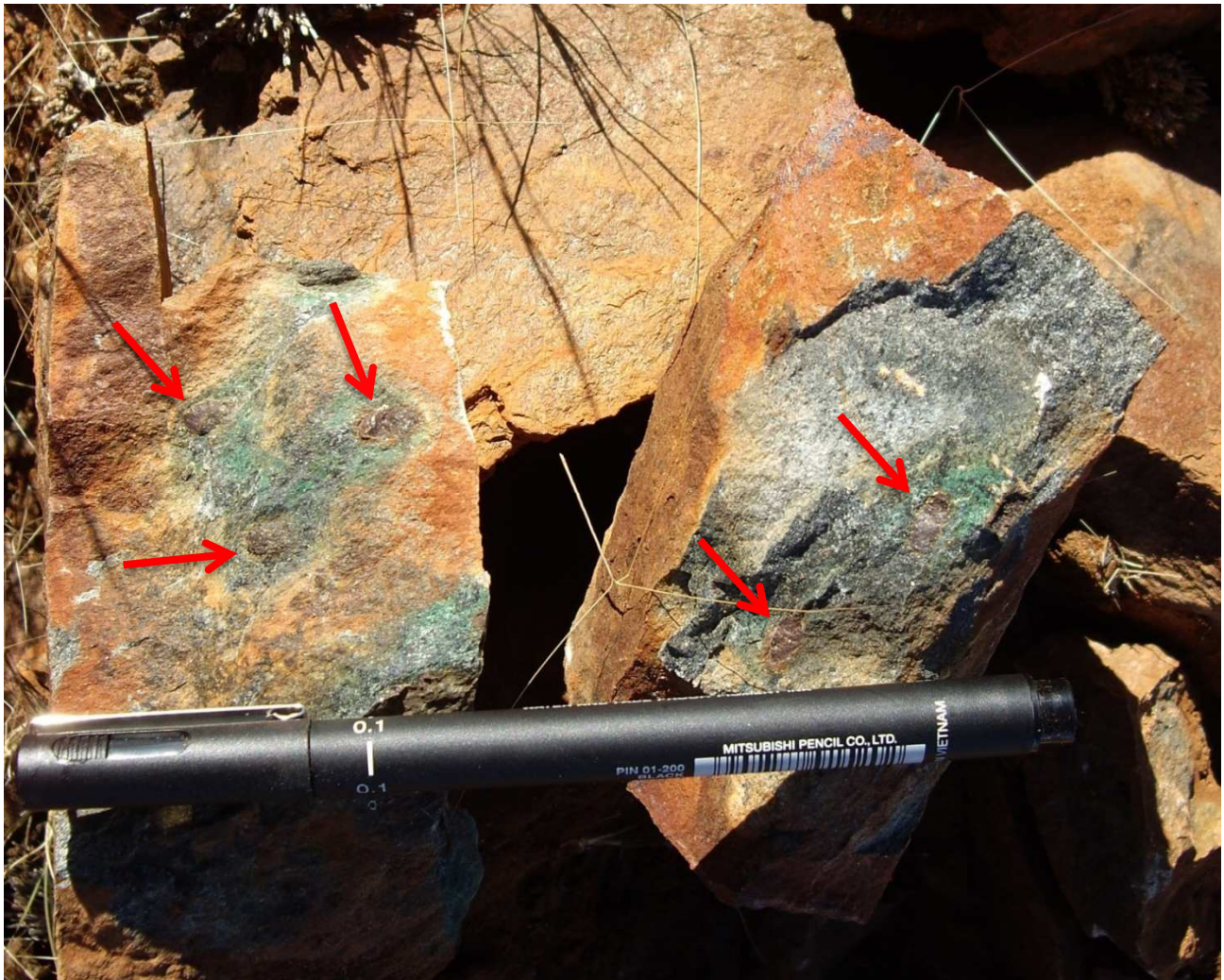


Figure 3: Weathered blebby sulphides (red arrows) and green malachite (copper) staining within mafic rocks

Target B is a discrete soil-covered 400 metre-long aeromagnetic anomaly that lies immediately west of outcropping ultramafic rocks approximately 10 kilometres NNW of Stark. The magnetic feature is interpreted to be equivalent to Stark and has not been previously drilled or tested with EM geophysics.

Similar to the previous target, **Target C** is a discrete soil-covered 200 metre-long aeromagnetic anomaly that lies approximately 4 kilometres NNW directly along strike from Stark and has not been previously drilled or tested with EM geophysics.

Target D is an area of narrow (~1 metre true width) copper-mineralised quartz veins that can be mapped for approximately 50 metres at surface within a series of shallow historic prospecting pits approximately 2 kilometres ESE of Stark. Rock chip sampling of the mineralisation and wall rock material returned:

- 12.85% copper, 6.97g/t gold (Sample NAN1506-04),
- 7.91% copper, 2.95g/t gold (Sample NAN1506-07),
- 1.96% copper, 0.51g/t gold (Sample NAN1506-03), and
- 0.66% copper, 2.07g/t gold (Sample NAN1506-05).

With the exception of 2 shallow holes (less than 15 metres vertical) underneath the workings the mineralisation has not been drilled.

120 metres west of the prospecting pits is a series of historic RC holes which have intersected mafic - hosted disseminated copper sulphides (pyrite – chalcopyrite) on two drill traverses 400 metres apart. Sampling by Mithril of selected drill spoils returned strong copper anomalism up to 0.23% copper, 0.26g/t gold (Sample NAN1506-08) which supports the presence of a copper mineralised system at the area.

Significantly, the entire target area has not been previously tested with EM geophysics.

Target E is a discrete soil-covered 400 metre-long aeromagnetic anomaly that lies 3 kilometres south along strike from Stark. The magnetic anomaly lies adjacent to a very strong bedrock EM conductor (the “Southern EM Conductor”) obtained by Mithril in 2014, initial drilling of which, intersected multiple zones of zinc anomalism (e.g. 2m @ 0.69% zinc from 76 metres, 3m @ 1.49% zinc from 83 metres) associated with disseminated and stringer sulphides (pyrite-chalcopyrite-sphalerite) at the modelled EM conductor depth. (*ASX Announcement dated 20 January 2015*).

The target has not been previously drilled or tested with EM geophysics.

Next Steps

Ground electromagnetic (MLTEM) surveying of each target is scheduled to commence in late July and the Company looks forward to informing the market once the program is underway.

Target A lies within a tenement that is **wholly owned by Mithril Resources** and is not part of the Nanadie Well Joint Venture.

Stark and targets B, C, D and E lie within 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 a 60% interest in the project tenements by completing expenditure of \$2M by 14 April 2018, and an additional 15% by completing further expenditure of \$2M over a further 2 years (*in total \$4M over 6 years for 75% - see ASX Announcement dated 6 December 2013*).

Table 1: Rock chip Sampling Information

Target	Sample_ID	Easting	Northing	Copper_%	Nickel_%	Gold_g/t
A	NAN1506-19	688,273	7,014,567	0.55	0.01	0.04
A	NAN1506-20	688,263	7,014,679	0.01	0.17	0.01
A	NAN1506-21	688,550	7,013,767	0.01	0.11	0.00
B	NAN1506-22	692,734	7,001,238	0.01	0.32	0.00
B	NAN1506-23	692,718	7,001,489	0.02	0.24	0.00
B	NAN1506-26	692,683	7,001,755	0.00	0.38	0.00
C	NAN1506-11	692,807	6,997,632	0.02	0.00	0.00
D	NAN1506-01	695,860	6,993,191	0.03	0.00	0.06
D	NAN1506-02	695,860	6,993,191	0.06	0.00	0.03
D	NAN1506-03	696,819	6,992,099	1.96	0.00	0.51
D	NAN1506-04	696,819	6,992,100	12.85	0.00	6.97
D	NAN1506-05	696,819	6,992,102	0.66	0.00	2.07
D	NAN1506-06	696,819	6,992,100	0.65	0.02	0.05
D	NAN1506-07	696,746	6,992,219	7.91	0.01	2.95
D	NAN1506-08	696,746	6,991,850	0.23	0.00	0.26
D	NAN1506-09	696,746	6,991,850	0.11	0.00	0.05
D	NAN1506-10	696,746	6,991,850	0.09	0.00	0.05
D	NAN1506-12	696,984	6,991,600	0.13	0.00	0.59
D	NAN1506-13	696,984	6,991,600	0.04	0.00	0.74
D	NAN1506-14	696,942	6,991,586	0.03	0.00	0.02
D	NAN1506-15	696,942	6,991,586	0.09	0.00	0.06
D	NAN1506-16	696,942	6,991,586	0.09	0.00	0.07
D	NAN1506-17	696,942	6,991,586	0.03	0.00	0.03
D	NAN1506-27	696,634	6,991,794	0.07	0.04	0.01
D	NAN1506-34	696,453	6,991,853	0.05	0.01	0.10
D	NAN1506-35	696,454	6,991,855	0.22	0.04	0.84
D	NAN1506-36	696,434	6,991,981	0.06	0.01	0.07
E	NAN1506-28	695,070	6,988,254	0.02	0.01	0.00
Regional	NAN1506-18	695,526	6,991,899	0.01	0.00	0.00
Regional	NAN1506-24	690,174	7,009,366	0.00	0.03	0.00
Regional	NAN1506-25	690,608	7,007,967	0.00	0.01	0.00
Regional	NAN1506-29	703,720	6,995,570	0.01	0.00	0.00
Regional	NAN1506-30	703,692	6,995,559	0.00	0.00	0.00
Regional	NAN1506-31	703,484	6,998,586	0.00	0.00	0.00
Regional	NAN1506-32	703,512	6,998,570	0.02	0.00	0.00
Regional	NAN1506-33	700,508	6,988,990	0.00	0.01	0.00
Regional	NAN1506-37	699,049	7,013,752	0.00	0.00	0.01
Regional	NAN1506-38	699,140	7,013,470	0.14	0.03	0.00
Regional	NAN1506-39	699,089	7,013,314	0.01	0.00	0.00
Regional	NAN1506-40	698,780	7,011,064	0.02	0.00	4.47
Regional	NAN1506-41	700,111	7,009,958	0.04	0.06	0.00

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	1 – 3kg rock chip samples of either outcrop, sub crop, drill spoils or float/lag material was collected at various locations based on prospective geology.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Each rock chip location (easting and northing) was collected by a handheld GPS. A brief sample description and additional comments as necessary were recorded at every sample location. All sampling protocols remained constant throughout the program.
	<i>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.</i>	1 – 3kg rock chip samples were collected from either outcrop or sub crop and placed inside calico sample bags for transport to ALS Laboratories in Kalgoorlie, WA for sample preparation. Subsequent geochemical analysis was conducted by ALS in Perth WA. In the laboratory, samples are crushed and pulverised to produce a representative 30g sub-sample for analysis using fire assay with ICP-AES finish for Au, Pt, and Pd (PGMICP23 – Lab Code) and Four Acid ICP-AES analysis for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, Ga, K, La, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sr, Th, Ti, Tl, U, V, W, and Zn (ME-ICP61 – Lab Code).
Drilling techniques	<i>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 tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	Not Applicable as no drilling was undertaken.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not Applicable as no drilling was undertaken.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not Applicable as no drilling was undertaken.
	<i>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.</i>	Not Applicable as no drilling was undertaken.
Logging	<i>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.</i>	Rock chip samples have been described geologically but not to a level of detail suitable for Mineral Resource estimation, mining and metallurgical studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	Logging of rock chip samples is of a qualitative nature. Samples are logged for lithology and sometimes logged for colour, texture, weathering, minerals and alteration. An overall sample description and general comment on location is also included.
	<i>The total length and percentage of the relevant intersections logged.</i>	Logging was restricted to describing individual rock sample collected for analysis.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not Applicable as no drilling was undertaken.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Rock chip samples were collected from outcrop, sub crop or float and all samples were dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation of the rock chip samples follows industry best practice, involving oven drying (110°C) where necessary, crushing and pulverising (~90% less than 75µm).
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Sub-sampling will only occur if the sample is >3kg. All samples submitted were <3kg so no sub sampling occurred.

Criteria	JORC Code explanation	Commentary
	<i>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.</i>	No field duplicates were taken. All samples collected were ~1 – 3kg, and entire sample pulverized.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Sample sizes are considered appropriate for the exploration method.
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Fire Assay method used is considered to be a total digest and is appropriate for analysing for Au, Pt & Pd. Four Acid digestion is a near total digestion and is a trace level detection analysis suitable for base metals.
	<i>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.</i>	Not applicable as no geophysical results are reported.
	<i>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.</i>	For Fire Assay Gold, each fire (usually 84 pots) contains one blank to monitor the purity of the reagents and a minimum of two certified reference materials and three replicates to monitor accuracy and precision of results from the individual fire. For Multi-element analysis, each rack (40 tubes) contains one blank to monitor the purity of the reagents. Each rack contains two duplicate samples and the results are reported in a QC report at the end of the analytical report. Each rack contains two digested standards to monitor the accuracy of the method. The laboratory also conducts monthly round robin programs for fire assay gold and base metal analysis. The laboratory expects to achieve a precision and accuracy of plus or minus 10% for duplicate analyses, in-house standards and client submitted standards, when conducting routine geochemical analyses for gold and base metals. These limits apply at, or greater than, fifty times the limit of detection.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant Results detailed in this Report have been verified by the Company's Geology Manager and Managing Director
	<i>The use of twinned holes.</i>	Not Applicable as no drilling was undertaken.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Handwritten data entry was used for documenting the rock chip sampling.
	<i>Discuss any adjustment to assay data</i>	None undertaken.
Location of data points	<i>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.</i>	Data points (rock chip sample locations and historic drill hole collars) were recorded using a handheld GPS with an expected accuracy of +/- 5m. For the nature of the program completed, this level of accuracy is considered to be suitable.
	<i>Specification of the grid system used.</i>	Data points have been quoted in this Report using the MGA Zone 50 (GDA94) coordinate system.
	<i>Quality and adequacy of topographic control.</i>	Level of topographic control offered by the handheld GPS was considered sufficient for the work undertaken.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	As detailed in Table 1 of this Report. The rock chip samples were randomly located based on where prospective rocks occurred as either outcrop or sub crop at the surface.
	<i>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.</i>	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).
	<i>Whether sample compositing has been applied.</i>	No composite sampling has been applied.
Orientation	<i>Whether the orientation of sampling achieves unbiased</i>	Locations of rock chip samples were based on prospective

Criteria	JORC Code explanation	Commentary
<i>of data in relation to geological structure</i>	<i>sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	geological features. Given the nature of the sampling it is not possible to say whether it achieved an unbiased sampling of possible structures
	<i>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.</i>	Not Applicable as no drilling was undertaken.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Not Applicable as no drilling was undertaken.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	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
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	The work described in this Report was undertaken on Exploration Licences 51/1040, 1351, 1270, 1285 and 20/797 which are 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) or Exploration Licences 51/1615 and 20/846 which are 100% owned by Mithril Resources Ltd.
	<i>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.</i>	There are no existing impediments to the tenements.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	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, RC and geophysical surveys throughout the area by Intermin and previous exploration companies. All previous drilling at the Stark Prospect has been undertaken by Mithril Resources.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	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.
<i>Drill hole Information</i>	<i>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.</i>	A summary of all rock chip sampling referred to in this Report is presented in Table 1 of the Report.
	<i>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.</i>	No information has been excluded.
<i>Data aggregation</i>	<i>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</i>	Rock chip results are presented without any weighting and / or cut-off grades applied.

Criteria	JORC Code explanation	Commentary
methods	Material and should be stated.	
	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').	Not applicable as only rock chip results have been included in this Report.
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 1 - 3 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.	All results are reported.
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).	MLTEM geophysical follow-up of regional targets.
	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 display areas of interest within the Stark Prospect and surrounding project area.

ENDS

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Competent Persons Statement:

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.