

New lithium targets at Spargos Reward

- Historic lithium mineral occurrences and targets identified at the Spargos Reward Project
- Spargos Reward is located 18 kilometres south of NeoMetals Ltd.'s Mt Marion Lithium Project
- Four targets display strong similarities to Mt Marion; pegmatite intrusions within mafic - ultramafic rocks, cross cutting structural features, coincident radiometric anomalies and historic tin – tantalum – lithium mineral occurrences
- No recent lithium exploration
- Field work to commence during the current June 2016 Quarter

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that it has identified four new lithium targets at the Spargos Reward Project located 18 kilometres south of Neometals Ltd.'s (**ASX: NMT**) Mt Marion Lithium Project (approximately 55 km south of Kalgoorlie, Western Australia – Figures 1 and 2).

The targets have been identified from a historical data review and prioritised on the basis that they **display strong similarities to the Mt Marion lithium deposits** (NeoMetals Ltd.'s website and ASX Announcement dated 29 January 2016) in that they are pegmatite intrusions within a mafic – ultramafic rocks, cross cutting structural features, coincident radiometric (potassium) anomalies, and historic tin – tantalum – lithium mineral occurrences.

Despite occurring within close proximity to Mt Marion and the Spargos Reward Gold Deposit, none of the targets have received any modern lithium exploration and field evaluation is planned for the current June 2016 Quarter

Target Details (Figures 3 – 5)

Target A is a 400 metre long, north south trending zone of outcropping pegmatites, prospecting pits and coincident radiometric anomalies within a mafic – ultramafic belt. Located immediately adjacent the Coolgardie to Norseman Highway, the target also contains a number of historic tin – tantalum – lithium mineral occurrences. While the southern continuation of the target lies within an excised tenement held by a third party, exploration data suggests that the bulk of the target lies within the Spargos Reward Project tenements.

Target B is a 230 metre long, northeast trending radiometric anomaly that lies 2 kilometres south along strike from Target A within an area of cross cutting structures interpreted from aeromagnetic data and mafic – ultramafic rocks.

While both targets have been subject to previous exploration for gold and nickel, no drilling has been undertaken and auger geochemical sampling which has been carried out through the area, has not been analysed for lithium.

Target C lies 2.2 kilometres west of Target A and comprises two discrete radiometric anomalies that lie within a interpreted zone of north-west crosscutting features within a mafic – ultramafic belt, directly south of Target D.

Target D is a historic tin – tantalum – lithium mineral occurrence located proximal to the contact of mafic/ultramafic rocktypes and metasediments.

Both Targets C and D lie west of any previous gold and nickel exploration activity and have not been explored for lithium.

About the Spargos Reward Project

The Project is subject to the Spargos Reward Tenement Sale and Joint Venture Agreements with Corona Minerals Limited (“Corona”), 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.

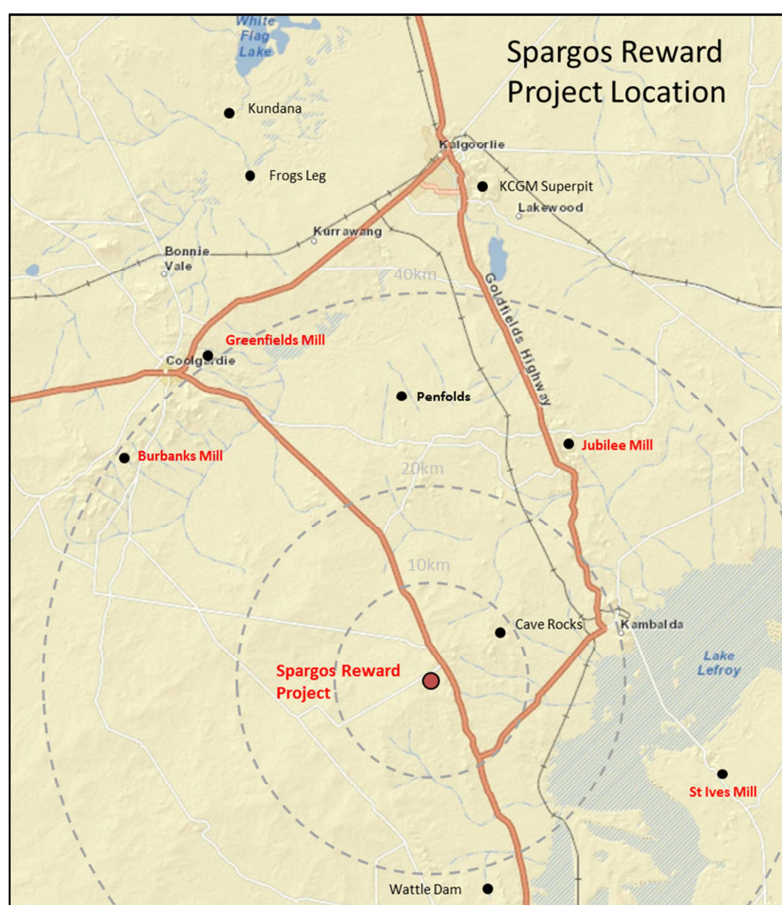


Figure 1: Spargos Reward Project Location Plan

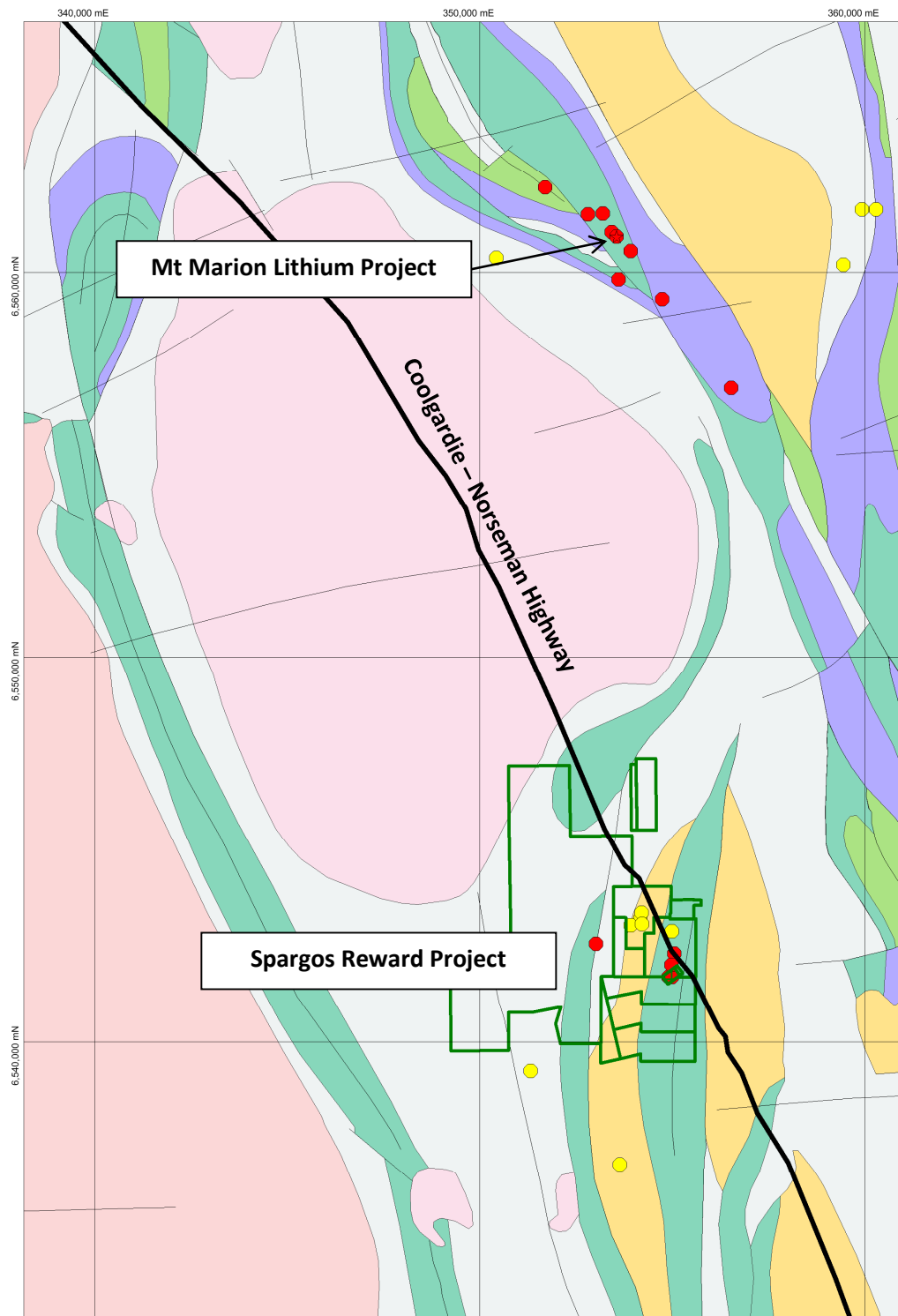


Figure 2: Spargos Reward Project showing existing tin - tantalum - lithium occurrences (red dots) and gold occurrences (yellow dots), and regional geology. Mafic – ultramafic rocks are shown as green or purple zones.

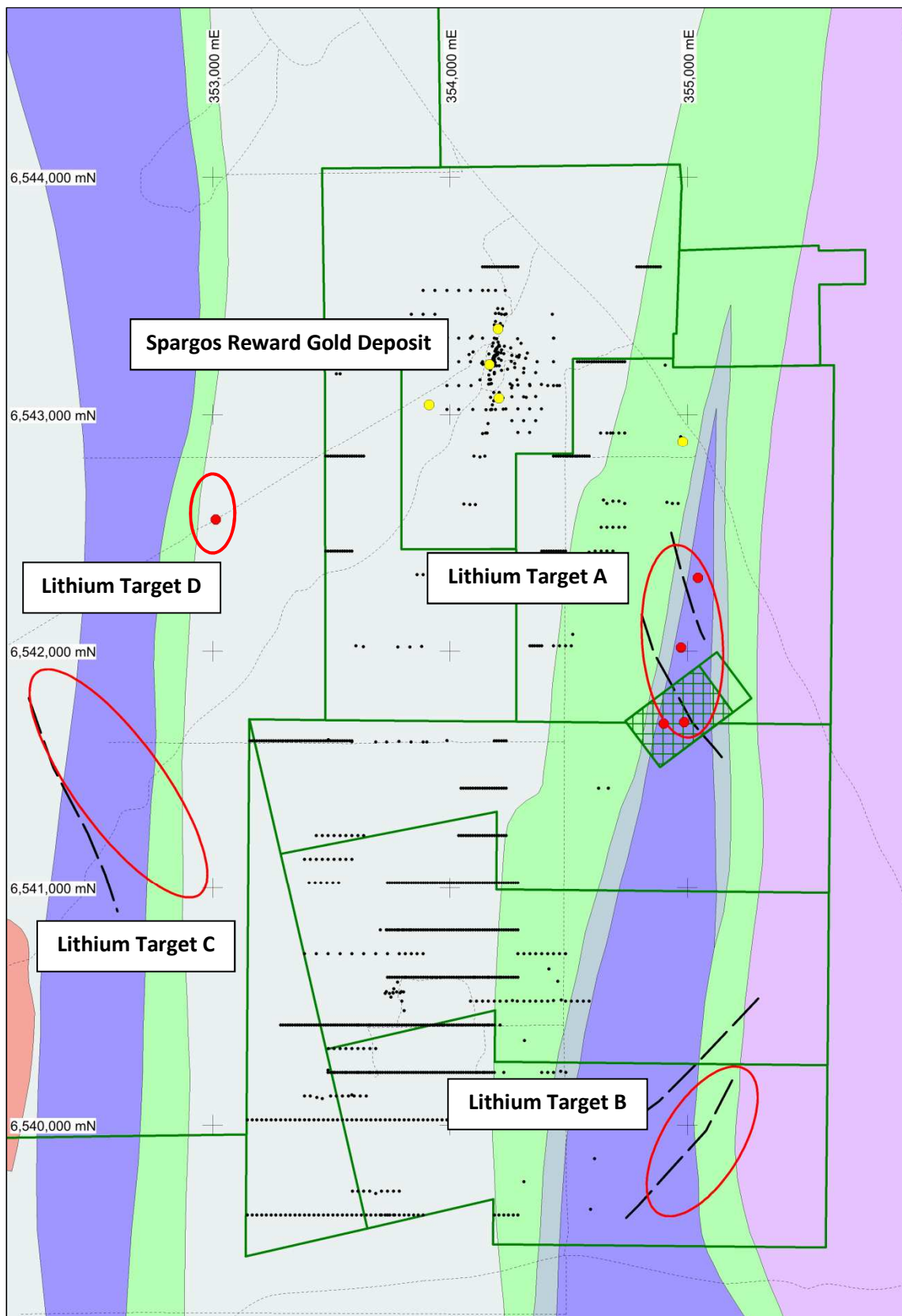


Figure 3: Spargos Reward Project Lithium Targets showing geology, radiometric anomaly outlines (red polygons), all drilling and interpreted cross - cutting features. Existing tin - tantalum - lithium occurrences are shown as red dots and gold occurrences as yellow dots. The hatched green tenement at the southern end of Target A is owned by a third party and is excised from the project.

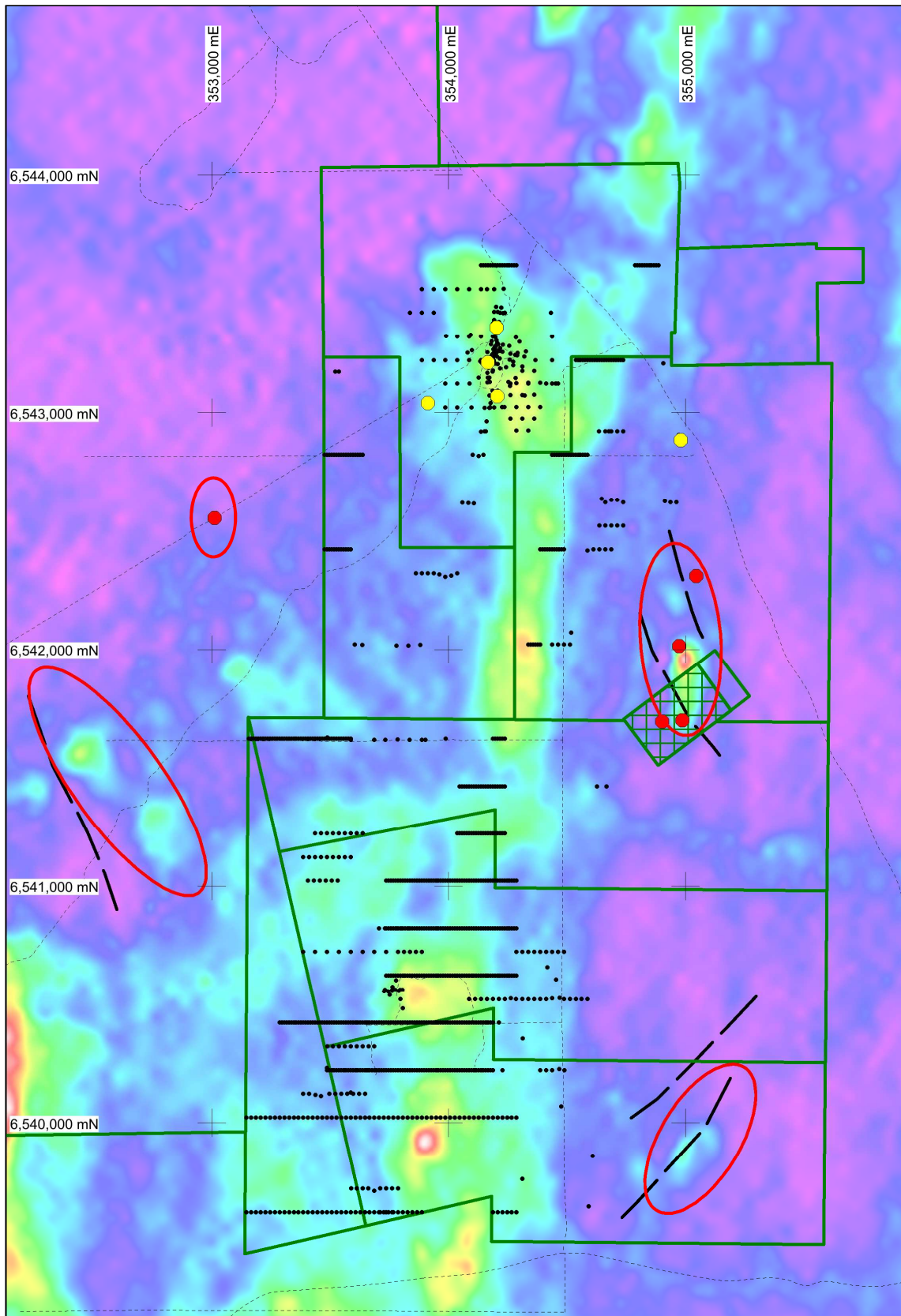


Figure 4: Spargos Reward Project Lithium Targets (red polygons) showing radiometric (potassium) imagery, radiometric anomalies, all drilling and interpreted cross - cutting features. Existing tin - tantalum - lithium occurrences are shown as red dots and gold occurrences as yellow dots.

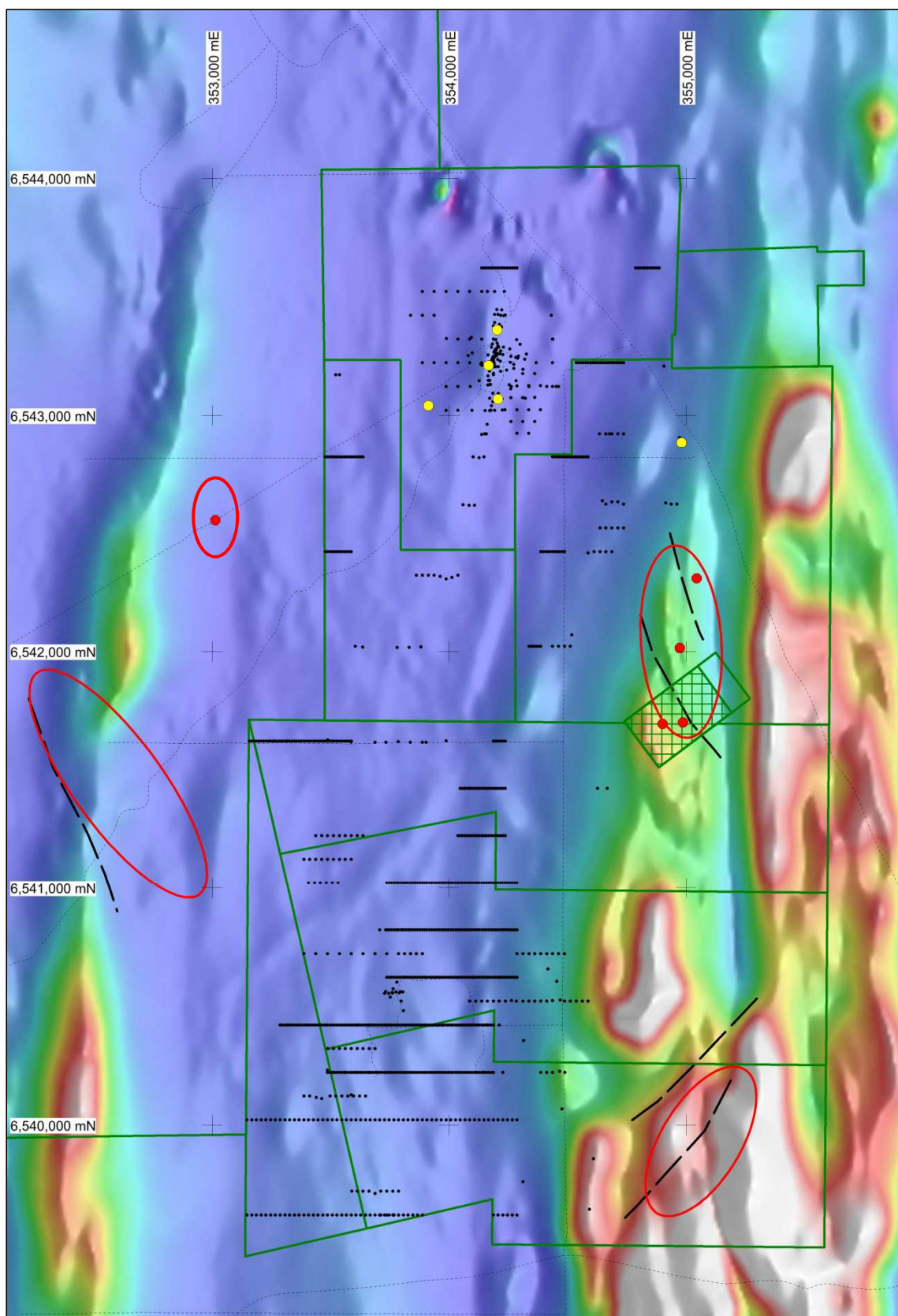


Figure 5: Spargos Reward Project Lithium Targets (red polygons) on an RTP_EShade_Lin magnetic background image, all drilling and interpreted cross-cutting features. Existing tin - tantalum - lithium occurrences are shown as red dots and gold occurrences as yellow dots.

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>	Not Applicable as no sampling was undertaken.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Not Applicable as no sampling was undertaken.
	<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>	Not Applicable as no sampling was undertaken.
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>	Not Applicable as no drilling was undertaken.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	Not Applicable as no drilling was undertaken.
	<i>The total length and percentage of the relevant intersections logged.</i>	Not Applicable as no drilling was undertaken.
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 or sampling was undertaken.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Not Applicable as no drilling or sampling was undertaken.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	Not Applicable as no drilling or sampling was undertaken.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of</i>	Not Applicable as no drilling or sampling was undertaken.

Criteria	JORC Code explanation	Commentary
	<i>samples.</i>	
	<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>	Not Applicable as no drilling or sampling was undertaken.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Not Applicable as no drilling or sampling was undertaken.
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>	Not Applicable as no sampling was 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>	Not Applicable 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>	Not Applicable as no sampling and / or analytical work was undertaken.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Not Applicable as no significant intersections have been reported.
	<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>	The data referred to in this Report is of a historical nature only and has been sourced from publically available open file information.
	<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>	Not Applicable as no drilling was undertaken.
	<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>	Not Applicable as no exploration results have been reported.
	<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>	Not Applicable as no sampling was undertaken.
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>	Not Applicable as no drilling was undertaken.
	<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.
Sample security	<i>The measures taken to ensure sample security.</i>	Not Applicable as no drilling or sampling was undertaken.

Criteria	JORC Code explanation	Commentary
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Not Applicable as no drilling or sampling was undertaken.

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 P15/4876-4883, 4886, 5763, 5791, and E15/1423 which are subject to a joint venture between Mithril Resources Ltd and Corona Minerals Ltd and subject to a 3% royalty
	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 known existing impediments to the tenements.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	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. There is no known previous lithium - focussed exploration activities that have been undertaken on the project tenements.
Geology	Deposit type, geological setting and style of mineralisation.	The Spargos Reward gold 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 Archaean dolerite.
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 all material information referred to in this Announcement is presented in Figures 2 to 5 of this Report.
	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 results have been reported
	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 as no exploration results have been reported.

Criteria	JORC Code explanation	Commentary
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	Not Applicable as no exploration results have been reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Not Applicable as no exploration results have been reported.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Not Applicable as no exploration results have been reported.
	<i>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').</i>	Not Applicable as no exploration results have been reported.
<i>Diagrams</i>	<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 - 5 of this Report.
<i>Balanced reporting</i>	<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>	Not Applicable as no exploration results have been reported.
<i>Other substantive exploration data</i>	<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.
<i>Further work</i>	<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>	Field inspection of the lithium targets is planned as the next step.
	<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 - 5 display areas of interest within the Spargos Reward Project area.

ENDS

For Further Information Contact:

Mithril Resources Ltd
David Hutton, Managing Director
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

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.