

Billy Hills Zinc Project underway

- **Four initial targets prioritised for follow-up on newly granted tenements**
- **Targeting large scale zinc + lead + silver deposits similar to the nearby Pillara deposit and along strike from known mineralisation**
- **Target prospectivity highlighted by elevated rock chip results up to 14.24% zinc + lead, an untested IP geophysical anomaly and broad zones of bedrock anomalism in historic drill intercepts;**
 - **3.0m @ 4.41% zinc + lead from 77 metres,**
 - **5.0m @ 1.4% zinc + lead from 274 metres including 3m @ 1.88% zinc + lead from 277 metres,**
 - **14.90m @ 1.0% zinc + lead from 179.10 metres, and**
 - **5.80m @ 1.04% zinc + lead from 225.20 metres**

Mithril Resources Ltd (“Mithril” - MTH:ASX) is pleased to advise that two tenements (EL’s 04/2497 and 2503) at its 100% - owned Billy Hills Zinc Project (located adjacent to the former Pillara Zinc Mine, 25 kms southeast of Fitzroy Crossing in the West Kimberley region of Western Australia – *Figure 1*) have been granted and four initial targets have been prioritised for field follow-up.

At Billy Hills, Mithril is targeting large scale zinc + lead + silver deposits within NNE – NNW orientated fault zones immediately along strike from elevated rock chip samples and historic drill intercepts.

The targets are under-explored with the bulk of historic drilling and geophysical testing carried out on the adjacent Pillara Mine Lease (ML04/118) which is not owned by Mithril. The pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003 (*See Mithril’s ASX Announcement dated 21 August 2017*).

Management Comment

Mithril’s Managing Director Mr David Hutton said that the Company was looking forward to commencing field work at Billy Hills.

“We are pleasantly surprised by how many prospective areas remain to be tested at Billy Hills, given the amount of exploration that has previously taken place at Pillara. Our review of the historic exploration data has highlighted four initial targets and we’re confident that further targets will emerge as exploration progresses”.

“Along with our Kurnalpi Nickel Project, near Kalgoorlie and the new Bangemall Base Metal Project, north west of Meekatharra, Billy Hills is an immediate priority for the Company”.

Target Details (see Figures 2 - 5)

Target A (1.8 km² area) lies over the northern end of a soil – covered NNW trending fault zone (which is developed parallel to the main Pillara controlling fault zone). Prospectivity is highlighted by elevated rock chip samples (up to 14.24% zinc + lead - see Table 2) and broad zones of anomalism in reconnaissance drill holes undertaken in the southern target area, i.e.;

- 3.0m @ 4.41% zinc + lead from 77 metres in PD508,
- 5.0m @ 1.4% zinc + lead from 274 metres in PLR0510 including 3m @ 1.88% zinc + lead from 277 metres,
- 14.90m @ 1.0% zinc + lead from 179.10 metres and 5.80m @ 1.04% zinc + lead from 225.20 metres in PLR0509, and
- 1.7m @ 1.39% zinc + lead from 215 metres, 6.0m @ 0.68% zinc + lead from 249 metres, and 9.0m @ 0.57% zinc + lead from 268 metres in PD646.

An untested Induced Polarisation (“IP”) chargeability anomaly overlying the NNW fault within the northern target area also strengthens the prospectivity of Target A.

IP is a geophysical technique that was used extensively at Pillara in the past to identify the presence of marcasite (iron sulphide) mineralisation which typically forms a halo around economic zinc + lead mineralisation.

Target B (0.7km² area) is located 3.5 kilometres south along strike of the Pillara deposit and includes numerous anomalous rock chip samples (up to 9.3% zinc + lead - see Table 2) which have been taken at surface from gossanous outcrops within a major fault system. The majority of the target is under cover and has not been previously drilled or subject to geophysical surveying.

Target C (0.2km²) is located in the central project area, south along strike from Target A and covers a 150 metre – long zone of surface mineralisation (rock chip sampling up to 7.26% zinc + lead – See Table 2) present within the same major NNW fault zone that hosts Target A. A shallow diamond drill hole (PD510) beneath the rock chip samples returned 2m @ 0.59% zinc + lead from 22 metres and has not been followed up.

Targets D (1.3km²) is located in the southern project area and covers a 1 kilometre – long NNE trending mineralised fault zone (rock chip samples up to 10.98% zinc + lead and 98 g/t silver - see Table 2) that has been poorly drill tested with only three wide-spaced drill holes, two of which returned anomalous mineralisation;

- 2.0m @ 1.05% zinc + lead from 39 metres in PD514, and 4.0m @ 0.71% zinc + lead from 89 metres in PD512.

The fault zone extends under cover and has not been the subject to any follow-up drilling or geophysical surveying.

Next Steps

Mithril plans to follow-up the targets with a combination of geophysics (Induced Polarisation – “IP”) and diamond drilling and the Company is currently negotiating a Heritage Protection Agreement with the Gooniyandi Aboriginal Corporation (the Registered Native Title Claimants for the project area) to establish protocols for on-ground exploration activities at Billy Hills.

At the time of writing, negotiations were progressing well with the expectation that an agreement will be reached during September or early October 2018 and Mithril will provide further updates as new information comes to hand.

About the Pillara Deposit and Pillara West Prospect (located on ML04/118 which is not owned by Mithril)

At the Pillara Deposit, zinc + lead +/- silver mineralisation is hosted by structurally controlled zones of breccia and vein development which are spatially associated with a series of large scale NNE – NNW orientated fault zones that cut a sequence of Devonian-age limestones.

The mine had a reported pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003 (See Mithril's ASX Announcement dated 21 August 2017). Mining briefly resumed during 2007 / 2008 and the mine site is now closed.

The area's prospectivity is further enhanced by the Pillara West Prospect which is located 300 - 500 metres west of existing underground workings at Pillara and 300 metres from Mithril's tenement boundary. The prospect was discovered in 2006 by Lennard Shelf Pty Ltd, the owners of the mine who conducted multiple drilling programs at Pillara West right up to the mine's closure in 2008.

Mineralisation at Pillara West occurs within a shallow-dipping zone of mineralised (zinc-lead-marcasite-calcite) rubble limestone breccias and veining, drilling of which has returned multiple intercepts including;

- 15.8m @ 6.80% zinc, 3.05% lead, 30g/t silver from 399.8 metres in PD785 including 3.3m @ 11.10% zinc, 5.30% lead, 66g/t silver,
- 19.1m @ 7.60% zinc, 2.10% lead, 17g/t silver from 385.4 metres in PDD796 including 11.9m @ 10.40% zinc, 3.20% lead, 25g/t silver, and
- 11.0m @ 8.20% zinc, 8.80% lead, 26g/t silver from 347.0 metres in PD802 including 4.0m @ 11.80% zinc, 17.20% lead, 45g/t silver.

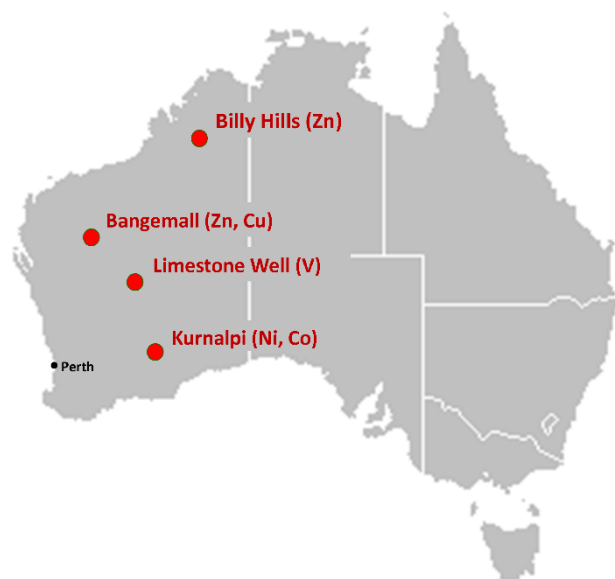
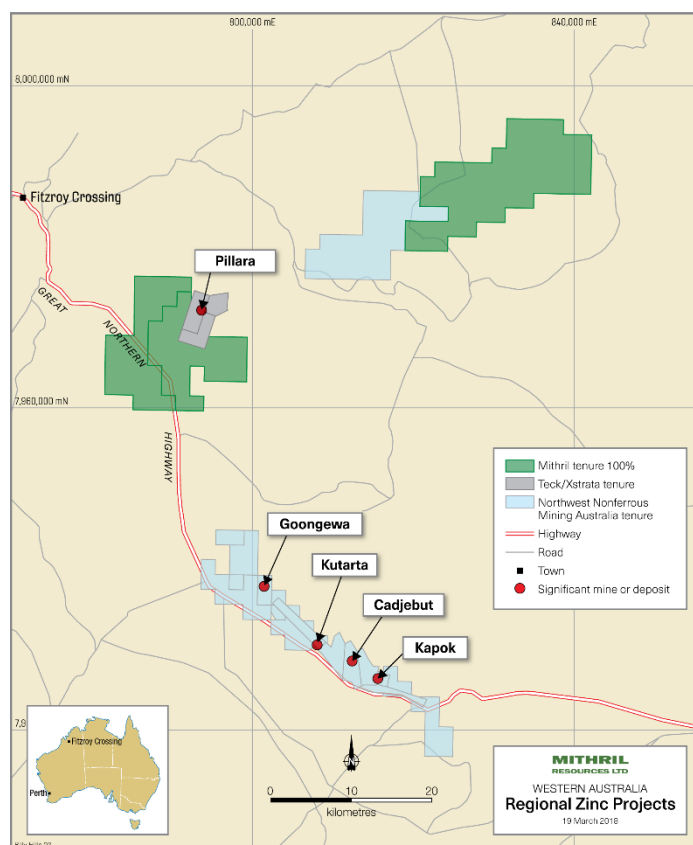


Figure 1: Project Location Plan



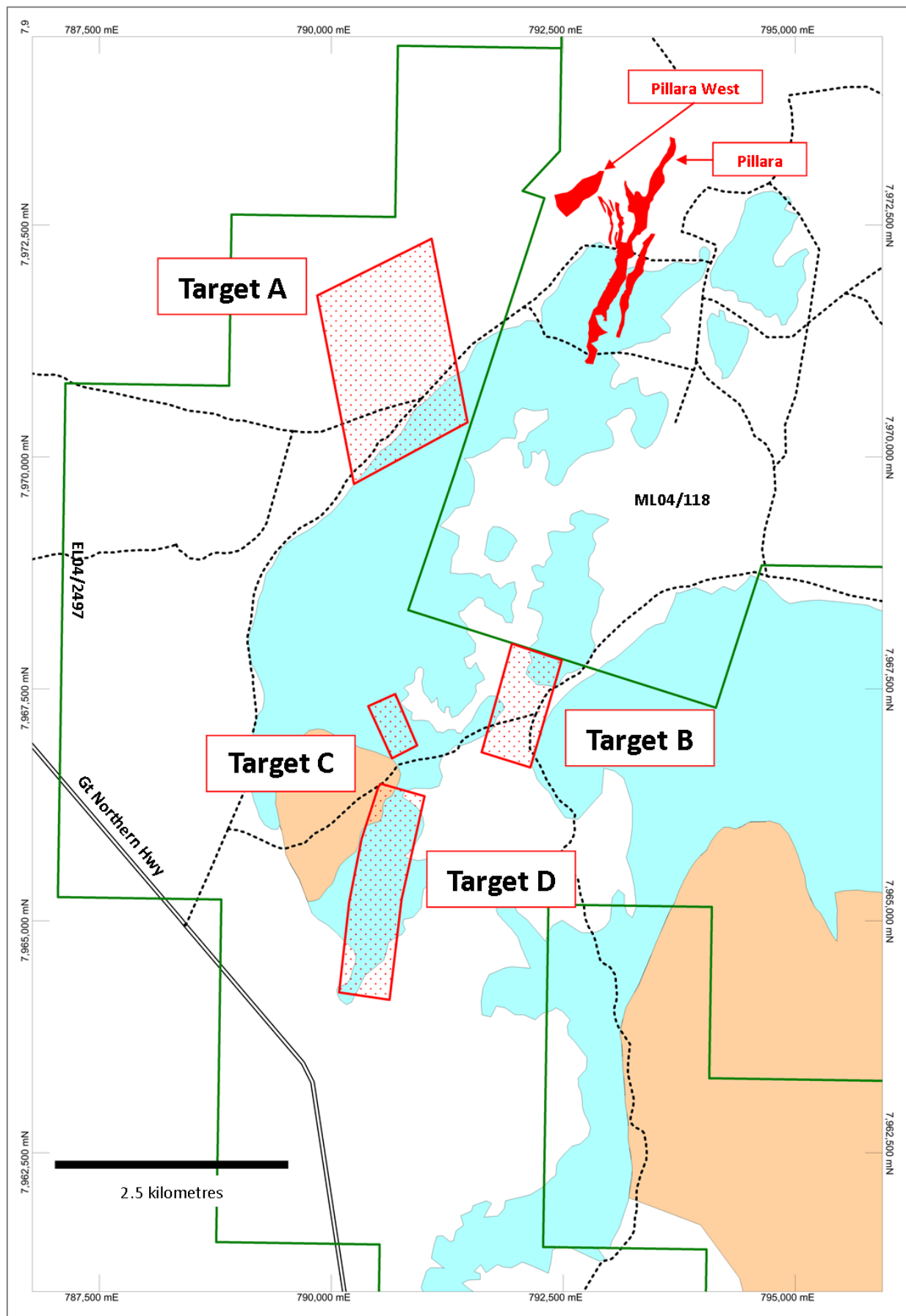


Figure 2: Billy Hills Location Plan showing new targets (red outlines), and the outlines of mineralisation at the Pillara Deposit and Pillara West Prospect projected to surface. Areas of outcropping limestone (blue) and granite (orange) shown.

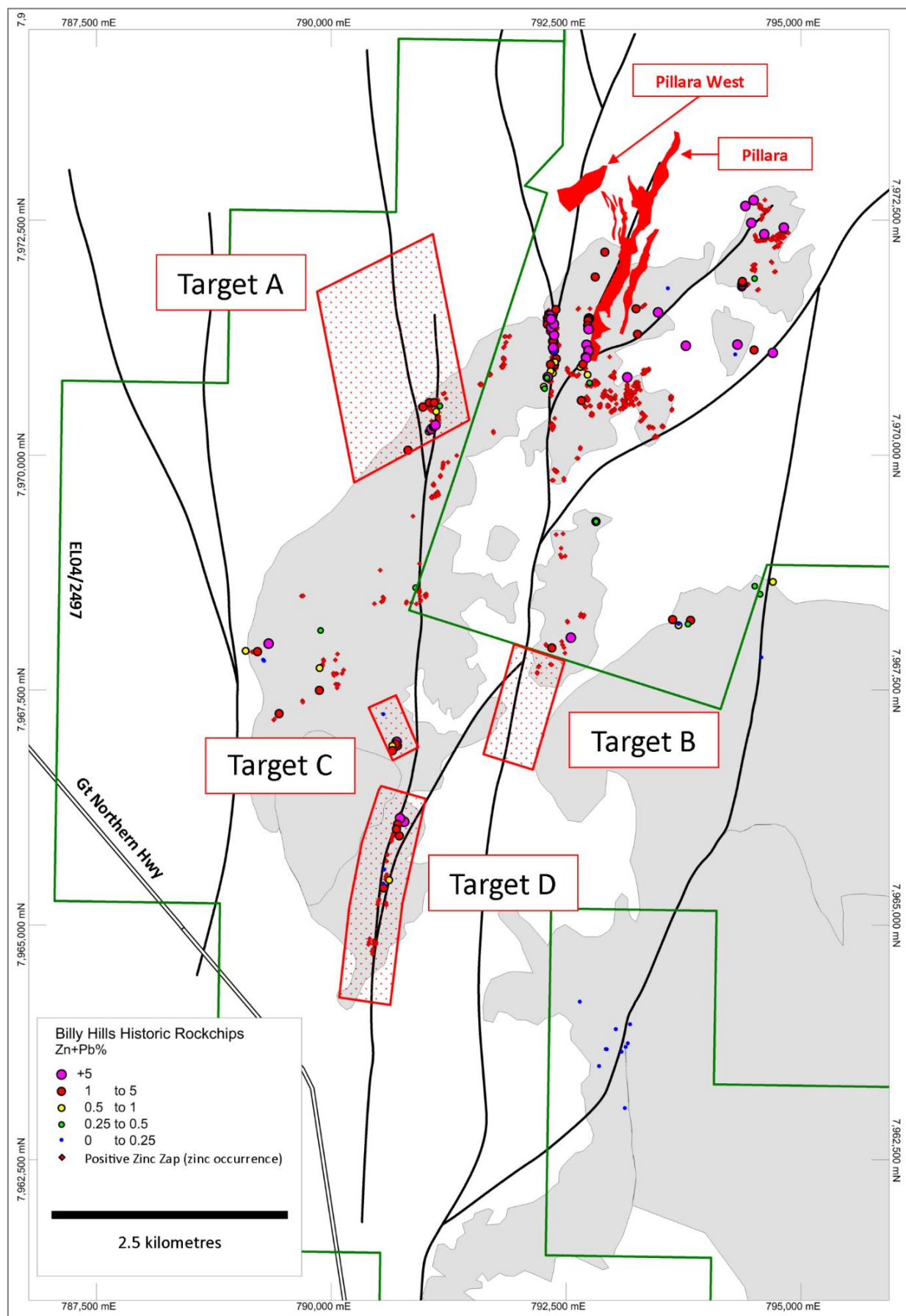


Figure 3: Billy Hills Surface Geochemistry Plan showing outcrop (grey) and major crustal scale fault zones (black lines) together with location of all historic rock chip samples (colour – coded by Zn+Pb%) and mapped surface zinc occurrences.

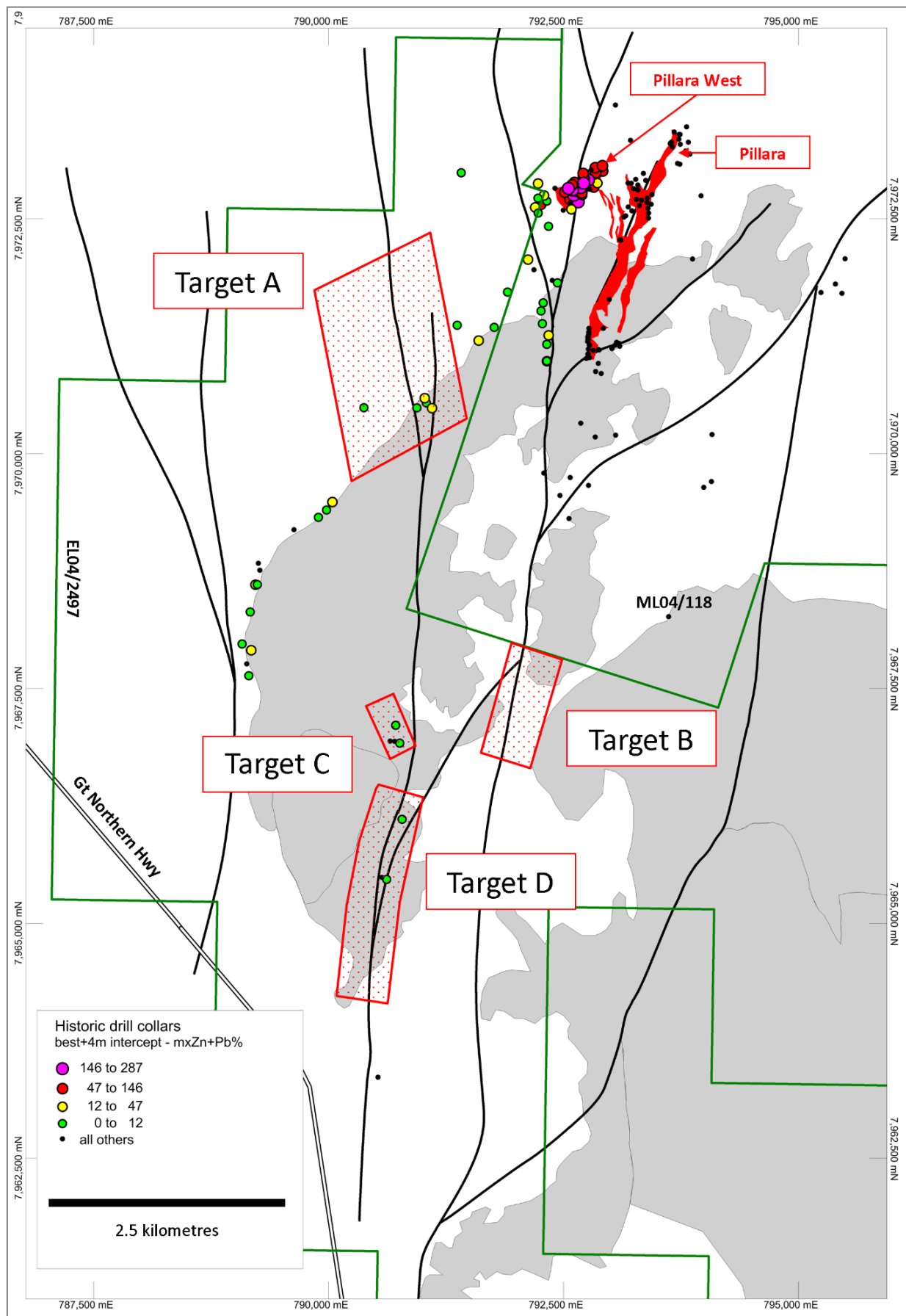


Figure 4: Billy Hills Drill Plan showing outcrop (grey) and major crustal scale fault zones (black lines) together with location of all historic drill holes within the Billy Hills Project tenements. (Majority of historic drill holes within the Pillara Mine Lease 04/118 are not shown for sake of clarity). Drill collar positions have been colour-coded by m x (Zn+Pb%).

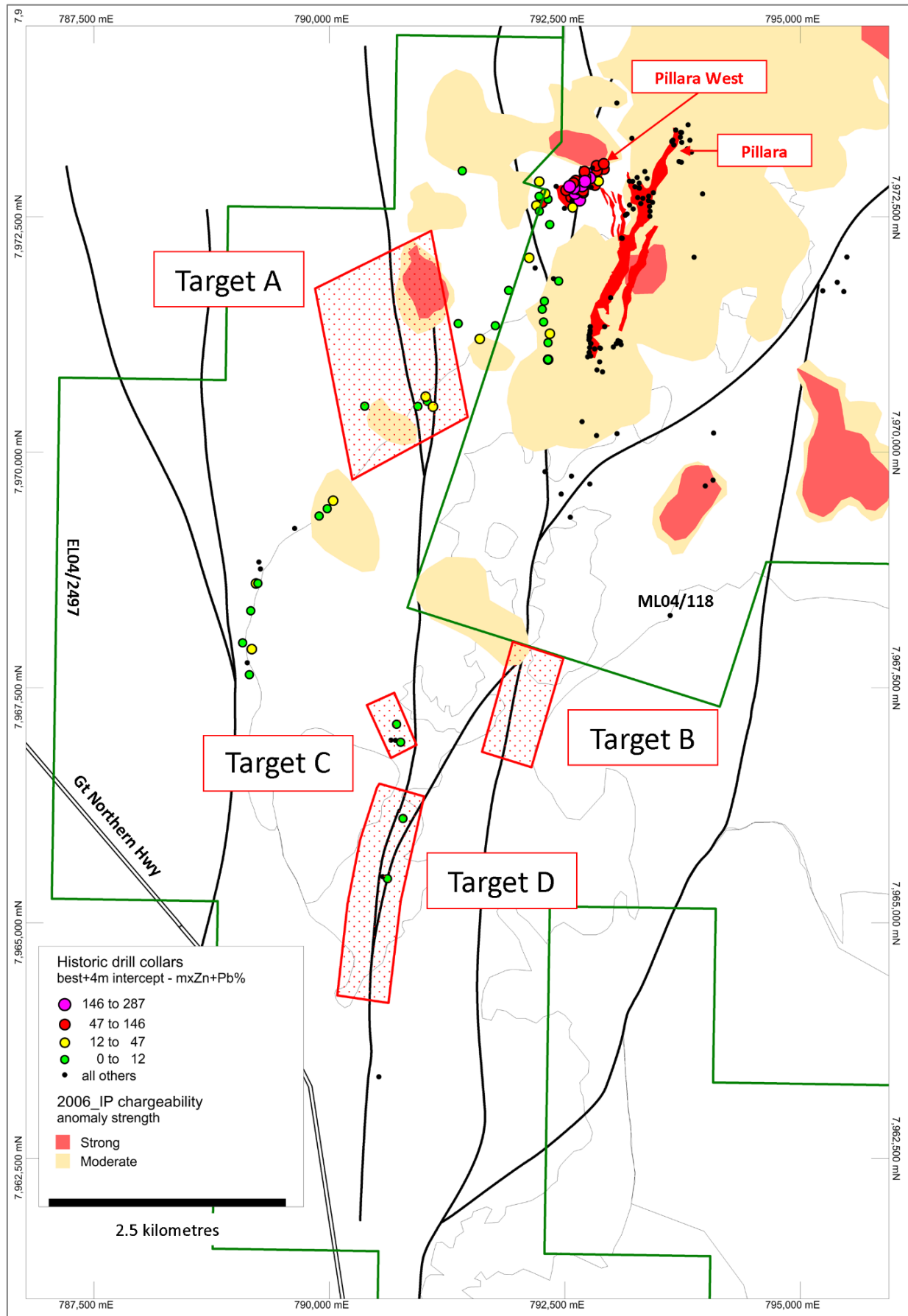


Figure 5: Billy Hills Induced Polarisation (IP) Chargeability Plan showing major crustal scale fault zones (black lines) together with location of all historic drill holes. IP Chargeability anomalies shown as either strong or moderate. Note that IP surveying has not been undertaken south of the Pillara Mine Lease 04/118.

Historic information, including IP geophysical surveys and drill intercepts referred to in this Report have been sourced primarily from the following open file Exploration Reports available from the WA Department of Minerals and Energy via their WAMEX system;

- Progress Report on the Lennard Shelf Lead Zinc Project, West Kimberley Goldfield, WA. Amax Exploration (Australia) Inc. March 1973. WAMEX Report No. A3915
- 1993 Annual Report for the Pillara Joint Venture, BHP Minerals. January 1994. WAMEX Report No. 40657
- Partial Relinquishment Report for EL04/601. Western Metals April 1995. WAMEX Report No. 44156
- 1996 / 1997 Annual Report Group Report Lennard Shelf Project. February 1997. Western Metals Ltd. WAMEX Report No. A50329
- 1999 Annual Report Group Report Lennard Shelf Project C326/1997. March 2000. Western Metals Ltd. WAMEX Report No. A60289
- 2001 Annual Report Group Report Lennard Shelf Project C326/1997. February 2002. Western Metals Ltd. WAMEX Report No. A64395
- Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2006 to 31 December 2006. February 2007. Lennard Shelf Pty Ltd. WAMEX Report No. A74569. **Details of the 2006 Pillara IP surveys have been sourced from this Report.**
- Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2007 to 31 December 2007. February 2008. Lennard Shelf Pty Ltd. WAMEX Report No. A77687. **Details of the 2006 Pillara IP surveys have been sourced from this Report.**
- Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2008 to 31 December 2008. February 2009. Lennard Shelf Pty Ltd. WAMEX Report No. A80938

WAMEX can be accessed via:

<https://geoview.dmp.wa.gov.au/GeoViews/?Viewer=GeoVIEW&layerTheme=WAMEX&Module=WAMEX>

Table 1: 2006 IP Survey specifications – sourced from WAMEX Report No. A74569

Contractor	Geoforce
IP Receiver	Iris Syscal Pro, 10 channel receiver with 74 channel automatic roll along
IP Transmitter	Zonge GGT30
IP Array	Double offset Pole-Dipole
IP Transmitter Frequency	0.03125 Hz (8 second cycle)
IP Receiver Dipole separation ('a' spacing)	200m
IP Transmitter Dipole station spacing	200m
Line spacing	300m
IP Transmitter Current	2.3 to 9.6 Amps - Avg = 6 Amps
IP - number of 3 line arrays surveyed	6, 554 stations
IP - line kilometres surveyed	52.3 km
Survey Control	GPS - sub 5m accuracy

Table 2: Rock chip sampling details

Sample_ID	WAMEX Source	Target ID	East_GDA	North_GDA	Zn_%	Pb_%	Zn+Pb_%	Ag_g/t
BH4		Target A	791,000	7,970,548	1.38	1.91	3.28	1
BH5		Target A	791,017	7,970,438	1.06	1.05	2.11	1
DH01	A64395	Target A	790,815	7,970,063	0.88	0.48	1.36	-
DH02	A64395	Target A	793,772	7,971,176	13.40	0.28	13.68	-
DH03	A64395	Target A	791,036	7,970,261	0.64	0.26	0.90	-
DH04	A64395	Target A	791,046	7,970,271	0.06	0.18	0.24	-
DH05	A64395	Target A	791,056	7,970,281	3.12	0.86	3.98	-
DH06	A64395	Target A	791,066	7,970,291	1.32	12.92	14.24	-
DH07	A64395	Target A	791,076	7,970,301	0.08	0.06	0.14	-
DH08	A64395	Target A	791,086	7,970,311	0.90	0.34	1.24	-
DH09	A64395	Target A	791,096	7,970,321	0.02	2.20	2.22	-
DH10	A64395	Target A	791,106	7,970,331	2.02	3.38	5.40	-
DJH10711	A64395	Target A	790,973	7,970,522	0.62	1.62	2.24	-
LSR111589	A40657	Target A	791,044	7,970,570	0.92	0.46	1.38	-
LSR111590	A40657	Target A	791,094	7,970,570	0.85	1.77	2.62	-
LSR111591	A40657	Target A	791,154	7,970,535	0.20	0.15	0.35	-
LSR111592	A40657	Target A	791,114	7,970,475	0.55	0.26	0.81	-
A27560	A60289	Target B	792,549	7,968,069	3.70	5.60	9.30	-
A27561	A60289	Target B	792,348	7,967,958	1.55	1.35	2.90	-
A05322	A50329	Target C	790,694	7,966,960	5.11	1.14	6.25	-1
A05323	A50329	Target C	790,694	7,966,960	1.12	1.28	2.40	-1
A05324	A50329	Target C	790,694	7,966,960	7.02	0.24	7.26	-1
A05325	A50329	Target C	790,676	7,966,903	1.22	0.17	1.39	0
A05326	A50329	Target C	790,705	7,966,920	0.96	1.29	2.25	7
A05327	A50329	Target C	790,687	7,966,938	1.14	1.46	2.60	7
A05328	A50329	Target C	790,648	7,966,919	0.78	0.04	0.82	1
A05329	A50329	Target C	790,650	7,966,865	1.47	1.52	2.99	49
LSR111567	A44156	Target C	790,724	7,965,960	3.60	0.23	3.83	3
LSR111567	A40657	Target C	790,554	7,967,240	0.11	0.01	0.12	1
LSR111568	A40657	Target D	790,724	7,965,960	3.66	0.23	3.89	3
LSR111569	A44156	Target D	790,614	7,965,490	0.29	0.37	0.66	0
LSR111569	A40657	Target D	790,614	7,965,490	0.30	0.37	0.66	0
LSR111599	A44156	Target D	790,774	7,966,110	6.40	4.58	10.98	40
SD1	A44156	Target D	790,730	7,966,148	10.00	0.50	10.50	98
SD2	A44156	Target D	790,705	7,966,083	1.14	0.50	1.64	14
SD3	A44156	Target D	790,693	7,966,031	0.78	0.50	1.28	3
SD4	A44156	Target D	790,564	7,965,589	0.03	0.05	0.08	-
SD5	A44156	Target D	790,556	7,965,406	1.04	0.02	1.06	-
SD7	A44156	Target D	790,553	7,965,438	0.03	0.02	0.05	-

Table 3: Billy Hills Significant Intercepts and drilling specifications

Hole ID	Target	Tenement	Easting	Northing	Dip°	Azi°	EOH	From	Width	Zn_%	Pb_%	Zn+Pb%
PD508	A	EL04/2497	791,099	7,970,495	-50	90	180	77.0	3.0	4.1	0.3	4.4
PLR0509	A	EL04/2497	791,020	7,970,602	-60	105	450.2	179.1	14.9	0.9	0.1	1.0
"	"	"	"	"	"	"	"	225.2	5.8	1.0	0.1	1.1
PLR0510	A	EL04/2497	790,938	7,970,498	-60	105	396.2	277.0	3.0	1.2	0.7	1.9
"	"	"	"	"	"	"	"	313.0	1.0	2.4	0.0	2.4
PD646	A	EL04/2497	790,375	7,970,500	-90	0	483.6	215.0	1.7	0.6	0.8	1.4
"	"	"	"	"	"	"	"	249.0	6.0	0.7	0.0	0.7
"	"	"	"	"	"	"	"	268.0	9.0	0.5	0.1	0.6
PD510	C	EL04/2497	790,756	7,966,929	-55	270	110	22.0	2.0	0.5	0.1	0.6
PD514	D	EL04/2497	790,780	7,966,120	-50	270	126	39.0	2.0	1.0	0.1	1.1
PD512	D	EL04/2497	790,617	7,965,479	-50	270	131	89.0	4.0	0.6	0.1	0.7
PD785	Pillara West	ML04/118	792,780	7,972,969	-90	0	651.2	399.8	15.8	6.8	3.1	9.9
Including									3.3	11.1	5.3	16.4
PD796	Pillara West	ML04/118	792,805	7,972,902	-90	0	549.4	385.4	19.1	7.6	2.1	9.7
Including									11.9	10.4	3.2	13.6
PD802	Pillara West	ML04/118	792,682	7,972,842	-90	0	552.6	347.0	11.0	8.2	8.8	17.0
Including									4.0	11.8	17.2	29.0

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>	Percussion and diamond drilling were undertaken on EL04/2497 by Amax Exploration, BHP Billiton, Western Metals and Lennard Shelf Pty Ltd during the period 1973 to 2008. Rock chip sampling and geological mapping was also undertaken throughout the area by the same companies. The work is historic in nature and information about the drilling has been sourced from open file reports referred to in this Report.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Mithril understands that details of lithologies and sampling were completed for every metre, or as necessary, for each drill hole. Each drill hole location (easting and northing) has been determined from compilation of digital and paper (hard copy) reports and drill logs. Rock chip information including lithological descriptions were also collected at the time of sampling.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	Details of the analytical methods employed for the Amax percussion drilling and rock chip sampling, and the BHP Billiton diamond drilling and rock chip sampling are unknown. Diamond drill core obtained by Western Metals / Lennard Shelf was typically halved on site and half core samples were processed and analysed by Genalysis Laboratory Services Pty Ltd, Perth. Samples were digested using a high temperature perchloric acid oxidative attack with a hydrochloric acid final leach finish and analysed by ICP-OES with the following detection limits: Zn (1 ppm), Pb (2 ppm), Fe (0.01%), Ag (1 ppm). Samples with greater than 1% Zn or Pb were re-assayed using a multi-acid digest (hydrofluoric, nitric, perchloric and hydrochloric acids) and ICP-OES analysis with the following detection limits: Zn (10 ppm) and Pb (50 ppm). One quartz gravel blank and one standard were inserted for every 18 core samples, with the standard chosen to reflect levels of Pb and Zn in surrounding core samples.

Criteria	JORC Code explanation	Commentary
		Rock chip samples collected by Western Metals / Lennard Shelf were typically analysed by the same laboratory using the same analytical methods as above.
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>	Details of the percussion drill rig are unknown - the drilling method produces chip samples (i.e. non-core). Diamond drilling was typically undertaken using a truck mounted diamond drilling rig – this drilling method produces core samples.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	The results reported in this Report are historical and as such these details are unknown.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	The results reported in this Report are historical and as such these details are unknown.
	<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>	No relationship has been identified.
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>	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.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	Logging of drill samples is of a qualitative nature.
	<i>The total length and percentage of the relevant intersections logged.</i>	The results reported in this Report are historical and as such these details are unknown.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Diamond core samples were typically cut so that half core samples were submitted for analysis.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	The results reported in this Report are historical and as such these details are unknown.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	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).
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	The results reported in this Report are historical and as such these details are unknown.
	<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>	The results reported in this Report are historical and as such these details are unknown.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	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	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	High temperature perchloric acid oxidative attack with a hydrochloric acid final leach finish is considered as a total digest and is appropriate for the type of exploration undertaken.
	<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>	The results reported in this Report are historical and as such these details are unknown.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks)</i>	The results reported in this Report are historical and as such these details are unknown.

Criteria	JORC Code explanation	Commentary
	<i>and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The significant intersections were verified by the Geology Manager and Managing Director.
	<i>The use of twinned holes.</i>	No twin holes were drilled.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All information used in the preparation of this Report has been sourced from publicly available Annual Technical Reports available from the WA Mines Department
	<i>Discuss any adjustment to assay data</i>	There was no adjustment to assay data
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>	All information used in the preparation of this Report has been sourced from publicly available Annual Technical Reports available from the WA Mines Department.
	<i>Specification of the grid system used.</i>	Data points have been quoted in this Report using the MGA Zone 51 (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.
Data spacing and distribution	<i>Data spacing for reporting of Exploration Results.</i>	Refer to Tables 1 – 3 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>	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>	Sample compositing was historically employed (typically up to 4 metre intervals) depending on the geology and depth of hole.
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>	Aircore and RC samples are unable to be orientated and do not provide structural information. The diamond holes were typically drilled vertically – it is unknown whether the orientation of sampling achieves unbiased sampling of possible structures
	<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>	No orientation-based sampling bias has been identified.
Sample security	<i>The measures taken to ensure sample security.</i>	The results reported in this Report are historical and as such these details are unknown.
Audits or reviews	<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
Mineral tenement and land tenure status	<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 Billy Hills Project comprises EL's 04/2497, 2503 and 80/5191 which are 100%-owned by Mithril Resources through its wholly owned subsidiary, Minex (West) Pty Ltd.
	<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>	EL's 04/2497, 2503 are both granted tenements and 80/5191 is an application only. There are no known impediments to the tenements other than the requirement to execute a Heritage Protection Agreement with the

Criteria	JORC Code explanation	Commentary
		project's Traditional Owners. At the time of writing, negotiation of an Agreement was underway.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration undertaken on the project has been carried out by Amax Exploration, BHP Billiton Western Metals and Lennard Shelf Pty Ltd during the period 1973 to 2008. Activities have primarily involved drilling and surface sampling with the bulk of work having been undertaken around the Pillara Deposit.
Geology	Deposit type, geological setting and style of mineralisation.	The zinc – lead – silver mineralisation referred to in this Report occurs within Devonian age limestones and is structurally controlled.
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 Tables 1 - 3 and Figures 2 - 5 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 weighting averaging techniques have been used and a lower cut-off grade of 0.4% zinc has been used. Results have been reported for individual elements (i.e. Zn% and Pb%) as well a combined element value (i.e. Zn+Pb%).
	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 weighting is calculated as such: Sum of (all individual assays x corresponding sample interval within intercept) divided by total intercept length.
	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.	The geometry of the mineralisation with respect to the drill hole angle is not known.
	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 2 - 5 of this Report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and	All significant (+0.4% zinc) exploration results have been reported in Tables 2 and 3 and Figures 2 – 5 of this Report.

Criteria	JORC Code explanation	Commentary
	<i>high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	
<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>	All relevant data has been included within this Report.
<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>	Further work will comprise IP geophysical surveying and diamond drilling.
	<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 1 shows the location of the tenements and prospects.

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves 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 Ltd (MTH:ASX) is an Australian resources company whose objective is the creation of shareholder wealth through the discovery of mineral deposits.

The Company and its exploration partners are actively exploring throughout the Kalgoorlie, West Kimberley and Murchison Districts of Western Australia for economic nickel, copper, zinc, and vanadium deposits.

In the Kalgoorlie District, Mithril is exploring for nickel on the Kurnalpi, Lignum Dam and North Scotia Projects which lie along strike from, or adjacent to previously mined high-grade nickel at the Silver Swan and Scotia Nickel Deposits.

In the West Kimberley, Mithril is exploring for zinc on the Billy Hills Project which lies adjacent to the previously mined Pillara Zinc Deposit.

In the Murchison, Mithril is exploring for copper, nickel and zinc mineralisation on the Nanadie Well Project and for copper, silver, zinc and lead on the Bangemall Base Metal Project. Mithril's exploration partner – Monax Mining Ltd is also exploring for vanadium on the Limestone Well tenements.