

## Drilling extends high-grade gold mineralisation at Spargos Reward

- **Drilling of Main Lode beneath historic workings returns multiple high-grade gold intercepts;**
  - **3.33m @ 5.37g/t gold from 302.85 metres including 1.85m @ 9.04g/t gold**
  - **13.00m @ 3.69g/t gold from 219.00 metres including 3.6m @ 8.96g/t gold**
  - **8.0m @ 2.61g/t gold from 362.00 metres including 1m @ 13.6g/t gold**
- **Main Lode intersected over 180 metres strike to 350 metres vertical and remains open down dip**
- **Potential new Footwall Lode intersected with mineralised intercept of;**
  - **10.25m @ 2.73g/t gold from 392.70 metres including 4.82m @ 4.26g/t gold**
- **Footwall Lode remains open in all directions and highlights potential to significantly increase size of the overall gold system.**
- **Data compilation underway ahead of new geological model for Spargos Reward**

Mithril Resources Ltd (ASX: MTH) is pleased to advise that the recently completed Spargos Reward Gold Deposit drill program (*located 30 kilometres West Kambalda, WA – Figure 1*) carried out by Corona Minerals Limited, Mithril's exploration partner at Spargos Reward, has successfully increased the extents of high-grade gold mineralisation and potentially identified a new gold zone.

Three holes (16SPRCD005, 006, and 008) were drilled beneath historic workings (*Figures 2 -4*) and returned the following results (downhole widths):

- **3.33m @ 5.37 g/t gold from 302.85 metres in 16SPRCD005 including 1.85m @ 9.04g/t from 302.80 metres**
- **13.00m @ 3.69 g/t gold from 219.00 metres in 16SPRCD008 including 3.6m @ 8.96g/t from 221.40 metres**
- **3.00m @ 1.15g/t gold from 175.15 metres in 16SPRCD006**

The intercepts were returned from a sub-vertical zone of strong shearing and alteration (quartz – pyrite – arsenopyrite) that occurs at the contact between felsic volcanoclastics and quartz biotite schists ("**Main Lode**").

Previously reported intercepts that include 8m @ 10.30 g/t gold from 242 metres (including 3m @ 25.73 g/t gold) and 10m @ 4.60 g/t gold from 256 metres (including 3m @ 13.00 g/t gold) (*see ASX Announcement dated 27 March 2013*), together with these new results demonstrate continuity of the Main Lode gold mineralisation over 180 metres strike length to 350 metres vertical depth (*Figure 4*) and remains open down dip.

The Main Lode 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.

## A New Gold Zone

Three holes (16SPRC001, 16SPRCD003 and 007) were drilled south along strike from the historic workings (*Figure 4*) and returned the following results (downhole widths):

- 8.00m @ 2.61g/t gold from 362.00 metres in 16SPRCD007 including **1m @ 13.6g/t** from 368.00 metres
- 10.25m @ 2.73g/t from 392.75 metres in 16SPRCD007 including **4.82m @ 4.26g/t** from 394.65 metres
- 3.30m @ 1.01g/t from 300.00 metres in 16SPRCD003
- 8.00m @ 0.70g/t from 354.00 metres in 16SPRCD003 including 1m @ 2.79g/t gold from 356.00 metres
- 1.00m @ 0.84g/t from 183.00 metres in 16SPRC001

The upper intercept in 16SPRCD007 (from 362 metres) corresponds to the Main Lode while the lower intercept (from 392.7 metres) and the lower intercept in 16SPRCD003 (from 354 metres) occur within a sheared and altered (quartz – pyrite) Archean dolerite unit that is present immediately west of the Main Lode (*Figure 3*)

The dolerite – hosted gold mineralisation is significant for two reasons.

This rock type is a key control on the formation of large gold deposits throughout the broader Kalgoorlie – Kambalda region and its identification at Spargos Reward **for the first time** highlights the potential to significantly increase the size of the overall Spargos Reward gold system.

Secondly the position of the dolerite mineralisation relative to the Main Lode suggests that it may **potentially represent a new gold zone (“Footwall Lode”)**. The SPRCD007 and SPRCD003 intercepts remain open in all directions with the majority of previous drilling not having specifically tested this area.

To confirm the Footwall Lode and to determine future drilling targets, Corona is currently reviewing all of the drilling data ahead of developing a new geological model for the deposit.

## Managing Director’s Comment

Commenting on the results, Mithril’s Managing Director Mr David Hutton said “Corona’s drilling has successfully increased the extents of the high-grade mineralisation at Spargos Reward. The identification of a new footwall lode highlights the potential to significantly increase the size of the overall mineralised system”.

## About the Spargos Reward Project and Joint Venture

Corona is exploring the Project under the terms of the Spargos Reward Tenement Sale and Joint Venture Agreements, whereby:

- Corona has purchased an initial 50% equity interest in the Project tenements for A\$100,000 cash,
- Corona can earn a further 15% equity (for a total of 65%) by spending A\$150,000 on exploration by 11 May 2016 and in addition,
- Corona can elect to earn a further 20% equity (for a total of 85%) by sole funding exploration through to the completion of a positive scoping study on a 2012 JORC Code Compliant Mineral Resource.

The Spargos Reward 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 are excluded from the joint venture agreement.

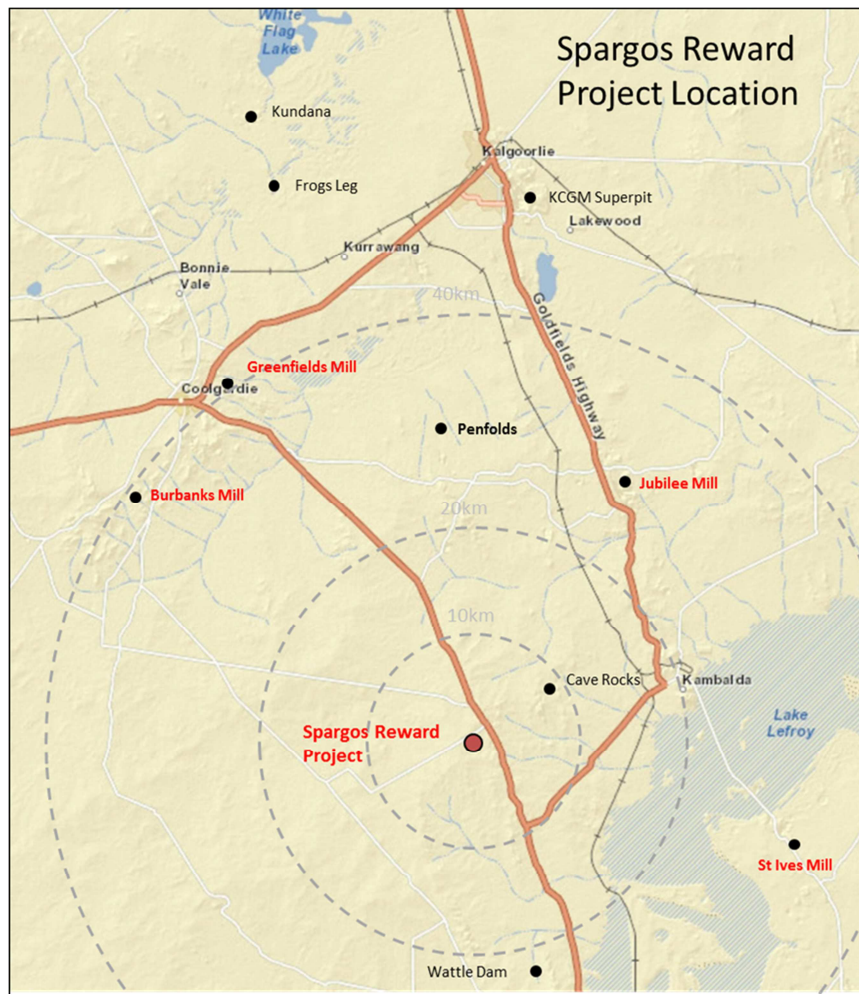
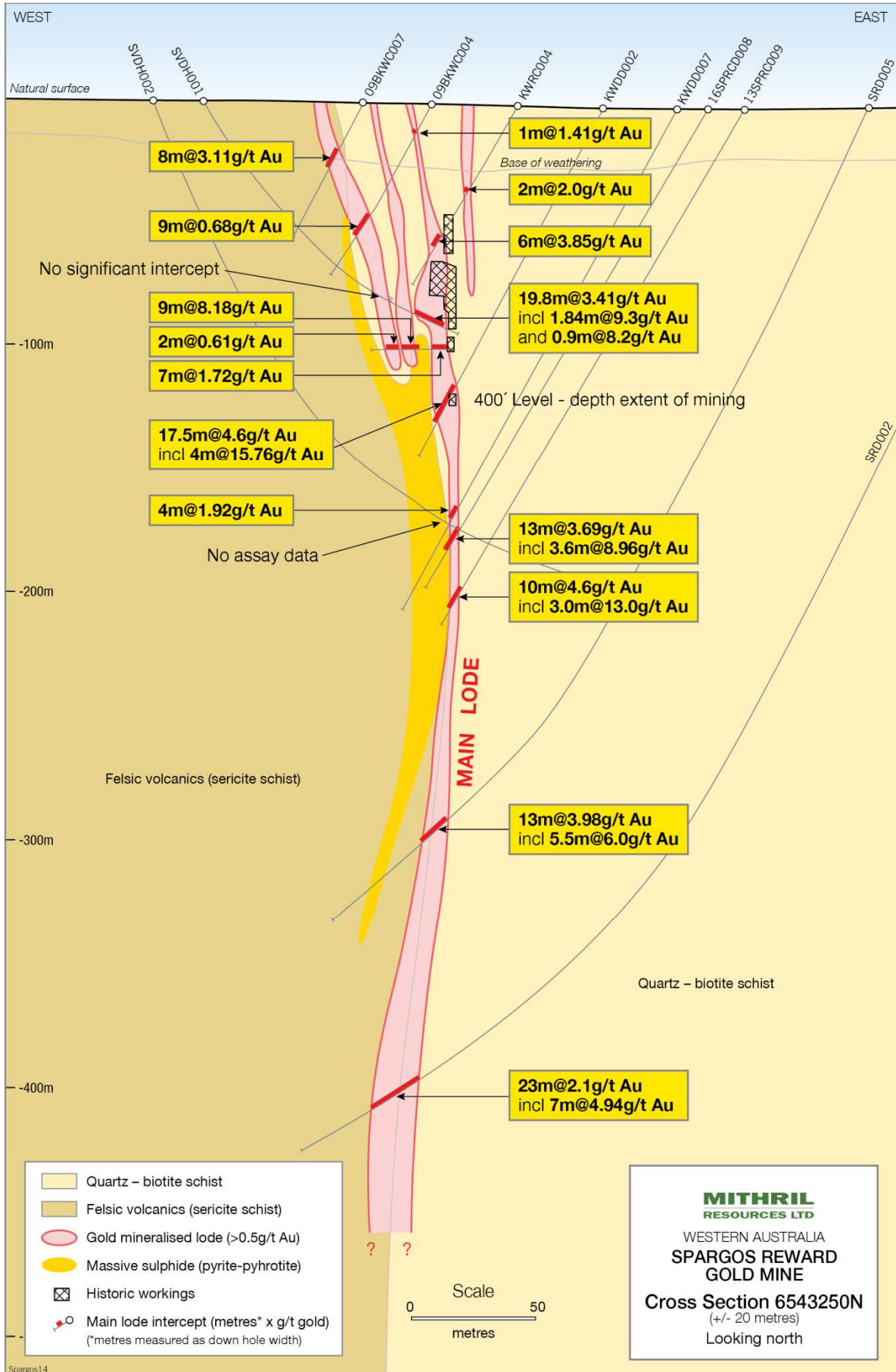


Figure 1: Spargos Reward Project Location Plan

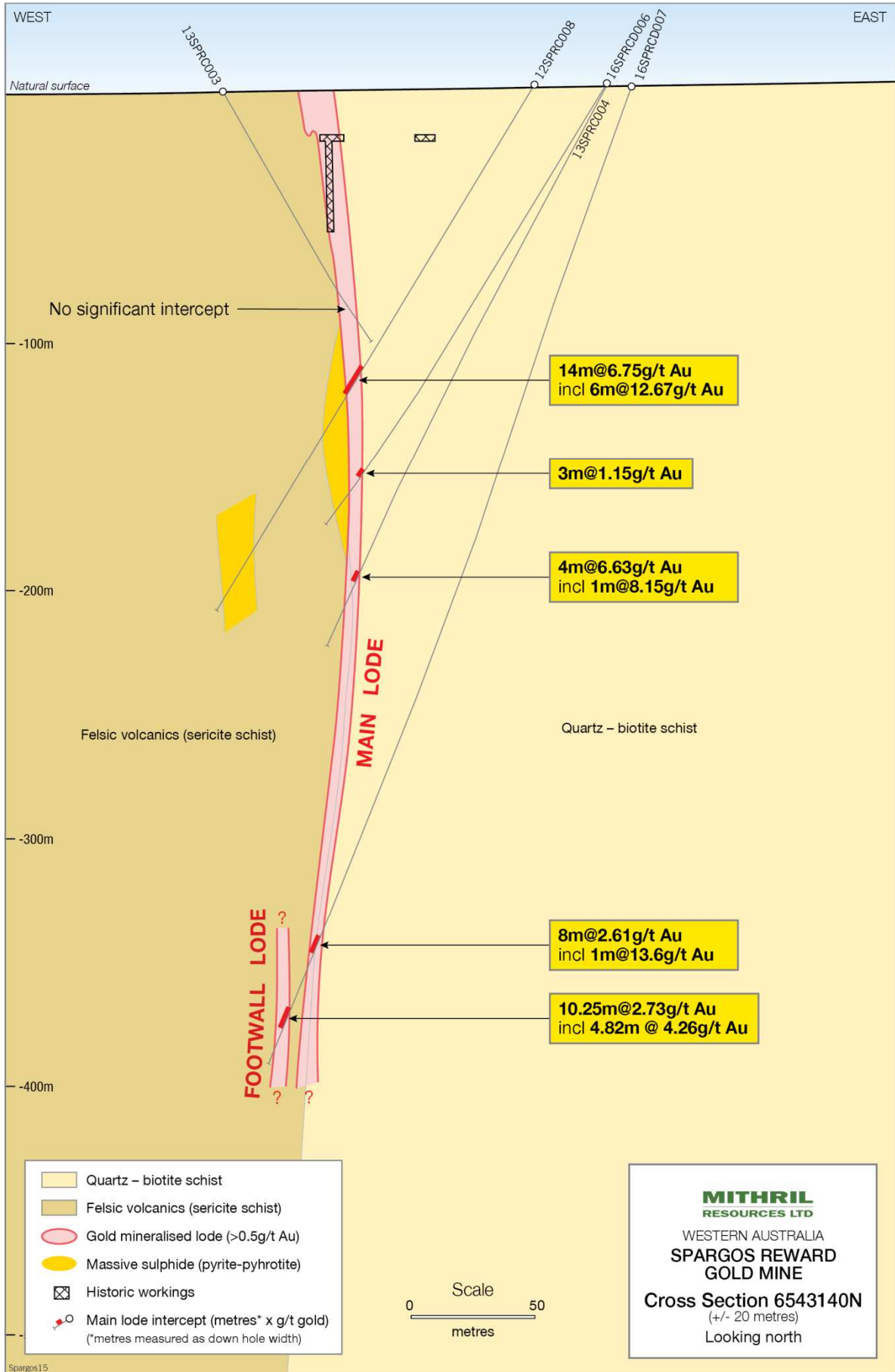
Table 1: Drill Hole Details and Significant Intercepts. Length weighted intersections (0.5 g/t gold lower cut-off)

Hole_ID	Easting	Northing	RL	Depth	Dip°	Azi°	From	Width	g/t gold	Comments
16SPRC001	354,270	6,543,058	421	216.00	-60	270	183.00	1.00	0.84	Main Lode
16SPRC002	354,300	6,543,060	421	132.00	-60	266	NSI			Hole Abandoned
16SPRCD003	354,304	6,543,053	421	378.90	-60	267	300.00	3.30	1.01	Main Lode
"	"	"	"	"	"	"	354.00	8.00	0.70	Footwall Lode
<b>Including</b>							<b>356.00</b>	<b>1.00</b>	<b>2.79</b>	
16SPRC004	354,250	6,543,420	432	192.00	-65	269	NSI			Reconnaissance hole
16SPRCD005	354,376	6,543,279	422	315.90	-65	265	302.85	3.33	5.37	Main Lode
<b>Including</b>							<b>302.85</b>	<b>1.85</b>	<b>9.04</b>	
16SPRCD006	354,278	6,543,140	419	202.00	-60	265	175.15	3.00	1.15	Main Lode
16SPRCD007	354,292	6,543,140	423	418.00	-70	265	362.00	8.00	2.61	Main Lode
<b>Including</b>							<b>368.00</b>	<b>1.00</b>	<b>13.60</b>	
"	"	"	"	"	"	"	392.75	10.25	2.73	Footwall Lode
<b>Including</b>							<b>394.65</b>	<b>4.82</b>	<b>4.26</b>	
16SPRCD008	354,300	6,543,220	419	249.80	-64	267	219.00	13.00	3.69	Main Lode
<b>Including</b>							<b>221.40</b>	<b>3.60</b>	<b>8.96</b>	
16SPRCD009	354,324	6,543,300	418	186.00	-66	265	NSI			Pre collar only
16SPRCD010	354,385	6,543,280	418	198.00	-70	260	NSI			Pre collar only



**Figure 2: Spargos Reward Gold Deposit 6543250 Cross Section**





**Figure 3: Spargos Reward Gold Deposit 6543140N Cross Section**

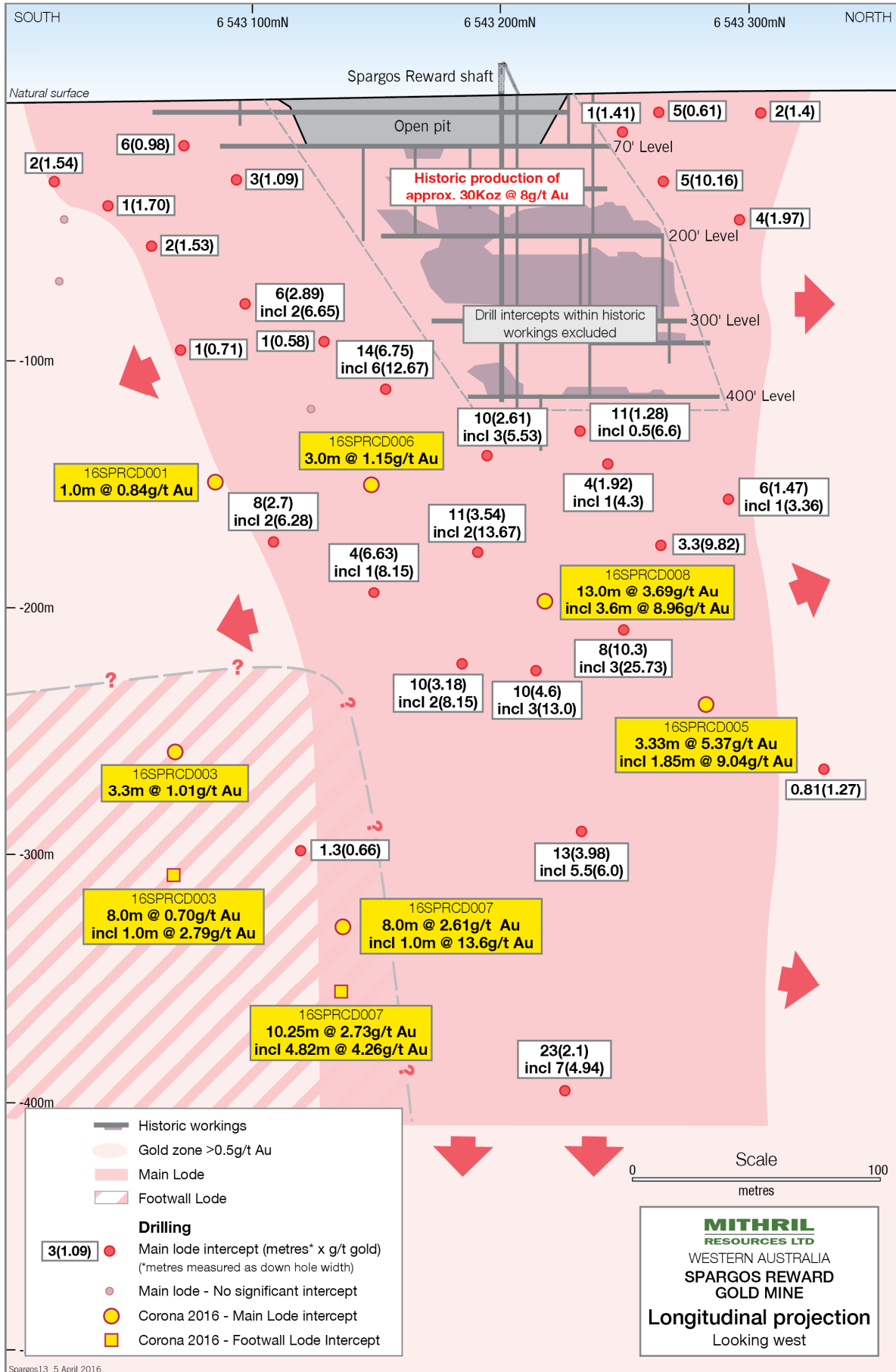


Figure 4: Spargos Reward Gold Deposit Long Section

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

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
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>	Reverse Circulation (RC) and Diamond drilling was completed at the Spargos Reward Gold Deposit. RC samples were either collected as 1m splits directly from the rig cyclone, or as composites (up to 5m) from the drill spoils laid out on the ground in plastic bags. Sample sizes were ~2-3kg. Diamond core was sampled as 5m quarter core composites for visually un-mineralised core, and sampled to lithology, nominally every one meter for visually mineralised samples
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Each drill hole location (easting and northing) was collected by a handheld GPS. Detailed logging of Collar, Drilling, Survey, Lithology, structure, 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.
	<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>	RC chip samples were collected from either the cyclone as a representative 1m split or from the drill spoils as a 5m composite. Around 2–3kg sample was collected for geochemical analysis by Intertek Genalysis Laboratories and by SGS analytical in Kalgoorlie and Perth, WA.  In the laboratory, samples were crushed (~10mm) and pulverised to produce a representative 50g sub-sample for analysis using fire assay with ICP-MS finish for Au, and four acid digest with ICP-AES finish for As (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>	A Schramm 465 rig with booster compressor and auxiliary air was used to complete the RC drilling and collars, nominally using a 146mm drill bit.  A UDR1200 was used to complete the diamond tails utilising HQ and NQ drilling diameters. Triple tube was not needed as recovery wasn't a problem, NAVI drilling was utilised in some instances where a hole needed steering. Diamond tails were 50-200m long Core was oriented using a REFLEX tool.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Recovery was measured block to block for core drilling, RC chip recovery was visually estimated on sample size and was noted where the sample size looked smaller than usual
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Recovery wasn't an issue for this drilling program and no undue measures had to be taken to ensure maximum sample recovery
	<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>	No relationship has been identified, most mineralised intercepts were cored.
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>	Detailed logging of Collar, Drilling, Survey, Lithology, structure, Sample, and Magnetic Susceptibility information was completed in each hole.
	<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.  RC chip samples are always logged for lithology, colour, texture, weathering, minerals, alteration, and sulphide percentage and type, with comments included as necessary.

Criteria	JORC Code explanation	Commentary
		Photos of the chip trays (include 5m/per photo) are taken for the entire hole. Core samples are logged as above with the addition of logging structure and photographing boxes of core and detailed individual shots.
	<i>The total length and percentage of the relevant intersections logged.</i>	Every hole was logged (Lithology and Magnetic Susceptibility) for every metre (entire length of hole).
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core was cut in quarters for composite samples and duplicates, and cut in half using an Almonte core saw for standard intervals.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Samples were collected either as a 1m split directly from the rig cyclone or as a composite sample (2-4m) from the drill spoils (scoop used) laid out on the ground. There was a significant amount of wet sample associated with a major water bearing structure; these samples were dried before being dispatched to the laboratories. Wet samples were listed as wet.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation for all 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>	Along with RC chip samples taken at the rig, and core samples taken in the core yard, standards, blanks and duplicates were inserted at a rate of one each every thirty meters and were included in the laboratory analysis process. Standards were Certified Reference Material (from Geostats Pty Ltd) of a fixed amount of gold, and blanks were coarse white sand. The laboratory completed repeat analysis at random, and ran their own standards.
	<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>	Sampling was supervised by the field geologist following geological logging to ensure that sampling was representative of the in situ material collected. Duplicate data will be processed to assess the representative nature of sampling.
	<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 and produce results to indicate degree and extent of mineralisation.
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 and a four acid digest are considered near total digest and are appropriate for the type of exploration undertaken.
	<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>	N/A as no geophysical tools were used.
	<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>	The laboratories completed repeat analysis on random samples and inserted CRM standards into the assay stream.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The significant intersections were verified by Corona Mineral's Exploration Manager and Mithril Resources' Managing Director.
	<i>The use of twinned holes.</i>	No twin holes were drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	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 either at each drill hole location as hole was



Criteria	JORC Code explanation	Commentary
		being drilled, or in the core yard. Data was entered directly into a computer or initially written on paper log sheets. A complete data set (excel spreadsheet) will be created by Corona on completion of the program, based on all information collected.
	<i>Discuss any adjustment to assay data</i>	Assays are rounded to 2 decimal places for presentation purposes.
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>	Each drill hole location (easting and northing) was collected by a handheld GPS. Down hole surveys were recorded using a REFLEX surveying tool, and a gyroscope which is supported by quality checks that quantify anomalies allowing Drillers to record survey data accurately without errors.
	<i>Specification of the grid system used.</i>	Data points have been quoted in this Report using the MGA Zone 51 (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>	There was no pre-determined grid space for the program, drill holes were targeted based upon previous results.
	<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 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>	Sample compositing was employed throughout the drillholes – typically up to 5 metre intervals depending on the geology and visual observations.
Orientation of data in relation to geological structure	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	Mineralisation is considered to be sub vertical, Drill holes were inclined. Some un-mineralised structures ran parallel to the drilling direction.
	<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>	No orientation based sampling bias has been identified.
Sample security	<i>The measures taken to ensure sample security.</i>	Drill samples were dispatched continuously throughout the program so as to maintain sample security and integrity.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No Audits or Reviews have yet been completed.

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

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<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 Prospecting Licence P15/ 4880 which is subject to a joint venture between Mithril Resources Ltd and Corona Minerals Ltd and subject to a 3% royalty
	<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 known existing impediments to the tenements.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The historical Spargos Reward Gold mine was operated between 1936 and 1942 and produced 26,318 oz. of gold from 105,397 t of ore at an average grade of 8.56 g/t Au subsequent drilling (RAB, RC, Diamond) by various parties including Newmont Minerals Ltd, AMALG Ltd, Breakaway Resources Ltd and Mithril Resources Ltd has delineated extensions to gold mineralisation mined historically.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Spargos Reward mineralisation is a typical Archean lode gold deposit associated with a major shear zone with lodes hosted at the contact of a meta greywacke and a felsic-intermediate volcanic pile, and also a new lode which is hosted within an Archaen dolerite.
<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:      <i>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></i>	A summary of the drilling referred to in this Announcement is presented in Tables 1 of this Report. Also see Figures 2 to 4 of this 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 methods</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 Material and should be stated.</i>	Length weighted averaging of drill results was applied where an intercept of greater than 1 metre contained internal intervals of varying lengths. A lower cut-off grade of 0.5 g/t was applied for reporting general intercepts.
	<i>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.</i>	Length weighted averaging of drill results was carried out according to the following formula: [Sum of (all individual assay values x corresponding individual sample length for selected intersection)] divided by [total length of selected intersection].
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Widths of mineralisation have not been postulated.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	The geometry of the mineralisation is thought to be sub vertical
	<i>If it is not known and only the down hole lengths are</i>	The Exploration Results in this Announcement are

Criteria	JORC Code explanation	Commentary
	<i>reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	reported as down hole widths only and true width not known.
Diagrams	<i>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.</i>	See Figures 2 - 4 of this Report.
Balanced reporting	<i>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.</i>	All results are reported.
Other substantive exploration data	<i>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.</i>	All relevant data has been included within this Report.
Further work	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i>	Detailed review of all drilling and geophysical data for the prospect to be followed by further drilling.
	<i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Figures 2 - 4 display areas of interest within the Spargos Reward area.

ENDS

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**Competent Persons Statement:**

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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.