

Broad zone of copper sulphides at Stark

- **30 metres (downhole width) of disseminated, blebby, matrix, semi – massive and massive copper sulphides intersected in first drill hole testing new EM conductor at southern end of Stark Copper Nickel Prospect**
- **Drilling continuing at Stark with a second new EM conductor currently being tested**
- **Geological logging underway with final assays expected in July**

Mithril Resources Ltd (**ASX: MTH**) is pleased to advise that diamond hole NDD17002, the first hole drilled to test the new M1 EM conductor at the southern end of the **Stark Copper Nickel Prospect** (located 80 kms SE of Meekatharra, WA – Figure 1), has intersected 30 metres* of disseminated, blebby, matrix, semi-massive and massive copper (chalcopyrite) and iron (pyrrhotite) sulphide mineralisation from 248 metres downhole, at the modelled conductor depth (Figures 2 and 3).

NDD17002 extends the Stark Trend significantly to the south and demonstrates that the M1 conductor is related to copper sulphide mineralisation.

It is one of three diamond holes being drilled at **Stark** and the adjacent **Nanadie Well Copper Deposit** (2004 JORC Code Compliant Inferred Resource of 36.07Mt @ 0.42% copper, 0.064 g/t gold estimated by Intermin Resources Limited **ASX: IRC** in 2013) to test the significance of new bedrock EM conductors (“**M1**” and “**M3**”) at Stark and to better understand the geological setting of the Nanadie Well deposit.

An earlier hole - NDD17001, was drilled at the Nanadie Well Copper Deposit (Figure 4) and intersected multiple intervals of disseminated copper sulphide 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 time of writing, drilling was continuing and hole NDD17003 designed to test the **M3** EM conductor at Stark was underway (Figures 4 and 5).

Geological logging of diamond drill core continues with final assay results expected in July. The Company looks forward to updating the market with new information on the results as they become available.

***Downhole widths used throughout this Report**

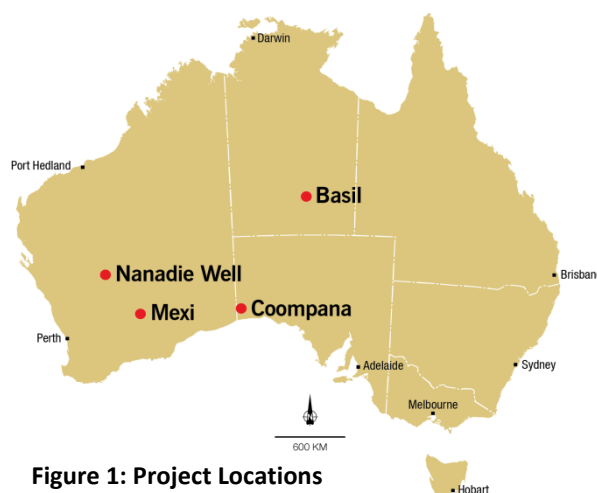


Figure 1: Project Locations



Figure 2: NDD17002 – 260.30 to 269.33 metres showing matrix, semi-massive and massive sulphide.

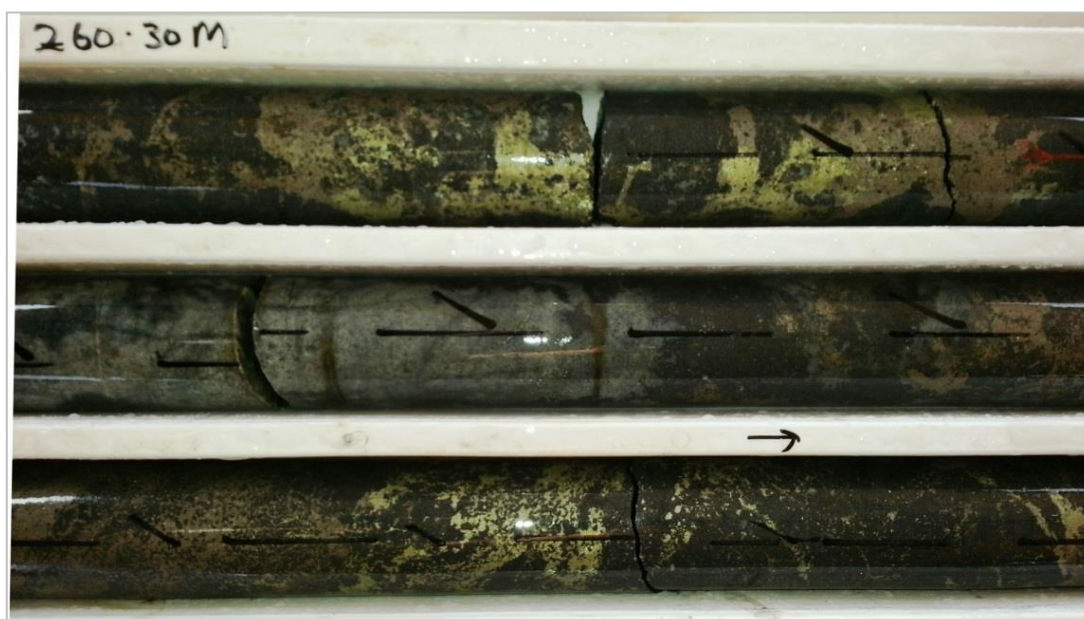


Figure 3: NDD17002 – 260.30 metres showing detail of matrix and semi-massive sulphide mineralisation. Yellow copper sulphides (chalcopyrite) and brown iron sulphides (pyrrhotite).

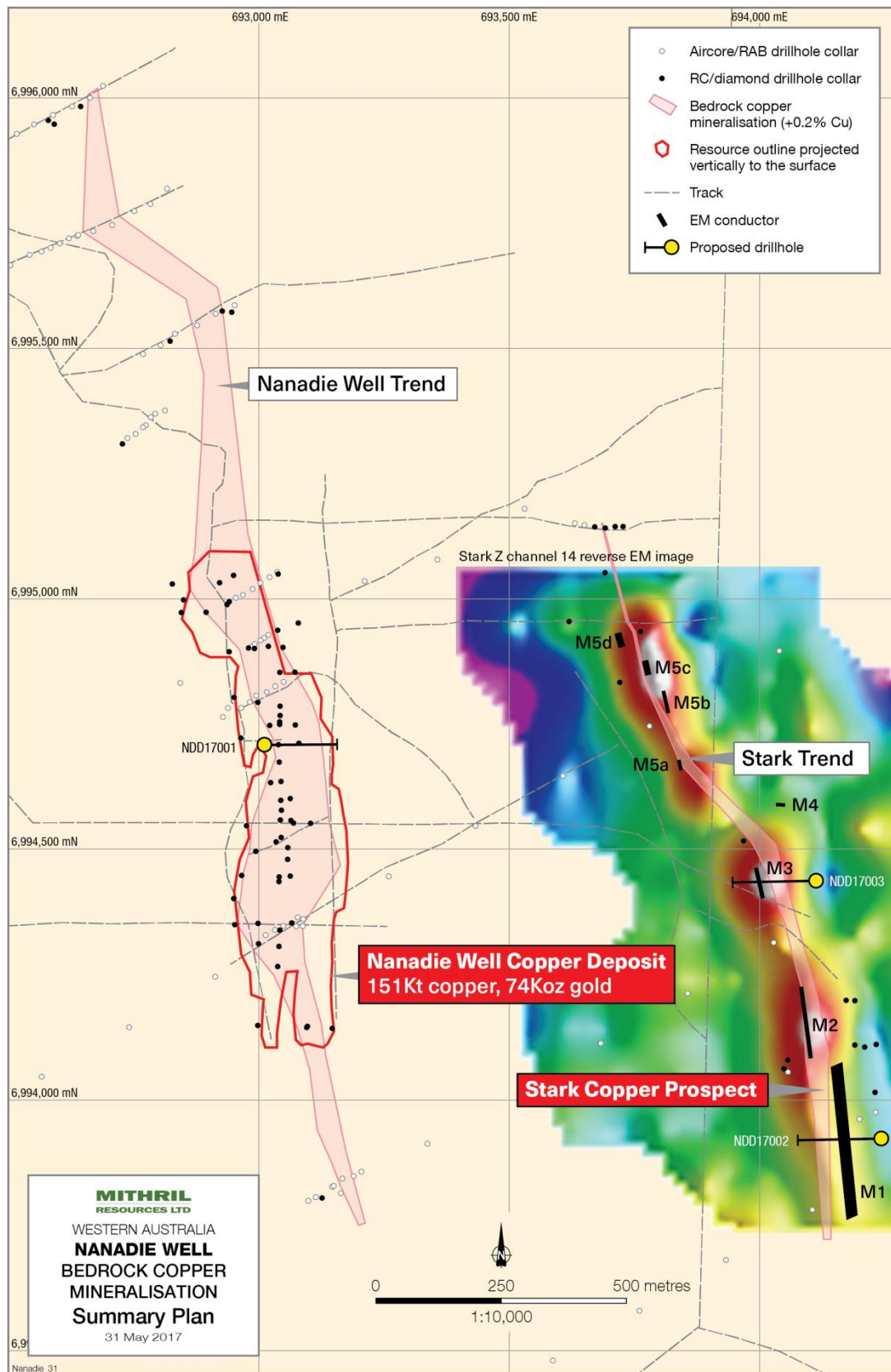


Figure 4: Nanadie Well Copper Deposit and Stark Copper Nickel Prospect Location Plan – showing copper mineralised zones, ground EM (Ch. 14 - Z component) image, bedrock conductors and drillholes

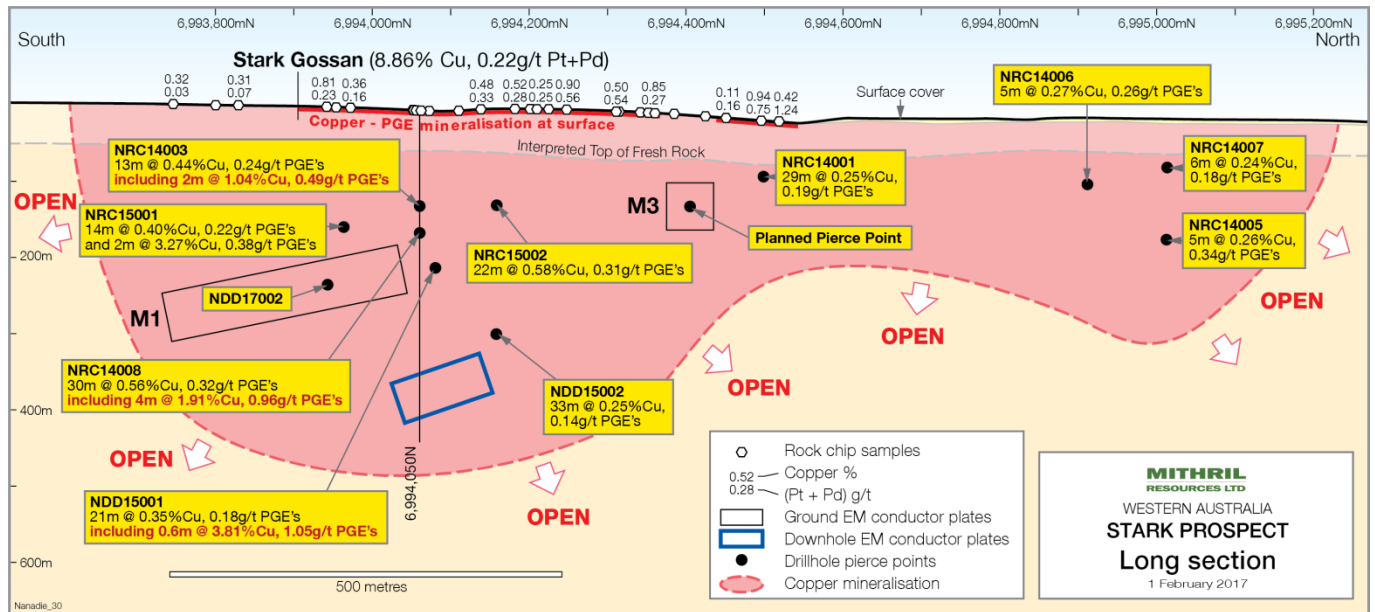


Figure 5: Stark Copper Nickel Prospect Long Section – showing mineralisation, existing drillhole pierce points, EM conductor plates and new drilling

Table 1: Drillhole Specifications

HoleID	Easting	Northing	Dip°	Azi°	EOH Depth	Comment
NDD17001	693,020	6,994,4715	-60	90	231.50	Awaiting assay results
NDD17002	694,290	6,994,3950	-60	260	302.40	Awaiting assay results
NDD17003	694,060	6,994,4500	-55	260	Not yet completed	Awaiting assay results

About the Stark Copper Nickel Prospect and the Nanadie Well Copper Deposit

The Nanadie Well Deposit and Stark lie on tenements subject to a Farmin and Joint Venture Agreement (Nanadie Well Joint Venture) with Intermin Resources Limited (ASX:IRC). Under the terms of the joint venture, Mithril can earn a 60% interest in the 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.

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

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

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

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

Nanadie Well's prospectivity is further enhanced by the presence a second parallel copper and nickel – mineralised trend 1,000 metres east called the Stark prospect.

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

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>	Diamond drilling is currently underway at the Stark Copper Nickel Prospect and Nanadie Well Copper Deposit. At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Each drill hole location (easting and northing) was collected by a handheld GPS. Drillhole 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.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
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>	A Boar Longyear Track-Mounted LF90D diamond drilling rig operated by Westcore Drilling Pty Ltd is being used to carry out the drilling. The drilling method produces BQ and NQ core samples.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Core recoveries are recorded by the driller and captured by Mithril personnel onto a drilling database.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	HQ drilling and split sets are used to maximise core recoveries in near surface weathered / broken ground.
	<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 core 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.</i>	Logging of core samples is of a qualitative nature and is logged

Criteria	JORC Code explanation	Commentary
	Core (or costean, channel, etc.) photography	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 geologically logged for its entire length.
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	Whether sample sizes are appropriate to the grain size of the material being sampled	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	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.	Not applicable as no geophysical tool have been used.
	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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
Verification of sampling and assaying	The verification of significant intersections by either independent or alternative company personnel.	The significant intersections were verified by the Geology Manager and Managing Director.
	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	None undertaken.
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.
	Specification of the grid system used.	Data points have been quoted in this Report using the MGA Zone 50 (GDA94) coordinate system (Stark Copper Nickel Prospect and Nanadie Well Copper Deposit).
	Quality and adequacy of topographic control.	Level of topographic control offered by the handheld GPS was considered sufficient for the work undertaken.

Criteria	JORC Code explanation	Commentary
Data spacing and distribution	Data spacing for reporting of Exploration Results.	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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	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.	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
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.
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 the following tenements. Stark Copper Nickel Prospect and Nanadie Well Copper Deposit – Exploration Licence 51/1040 which is owned by Intermin Resources and in which, Mithril has the right to earn up to a 75% interest by completing \$4M expenditure over 6 years (See ASX Announcement dated 6 December 2013).
	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.	At Nanadie Well (E151/1040) Intermin estimated a 2004 JORC Code Compliant Inferred Resource for the Nanadie Well Copper Deposit of 36.07Mt @ 0.42% Cu in September 2013. This work followed the completion of various previous RAB, RC and geophysical surveys throughout the area by Intermin and previous exploration companies. All previous drilling of the Stark Prospect drill targets has been undertaken by Mithril Resources.
Geology	Deposit type, geological setting and style of mineralisation.	The Nanadie Well Copper Deposit and Stark Prospect is interpreted to be an Archaean – age, mafic-hosted magmatic copper-nickel deposit. Disseminated copper (+/- lead, zinc, nickel) sulphide mineralisation occurs within a package of structurally deformed mafic lithologies.
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:	A summary of all material information referred to in this Announcement is presented in Figures 2 - 5, and Table 1 of this Report.

Criteria	JORC Code explanation	Commentary
	<i>easting and northing of the drill hole collar, elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar, dip and azimuth of the hole, down hole length and interception depth, hole length.</i>	
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No information has been excluded.
Data aggregation methods	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	At the time of writing no sampling had been undertaken and no assay results had been received or reported.
Relationship between mineralisation widths and intercept lengths	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The relationship between mineralisation widths and intercept lengths is unknown.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	The geometry of the mineralisation is not known.
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</i>	Only down hole widths have been reported. True widths are unknown.
Diagrams	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	See Figures 2 - 5 of this Report.
Balanced reporting	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All new exploration results have been reported.
Other substantive exploration data	<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.
Further work	<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>	At Nanadie Well, diamond drilling to test the significance of the Stark Copper Nickel Prospect and Nanadie Well Copper Deposit is currently underway.
	<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>	Figures 2 - 5 display areas of interest within the Stark Prospect / Nanadie Well area

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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, lithium and nickel deposits and the Meekatharra District for copper-nickel deposits.

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