

Mithril acquires new gold project adjacent to Spargos Reward Gold Project, WA

- Mithril enters into farm-in and joint venture letter agreement to acquire 80% of KalNorth Gold Mines Limited's Spargoville Gold Project.
- Spargoville Gold Project includes Lady Alison Gold Deposit (JORC Inferred Resource of 2.1Mt @ 1.3g/t gold – 86,800ozs) located immediately adjacent to Mithril's 100% owned Spargos Reward Gold Project.
- Multiple walk up drill targets with excellent exploration upside.
- Exploration activities planned to commence early March Quarter 2013.

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that it has signed a Farmin and Joint Venture Letter Agreement with KalNorth Gold Mines Limited ("**KalNorth Gold**" - **ASX: KGM**) to earn up to an 80% interest (by completing expenditure of \$2 million over 4 years) in the **Spargoville Gold Project** which is located immediately adjacent to Mithril's **Spargos Reward Gold Project**, 30 kilometres west of Kambalda in the Eastern Goldfields of Western Australia (*Figure 1*).

Mithril recently commenced a 1,300 metre RC drill program to test the **extensional potential** of the high-grade **Spargos Reward Gold Mine** at the Spargos Reward Gold Project with results expected by late January 2013 (see *ASX Announcement dated 10 December 2012*).

KalNorth Gold's Spargoville Gold Project (**Spargoville**) is located on the Kunanalling Shear, a regional shear zone that hosts significant gold mineralisation 20km to the north at **Ghost Crab** (1999 Total Resources of 1.2Mozs gold @ 4.7g/t gold), 16km to the south at Ramelius Resources' operating **Wattle Dam Gold Mine** (total production of 250Koz gold), and 5km to the north east at **Spargos Reward** (total production of 30Koz gold @ 8 g/t from during the 1940's and early 1980's).

Spargoville contains a number of walk-up drill targets that Mithril believes, offer excellent exploration upside including the **Lady Allison Gold Deposit** where a JORC Code Compliant Inferred Resource of **2.1Mt @ 1.3g/t gold (86,800ozs)** was estimated by KalNorth Gold in late 2011 (*See Notes*).

The deposit is interpreted to be hosted within a series of easterly trending and south dipping quartz – sulphide lodes within quartz biotite feldspar intrusive rocks and remains open in all directions. Historical production from this prospect is reported to be 100 tonnes at a grade of 3.86g/t Au.

The acquisition of Spargoville, in conjunction with Spargos Reward Gold Project, increases Mithril's landholding within the area to approximately 75kms² and consolidates its position within the Eastern Goldfields of Western Australia.

Commenting on the announcement, Mithril’s Managing Director, Mr David Hutton, said: “The Spargoville acquisition is significant for a number of reasons. Not only does it give Mithril access to a number of exciting exploration targets immediately adjacent to our Spargos Reward Gold Project, the transaction sees the start of a longer term strategic relationship with KalNorth Gold Mines, a rapidly emerging Perth – based gold mining company.”

“We see considerable exploration upside at Spargoville and look forward to commencing exploration activities early in the March Quarter next year.”

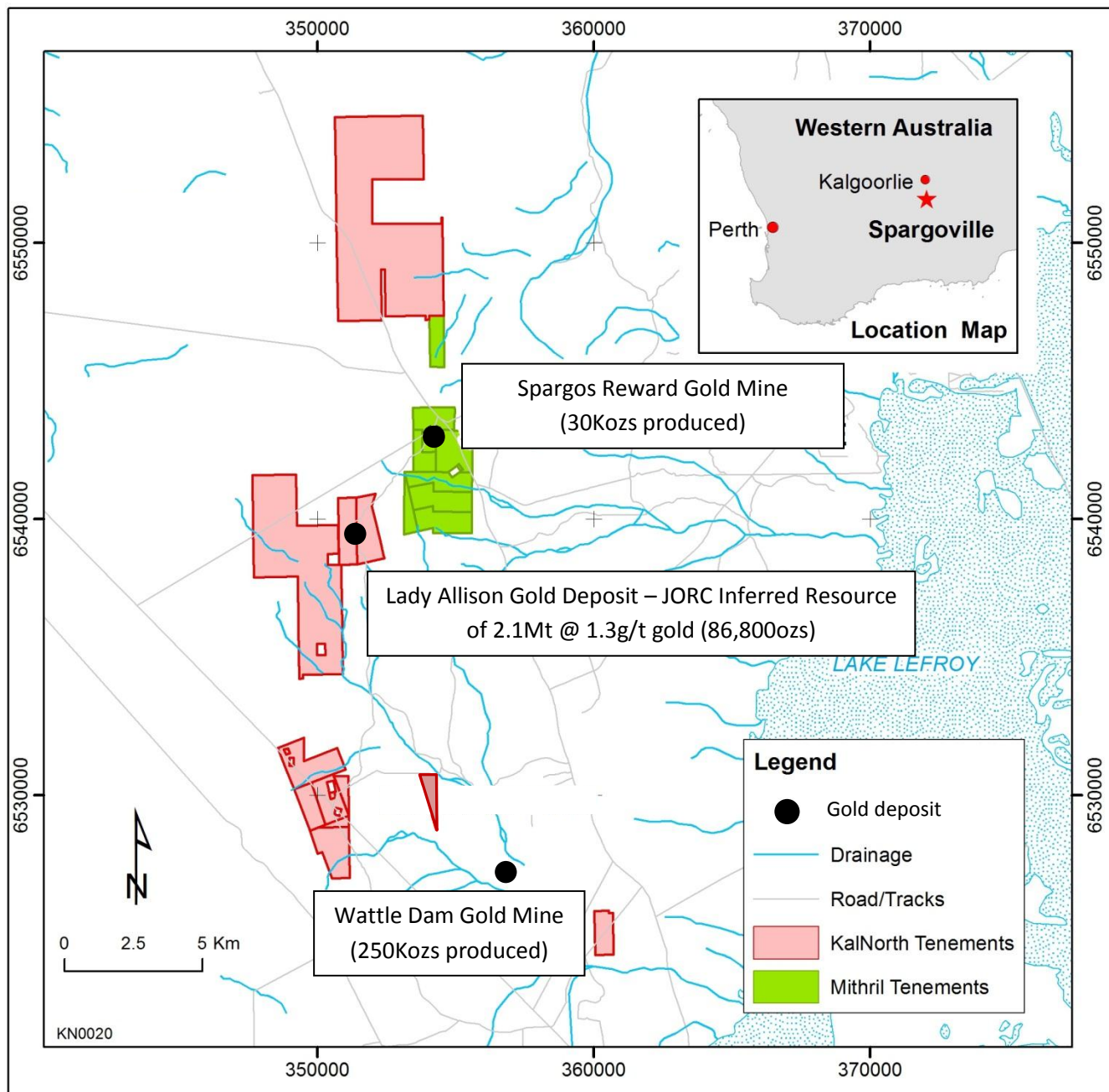


Figure 1: Spargoville Location Plan showing Mithril’s 100% – owned Spargos Reward Gold Project (green) and KalNorth’s Spargoville Gold Project (red)

Agreement Terms

Under the terms of the Spargoville Gold Project Farmin and Joint Venture Letter Agreement:

- Mithril must complete a minimum expenditure of \$320,000 (or the expenditure required to maintain the tenements in good standing, if greater) within 1 year of commencement (and before any withdrawal).
- Upon completion of the minimum expenditure, Mithril will have earned a 20% interest in Spargoville and KalNorth Gold has the option to purchase a 20% interest in Mithril's Spargos Reward Gold Project for \$1.
- If Mithril completes the minimum expenditure, it then has the right to earn a further 60% interest in the Spargoville by completing the balance of \$2 million expenditure within a further 3 years.
- Upon Mithril earning its 80% interest, KalNorth Gold can within 90 days afterwards then exercise its option over the Spargos Reward Gold Project. If Mithril fails to earn an 80% interest, KalNorth Gold's option over the Spargos Reward Gold Project lapses.
- If Mithril earns an 80% interest in Spargoville and KalNorth Gold exercises its option over the Spargos Reward Gold Project, Mithril and KalNorth Gold will form a 80%/20% joint venture over the combined Spargos Reward Gold Project and Spargoville and fund ongoing expenditure on a pro rata basis.

The Farmin and Joint Venture Letter Agreement is conditional upon the parties entering into deeds of assignment and assumption in relation to existing third party agreements and Mithril conducting due diligence on Spargoville, with both to be satisfied or waived within 90 days after the date of the Letter Agreement.

About KalNorth Gold Mines Limited

KalNorth Gold Mines Limited (formerly Carrick Gold) is a gold exploration and development company which is developing the KalNorth Goldfield, approximately one hour's drive north-east of Kalgoorlie. KalNorth Gold aims to commence gold production from the Lindsay's Deposit in early 2013 and the operation is planned to deliver approximately 440,000t ore over an 18 month period to deliver around 40,000oz of gold. The cash flow from the operations will be used to further develop the mineral resources within the KalNorth Goldfield.

About the Lady Allison Gold Deposit

Snowden Mining Industry Consultants ("Snowden") was commissioned by Carrick Gold Limited to complete a resource estimate for the Lady Allison prospect. The resource estimate was completed in September 2011 and has been classified as an Inferred Resource and reported in accordance with the JORC code (JORC, 2004) and associated guidelines (see Table 1).

Table 1: Lady Allison Inferred Mineral Resource at 0.5 g/t Au cut –off

Tonnes (t)	Grade (Au g/t)	Ounces (oz.)
2,130,000	1.3	87,000

The grade and ounces are reported to two significant figures and the tonnes are reported to three significant figures, which may result in apparent discrepancies in the table.

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Results 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.

The information in this report that relates to the Lady Allison Gold Deposit Inferred Resource is based on information compiled by Mr Shane Fieldgate, who is a full-time employee of Snowden Mining Industry Consultants and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Fieldgate 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 Fieldgate 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 emerging Eastern Arunta Province (Northern Territory) and 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.