Quarterly Report

For the Period Ending 30 September 2017

Key Points

Murchison Project (Gold / Copper)

- At the Kombi Gold Prospect, RC drilling intersected shallow high-grade gold mineralisation;
    - 4m @ 12.76g/t gold from 20 metres in NRC17004, and
    - 1m @ 5.44g/t gold from 20 metres in NRC17001
- Kombi remains open in all directions with follow-up drilling scheduled for late October - early November 2017
- Currently awaiting statutory approvals (Heritage Clearance Survey) for Fenceline Gold Prospect where surface rock chip samples have returned up to 8.22g/t gold
- Diamond drilling at the Nanadie Well Copper Deposit and Stark Copper Prospect returned broad zones of copper mineralisation;
    - 127.75m @ 0.40% copper, 0.11g/t gold from 42.80 metres including 4.90m @ 1.80% copper, 0.25g/t gold (Nanadie Well), and
    - 30.40m @ 0.52% copper, 0.13% nickel, 0.36g/t 3PGE's from 248.50 metres including 5.40m @ 1.25% copper, 0.26% nickel, 1.21g/t 3PGE's (Stark)
- RC drilling at the new Sandman Zinc Prospect intersected zinc anomalism within a host rock sequence that suggests a possible Volcanic Massive Sulphide (VMS) origin;
    - 12m @ 0.26% zinc from 97 metres including 1m @ 2.36% zinc, and 5m @ 0.59% zinc from 118 metres.

Billy Hills Project (Zinc)

- New 100% - owned tenement application adjoining the Pillara Zinc Mine (pre-mine resource of 18.05 million tonnes at 7.7% zinc and 2.4% lead)
- Billy Hills covers interpreted southern extension to key faults that control the Pillara mineralisation in an area of relatively limited historic exploration activities.

Exploration Plan for next Quarter

- Follow-up drilling at the Kombi Gold Prospect
- Heritage Clearance Survey for the Fenceline Gold Prospect
- Commencement of target generation activities for the new Billy Hills Zinc Project

Corporate and Cash

- Cash reserves of $0.65M at 30 September 2017.

Exploration Overview

Mithril Resources (**ASX: MTH** "Mithril") and its exploration partners are exploring for gold, copper, zinc and nickel throughout the Meekatharra, West Kimberley and Kalgoorlie Districts of Western Australia, and the Coompana Province of South Australia (*Figure 1*).

During the September 2017 Quarter (the "Quarter") Mithril enhanced the prospectivity of its Murchison Project with drill intersections of high-grade gold mineralisation at the **Kombi Gold Prospect**, broad zones of copper mineralisation at the **Nanadie Well Copper Deposit** and **Stark Copper Prospect**, and strong zinc anomalism at the new **Sandman Prospect** immediately south of Stark.

A 13 kilometre-long linear magnetic zone "**Southern Target Area"** extending southeast from Sandman and Stark has also been identified as a priority for follow-up.

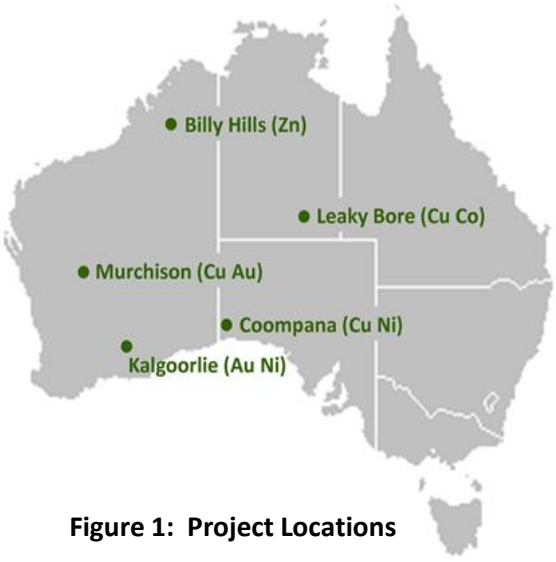


Figure 1: Project Locations

Mithril strengthened its project portfolio with the addition of the new **Billy Hills Zinc Project** which adjoins the historic Pillara Zinc Mine (reported pre-mine resource of 18.05 million tonnes at 7.7% zinc and 2.4% lead) in the West Kimberley.

Corporate

During the Quarter, the Company spent $0.28M on its exploration activities outlined in this report and at 30 September 2017, the Company had cash reserves of $0.65M. The Company raised $0.25M through a Placement to sophisticated investors to expedite drill testing of the Kombi Gold Prospect and Fenceline Gold Prospect.

Murchsion Project (Gold / Copper)

(Mithril 100% and earning up to 75%)

Reverse Circulation drilling at **Kombi** intersected high-grade gold mineralisation at approximately 17m metres vertical depth; 4m @ 12.76g/t gold from 20 metres in NRC17004, and 1m @ 5.44g/t gold from 20 metres in NRC17001.

The intercepts occur beneath the historic Gloria June gold workings (*reported production to 10 metres depth of 1,094 tonnes @ 10.8g/t gold*) and adjacent soil anomaly in a zone of largely unweathered quartz - biotite - chlorite alteration (+/- disseminated and stringer pyrite - chalcopyrite mineralisation) that is present within a sheared sequence of gabbro, amphibolite and meta-sediments (*Figures 3, 4, 5 and 6*).

With no historic drilling beneath these holes, Kombi remains open in all directions is a high priority for follow-up drilling which is scheduled for late October – early November 2017.

Kombi is the second high-grade gold opportunity on the project with the 100% - owned **Fenceline Gold Prospect** (*ASX Announcement dated 28 June 2017*) currently awaiting statutory approvals (Heritage Clearance Survey) ahead of planned drilling. Surface rock chip samples from Fenceline returned up to 8.22g/t gold.

Diamond drilling was undertaken at 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*) and the **Stark Copper Prospect**.

At Nanadie Well, hole NDD17001 was drilled within the central part of the deposit and intersected 127.75m @ 0.40% copper, 0.11g/t gold from 42.80 metres including 4.90m @ 1.80% copper, 0.25g/t gold from 88.40 metres.

At Stark, drill hole NDD17002 was drilled to test a new EM conductor at the southern end of the prospect and intersected 5.40m @ 1.25% copper, 0.26% nickel, 1.21g/t (gold + platinum + palladium "3PGE's") from 257.70 metres within a broader intercept of 30.40m @ 0.52% copper, 0.13% nickel, 0.36g/t 3PGE's from 248.50 metres.

The diamond drill hole at Nanadie Well has provided critical geological information about the deposit and also a context to the previous mineralised intercepts and untested targets identified along strike of the deposit. At Stark, by intersecting further mineralisation south of that previously identified, the drilling clearly demonstrates the presence of a very large copper mineralised system that remains open in all directions.

The new geological knowledge this drilling has provided will underpin future exploration throughout the project area.

As part of the recent Kombi drilling program one hole (NRC17007 – 180 metres) was drilled as a further test of a historic ground EM conductor ("**Sandman Prospect**" – *Figure 7*).

A hole previously drilled by Mithril (NRC14004) at the northern end of the conductor intersected two zinc anomalous zones; 11m @ 0.36% zinc from 76 metres and 7m @ 0.19% zinc from 101 metres.

The latest hole (NRC17007) was drilled approximately 40 metres south of NRC14004 and intersected the two strongly anomalous zones within a sequence of sulphide – bearing felsic and mafic gneisses, and minor Banded Iron Formation (BIF); 12m @ 0.26% zinc from 97 metres including 1m @ 2.36% zinc from 97 metres, and 5m @ 0.59% zinc from 118 metres.

HoleID	Easting	Northing	EOH	Dip°	Azi°	From	Downhole Width	Zinc %
NRC14004	693,883	6,991,931	124	-55	270	76	11	0.36
"	"	"	"	"	"	101	7	0.19
NRC17007	694,992	6,993,118	180	-55	270	97	12	0.26
including						*97*	*1*	*2.36*
"	"	"	"	"	"	118	5	0.59

The zinc anomalism remains open in all directions and the host rock association suggests a possible Volcanic Massive Sulphide (VMS) origin. NRC17007 has been cased for future downhole EM surveying which will be carried out at a later date.

Reprocessing and interpretation of aeromagnetic data undertaken during the Quarter has identified a series of discrete linear magnetic features (*that are spatially associated with existing mineralisation at Nanadie Well, Sandman and Stark*) that extend for 13 kilometres along strike to the south from Sandman and Stark under a thin soil veneer.

The **Southern Target Area** has not been previously explored and represents a compelling target for the discovery of gold and base metals and along with Kombi and Fenceline, will be a priority for Mithril's ongoing exploration within the Murchison Project.

Stark, Kombi, Sandman and the Nanadie Well Copper Deposit lie on tenements subject to a Farmin and Joint Venture Agreement with Intermin Resources Limited (**ASX: IRC**) whereby Mithril can earn a 60% interest by completing expenditure of $2M by 14 April 2019 (approximately $1.24M spent to date).

Mithril can earn an additional 15% by completing further expenditure of $2M over a further 2 years.

The Fenceline Gold Prospect and Southern Target Area lie on tenements 100% - owned by Mithril Resources.

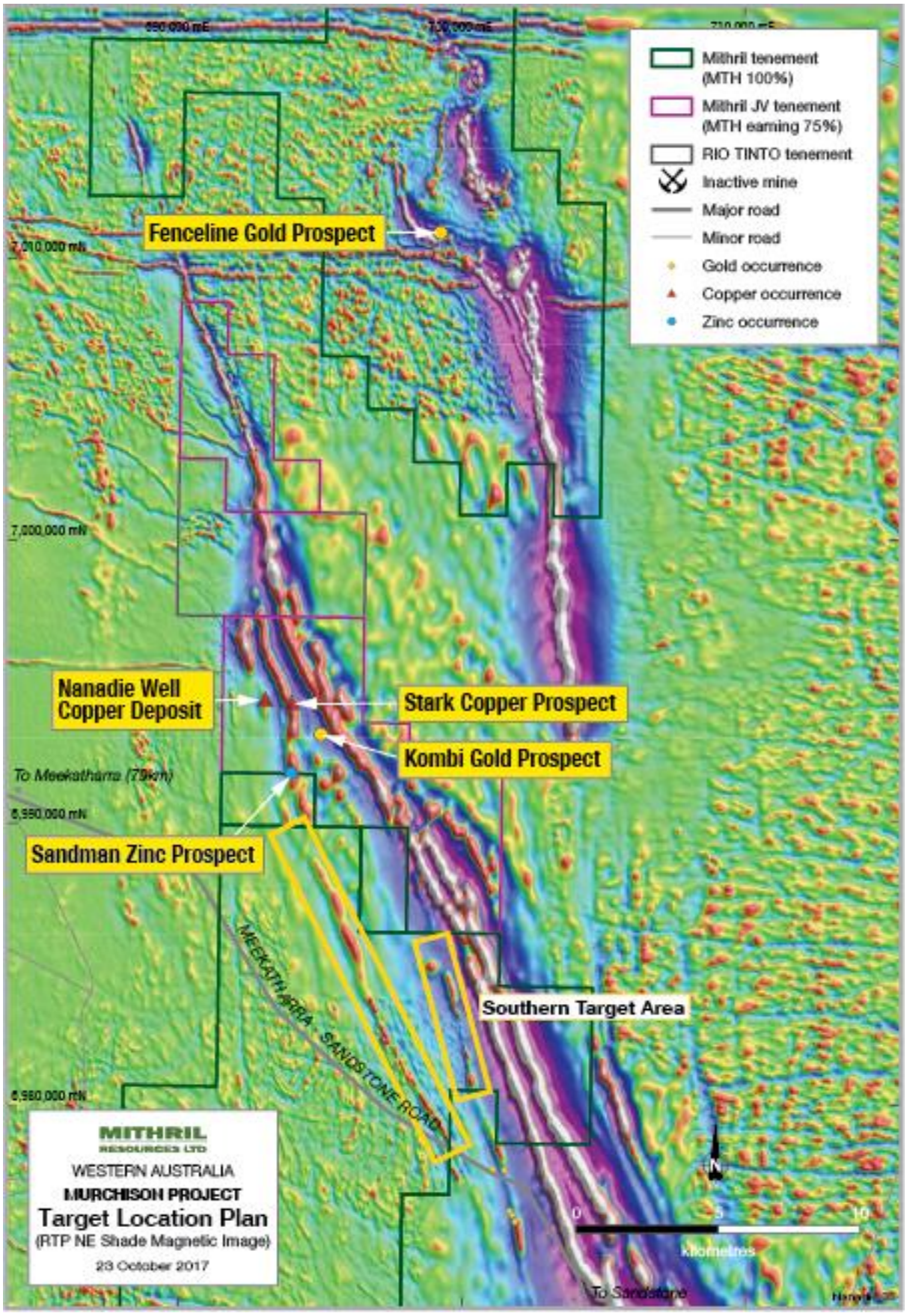


Figure 2: Murchison Project Target Location Plan

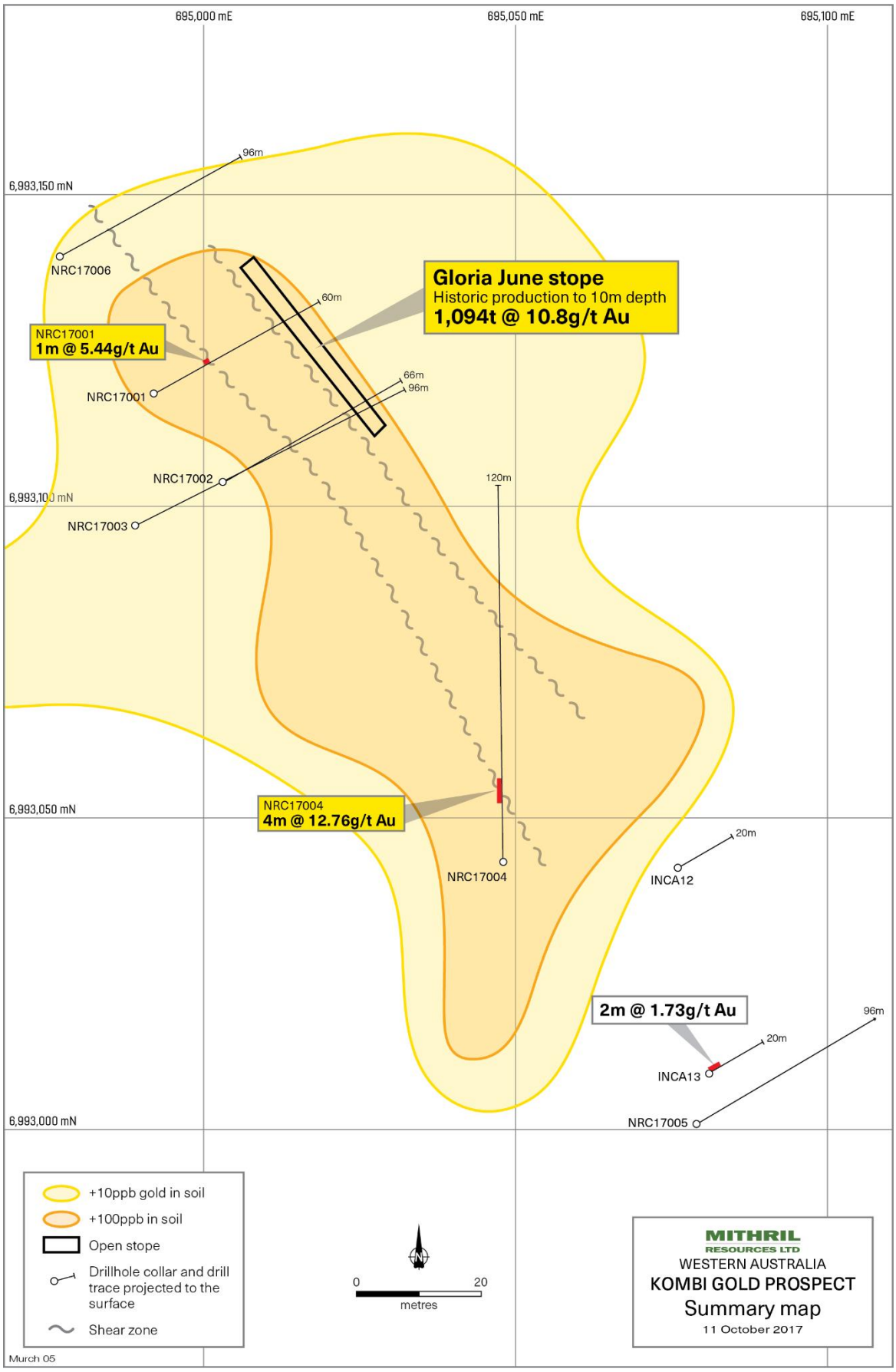


Figure 3: Kombi Gold Prospect – summary map showing historic underground workings (stope), soil anomalies and drill holes. NRC17001 to NRC17006 are holes referred to in this announcement.

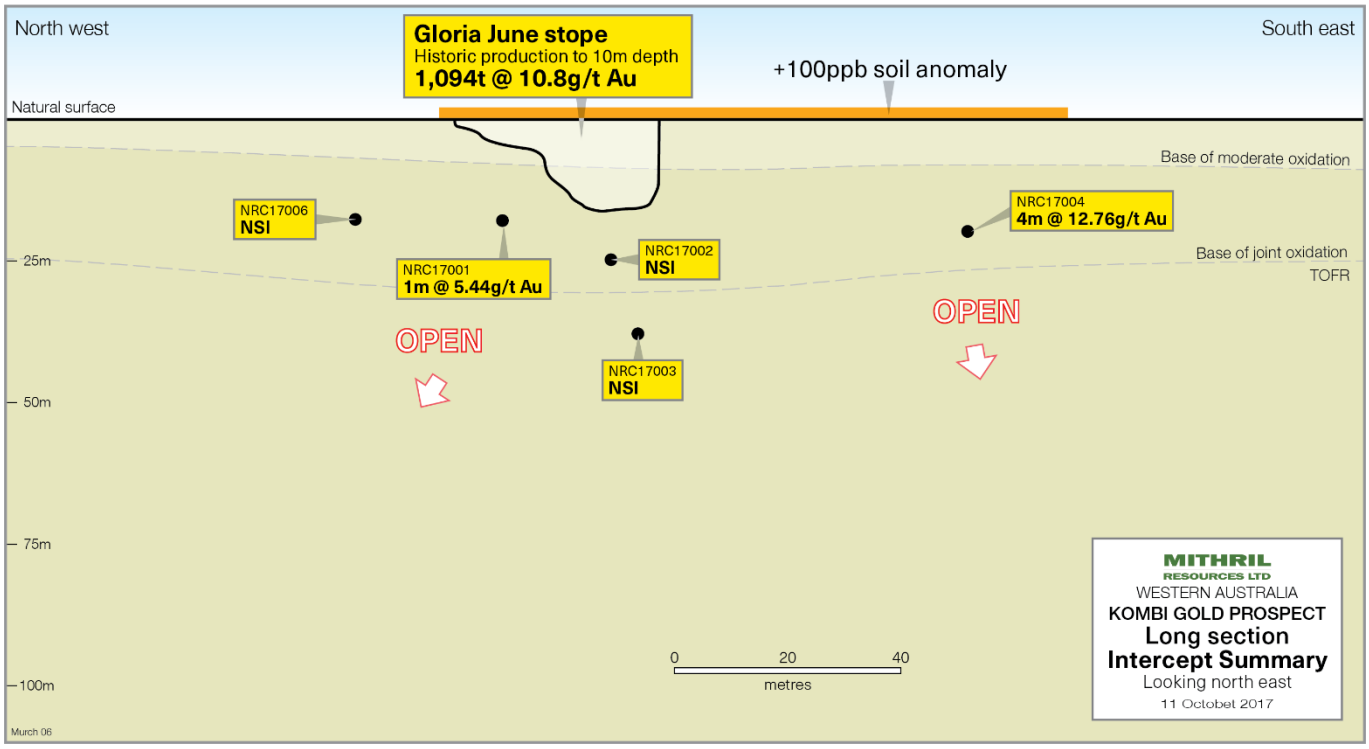
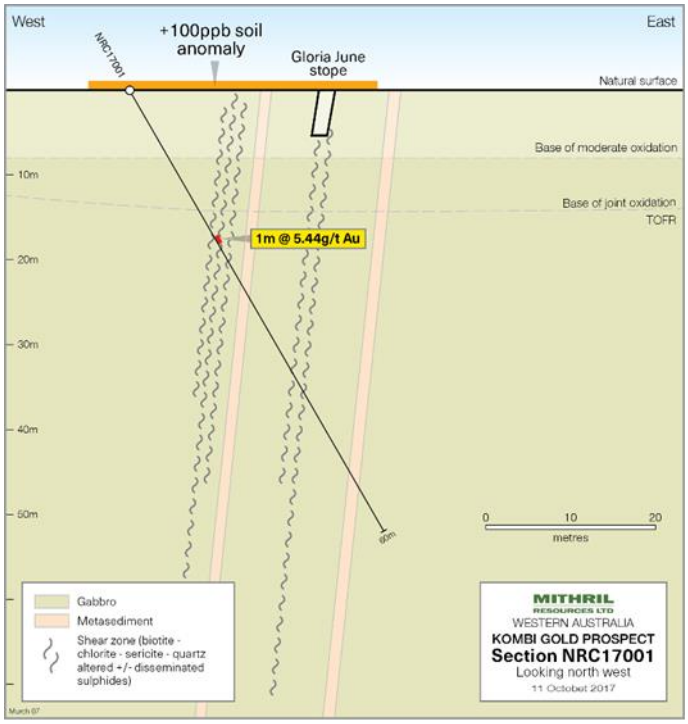
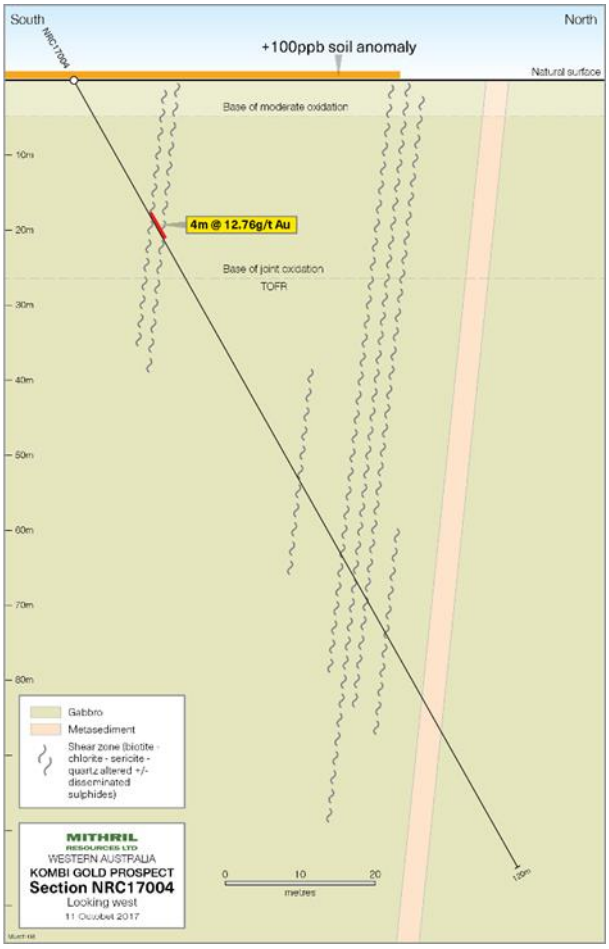


Figure 4: Kombi Gold Prospect – long section showing historic underground workings (stope) and drill hole pierce points. Note no drilling below recent intercepts





Figures 5 and 6: Kombi Gold Prospect – NRC17001 (left) and NRC17004 (right) cross sections

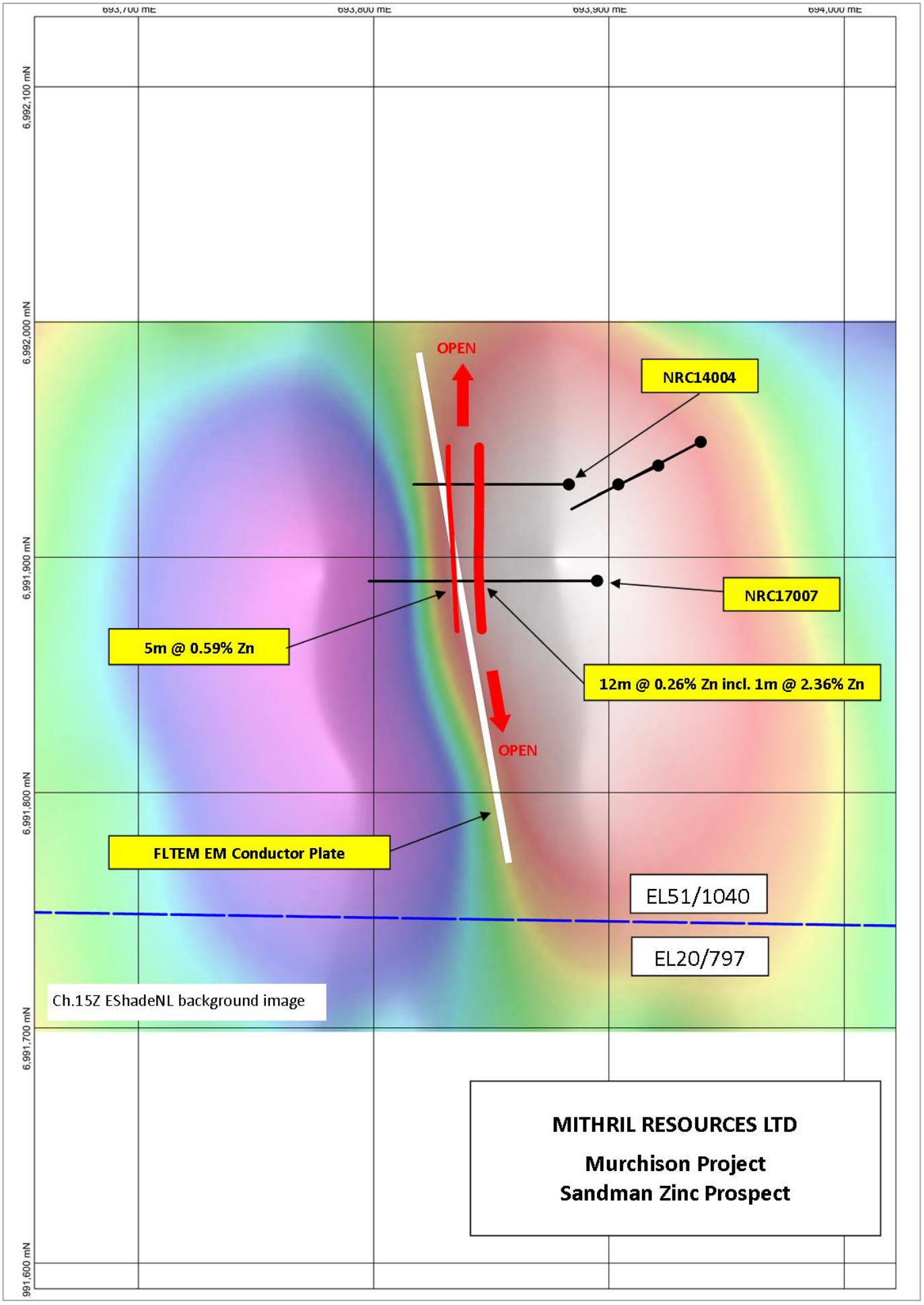


Figure 7: Sandman Zinc Prospect – drill collar location plan showing position of EM conductor and zinc bedrock anomalism (red).

Billy Hills Project (Zinc)

(Mithril 100%)

During the Quarter Mithril successfully applied for a new 100% - owned Exploration Licence (E04/2497) adjoining the Pillara Zinc Mine, 25 kms southeast of Fitzroy Crossing in the West Kimberley region of Western Australia (*Figure 1*).

At Pillara, zinc-lead mineralisation occurs within a series of fault breccia zones that cut a sequence of Devonian limestones and had a reported pre-mine resource of **18.05 million tonnes at 7.7% zinc and 2.4% lead***and produced 10.3 Mt @ 6.9% zinc, 2.3% lead from June 1997 to October 2003*. Mining briefly resumed during 2007 / 2008 and the mine is now on care and maintenance.

Mithril's new Billy Hills Project has multiple zinc occurrences located on the tenement and covers the interpreted southern extension to the key faults that control the Pillara mineralisation within an area of relatively limited historic exploration activities (*Figure 8*).

The bulk of historic diamond drilling and geophysical testing has taken place further to the north around the Pillara mine and its extensions.

Mithril will now commence a data compilation, review and target generation exercise at Billy Hills ahead of the tenement's grant which is expected mid-2018.

*Refer to Western Metals Limited 1999 Annual Exploration Report (WAMEX Report No. A60289) and the website - http://www.portergeo.com.au/database/mineinfo.asp?mineid=mn571.

Lignum Dam Project (Nickel / Gold)

(Mithril 100%)

The Lignum Dam Project (*located 50 kilometres north-northeast of Kalgoorlie, WA*) is prospective for gold and nickel mineralisation and includes the **Mexi Nickel Prospect** where recent drilling by Mithril intersected a broad zone of near surface nickel – cobalt anomalism (*See ASX Announcement dated 6 June 2017*).

To ensure future exploration activities on the emerging Murchison Project gold prospects (i.e. Kombi and Fenceline), the Company is seeking an exploration partner for Lignum Dam.

Consistent with this strategy, Mithril has also given notice of its intention to withdraw (effective date 28 October 2017) from the Farmin agreement with Lawson Gold Limited (**ASX: LSN**) for EL27/510 which adjoins the project. Under the terms of the agreement, Mithril had the right to earn a 75% interest in EL27/510 by completing exploration expenditure of $250,000 over 3 years.

Other Projects

No work was undertaken during the Quarter on the following projects:

- Grey Dam South (Mithril 100%),
- Leaky Bore (Mithril 100%),
- Coompana (Mithril right to earn 20% / OZ Minerals 100%),
- Spargos Reward (Mithril 35%, Corona Minerals 65%)
- Duffy Well (Mithril 100% - Doray Minerals earning an initial 51% and operating), and
- Kurnalpi (Mithril 100% - Chesser Resources earning an initial 50% and operating).

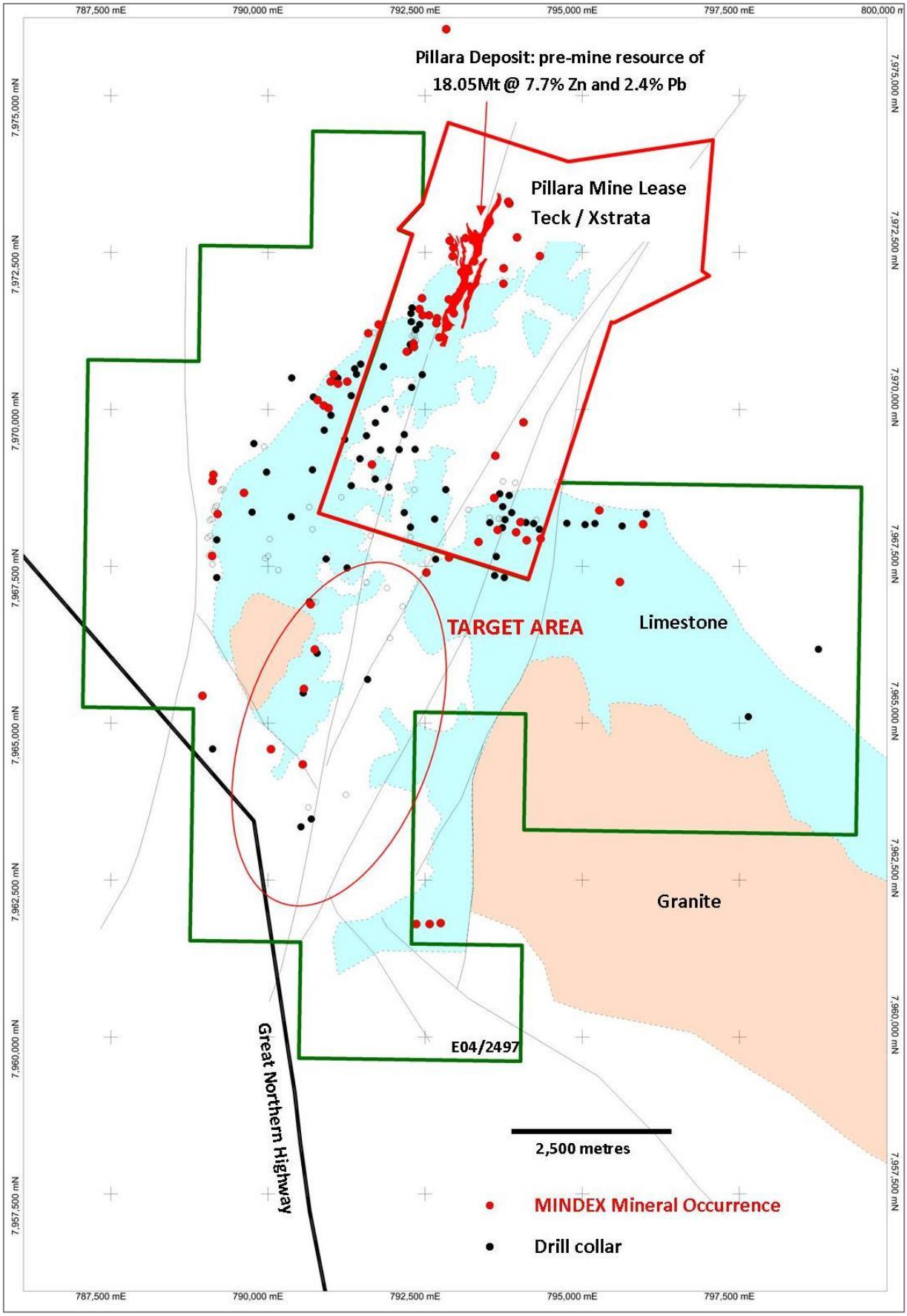


Figure 8: Billy Hills Project Summary Plan showing outcrop geology, structures and Pillara Mine zinc mineralisation. Drill collars are shown as black dots and surface mineral occurrences (WA MINDEX database) shown as red dots. Note that majority of Pillara Mine Lease drilling has been excluded for sake of clarity.

Exploration Plan for next Quarter

- Follow-up drilling at the Kombi Gold Prospect
- Heritage Clearance Survey for the Fenceline Gold Prospect
- Commencement of target generation activities for the new Billy Hills Zinc Project

Notes Specific – September 2017 Quarter ASX Announcements

The following announcements were lodged with the ASX during, and immediately subsequent to the Quarter. Further details (**including JORC 2012 Code Reporting Tables, where applicable**) for each of the sections outlined above can be found in the announcements listed below.

- High-grade gold at Kombi Prospect – 13.10.2017
- Drilling underway at Kombi Gold Prospect - 13.09.2017
- Section 708A Notice - 06.09.2017
- Successful Placement to underpin gold drilling - 28.08.2017
- New Zinc Project - 21.08.2017
- New high-grade Kombi Gold Prospect - 07.08.2017
- Drilling results reinforce Nanadie Well copper potential - 01.08.2017

All drill intercepts quoted in this Quarterly Report are downhole widths only - true widths are unknown.

JORC Information for the Sandman Zinc Prospect can be found in the following JORC Tables.

JORC Code, 2012 Edition - TABLE 1 (Section 1: Sampling Techniques and Data)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*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.*	Reverse Circulation (RC) drilling was undertaken at the Sandman Zinc Prospect during September 2017. Samples were collected as either composite samples (up to 4 metres) from the drill spoils laid out on the ground or as 1 metre samples directly from the cyclone splitter. Sample sizes were approximately 2-3kg in weight.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Each drill hole location (easting and northing) was collected by a handheld GPS. Drill hole specifications and details of lithologies and sampling were completed for every metre, or as necessary, for each drill hole. All logging and sampling protocols remained constant throughout the program.
	Aspects of the determination of mineralisation that are Material to the Public Report.	2 – 3kg RC samples were collected and submitted to ALS Laboratories in Perth, WA for geochemical analysis. In the laboratory, samples were crushed (~10mm) and pulverised to produce a representative 25g sub-sample for analysis using and four acid digest with ICP-MS and / or ICP-AES finish for Ag, Al, As, Ba, Be, Bi, Ca, Cd, Co, Cr, Cu, Fe, K, La, Li, Mg, Mn, Mo, Na, Ni, P, Pb, S, Sb, Sc, Sn, Sr, Te, Ti, Tl, V, W, and Zn (ME-MS61r – Lab Code).
Drilling techniques	*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.).*	A KWL350 RC drilling rig utilising a (1100cfm x 350psi) compressor and operated by Challenge Drilling Pty Ltd was used to carry out the Kombi drilling. The drilling method produces chip samples (i.e. non-core).

Criteria	JORC Code explanation	Commentary
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	Sample recoveries were monitored by the driller and Mithril site personnel. Any recovery issues (none) are recorded onto the drill hole log sheets.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	No measures taken to maximise sample recovery.
	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.	No relationship has been identified.
Logging	*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.*	While drill chip samples have been geologically logged, they have not been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography	Logging of drill samples is of a qualitative nature. RC chip samples are always logged for lithology, colour, texture, weathering, minerals, alteration, and sulphide percentage and type, with comments included as necessary.
	The total length and percentage of the relevant intersections logged.	Every hole was logged (Lithology and magnetic susceptibility) for every metre (entire length of hole).
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Not Applicable as the drilling method produces chip samples (i.e. non-core).
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	Depending on observed geology, samples were either collected as a composite sample (up to 4 metres) from the drill spoils (scoop used) laid out on the ground or as a 1 metre sample directly from the cyclone splitter. All samples were dry.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	The sample preparation of the drill samples follows industry best practice, involving oven drying (110°C) where necessary, crushing and pulverising (~90% less than 75µm).
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	The cyclone – mounted splitter was cleaned out at the end of each drill rod (i.e. every 6 metres). The laboratory completed repeat analysis (by ore-grade analysis) on any samples returning >10g/t gold. Resampling of all significant intercepts will be undertaken in the future.
	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.	Sampling was supervised by the field geologist following geological logging to ensure that sampling was representative of the in-situ material collected.
	Whether sample sizes are appropriate to the grain size of the material being sampled	Sample sizes are considered appropriate for the exploration method and produce results to indicate degree and extent of mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Four acid digest is considered near total digest and are appropriate for the type of exploration undertaken.
	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.	Magnetic susceptibility readings were taken every metre downhole utilising a Exploranium KT-9 Magnetic Susceptibility Meter.
	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.	The laboratory will complete repeats analysis on samples returning >10000 ppm Zn.
Verification of sampling	*The verification of significant intersections by either independent or alternative company personnel.*	The significant intersections were verified by the Geology Manager and Managing Director.

Criteria	JORC Code explanation	Commentary
and assaying	*The use of twinned holes.*	No twin holes were drilled.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Collar locations were predetermined in the office and modified in the field as necessary (dependent on access etc.). All data collection (lithology logging, sampling, etc.) was completed at each drill hole location as hole was being drilled. Data initially written on paper log sheets. A complete data set (excel spreadsheet) was created by Mithril on completion of the program, based on all information collected.
	Discuss any adjustment to assay data	No adjustments have been applied to assay data,
Location of data points	*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.*	Each drill hole location (easting and northing) was collected by a handheld GPS. End of hole surveys were recorded using an electronic surveying tool which is supported by quality checks that quantify anomalies allowing drillers to record survey data accurately without errors.
	Specification of the grid system used.	Data points have been quoted in this Report using the MGA Zone 50 (GDA94) coordinate system.
	Quality and adequacy of topographic control.	Level of topographic control offered by the handheld GPS was considered sufficient for the work undertaken.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	There was no pre-determined grid space for the program, drill holes based on specific targeting. As detailed in Table 1 of this Report.
	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.	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).
	Whether sample compositing has been applied.	Sample compositing was employed (typically up to 4 metre intervals) depending on the geology and depth of hole. The NRC17004 intercept is a 4-metre composite sample.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	RC samples are unable to be orientated and do not provide structural information.
	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.	No orientation based sampling bias has been identified.
Sample security	*The measures taken to ensure sample security.*	All drill samples were collected by company personnel and stored in a secure location until completion of the program. Samples were then transported in sealed bulka bags to ALS Laboratories Pty Ltd in Perth.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	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
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 Exploration Licences 51/1040 and E20/797 which are owned by Intermin Resources and in which, Mithril can earn a 60% interest in EL51/1040 by completing expenditure of $2M by 14 April 2019 ($1.2M spent to date), and an additional 15% by

Criteria	*JORC Code explanation*	Commentary
		completing further expenditure of $2M over a further 2 years.
	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 existing impediments to the tenements.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	The original EM conductor at Sandman was first resolved as a single station anomaly on the edge of a broad spaced survey undertaken by Newexco on behalf of Nanadie Well in 2012. Mithril undertook detailed MLTEM and FLTEM EM surveys in 2014 with first ever drill testing by Mithril in 2014 (NRC14004).
Geology	*Deposit type, geological setting and style of mineralisation.*	The zinc mineralisation at Sandman is interpreted to be of Archean - age and occurs within a sequence of felsic / mafic gneisses and minor BIF.
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 Figure 8, and Table 1 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.*	Length weighted averaging of drill results was applied where an intercept contained internal intervals of varying (non-equal) lengths. For reporting zinc results, a lower cut-off grade of 0.05% (500ppm) has been applied. No upper cut offs have been applied.
	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.	Length weighted averaging of drill results was carried out according to the following formula: [Sum of (all individual assay values x corresponding individual sample length for selected intersection)] divided by [total length of selected intersection].
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents reported
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The relationship between mineralisation widths and intercept lengths is unknown. Widths of mineralisation have not been postulated. All mineralised intervals quoted in this announcement are quoted as downhole widths only.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	While the geometry of the mineralisation is not known, the orientation of the drill holes in relation to the interested geology is shown in the figures in this announcement.
	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').	The Exploration Results in this Announcement are reported as down hole widths only as true widths are not known.
Diagrams	*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.*	See Figures 3 - 6 of this Report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and*	All new exploration results have been reported.

Criteria	*JORC Code explanation*	Commentary
	high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	
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).*	Further work will be focussed on assessing the area to the south of Nanadie Well and Stark as outlined in this Report.
	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 - 6 display areas of interest within the Kombi Gold Prospect area.

ENDS

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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 the Nanadie Well Copper deposit 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 assessing South Australia's far western Coompana Province for magmatic nickel – copper deposits with OZ Minerals Limited.

+Rule 5.5

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

MITHRIL RESOURCES LIMITED

ABN	**Quarter ended ("current quarter")**
30 099 883 922	30 September 2017

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(278)	(278)
	(b) development		
	(c) production		
	(d) staff costs		
	(e) administration and corporate costs	(128)	(128)
1.3	Dividends received (see note 3)		
1.4	Interest received	4	4
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Research and development refunds		
1.8	Other (provide details if material)*		
1.9	**Net cash from / (used in) operating activities**	**(402)**	**(402)**

*Contributions received from JV partners

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(4)
	(b) tenements (see item 10)		
	(c) investments		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements (see item 10)		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(4)**	**(4)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of shares	254	254
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options	(21)	(21)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**233**	**233**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	818	818
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(402)	(402)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(4)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	233	233

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**645**	**645**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	363	286
5.2	Call deposits	282	532
5.3	Bank overdrafts		-
5.4	Other (provide details)		-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**645**	**818**

6.	**Payments to directors of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to these parties included in item 1.2	75
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Managing Director's remuneration

7.	**Payments to related entities of the entity and their associates**	**Current quarter $A'000**
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

8.	**Financing facilities available** *Add notes as necessary for an understanding of the position*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-

8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.

9.	**Estimated cash outflows for next quarter**	**$A'000**
9.1	Exploration and evaluation	158
9.2	Development	
9.3	Production	
9.4	Staff costs	79
9.5	Administration and corporate costs	111
9.6	Other (provide details if material)	
9.7	**Total estimated cash outflows**	**348**

10.	**Changes in tenements (items 2.1(b) and 2.2(b) above)**	**Tenement reference and location**	**Nature of interest**	**Interest at beginning of quarter**	**Interest at end of quarter**
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer Appendix 1		
10.2	Interests in mining tenements and petroleum tenements acquired or increased		Refer Appendix 1		

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Sign here: ..... Date: 25 October 2017
(Company secretary)

Print name: Donald Stephens

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

APPENDIX 1

Changes in Interests in Mining Tenements
For Quarter Ended 30 September 2017

		Tenement Reference	Nature of Interest	Interest at the beginning of Quarter	Interest at the end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			100%	0%
6.2	Interests in mining tenements acquired or increased	P27/2283	Exploration licence granted effective 3 July 2017 (Lignum Dam, Woodline 1, WA).	0%	100%
		P27/2284	Exploration licence granted effective 3 July 2017 (Lignum Dam, Woodline 2, WA).	0%	100%
		P27/2285	Exploration licence granted effective 3 July 2017 (Lignum Dam, Woodline 3, WA).	0%	100%
		P27/2286	Exploration licence granted effective 3 July 2017 (Lignum Dam, Woodline 4, WA).	0%	100%
		E04/2497	Exploration licence application effective 7 August 2017 (West Kimberley, Billy Hills, WA).	0%	0%
		E27/582	Exploration licence granted effective 24 August 2017(Lignum Dam, Ringlock, WA).	0%	100%

ASX Additional Information

List of mining tenements

Tenement No	Project	Area (km2)	Company Interest
EL26942	East Arunta Area	214.29	100%
EL24253	East Arunta Area	213.62	33.3%
E28/2567	Kurnalpi Area	14.77	100%
E28/2682 *	Kurnalpi Area	2.95	0%
E28/2506	Kurnalpi Area	51.85	100%
P28/1271	Kurnalpi Area	1.17	100%
E27/538	Lignum Dam Area	171.66	100%
E27/576	Lignum Dam Area	17.78	100%
E27/582	Lignum Dam Area	59.31	100%
E27/584	Lignum Dam Area	8.69	100%
P27/2283	Lignum Dam Area	1.42	100%
P27/2284	Lignum Dam Area	1.62	100%
P27/2285	Lignum Dam Area	1.62	100%
P27/2286	Lignum Dam Area	1.47	100%
E20/846	Murchison Area	207.22	100%
E51/1615	Murchison Area	183.32	100%
E51/1649	Murchison Area	202.23	100%
E57/1069 *	Murchison Area	6.09	0%
E15/1423	West Kambalda Area	23.47	35%
M15/1828	West Kambalda Area	10.13	35%
P15/5791	West Kambalda Area	0.24	35%
E04/2497 *	West Kimberley Area	94.35	0%

* In application stage