

Key Points

Nanadie Well (Copper - Nickel - Cobalt)

- Broad downhole widths of visible copper sulphides intersected in all three diamond holes drilled to test Nanadie Well Copper Deposit and new EM conductors at the Stark Copper Nickel Prospect, including:
 - 30 metres of disseminated, blebby, matrix, semi – massive and massive copper sulphides in first drill hole testing new EM conductor at southern end of Stark.
- Final assay results expected in late July.

Willow Well (Gold)

- Surface rockchip samples return up to 8.22g/t gold from new Fenceline Gold Prospect.
- Elevated gold in rockchip samples from a 120 metre long zone defined by sub-cropping ferruginous and brecciated quartz veining.
- No previous drilling and remains open along strike.

Lignum Dam Project (Nickel / Gold)

- RC drilling at the Mexi Nickel Prospect returns 40m @ 0.46% nickel, 305ppm copper, 354ppm cobalt and 66ppb PGE's from surface.

Spargos Reward (Gold)

- A maiden 2012 JORC Code compliant Indicated and Inferred Resource of 1.01Mt @ 3.9g/t gold (126Koz gold) was estimated for the Spargos Reward Gold Deposit.
- Spargos Reward lies on a granted Mining Lease held by Corona Minerals (65%) and Mithril (35%).

Exploration Plan for next Quarter

- Integrate drilling assay results and update geological models for the Nanadie Well Copper Deposit and Stark Copper Nickel Prospect.
- Downhole EM surveying of recently drilled holes at the Stark Copper Nickel Deposit and Nanadie Well Copper Deposit.
- Further mapping and sampling at the Fenceline Gold Prospect.

Corporate and Cash

- Cash reserves of \$0.82M at 30 June 2017.

Exploration Overview

Mithril Resources (“Mithril”) and its exploration partners are exploring for gold, nickel and copper throughout the Kalgoorlie and Meekatharra Districts of Western Australia, and the Coompana Province of South Australia (Figure 1).

During the June 2017 Quarter (the “Quarter”) Mithril identified the new **Fenceline Gold Prospect** (*Willow Well Project - Meekatharra*) and successfully carried out drilling programs at the **Nanadie Well Copper Deposit** and **Stark Copper Nickel Prospect** (both *Nanadie Well Project – Meekatharra*) and the **Mexi Nickel Prospect** (*Lignum Dam Project - Kalgoorlie*).

A 2012 JORC Code compliant resource of 1.01Mt @ 3.9g/t gold (126Koz gold) was also estimated for the **Spargos Reward Gold Deposit** (*Kalgoorlie*).



Figure 1: Project Location Plan

Corporate

During the Quarter, the Company spent \$0.17M on its exploration activities outlined in this report and at 31 June 2017, the Company had cash reserves of \$0.82M.

Nanadie Well Project (Copper-Nickel-Cobalt)

Nanadie Well (Mithril 100% and earning up to 75%),

During the Quarter, diamond drilling was undertaken at both the **Nanadie Well Copper Deposit** and the adjacent **Stark Copper Nickel Prospect** (*located 80 kms SE of Meekatharra, WA – Figure 1*).

To better understand the deposit’s geological setting and to confirm its potential to host other minerals such as cobalt, nickel and PGE’s (*see Mithril’s ASX Announcement dated 28 March 2017*), one diamond hole (NDD17001) was drilled below a previous intersection of 160m @ 0.37% copper, 0.07g/t gold from surface (which included 6m @ 1.39% copper, 0.24g/t gold and 9m @ 2.03% copper, 0.35g/t gold in NRC12013).

NDD17001 intersected multiple intervals of disseminated copper sulphide (chalcopyrite) mineralisation over 10’s of metres between 50.6 metres to 170.55 metres* with several internal zones (3 – 5 metres*) of vein and stringer copper sulphide mineralisation at the respective target depths. Assays are pending.

Two diamond holes (NDD17002 and 003) were also drilled at Stark where a high-powered SQUID ground EM survey identified multiple bedrock conductors (named M1 – M5d) with (conductivity thicknesses ranging from 660S to 5,000S. The **M1** conductor has a strike length of over 300m and is interpreted to represent a southern extension to existing high-grade copper mineralisation.

The large M1 conductor lies below and immediately south of drillhole NRC15001 which previously intersected mineralisation in two parallel zones, i.e.; **2m @ 3.27% copper, 0.10% nickel, 0.55g/t gold, 0.38g/t PGE’s** from 157 metres and 14m @ 0.40% copper, 0.08% nickel, 0.04g/t gold, 0.22g/t PGE’s from 200 metres.

NDD17002 successfully intersected 30 metres* of disseminated, blebby, matrix, semi-massive and massive copper and iron (pyrrhotite) sulphide mineralisation from 248 metres downhole, at the M1 conductor modelled depth (*Figures 2 and 3*). Assays are pending.

The intersection extends the Stark Trend significantly to the south and demonstrates that the M1 conductor is related to copper sulphide mineralisation.

NDD17003 drilled to test the M3 conductor successfully intersected 8 metres* of disseminated, blebby, matrix, semi-massive and massive copper (chalcopyrite) and iron (pyrrhotite) sulphide mineralisation from 94 metres downhole, at the M3 modelled conductor depth.

All holes were cased for DHEM surveying to assist with targeting further drilling. This surveying is expected to commence when a DHEM crew become available in the area.

At the date of this Report, all drill core had been cut and sampled with final results for the three holes expected in late July.

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) lies on tenements subject to a Farmin and Joint Venture Agreement with Intermin Resources Limited (**ASX: IRC**).

Under the terms of the agreement, Mithril can earn a 60% interest in the tenements by completing expenditure of \$2M by 14 April 2019, and an additional 15% by completing further expenditure of \$2M over a further 2 years.

*Downhole widths



Figure 2: Stark Copper Nickel Prospect drillhole NDD17002 – 260.30 to 269.33 metres showing matrix, semi-massive and massive sulphide mineralisation.

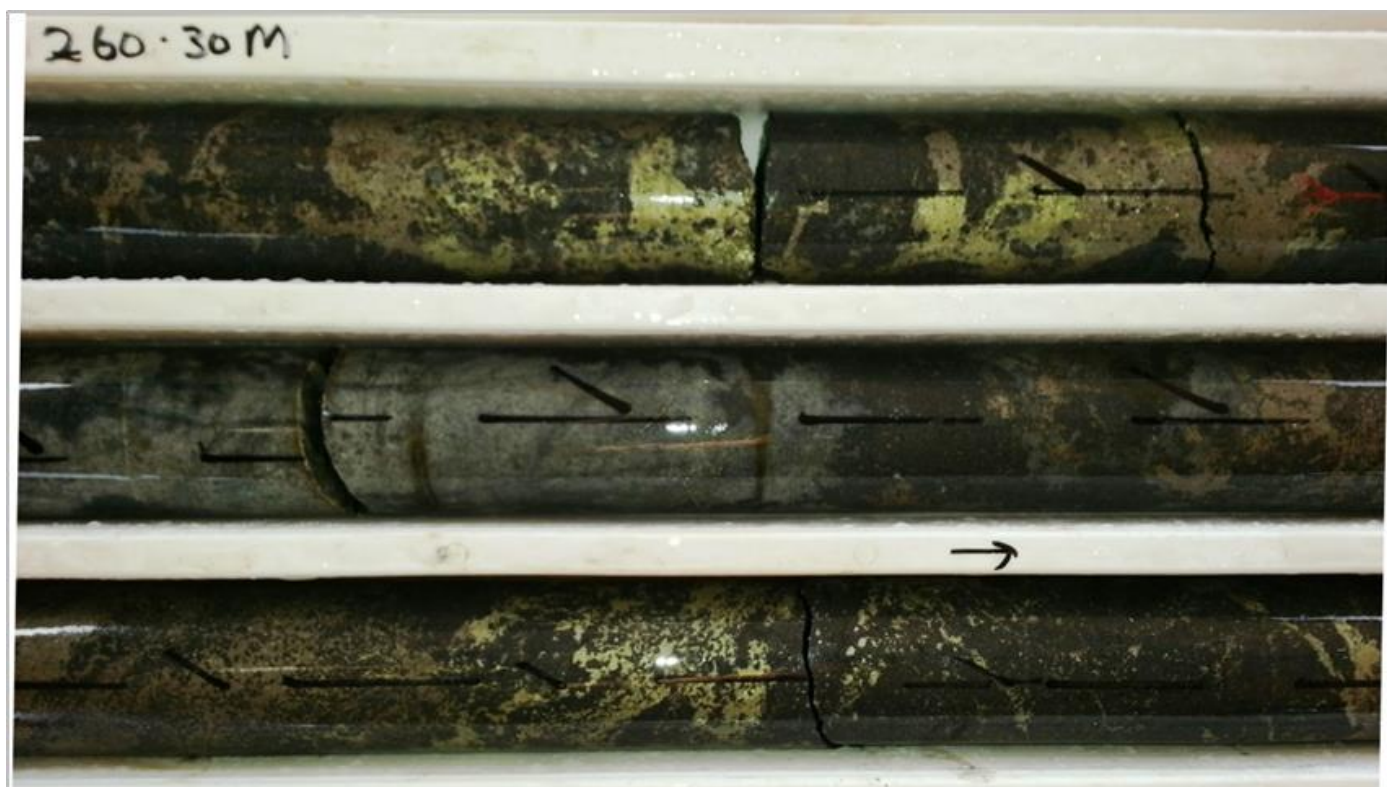


Figure 3: Stark Copper Nickel Prospect drillhole NDD17002 – 260.30 metres showing detail of matrix and semi-massive sulphide mineralisation. The yellow sulphides are copper sulphides (chalcopyrite) and the brown sulphides are iron sulphides (pyrrhotite).

Willow Well Project (Gold)

(Mithril 100%)

Rockchip sampling undertaken during the Quarter has identified a new gold prospect (called “**Fenceline**”) on the 100% - owned Willow Well tenement (EL51/1615), approximately 70 kms southeast of Meekatharra, WA and 20 kms north of Stark (*Figure 1*).

At Fenceline, a zone of sub-cropping ferruginous and brecciated quartz veining has been mapped and sampled over approximately 120 metres strike length with rock chip results ranging from **0.43 g/t gold to 8.22g/t gold** (*Figure 4*).

The zone, which has never been drilled, has an estimated surface width of up to 5 metres and remains open along strike to the south east where it passes under an area of alluvial sheet wash and drainage.

Mithril plans to conduct further detailed mapping and sampling ahead of potential drill testing in the second half of 2017.



Figure 4: Fenceline Gold Prospect - close up photo of ferruginous vein quartz material (Sample WW170605) - where assays returned 3.01g/t gold.

Lignum Dam Project (Nickel / Gold)

(Mithril 100%)

During the Quarter, Reverse Circulation hole KNRC001 was drilled to test a broad zone of shallow nickel-copper-cobalt - platinum + palladium ("PGE's") anomalism within weathered ultramafic rocks at the **Mexi Nickel Prospect** (located 50 kilometres north-northeast of Kalgoorlie, WA - *Figure 1*).

KNRC001 intersected a broad zone of weakly disseminated sulphide - bearing high MgO ultramafic (peridotite) beneath a zone of strong weathering - sampling of which returned 40m @ 0.46% nickel, 305ppm copper, 354ppm cobalt and 66ppb PGE's from surface.

Maximum analytical values for any single metre sample of the fresh disseminated sulphides were; 1730 ppm nickel, 514 ppm copper, and 91 ppb PGE's.

To assist with ongoing assessment of Mexi, KNRC001 has been cased with PVC to provide a platform for downhole EM surveying.

Spargos Reward Project (Gold)

(Mithril 35%, Corona Minerals 65%)

A 2012 JORC Code compliant Indicated and Inferred Mineral Resource of 1.01Mt @ 3.9g/t gold (126Koz contained gold – see Table 1) was estimated for the Spargos Reward Gold Deposit by independent mining consultants Al Maynard and Associates Pty Ltd (AM&A) on behalf of Corona Minerals Limited (“Corona”), Mithril’s exploration partner at Spargos Reward.

Spargos Reward is located 55 kilometres south of Kalgoorlie, WA (Figure 1) and lies within M15/1828 which is held in a Joint Venture between Corona (65%) and Mithril (35%).

Gold mineralisation at Spargos Reward occurs within a sub-vertical zone of strong shearing and alteration (quartz – pyrite – arsenopyrite) at the contact between felsic volcanics and quartz biotite schists and has been historically mined to a vertical depth of 120 metres (via underground and open pit) with total production of approximately 29,260 ounces @ 8g/t gold.

The new mining depleted Mineral Resource estimate was prepared using a mixture of validated historical drilling data and recent Corona drilling data (85 drill holes for 13,176 metres of combined Reverse Circulation and Diamond drilling) over a strike length of 300 metres and from surface (420m RL) to an approximate depth of 500 metres (-50mRL).

Spargos Reward Gold Deposit Resource Statement					
JORC Category	Domain	Cut-off grade	Tonnes (000's)	Grade gold (g/t)	Contained Ounces gold
Indicated	Above 300m RL	1g/t	219	4.1	29,000
Indicated	Below 300mRL	2g/t	406	4.2	55,000
Total Indicated			625	4.2	84,000
Inferred	Above 300m RL	1g/t	24	4.0	3,000
Inferred	Below 300m RL	2g/t	361	3.0	39,000
Total Inferred			385	3.4	42,000
Total Inferred + Indicated Mineral Resource			1,010	3.9	126,000

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%),
- Duffy Well (Mithril 100% - Doray Minerals earning an initial 51% and operating), and
- Kurnalpi (Mithril 100% - Chesser Resources earning an initial 50% and operating).

Exploration Plan for next Quarter

- Integrate drilling assay results and update geological models for the Nanadie Well Copper Deposit and Stark Copper Nickel Prospect.
- Downhole EM surveying of drillholes NDD17001, 002 and 003 at the Stark Copper Nickel Prospect and Nanadie Well Copper Deposit.
- Further mapping and sampling at the Fenceline Gold Prospect.

Notes Specific – March 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.

- New Meekatharra gold prospect - 28.06.2017
- Broad zone of copper sulphides at Stark - 19.06.2017
- Exploration and Drilling Update - 06.06.2017
- Mineral Resource for the Spargos Reward Gold Deposit - 23.05.2017

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.

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

30 099 883 922

Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(172)	(642)
(b) development		
(c) production		
(d) staff costs		
(e) administration and corporate costs	(114)	(456)
1.3 Dividends received (see note 3)		
1.4 Interest received	2	5
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)*	26	26
1.9 Net cash from / (used in) operating activities	(258)	(1,067)

*Contributions received from JV partners

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(3)
(b) tenements (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	(d) other non-current assets 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	-	(3)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	1,359
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	(8)	(99)
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	(8)	1,260

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	1,084	628
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(258)	(1,067)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(3)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	1,260

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	818	818

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	286	552
5.2	Call deposits	532	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)	818	1,084

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 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

Current quarter \$A'000
70
-

Managing Director's remuneration

7. Payments to related entities of the entity and their associates

- 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

Current quarter \$A'000
-
-

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	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.		

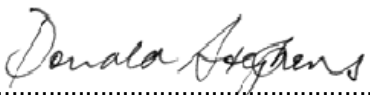
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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	150
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	120
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	270

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: .....
(Company secretary)

Date: 21 July 2017

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.

**Changes in Interests in Mining Tenements
For Quarter Ended 30 June 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			
6.2	Interests in mining tenements acquired or increased	E57/1069	0%	0%
		Exploration licence application effective 22 June 2017 (Murchison, Nanadie Well, East Mill Well, WA).		

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	171.86	100%
E27/576	Lignum Dam Area	17.78	0%
E27/582 *	Lignum Dam Area	59.31	0%
E27/584	Lignum Dam Area	8.69	100%
P27/2283 *	Lignum Dam Area	1.42	0%
P27/2284 *	Lignum Dam Area	1.62	0%
P27/2285 *	Lignum Dam Area	1.62	0%
P27/2286 *	Lignum Dam Area	1.47	0%
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	100%
E15/1423	West Kambalda Area	23.47	35%
M15/1828	West Kambalda Area	10.13	35%
P15/5791	West Kambalda Area	0.24	35%

* In application stage