

# Quarterly Report

## For the Period Ending 30 June 2015

**MTH**

**MITHRIL**  
RESOURCES LTD

## Key Points

### Meekatharra Copper-Nickel-PGE's

- New undrilled EM conductors immediately along strike from, and beneath previously drilled massive sulphide-hosted copper-nickel-PGE mineralisation at the Stark Prospect.
- 5 new regional targets adjacent to, and along strike from Stark prioritised for follow-up ground EM surveying which is scheduled to commence by late July.
- The regional targets include areas of outcropping copper mineralisation with latest rock chip sampling returning up to 12.85% copper and 6.97g/t gold.
- No previous ground EM on any of the regional targets and no previous drilling on 4 of the 5 targets.

### West Kambalda Gold

- Unlisted exploration company - Corona Minerals Ltd to earn up to 85% of the Spargos Reward Project for \$100,000 cash, expenditure of \$150,000, and completion of a positive scoping study on a JORC Mineral Resource.
- Project includes the Spargos Reward Gold Deposit where Mithril has previously intersected high-grade gold mineralisation including;
  - 8m @ 10.30 g/t gold from 242 metres including 3m @ 25.73 g/t gold.
  - 10m @ 4.60 g/t gold from 256 metres including 3m @ 13.00 g/t gold.

### Exploration Outlook

- EM geophysical surveying of the 5 new regional targets adjacent to, and along strike from Stark will be the Company's primary focus for the September 2015 Quarter.

### Corporate and Cash

- Cash reserves of \$0.54M at 30 June 2015.

## Exploration Overview

Mithril Resources (“Mithril” or “the Company”) is exploring a portfolio of projects at **Meekatharra** and **West Kambalda** within Western Australia’s Eastern Goldfields (*Figure 1*). The Meekatharra project is prospective for the discovery of economic copper-nickel-PGE mineralisation and contains the new **Stark Prospect**.

West Kambalda is prospective for the discovery of economic gold mineralisation and contains the high-grade **Spargos Reward Deposit**.

During the June 2015 Quarter (the “Quarter”), Mithril identified further priority copper-nickel-PGE targets at, and along strike from **Stark** and found a new exploration partner for **Spargos Reward** and surrounding tenements.



Figure 1: Project Location Plan

## Corporate

During the Quarter, the Company spent \$0.19M on the exploration activities outlined in this report and at 30 June 2015, the Company had cash reserves of \$0.54M.

During the Quarter, the Company relocated its office to smaller premises which will result in a further lowering of the ongoing running costs.

## Meekatharra Copper-Nickel-PGE’s

### Nanadie Well Project (MTH earning up to 75%, and MTH 100%)

Interpretation and modelling of downhole (DHTEM) and ground (FLTEM) geophysical data acquired during the Quarter has confirmed multiple high priority drill targets at the **Stark copper-nickel-PGE prospect** which is located 80 kilometres south east of Meekatharra in Western Australia.

In addition 5 new targets adjacent to, and along strike from **Stark** have been prioritised for follow-up ground electromagnetic (MLTEM) surveying in late July 2015.

### Stark Drill Targets

As shown on *Figure 2*, a series of bedrock EM conductors have been identified along strike from and beneath previously drilled semi-massive and massive sulphide mineralisation at Stark including (*ASX Announcements dated 23 March 2015*):

- 16m @ 0.81%Cu, 0.09%Ni, 0.39g/t PGE’s from 183 metres in NRC14008 including **4m @ 1.91%Cu, 0.18%Ni, 0.96g/t PGE’s**,
- 16.37m @ 0.40% copper, 0.07% nickel, and 0.20g/t PGE’s from 213.43 metres in NDD15001 including **0.27m @ 0.41% copper, 1.62% nickel, and 1.60g/t PGE’s and 0.43m @ 2.19% copper, 0.12% nickel, and 0.77g/t PGE’s**,
- 0.6m @ 3.81% copper, 0.05% nickel, 1.05g/t PGE’s, and 19.1g/t silver from 246.35 metres in NDD15001, including; **0.15m @ 13.70% copper, 0.16% nickel, 3.94g/t PGE’s, and 73.7g/t silver**.

Of note is a large new EM conductor that is centred approximately 300 metres south and down plunge from the NRC14008 / NDD15001 intercepts quoted above.

The EM conductor is one of three new off hole conductors (with modelled conductances ranging from 500 to 3,000S) that have now been identified at Stark (*ASX Announcement dated 20 January 2015*).

With the exception of one hole, none of these modelled conductors have been drilled and clearly demonstrate the potential for extensions to the copper-nickel-PGE mineralisation drilled at Stark to date as well as previously unrecognised mineralised bodies.

Following its discovery by Mithril last year, only 8 holes (over 1 kilometre strike length) have been drilled at Stark with each hole intersecting copper-nickel-PGE mineralisation.

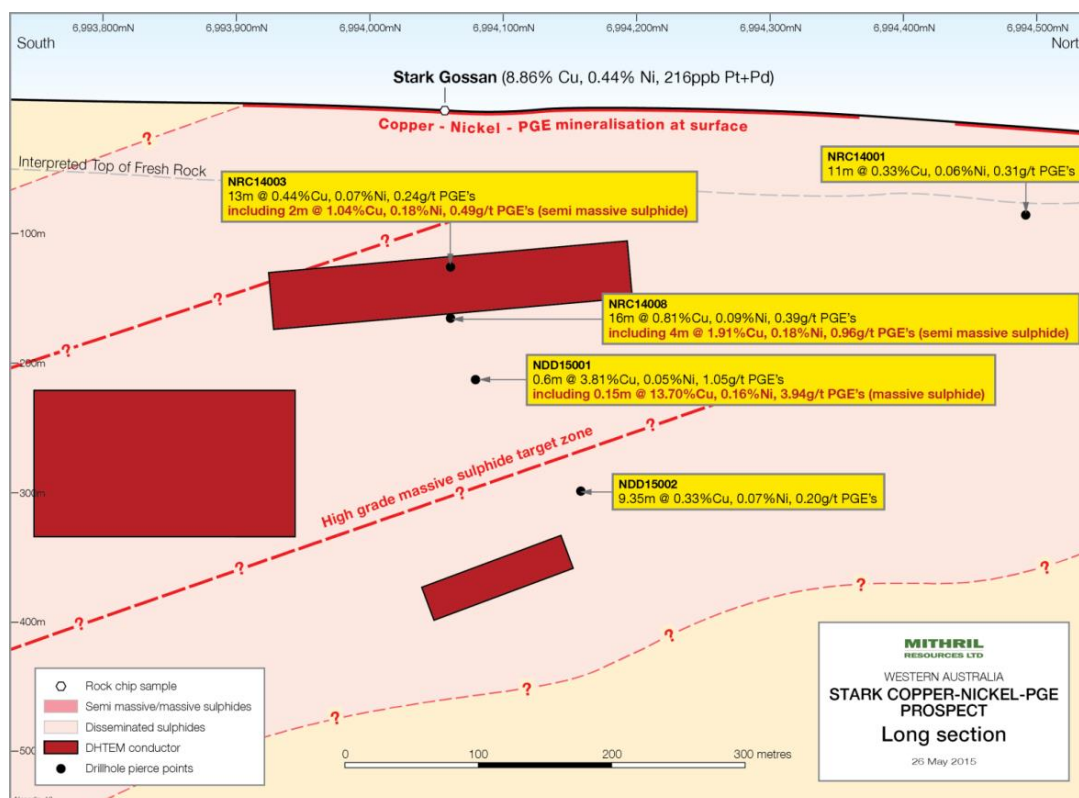


Figure 2: Stark long section (looking west) showing mineralisation, drill hole pierce points, and DHTEM conductors

## Regional Targets

The regional targets (*Figure 3*) 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.

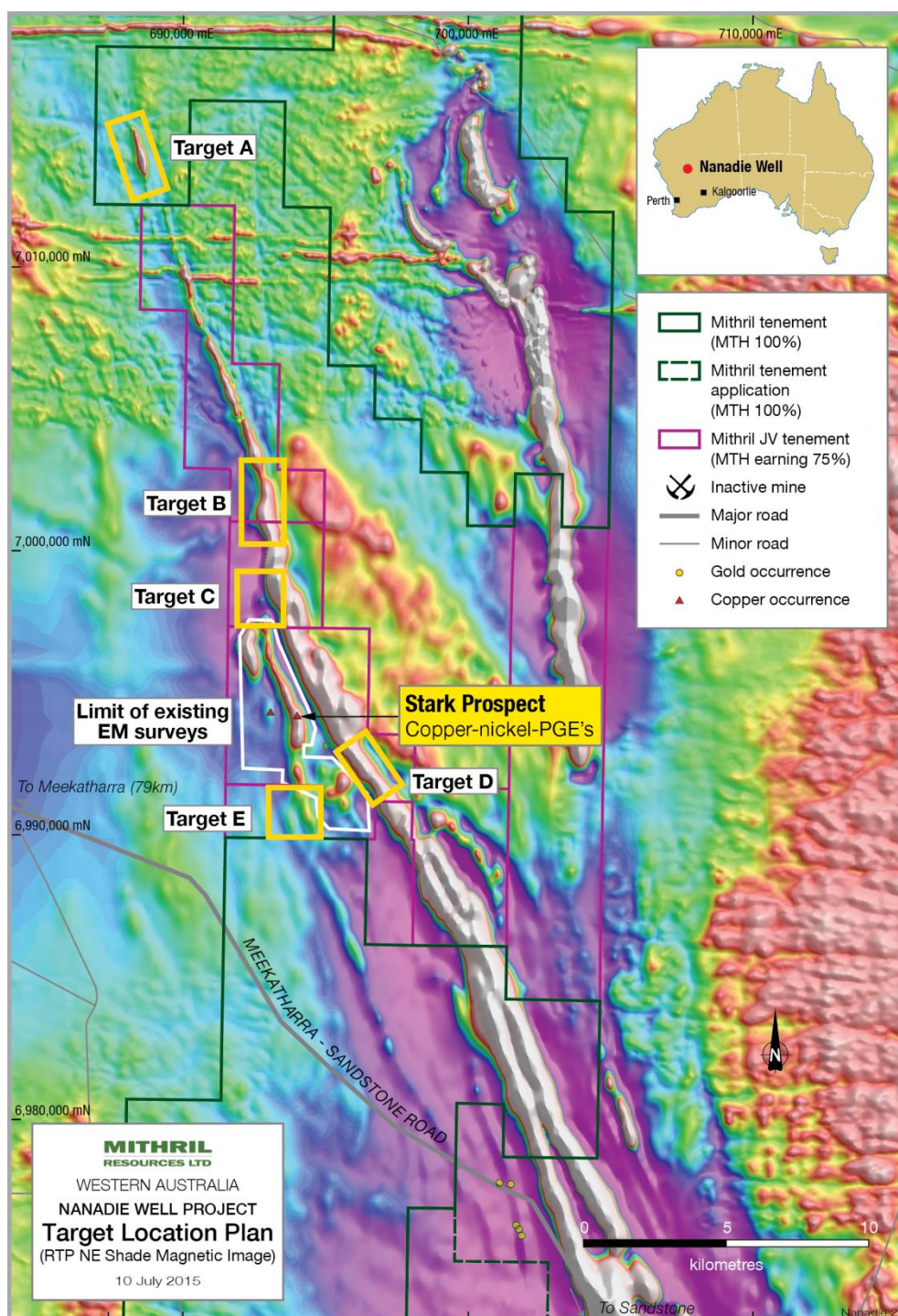
Strongly anomalous results were returned from rock chip sampling of outcropping copper mineralisation at two of the targets including; **12.85% copper, 6.97g/t gold; 7.91% copper, 2.95g/t gold** (Target D); and **0.55% copper, 0.04g/t gold** (Target A).

Ground electromagnetic (MLTEM) surveying of each target is scheduled to commence in late July.

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*).



**Figure 3: 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**

## West Kambalda Gold - Western Australia

### Spargos Reward Gold Project (MTH 50%, Corona Minerals 50% with right to earn up to 85%)

During the Quarter, the Company executed a Binding Heads of Agreement with Corona Minerals Limited ("Corona") whereby Corona will acquire equity in, and fund exploration on the **Spargos Reward Gold Project** which is located 30 kilometres west of Kambalda in Western Australia.

Corona is a Perth-based exploration company associated with well-known mining identity Mr Terry Allen, who managed the highly successful mining company Herald Resources Ltd until that company's takeover in 2008.

At the time of writing, a Sale and Purchase Agreement and Joint Venture Agreement was being finalised for formal execution in late July 2015.

The terms of the agreement are as follows:

- Corona will purchase a 50% equity interest in the Spargos Reward Project tenements for A\$100,000 cash, payable on completion of due diligence within 30 days of signing the agreement, or such a time that legal due diligence is reasonably completed.
- Within 12 months of signing the agreement, Corona will sole fund A\$150,000 in exploration in order to acquire a further 15% equity for a total of 65%.
- To earn a further 20% equity for a total of 85%, Corona may elect to sole fund exploration to the completion of a positive scoping study on a Mineral Resource estimated in compliance with the 2012 JORC Code.

The Spargos Reward Gold Project comprises P15/4876-4883, 4886, 5763, 5791, and E15/1423. Minotaur Exploration Ltd (**ASX: MEP**) holds the nickel rights to P15/4876-4883, and 4886 which have been excluded from this transaction.

The Project includes the historic Spargos Reward Gold Deposit and a number of priority exploration targets.

Spargos Reward was historically mined to a vertical depth of 120 metres (underground and open pit) with total production of approximately 29,260 ounces @ 8g/t gold.

RC drilling by Mithril in 2013 beneath the historic workings intersected high-grade gold mineralisation including: **8m @ 10.30 g/t gold** from 242 metres in 13SPRC07 **including 3m @ 25.73 g/t gold** from 243 metres, **10m @ 4.60 g/t gold** from 256 metres in 13SPRC09 **including 3m @ 13.00 g/t gold** from 260 metres (*ASX Announcement dated 27 March 2013*).

The introduction of a new exploration partner for the Spargos Reward Project is significant as it not only sees exploration activities resume at the highly prospective gold project, but ensures that Mithril **remains focussed on Stark and the surrounding targets**.

## Other Projects

### East Pilbara Project Exploration Licences 45/3457 and 3680 (MTH 100% with Kalamazoo Resources earning 60%)

Located 130km southeast of Port Hedland WA, the project (Exploration Licences 45/3457 and 3680) is subject to a Farm-in and Joint Venture with private company - Kalamazoo Resources Pty Ltd (Kalamazoo) whereby they have the right to earn an initial 60% interest in the tenements by spending \$150,000 over 2 years.

Upon Kalamazoo earning its initial 60%, Mithril can elect to maintain a 40% interest by contributing to ongoing expenditure. If Mithril elects not to contribute to ongoing expenditure, Kalamazoo can earn an additional 20% (for a total of 80%) by sole-funding and completing a Bankable Feasibility Study. Kalamazoo also has the right to purchase 100% of the tenements' iron ore rights from Mithril for \$30,000 on or before 31 December 2015.

No field work was carried out on the project during the Quarter.

### **Huckitta Project (MTH 100%)**

Located immediately east of Alice Springs in the Northern Territory, the project comprises the Leaky Bore tenement (EL26942) which contains the Basil Copper Deposit (*2004 JORC Code Compliant Inferred Resource of 26.5Mt @ 0.57%Cu, 0.05%Co - see ASX Announcement dated 21 March 2012*) and a number of undrilled copper and nickel sulphide targets.

No field work was carried out on the project during the Quarter.

### **Sammy Joint Venture (MTH 80% / CAZ 20%)**

Located immediately south of the Leaky Bore tenement, the project comprised two tenements (EL25643 and 25653) which were subject to the Sammy Joint Venture with Cazaly Resources Limited (**ASX: CAZ**).

Following the relinquishment of both tenements during the Quarter, the joint venture was subsequently terminated.

## **Investments**

Mithril is the largest shareholder in Musgrave Minerals Limited ("**Musgrave**" - **ASX: MGV**) with 9.28 million shares and 2.5 million options. Mithril vended tenements into Musgrave as part of their successful IPO that was completed on April 29<sup>th</sup> 2011.

During the Quarter, Musgrave carried out drilling activities on their Mamba and Corunna Projects which are located within the Fraser Range District of Western Australia and the Southern Gawler Craton of South Australia respectively.

At the time of writing, Musgrave was awaiting the results of downhole electromagnetic surveying (DHEM) of the Mamba drillholes, and assay results for the Corunna drilling.

## **Exploration Outlook**

EM geophysical surveying of the 5 new regional targets adjacent to, and along strike from Stark will be the Company's primary focus for the September 2015 Quarter.



David Hutton  
Managing Director

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## Notes Specific – June 2015 Quarter ASX Announcements

The following announcements were lodged with the ASX during the Quarter. Further details (**including JORC 2012 Code Reporting Tables, where applicable**) for each of the sections outlined above can be found in the announcements.

- New Stark Cu-Ni-PGE targets prioritised for EM geophysics - 15.07.2015
- Priority copper-nickel-targets at Stark - 01.06.2015
- Stark EM surveys identify three new drill targets - 13.05.2015
- Exploration Partner for Spargos Reward - 11.05.2015
- Stark EM surveys underway - 28.04.2015

## Notes Specific – Basil Copper Deposit

The Basil Copper Deposit Inferred Mineral Resource of 26.5Mt @ 0.57% copper, 0.05% cobalt has been calculated using a 0.3% copper cut-off grade. The Resource is composed of both interpolated and extrapolated resources and has been reported in accordance with the JORC Code (2004) and JORC/ASX Companies Update Number 03/07.

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. Refer to ASX Announcement dated 21 March 2012 for further information.

ENDS

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### For Further Information Contact:

**Mithril Resources Ltd**  
**David Hutton, Managing Director**  
[admin@mithrilresources.com.au](mailto:admin@mithrilresources.com.au)

22B Beulah Road  
Norwood, South Australia 5067  
ABN: 30 099 883 922  
T: (61 8) 8132 8800  
F: (61 8) 8132 8899  
[www.mithrilresources.com.au](http://www.mithrilresources.com.au)

### Competent Persons Statement:

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 exploring for the next generation of mineral deposits within the proven Eastern Goldfields (Western Australia). 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.

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# 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, 01/05/2013

Name of entity

MITHRIL RESOURCES LIMITED

ABN

30 099 883 922

Quarter ended ("current quarter")

30 June 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(192)	(1,312)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(170)	(744)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	6	35
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – JV Income	-	11
	Other – R & D Tax Refund	103	103
	Other – Drilling Collaboration	65	65
<b>Net Operating Cash Flows</b>		<b>(188)</b>	<b>(1,842)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	20	20
	(b) equity investments	-	-
	(c) other fixed assets	9	49
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
<b>Net investing cash flows</b>		<b>29</b>	<b>69</b>
1.13	Total operating and investing cash flows (carried forward)	(159)	(1,773)

1.13	Total operating and investing cash flows (brought forward)	(159)	(1,773)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	738
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(8)
1.18	Dividends paid	-	-
1.19	Other (share issued costs)	-	(95)
	<b>Net financing cash flows</b>	-	635
	<b>Net increase (decrease) in cash held</b>	(159)	(1,138)
1.20	Cash at beginning of quarter/year to date	702	1,681
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>543</b>	<b>543</b>

**Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities**

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	73
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for the quarter

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities		
3.2 Credit standby arrangements		

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	160
4.2 Development	-
4.3 Production	-
4.4 Administration	170
<b>Total</b>	<b>330</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	243	402
5.2 Deposits at call	300	300
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>543</b>	<b>702</b>

## Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	Refer Appendix 1		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	Refer Appendix 1		

## Issued and quoted securities at end of current quarter

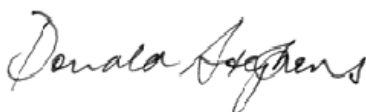
Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference</b>			
	<b>+securities</b>			
	(description)			
7.2	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<b>+Ordinary securities</b>	421,043,293	Fully Paid	Fully Paid
7.4	Changes during quarter			
	(a) Increases through issues	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-
7.5	<b>+Convertible debt securities</b>	-	-	-
	(description)			

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -	- -	- -
7.7	<b>Options</b> (description and conversion factor)	350,000 2,235,000 8,000,000 550,000 1,300,000 1,000,000 1,000,000 2,050,000 2,900,000	- - - - - - - - -	<i>Exercise price</i> \$0.18 \$0.25 \$0.30 \$0.20 \$0.10 \$0.10 \$0.15 \$0.05 \$0.015	<i>Expiry date</i> 22/09/2015 16/12/2015 16/12/2015 22/05/2016 31/07/2017 28/11/2017 28/11/2017 21/07/2018 19/06/2019
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: .....  
Donald Stephens  
Non-Executive Director/Company Secretary

Date 22 July 2015

## 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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 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.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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**Changes in Interests in Mining Tenements  
For Quarter Ended 30 June 2015**

		<b>Tenement Reference</b>	<b>Nature of Interest</b>	<b>Interest at the beginning of Quarter</b>	<b>Interest at the end of Quarter</b>
6.1	Interests in mining tenements relinquished, reduced or lapsed	E51/960, P51/2667-2677, P51/2705-2707, P51/2712-2713 (Total 17)	Withdrawal from JV effective 27 April 2015 (Copper Hills JV, WA).	0%	0%
		E15/1174, M15/1806, P15/4801-4802, P15/5216, P15/5236, P15/5264, P15/5392, P15/5409, P15/5537, P15/5545-5548, P15/5766, P15/5772 (Total 16)	Withdrawal from JV effective 11 May 2015 (Spargoville JV, WA).	20%	0%
		EL25643	Exploration Licence surrendered effective 9 June 2015 (Huckitta, Sammy JV, Mt Isabel, NT).	80%	0%
		EL25653	Exploration Licence surrendered effective 9 June 2015 (Huckitta, Sammy JV, Acacia Bore, NT).	80%	0%
		EL28335	Exploration Licence surrendered effective 22 June 2015 (Huckitta, Albarta Bore, NT).	100%	0%
6.2	Interests in mining tenements acquired or increased	E28/2506	Exploration Licence granted effective 6 May 2015 (Kurnalpi, Grey Dam West, WA).	0%	100%

## ASX Additional Information

### List of mining tenements

Tenement No	Location	Area (km2)	Company Interest
EL24253	East Arunta Area	213.62	33.3%
EL26942	East Arunta Area	402.13	100%
E45/3457	East Pilbara Area	112.07	100%
E45/3680	East Pilbara Area	54.45	100%
E27/538	Kurnalpi Area	171.86	100%
E28/2506	Kurnalpi Area	64.99	100%
P28/1271	Kurnalpi Area	1.17	100%
E20/846	Murchison Area	207.22	100%
E51/1649	Murchison Area	202.23	100%
E51/1615	Murchison Area	183.32	100%
E57/1000	Murchison Area	152.19	100%
E63/1718	Norseman Area	160.04	100%
E15/1423	West Kambalda Area	23.47	100%
P15/4876	West Kambalda Area	1.61	100%
P15/4877	West Kambalda Area	1.73	100%
P15/4878	West Kambalda Area	1.73	100%
P15/4879	West Kambalda Area	0.74	100%
P15/4880	West Kambalda Area	1.62	100%
P15/4881	West Kambalda Area	1.43	100%
P15/4882	West Kambalda Area	0.03	100%
P15/4883	West Kambalda Area	0.61	100%
P15/4886	West Kambalda Area	0.95	100%
P15/5763	West Kambalda Area	0.33	100%
P15/5791	West Kambalda Area	0.24	100%