

## Spargos Reward Gold Project Acquisition Update

- Mithril executes Tenement Sale Agreement for the purchase of Spargos Reward Gold Mine and surrounding tenements for \$200,000 in cash from Breakaway Resources Limited
- Statutory work approvals received with exploration activities to commence mid-November

Further to its ASX Announcement dated 7 September 2012, Mithril Resources Ltd (**ASX:MTH**) advises that it has now executed a Tenement Sale Agreement with Breakaway Resources Ltd (**ASX:BRW**) for the purchase of the Spargos Reward Gold Project for \$200,000 in cash. This follows the successful completion of due diligence, and the renewal of the project tenements.

The project comprises the high-grade Spargos Reward Gold Mine (historic production of approximately 29,257 ounces @ 8g/t gold) and surrounding 15kms<sup>2</sup> of tenements (Prospecting Licences 15/4876 to 4883 and 15/4886), and is located 25 kilometres west of Kambalda, and 16km north along strike from Ramelius Resources' operating Wattle Dam Gold Mine, in the Eastern Goldfields of Western Australia (*Figure 1*).

The strategically located project offers significant potential for the discovery of economic gold mineralisation and the Company has now received statutory approval to commence exploration activities including drilling.

The sale excludes the Project's Nickel Rights (which will be retained by Breakaway) and remains conditional upon the execution of a Deed of Assignment and Assumption in respect of an existing 3% royalty of all gold recovered from PL 15/4876 to 4883 and a Royalty Deed in respect of an equivalent royalty on PL 15/4886.

Mithril anticipates completion of the sale process by mid November 2012 with its exploration activities to commence shortly thereafter.

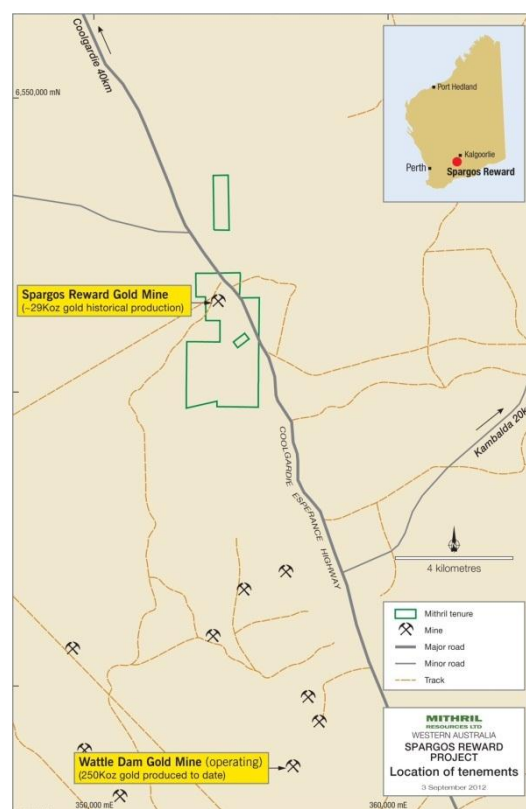


Figure 1: Spargos Reward Location Plan

ENDS

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**For Further Information Contact:**

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**Competent Persons Statement:**

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

Mr 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 resources company exploring for the next generation of mineral deposits within the emerging Eastern Arunta Province (Northern Territory), and the proven Eastern Goldfields mineral province (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.