

Cobalt potential highlighted at Nanadie Well Copper Deposit

- Selective resampling of drill spoils returns elevated cobalt including;
 - 1m @ 2.97% copper, 1.27g/t gold, and 0.15% cobalt, and
 - 1m @ 5.71% copper, 0.86g/t gold, and 0.07% cobalt
- Previous exploration activities focussed primarily on copper with vast majority of higher grade copper intervals not analysed for cobalt
- Nanadie Well hosts an existing 2004 JORC Inferred Resource of 36.07Mt @ 0.42% copper, 0.064 g/t gold - 151,506t copper and 74,233ozs gold (see note below)
- Diamond drilling to test for further high-grade copper and associated cobalt planned for the June 2017 Quarter

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that a review of previously completed drill hole sampling has highlighted the cobalt potential of the **Nanadie Well Copper Deposit** (2004 JORC Code Compliant Inferred Resource of 36.07Mt @ 0.42% copper, 0.064 g/t gold - 151,506 tonnes copper and 74,233 ounces gold estimated by Intermin Resources Limited **ASX: IRC** in 2013) which is located 80 kilometres southeast of Meekatharra, Western Australia (Figure 1).

Previous drilling at Nanadie Well has focused on copper and gold, with the overwhelming majority of higher grade copper intervals (i.e. greater than 1% copper) never having been analysed for cobalt.

Mithril's selective resampling of historic RC drillholes within the deposit has returned elevated cobalt as well as nickel, platinum and palladium, the best results being (see Table 1 and Figure 2);

- 1m @ 2.97% copper, 1.27g/t gold, 0.15% cobalt, 0.47% nickel and 478ppb platinum + palladium ("PGE's") from 128m hole NRC12015 (grab sample),
- 1m @ 5.71% copper, 0.86g/t gold, 0.07% cobalt, 0.49% nickel and 128ppb PGE's from 146m in NRC12013 (grab sample), and
- 1m @ 4.50% copper, 0.87g/t gold, 0.06% cobalt, 0.82% nickel and 168ppb PGE's from 128m in NRC12015 (grab sample),

While the resampling results highlight the deposit's cobalt potential, further work is required to better understand the grade and distribution of cobalt, nickel and PGE mineralisation at Nanadie Well and with this in mind, diamond drilling to test for further high-grade copper and associated cobalt is planned for the June 2017 Quarter.

Table 1: Nanadie Well Copper Deposit comparative grab sampling results

Intermin 2011 / 2012 Original Results								Mithril resampling					
Hole ID	Easting	Northing	From (m)	Width (m)	Au g/t	Cu %	Ni%	Au g/t	Cu %	Ni%	Co ppm	Pd ppb	Pt ppb
NRC11004	693,042	6,994,747	88	1	0.33	4.13	0.36	0.87	4.50	0.82	564	158	11
NRC11004	693,042	6,994,747	53	1	-	-	-	0.29	1.34	0.11	165	84	6
NRC12012	693,041	6,994,786	100	1	0.56	2.83	0.10	0.32	1.84	0.11	172	20	4
NRC12016	693,043	6,994,558	153	1	1.61	6.65	0.69	0.68	3.05	0.29	269	128	14
NRC12015	693,042	6,994,599	128	1	0.93	1.78	0.32	1.27	2.97	0.47	1,455	416	61
NRC12013	693,042	6,994,707	146	1	0.71	5.57	0.40	0.86	5.71	0.49	700	118	10
NRC12013	693,042	6,994,707	147	1	0.69	3.95	0.37	0.93	3.72	0.27	508	136	21
NRC12011	693,023	6,994,747	113	1	1.34	4.05	0.09	1.76	3.39	0.08	224	237	8
NRC12032	693,072	6,994,746	30	1	0.43	4.10	0.04	0.54	5.74	0.09	396	86	8
NRC12036	692,986	6,994,901	24	1	1.61	6.86	0.08	2.37	4.60	0.04	82	50	16
NRC12019	692,940	6,994,900	89	1	0.41	5.00	0.12	0.43	3.37	0.12	274	187	12

About the Nanadie Well Copper Deposit

Intermin Resources Limited estimated a 2004 JORC Code Compliant Inferred Resource for the Nanadie Well Copper Deposit in September 2013 (*see Intermin's ASX Announcement "Initial Resource Estimate for the Nanadie Well Cu-Au Project" dated 19 September 2013*).

Nanadie Well Inferred Resource					
2004 JORC Code Classification	Tonnes (Mt)	Copper %	Gold ppm	Contained Copper (t)	Contained gold (ounces)
Inferred	36.07	0.42	0.064	151,506	74,233

The information pertaining to the Nanadie Well Copper Deposit Inferred Resource was prepared and first disclosed by Intermin under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The Inferred Resource is within a few meters of the surface and has been defined over 1 kilometre strike length, 50 – 150 metres (true width) and to a maximum depth of 220. The deposit remains open in all directions and lies within a broader 2 kilometres long mineralised zone (Figures 2 and 3) that has been identified by wide spaced reconnaissance drilling.

Nanadie Well's prospectivity is further enhanced by the presence a second parallel copper – mineralised trend 500 metres east called the Stark prospect.

Refer to Mithril's ASX Announcements "Drilling extends Cu-Ni-PGE massive sulphides at Stark" dated 21 December 2015, and "Priority copper-nickel-targets at Stark" dated 1 June 2015 for further information on the Stark Prospect.

About the Nanadie Well Project

The Nanadie Well deposit and Stark prospect lie on tenements 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 project 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.

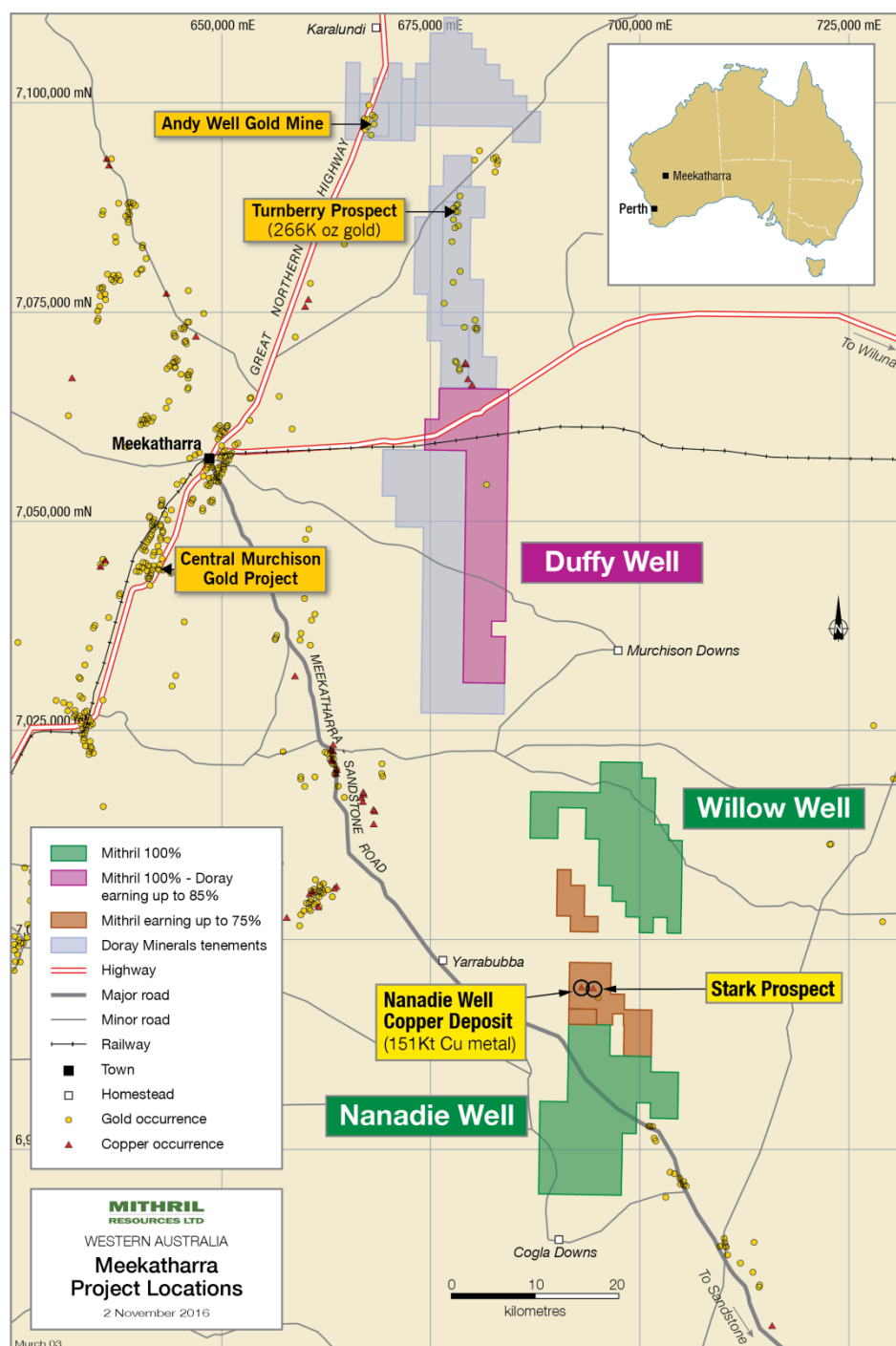


Figure 1: Nanadie Well Project Location Plan.

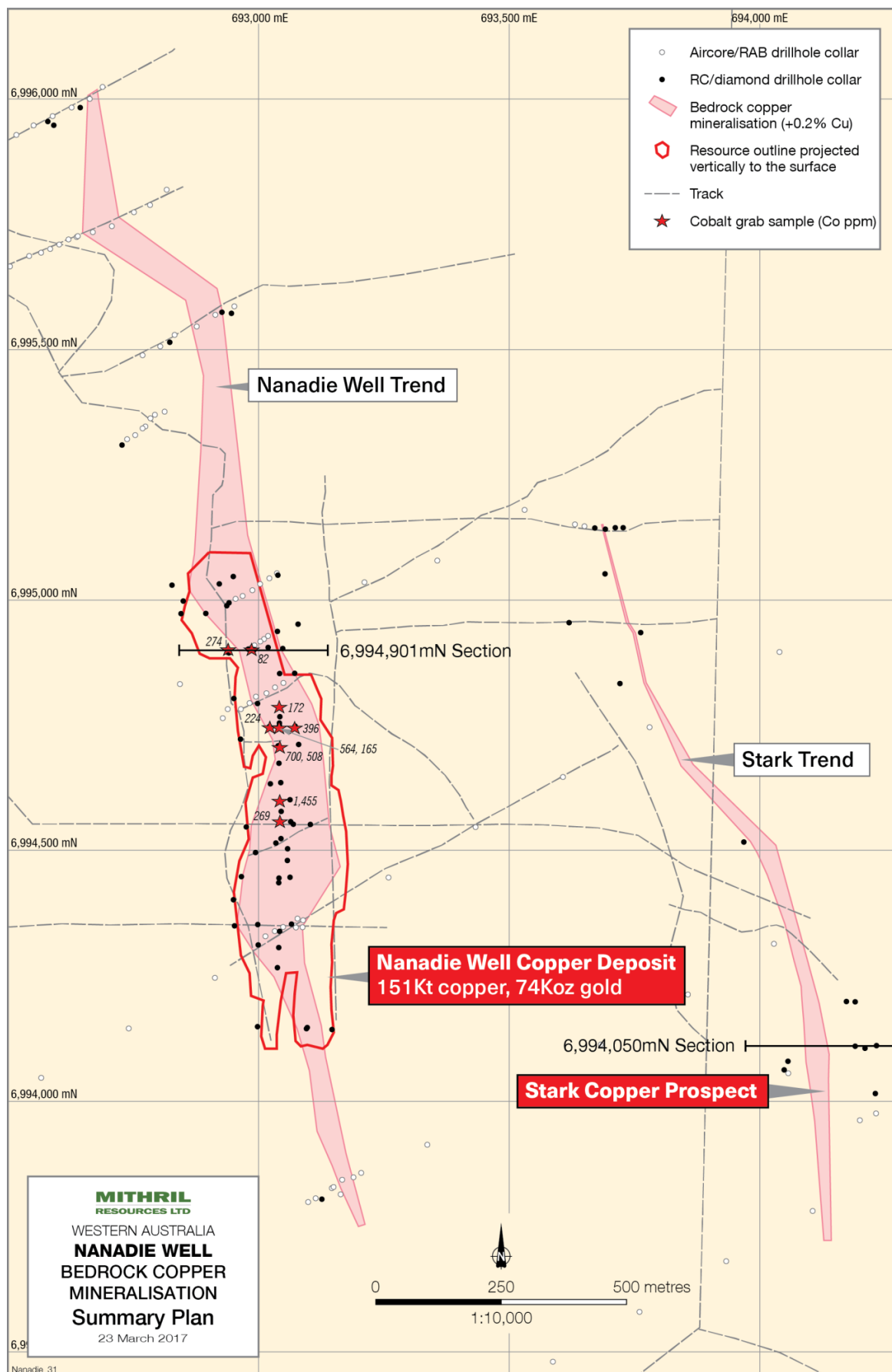


Figure 2: Nanadie Well Copper Deposit and drillhole locations – showing zones of bedrock copper mineralisation and location of cobalt grab samples (red stars).

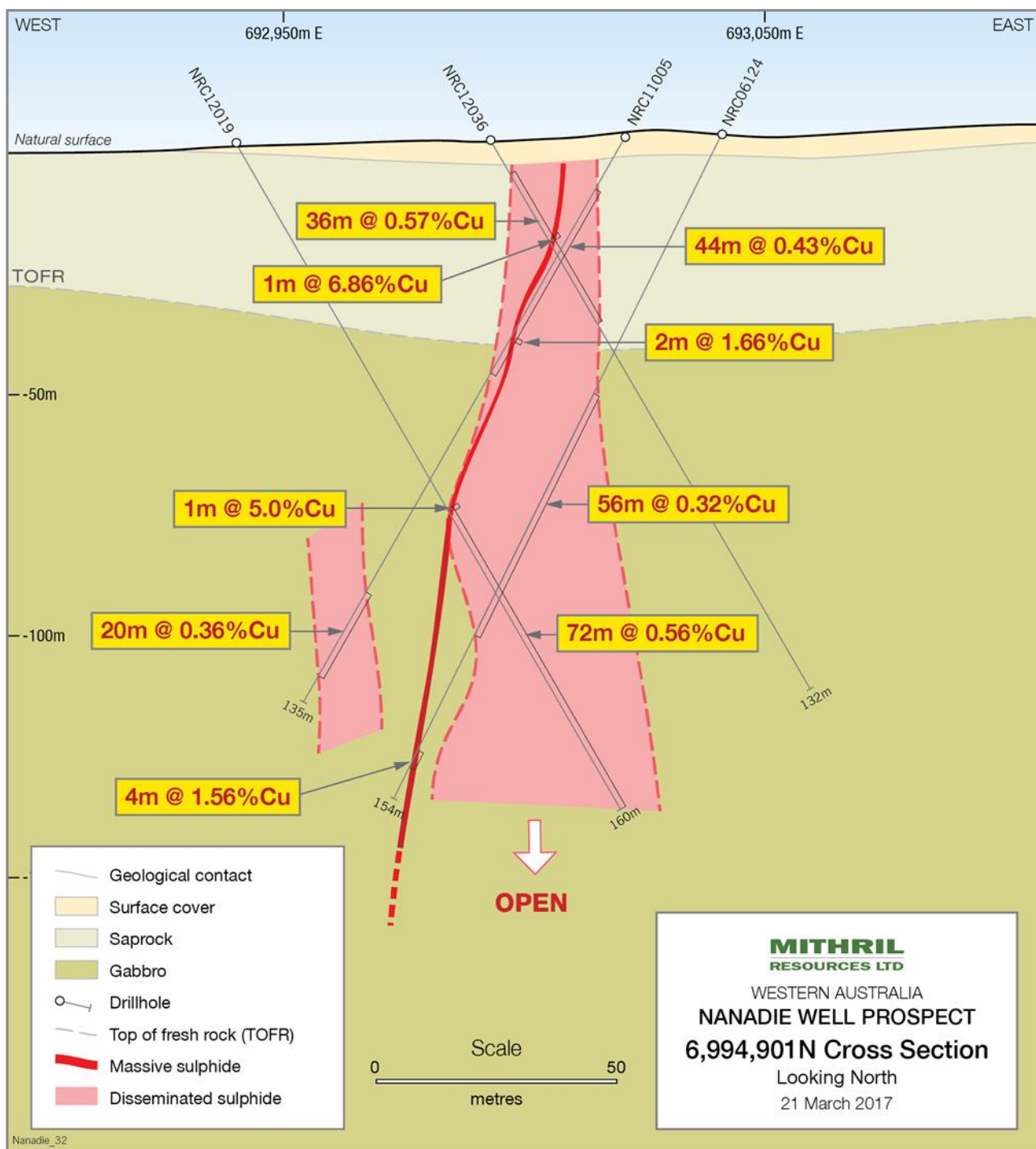


Figure 3: Nanadie Well Copper Deposit 6,994,901N Cross Section. Refer to Figure 2 for section location

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>	RC drill sampling during the 2011 – 2012 period was undertaken by Intermin Resources as follows: 4m composite RC drill samples were taken by using a PVC spear (75mm diameter) being thrust to the bottom of the green plastic RC bag with 1 scoop per sample taken. Additionally 1m single splits were taken off the rig mounted cyclone/splitter unit. These were placed on top of the green plastic RC drill bags and ultimately gathered and sent to the laboratory after the 4m composite results were known. Single samples deemed to have little Cu or Au were not assayed. The splitter/cyclone was routinely cleaned to avoid sample contamination. Mithril's resampling of Intermin's RC drill holes was undertaken by collecting selective grab samples (using an aluminium scoop) of drill cuttings from inside the original green plastic RC bags used at the time of drilling by Intermin. As a result of sampling drill cuttings that had been stored inside plastic bags since the time of drilling, sample integrity was maintained.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	The volume of each grab sample was maximised, to ensure greater representivity of the material being sampled The collar location of historic drill holes being resampled was recorded using a handheld GPS (+/- 5m accuracy) and checked against historical records to ensure that the new resampling results could be accurately compared to original results obtained by Intermin in the 2011 – 2012 period.
	<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>	Intermin's 2011 – 2012 RC drill samples were submitted to Aurum Laboratories Pty Ltd in Perth for sample preparation and analysis. Following sample preparation, a representative 50g sub-sample was submitted for copper and gold analysis by Aqua Regia with an ICPMS finish. Detection limit for Cu was 5ppm, Au 0.01 ppm. Random 50g Fire Assays (with ICPMS finish) were also taken to check the initial Aqua Regia gold analytical results. Standards and Blanks were used with satisfactory results on all elements. For Mithril's 2013 resampling the following applies: In each case, a 500-1000g grab sample was collected for geochemical analysis. Samples were submitted to MinAnalytical Laboratory Services Pty Ltd in Perth for sample preparation and analysis. Samples were dried and pulverised (75µm) to produce a representative 25g or 50g sub-sample for analysis. Au, Pt and Pd were analysed by Fire Assay with an ICPMS finish (method - FA25MS3). All other elements were analysed using a Four Acid Digestion (hydrofluoric, nitric, perchloric and hydrochloric acids) with an ICPOES finish (method – MA4010).
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>	Reverse Circulation drill samples were originally sampled by Intermin in 2011 – 2012, and resampled by Mithril in 2013.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	N/A
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	N/A

Criteria	JORC Code explanation	Commentary
	<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>	N/A
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>	N/A
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	N/A
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	For Intermin's 2011 – 2012 RC drilling the following applies: 4m composite RC drill samples were taken by using a PVC spear (75mm diameter) being thrust to the bottom of the green plastic RC bag with 1 scoop per sample taken. Additionally 1m single splits were taken off the rig mounted cyclone/splitter unit. These were placed on top of the green plastic RC drill bags and ultimately gathered and sent to the laboratory after the 4m composite results were known. Single samples deemed to have little Cu or Au were not assayed. The splitter/cyclone was routinely cleaned to avoid sample contamination.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The sample preparation techniques applied to both the original Intermin RC drill samples and Mithril's resamples followed industry best practice – samples were oven dried (110°C) before crushing and pulverizing (~80% <75µm)
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	RC drilling was originally undertaken by Intermin in 2011 – 2012 using professional drilling contractors under the supervision of Intermin geological personnel to ensure quality control procedures (i.e. cleaning of drill rig splitter / cyclones and consistent sample weights) were maintained.
	<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>	During Mithril's resampling, no field duplicates taken. All samples collected weighed <1kg to ensure the entire sample was pulverised.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Not known. Assumed appropriate.
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>	Four acid digests, aqua regia digests and Fire Assay for selected elements is appropriate for the type of exploration undertaken. Four acid and aqua regia digests are considered partial techniques and Fire Assay is considered a total technique.
	<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>	None 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>	For Intermin's sampling - Standards and Blanks were used with satisfactory results on all elements. For Mithril's resampling - routine 1 in 8 samples were repeated and regular standards and blanks were inserted. Results show an acceptable level of accuracy, precision and repeatability.

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Mithril's resampling results were reviewed and verified by Mithril's Geology Manager. Where the same elements have been analysed for, Mithril's results were compared to those originally obtained by Intermin.
	<i>The use of twinned holes.</i>	None undertaken
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	For Mithril's resampling - primary data (i.e. geological description and location information) was entered into field note books and digitised in Microsoft Excel.
	<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>	Collar locations recorded with a handheld GPS with an accuracy of +/- 5m
	<i>Specification of the grid system used.</i>	The coordinate system used during the program was GDA1994 - Zone 50.
	<i>Quality and adequacy of topographic control.</i>	Not undertaken
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	One metre Intervals were selected for resampling on the basis that they (as previously reported by Intermin) contained high grade copper and gold mineralisation. The drill holes from which the individual Mithril resamples were collected are spread throughout the Nanadie Well Deposit area (See Figure 2 of this Report).
	<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>	Mithril's resampling was not undertaken with a view to re-classifying the existing Inferred Resource.
	<i>Whether sample compositing has been applied.</i>	No composite sampling has been applied.
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>	Mithril resampling was undertaken of known high grade intervals and was not aimed at testing of possible structures. The geological context and setting of the Nanadie Well Copper Deposit is unknown at this stage.
	<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>	The geological context and setting of the Nanadie Well Copper Deposit is unknown so no comment can be made on any sampling bias at this stage
Sample security	<i>The measures taken to ensure sample security.</i>	Mithril's samples were double bagged in the field at the time of collection and sent directly to MinAnalytical Laboratory Services Pty Ltd in Perth.
Audits or reviews	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken.

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

Criteria	JORC Code explanation	Commentary
<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>	Resampling occurred on Exploration Licence 51/1040 which is owned by Intermin Resources and in which, Mithril has the right to earn up to a 75% interest by completing \$4M expenditure over 6 years (See ASX Announcement dated 6 December 2013).
	<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.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Intermin estimated a 2004 JORC Code Compliant Inferred Resource for the Nanadie Well Copper Deposit of 36.07Mt @ 0.42% Cu in September 2013. This work followed the completion of various previous RAB, RC and geophysical surveys throughout the area by Intermin and previous exploration companies. Mithril has focussed primarily on the adjacent Stark Prospect where copper – nickel – PGE sulphide mineralisation was discovered by Mithril in 2013 / 2014. Mithril has just completed a review of the Nanadie Well Deposit to determine next steps for the project.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Nanadie Well Copper Deposit is interpreted to be an Archaean – age mafic – hosted magmatic sulphide deposit. Disseminated copper (+/- lead, zinc) sulphide mineralisation occurs within a package of structurally deformed mafic lithologies.
<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> <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>	A summary of all information material to the understanding of Mithril's resampling results is presented in Table 1 of the 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>	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>	Not applicable for the sampling method used
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents reported
<i>Relationship between</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Widths of mineralisation have not been postulated

Criteria	JORC Code explanation	Commentary
<i>mineralisation widths and intercept lengths</i>	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Widths of mineralisation have not been postulated
	<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>	Widths of mineralisation have not been postulated
<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 - 3 and Table 1 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>	All results are reported in Table 1 of this Report
<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>	Original results obtained by Intermin during the 2011 – 2012 period for the same intervals resampled by Mithril are presented in Table 1
<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>	Based on the resampling and increase in cobalt price, Mithril will now undertake diamond drilling of the Nanadie Well Copper Deposit. If successful the work will lead to the development of a new geological model for the deposit which in turn will enable the development of further drill targets.
	<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>	Figure 2 displays areas of interest at the Nanadie Well Copper Deposit

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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.

The information in this report that relates to Mineral Resources is based on information compiled by Mr David O'Farrell who is a full-time employee of Intermin Resources Limited and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr O'Farrell 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 O'Farrell 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 two highly prospective areas of the Western Australian Goldfields, namely the Kalgoorlie District for gold and nickel deposits and the Meekatharra District for copper-nickel deposits.

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