

## New high-grade Kombi Gold Prospect

- Mithril targeting high-grade gold beneath historic Gloria June workings and adjacent soil anomaly
- Historic workings at Gloria June (to 10 metres depth) produced 1,094 tonnes @ 10.8g/t gold with sampling of remnant quartz vein material returning results up to 271g/t gold
- No drill testing below 25 metres vertical depth throughout prospect area with only wide spaced shallow RC drilling undertaken by previous explorers
- Further mapping and sampling planned ahead of drill testing in second half of 2017

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that a newly completed review of previous exploration data has identified a new gold prospect (called “**Kombi**”) on its Murchison Project, approximately 70 kms southeast of Meekatharra, WA (*Figure 1*).

The new gold prospect is 1.4 kms south east of Mithril’s Nanadie Well Copper Deposit and Stark Copper Prospect and comprises the historic Gloria June gold workings and a large gold in soil anomaly immediately along strike from the workings.

Kombi is the second new gold prospect generated by Mithril on its Murchison Project along with the Fenceline Gold Prospect to the north east (*see Mithril’s ASX Announcement dated 28 June 2017*).

The historic Gloria June workings comprise a 30 metre long, SE trending underlay stope that dips to the south west and follows a gold – mineralised quartz vein within a narrow (1 – 5 metres) shear zone (*Figure 2*). The open stope is between 6 and 10 metres deep and has a reported historic production of 1,094 tonnes at 10.8g/t gold (*refer to 1989 and 1990 Dominion Mining Limited Reports – WAMEX Report Nos: A028124 and A0343335*).

Rock chip sampling of remnant vein quartz material from the workings returned results ranging from **0.27 g/t gold to 271 g/t gold** (*Table 1*).

There is also a historic surface gold in soil anomaly immediately southeast of the Gloria June workings. The anomaly is 150m x 170m in size (as defined by the +10ppb gold contour - *Figure 3*).

Significantly, beneath the workings and the soil anomaly have not effectively drill tested with only wide spaced shallow reverse circulation drilling (less than 25 metres vertical depth) previously undertaken (*Table 2 and Figure 4*).

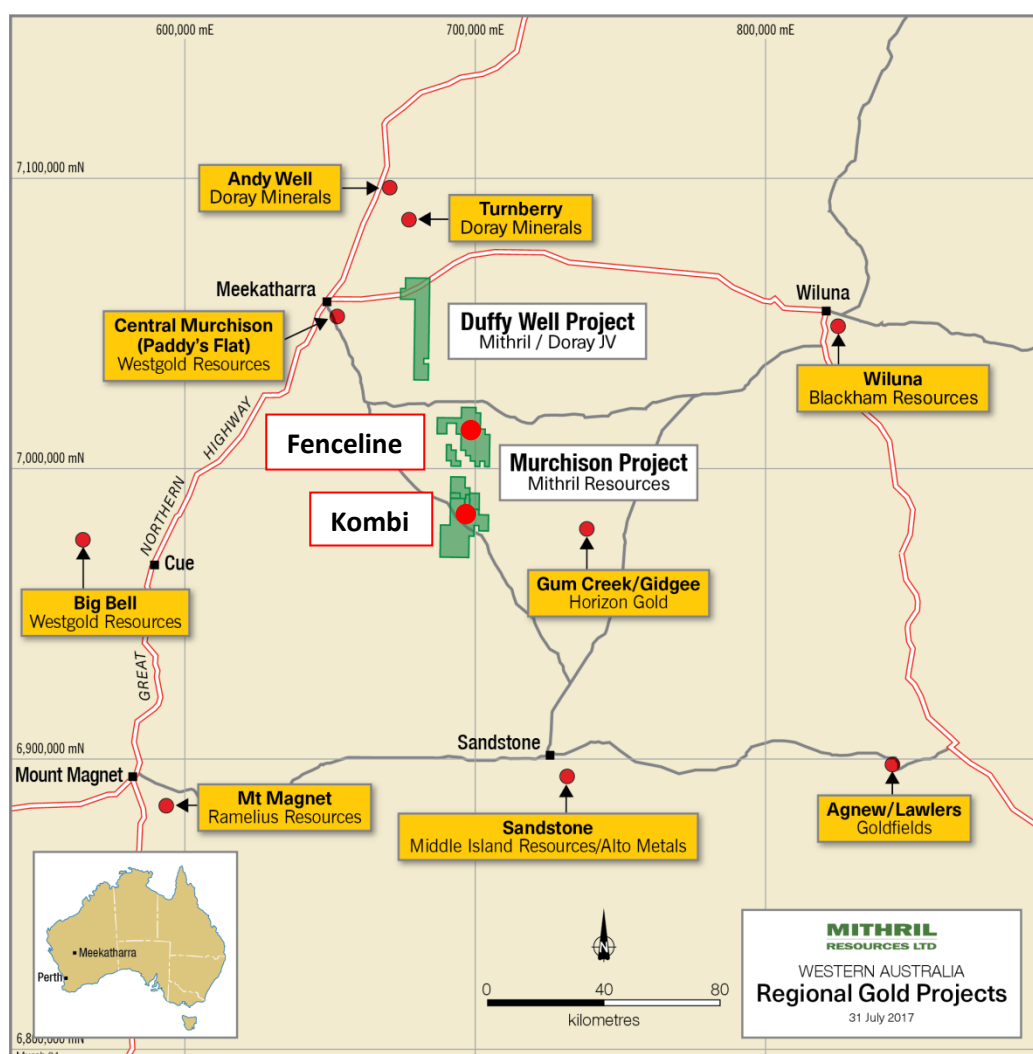
While no assay results for the Gloria June drill holes have been found, one of the holes drilled 100 metres southeast of Gloria June within the soil anomaly intersected 2m @ 1.73g/t gold from surface (INCA13) with no apparent follow-up.

Mithril is targeting high-grade gold mineralisation beneath the workings and soil anomaly below existing drilling (i.e. 25 metres vertical) at Kombi and the prospect is a high priority for follow-up.

Mithril plans to conduct further detailed mapping and sampling ahead of potential drill testing in the second half of 2017 and looks forward to updating the market with new results as they become available.

**Table 1: Gloria June rockchip sample locations and description**

Sample ID	Information Source	Easting	Northing	Comment	Au g/t	Cu %	Ag g/t
5776	WAMEX Report - A064260	695,017	6,993,125	30cm thick quartz vein in pillar	271	-	-
5777	WAMEX Report - A064260	695,017	6,993,125	Footwall quartz vein	0.27	-	-
5778	WAMEX Report - A064260	695,017	6,993,125	Footwall shear / quartz vein	3.25	-	-
5779	WAMEX Report - A064260	695,017	6,993,125	25cm thick quartz vein	4.50	-	-
UNKN	Mithril Resources	695,026	6,993,129	Lode material – waste dump	9.88	5.1	22

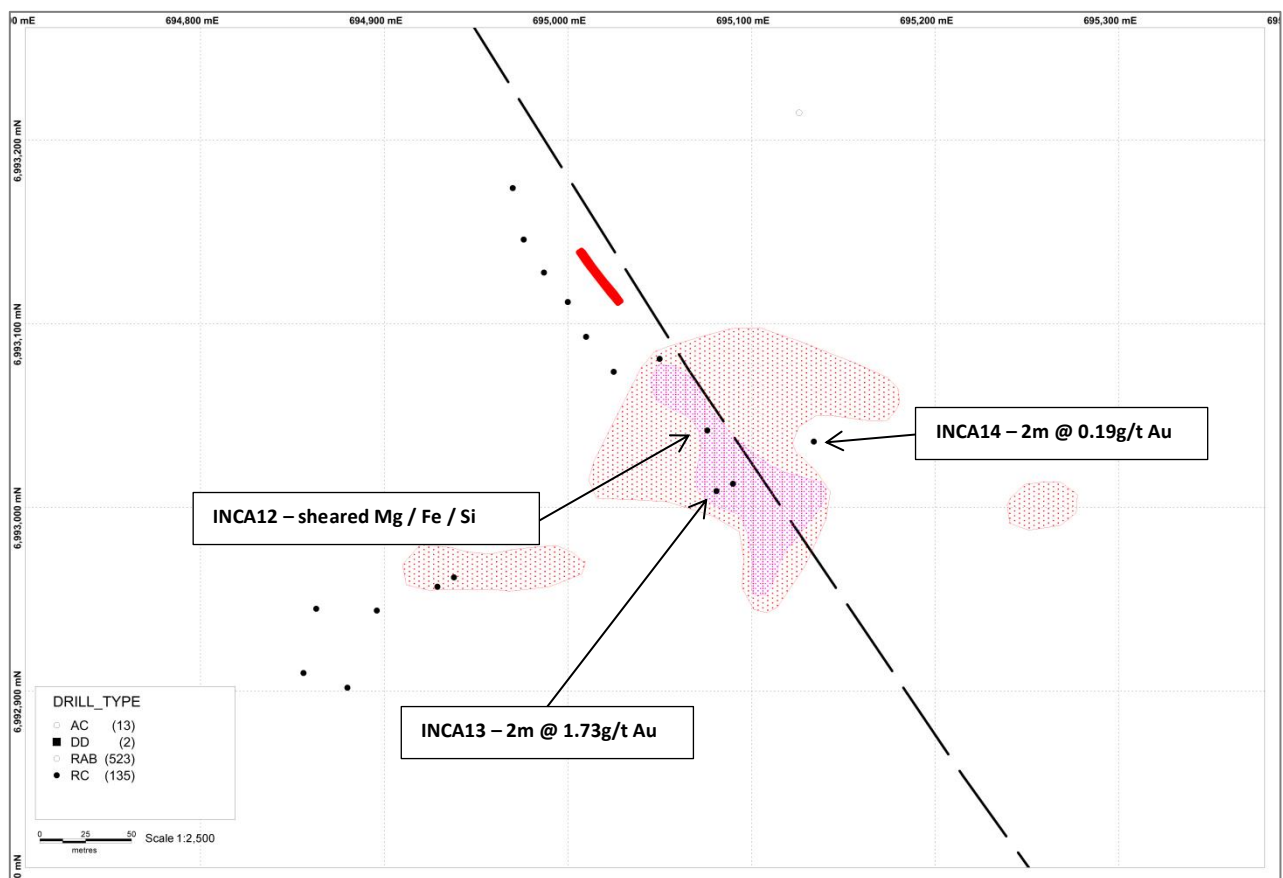
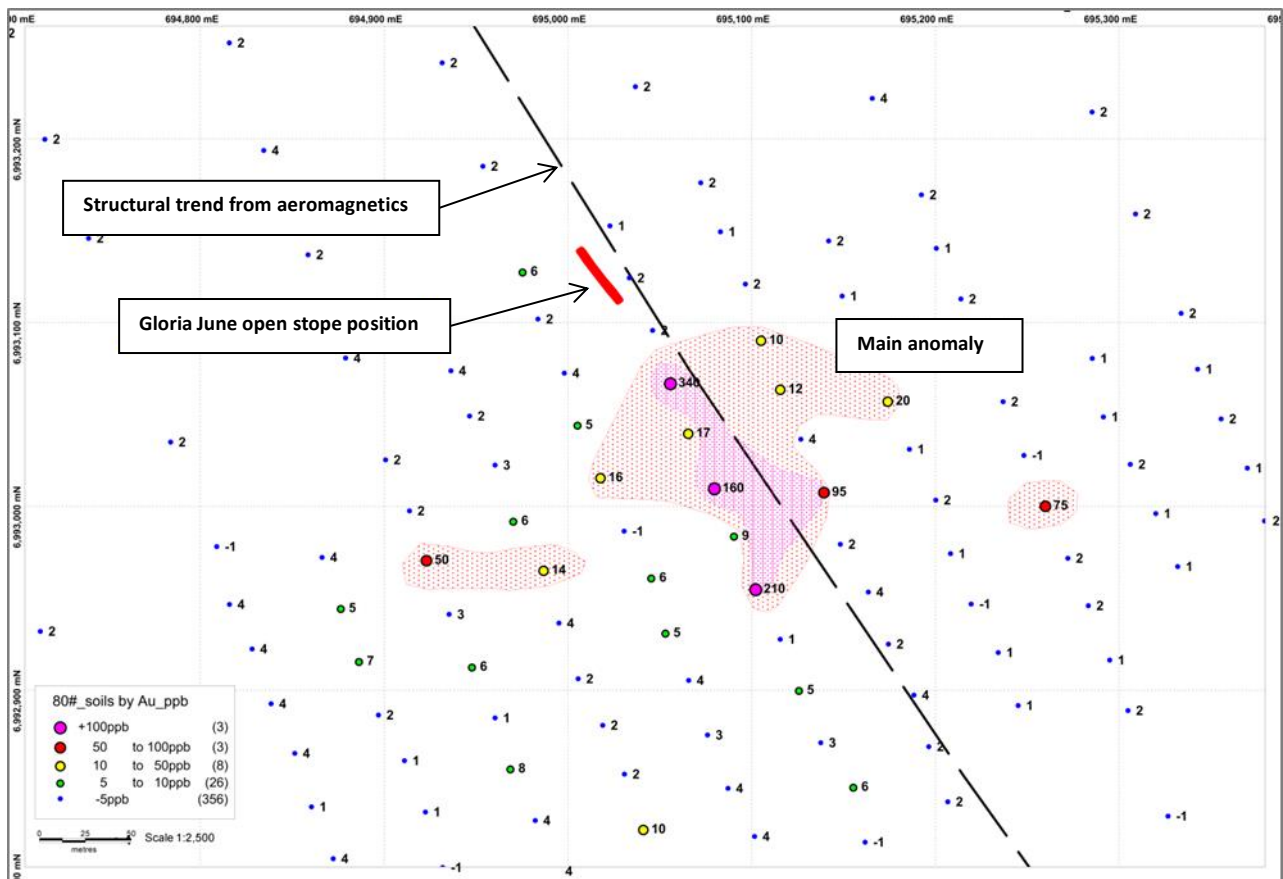


**Figure 1: Murchison Project Location Plan**





**Figure 2: Kombi Gold Prospect – looking southeast along the surface exposure of the Gloria June stope void towards the soil anomaly in the background.**



**Figure 3 (top): Kombi Gold Prospect – Gloria June workings, surface soil sampling results, and gold in soil anomaly. Figure 4 (bottom): as per Figure 3 but showing location of all drill holes. 100 metre grid squares used throughout.**



**Table 2: Kombi Gold Prospect historic drill hole specifications and intercepts**

Hole ID	Easting	Northing	Dip°	Azi°	EOH	From	Width	Au g/t	Comments
FALCONA1	694976	6993146	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA2	694970	6993174	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA3	694987	6993128	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA4	695000	6993112	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA5	695010	6993093	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA6	695025	6993074	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA7	695050	6993081	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
FALCONA8	695090	6993013	-60	50	UNKN	Results not known			WAMEX Report No. 034335 + collar field checked
INCA12	695076	6993042	-60	65	20	No Significant Assays			WAMEX Report No. A028124 and A034335
INCA13	695081	6993009	-60	65	20	0	2	1.73	WAMEX Report No. A028124 and A034335
INCA14	695134	6993036	-60	45	20	0	2	0.19	WAMEX Report No. A028124 and A034335

### About the Murchison Project

The Kombi Gold Prospect lies within Mithril's Murchison Project (500 km<sup>2</sup> area and located 80 kms SE of Meekatharra, WA) which covers a NW trending belt of Archaean mafic and metasedimentary units with demonstrated prospectivity for both magmatic copper-nickel-PGE mineralisation and lode-gold mineralisation.

The project also contains the Nanadie Well Copper Deposit, Stark Copper Prospect and Fenceline Gold Prospect.

The Kombi Gold Prospect, Nanadie Well Copper Deposit, Stark Copper Prospect lie on EL51/1040 which is subject to a Farmin and Joint Venture Agreement (Nanadie Well Joint Venture) with Intermin Resources Limited (ASX:IRC). Under the terms of the joint venture, Mithril can earn a 60% interest in the tenements by completing expenditure of \$2M by 14 April 2019, and an additional 15% by completing further expenditure of \$2M over a further 2 years.

The Fenceline Gold Prospect lies on EL51/1615 which is wholly owned by Mithril Resources.

**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>	<p>Rock chip samples were collected by JN Holloway (WAMEX Report No 64260) and Mithril Resources as per Table 1 of this Report</p> <p>1 – 3kg rock chip samples of either outcrop, sub crop or float/lag material were collected at various locations based on prospective geology.</p> <p>-80# soil sampling (500 gram bulk sample) was undertaken on 100m x 100m centres by Dominion Mining. Anomalous areas were subsequently infilled on 50m x 50m centres.</p>
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	<p>Holloway rock chip samples – it is assumed that each rock chip location (easting and northing) was collected by a handheld GPS.</p> <p>Mithril rock chip samples - each sample location (easting and northing) was collected by a handheld GPS. A brief sample description and additional comments as necessary were recorded at every sample location. All sampling protocols remained constant throughout the program.</p> <p>Dominion soil sampling – samples were collected using a 100m chain and compass technique along a theodolite controlled</p>

Criteria	JORC Code explanation	Commentary
		baseline.
	<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>	<p>Mithril rock chip sampling: 1 – 3kg rock chip samples were collected from either outcrop or sub crop and placed inside calico sample bags for transport to ALS Laboratories in Perth, WA for sample preparation and geochemical analysis.</p> <p>In the laboratory, samples are crushed and pulverised to produce a representative 25g sub-sample for analysis as follows: gold by FIRE ASSAY, and base metals by four acid digest with an ICP-MS finish.</p> <p>Holloway rock chip sampling: Samples were analysed for gold, copper and arsenic but analytical methods are unknown.</p> <p>Dominion soil sampling: samples were submitted to Analabs Pty Ltd in Perth for low level gold analysis using Method Au/336.</p> <p>FALCONA series drillholes were undertaken by Falcona Exploration and Mining NL in 1986. Details of the sampling techniques and analytical methods are unknown.</p> <p>The INCA series drillholes were undertaken by Dominion Mining Limited in 1990. Two metre composite RC samples were submitted to Classic Comlabs Pty Ltd in Meekatharra for gold analysis by Fire Assay.</p>
<b>Drilling techniques</b>	<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>	Both Falcona Exploration and Mining NL, and Dominion Mining carried out Reverse Circulation drilling at the Kombi Gold Prospect.
<b>Drill sample recovery</b>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Details of the Falcona Exploration and Mining NL drilling are not known but the Dominion Mining holes were geologically logged at the time of drilling.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not known as these details were not included in respective historic reports.
	<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 known as these details were not included in respective historic reports.
<b>Logging</b>	<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>	Drill holes have been described geologically but not to a level of detail suitable for Mineral Resource estimation, mining and metallurgical studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	<p>Drillhole logging is of a qualitative nature.</p> <p>The Dominion Mining holes were logged for lithology and sometimes logged for colour, texture, weathering, minerals and alteration.</p>
	<i>The total length and percentage of the relevant intersections logged.</i>	Details of the Falcona Exploration and Mining NL drilling are not known but the Dominion Mining holes drilled underneath the soil anomaly were geologically logged for their entire length.
<b>Sub-sampling techniques and sample preparation</b>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not Applicable as no core drilling was undertaken.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Reverse Circulation (i.e. non-core) samples were sampled dry.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	<p>Mithril rock chip sampling: the sample preparation of the rock chip samples follows industry best practice, involving oven drying (110°C) where necessary, crushing and pulverising (~90% less than 75µm).</p> <p>Holloway rockchip sampling: Not known as these details were not</p>

Criteria	JORC Code explanation	Commentary
		<p>included in respective historic reports.</p> <p>Dominion Mining soil sampling: Not known as these details were not included in respective historic reports.</p> <p>Falcona Exploration and Mining NL RC drilling: Not known as these details were not included in respective historic reports.</p> <p>Dominion Mining RC drilling: Not known as these details were not included in respective historic reports.</p>
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	<p>Mithril rock chip sampling: individual samples were placed in calico bags to avoid contamination with other samples before being transported to the laboratory for analysis.</p> <p>For all other work: Not known as these details were not included in respective historic reports.</p>
	<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>	<p>Mithril rock chip sampling: sampling was carried out by the Company's geologist with knowledge of the prospect's geological setting and rock types.</p> <p>For all other work: Not known as these details were not included in respective historic reports.</p>
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	The sample sizes of the rock chip, soil and RC samples are considered appropriate to the grain size of the material being sampled.
<b>Quality of assay data and laboratory tests</b>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Trace Level gold by Fire Assay is considered to a total technique and appropriate for determining gold analyses.
	<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>	<p>Mithril rock chip sampling: For base metal analysis, each rack (40 tubes) contains one blank to monitor the purity of the reagents. Each rack contains two duplicate samples and the results are reported in a QC report at the end of the analytical report. Each rack contains two digested standards to monitor the accuracy of the method. The laboratory also conducts monthly round robin programs for fire assay gold and base metal analysis.</p> <p>The laboratory expects to achieve a precision and accuracy of plus or minus 10% for duplicate analyses, in-house standards and client submitted standards, when conducting routine geochemical analyses for gold and base metals. These limits apply at, or greater than, fifty times the limit of detection.</p> <p>All other work: Not known as these details were not included in respective historic reports.</p>
<b>Verification of sampling and assaying</b>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant Results detailed in this Report have been verified by the Company's Geology Manager and Managing Director
	<i>The use of twinned holes.</i>	Not Applicable as no drilling was undertaken.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Handwritten data entry was used for documenting the Mithril rock chip sampling and geological logging of Dominion Mining RC drill holes. Reports of historic exploration activities for the Kombi Gold Prospect have been sourced from the WA Department of Mines and Petroleum WAMEX database.
	<i>Discuss any adjustment to assay data</i>	None undertaken.
<b>Location of</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings</i>	Data points (rock chip sample locations and historic drill hole collars) were recorded using a handheld GPS with an expected

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<b>data points</b>	<i>and other locations used in Mineral Resource estimation.</i>	accuracy of +/- 5m. For the nature of the program completed, this level of accuracy is considered to be suitable.
	<i>Specification of the grid system used.</i>	Data points have been quoted in this Report using the MGA Zone 50 (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.
<b>Data spacing and distribution</b>	<i>Data spacing for reporting of Exploration Results.</i>	As detailed in Tables 1 and 2, and Figures 3 and 4 of this Report. The rock chip samples were randomly located based on where prospective rocks occurred as either outcrop or sub crop at the surface. Dominion Mining -80# soil samples were collected on 100m x 100m centres with 50m x 50m infill.
	<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>	Dominion Mining RC drilling: two metre composite samples were collected at the time of drilling and submitted to the laboratory for analysis. No other composite sampling has been applied.
<b>Orientation of data in relation to geological structure</b>	<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>	Unknown as the nature and orientation of the underlying structures are unknown and sampling was of a reconnaissance nature only.
	<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 known as it is not known if any relationship between the drilling orientation and the orientation of key mineralised structures exists due to the shallow and wide spaced nature of the reported results.
<b>Sample security</b>	<i>The measures taken to ensure sample security.</i>	Mithril rock chip sampling: all samples were placed into individual calico bags and transported to the laboratory for analysis as soon as possible. All other work: Not known as these details were not included in respective historic reports.
<b>Audits or reviews</b>	<i>The results of any audits or reviews of sampling techniques and data.</i>	All results were reviewed by Company personnel including the Geology Manager and Managing Director. No negative issues were identified from these reviews.

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

Criteria	JORC Code explanation	Commentary
<b>Mineral tenement and land tenure status</b>	<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 Kombi Gold Prospect lies on EL51/1040 which is subject to a Farmin and Joint Venture Agreement (Nanadie Well Joint Venture) with Intermin Resources Limited (ASX:IRC). Under the terms of the joint venture, Mithril can earn a 60% interest in the tenements by completing expenditure of \$2M by 14 April 2019, and an additional 15% by completing further expenditure of \$2M over a further 2 years.
	<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 existing impediments to the tenements.



Criteria	JORC Code explanation	Commentary
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	<p>The following parties have conducted exploration activities on the Kombi Gold Prospect:</p> <ul style="list-style-type: none"> <li>Falcona Exploration and Mining Pty Ltd (1986). RC drilling underneath the Gloria June workings,</li> <li>Dominion Mining Limited (1989 – 1990). Gridding, geological mapping, -80# soil sampling and RC drilling,</li> <li>JN Holloway (2001) mapping and rock chip sampling of the Gloria June workings,</li> <li>Intermin Resources (mid 2000's – 2013) geological prospecting and mapping,</li> <li>Mithril Resources (2014 – present). Rockchip sampling, prospecting and data review.</li> </ul> <p>Underground mining at Gloria June was thought to be undertaken during the period 1970 – 1980.</p>
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The gold mineralisation at Kombi is interpreted to be of Archaen – age and occurs within a sheared mafic – ultramafic sequence.
<i>Drill hole Information</i>	<p><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></p> <p><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></p>	A summary of all material information referred to in this Announcement is presented in Figures 3 - 4, and Tables 1 - 2 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>	In reporting these Exploration Results, no weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades have been applied.
	<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>	No data aggregation methods have been applied.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been used in this Report.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The relationship between mineralisation widths and intercept lengths is unknown.
	<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 not known.
	<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>	No drilling results have been reported and true widths are unknown.
<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 3 and 4 of this Report.

Criteria	JORC Code explanation	Commentary
Balanced reporting	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.	All new exploration results have been reported.
Other substantive exploration data	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.	All relevant data has been included within this Report.
Further work	The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).	Mithril plans to conduct further detailed mapping and sampling ahead of potential drill testing in the second half of 2017
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Figures 3 - 4 displays the area of interest at Kombi.

ENDS

#### For Further Information Contact:

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#### 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 is an Australian resources company whose objective is the creation of shareholder wealth through the discovery and development of mineral deposits.

The Company is actively exploring throughout the Western Australian Goldfields for economic gold, copper and nickel deposits.

The Company is also exploring South Australia's far western Coompana Province for magmatic nickel – copper deposits with OZ Minerals Limited.