

Exploration Update

- Mithril's current exploration activities comprise RC drilling at the Kombi and Fenceline gold prospects, zinc target generation at Billy Hills and nickel-cobalt target generation at Kurnalpi
- RC drilling at Kombi intersects further gold adjacent to previously reported high-grade intercepts of 4m @ 12.76g/t gold and 1m @ 5.44g/t gold

Mithril Resources Ltd (ASX: MTH) provides an update on its current exploration activities including the recent drilling programme at the Kombi and Fenceline prospects (*located approximately 70 kms southeast of Meekatharra, WA - Figure 1*).

Gold drilling – Prospective Gold Bearing Structures confirmed at Kombi and Fenceline

Eight Reverse Circulation holes (NRC17008 to NRC17015 – 498 metres) were drilled to further test previously reported gold mineralisation (4m @ 12.76g/t gold from 20 metres and 1m @ 5.44g/t gold from 20 metres – see ASX Announcement dated 6 November 2017) at Kombi. The latest holes returned 4m @ 0.95g/t gold from 28 metres (NRC17008) and 4m @ 0.29g/t gold from 52 metres (NRC17014) at the southern end of the prospect (*Figure 2*) within a zone of quartz veins and shearing.

Seven Reverse Circulation holes (NRC17016 to NRC17022 – 357 metres) were drilled at Fenceline as an initial test of a zone of outcropping gold-mineralised quartz veins. Despite intersecting a zone of strong shearing and alteration (quartz-sericite-pyrite), only weakly anomalous gold was returned; 4 m @ 0.11g/t gold from 4 metres in NRC17016 and 4 m @ 0.17g/t gold from 20 metres in NRC17017.

The drilling confirms the presence of prospective gold-bearing structural zones at both prospects and Mithril is currently evaluating all drilling data to determine next steps for the project area.

At Kombi Mithril can earn a 60% interest from Intermin Resources Limited (ASX: IRC) by completing expenditure of \$2M by 14 April 2019 (~ \$1.24M spent to date) and an additional 15% by completing further expenditure of \$2M over a further 2 years. Fenceline is 100% owned by Mithril.

Zinc target generation – Mithril Expands Tenement Position at Billy Hills

In conjunction with the gold review, Mithril is rapidly progressing target generation activities on its 100% - owned Billy Hills Zinc Project which adjoins the Pillara Zinc Mine (reported pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb – see ASX Announcement dated 21 August 2017), 25 kms southeast of Fitzroy Crossing in the West Kimberley region of Western Australia (*Figure 3*).

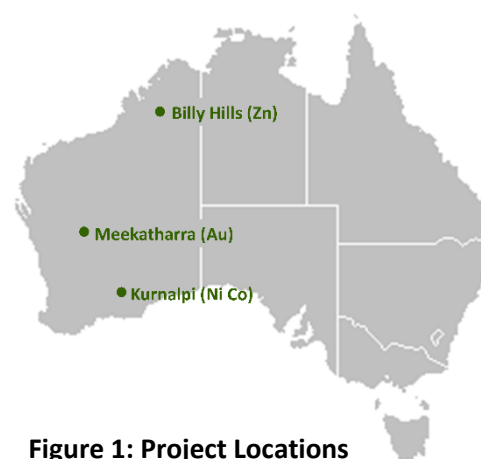


Figure 1: Project Locations

Mithril is systematically compiling historic geology, geophysical and drilling data, and on the back of which it has recently doubled the size of the project to over 175km² with the application for a new tenement (E04/2503).

Target generation activities are now underway and the Company anticipates shortly updating the market regarding the result of these activities.

Nickel-cobalt target generation – Mithril positioned directly along strike from existing nickel-cobalt deposit

Mithril is also reviewing the nickel-cobalt potential of a 100%-owned tenement (EL28/2567) which is located at Kurnalpi, approximately 70 kms east of Kalgoorlie, WA (Figure 4).

The tenement contains nickel-cobalt prospective high-MgO ultramafic rocks and lies 1 kilometre directly south along strike from the Grey Dam Nickel Cobalt Deposit where a (non-2012 JORC Code) Inferred Resource of 14.5Mt @ 0.70% nickel, 0.05% cobalt was estimated by Condor Nickel Ltd in 2009 (see ASX Announcement by Condor Nickel dated 6 April 2010).

Mithril is finalising its target generation activities at Kurnalpi and looks forward to updating the market regarding the results of this work.

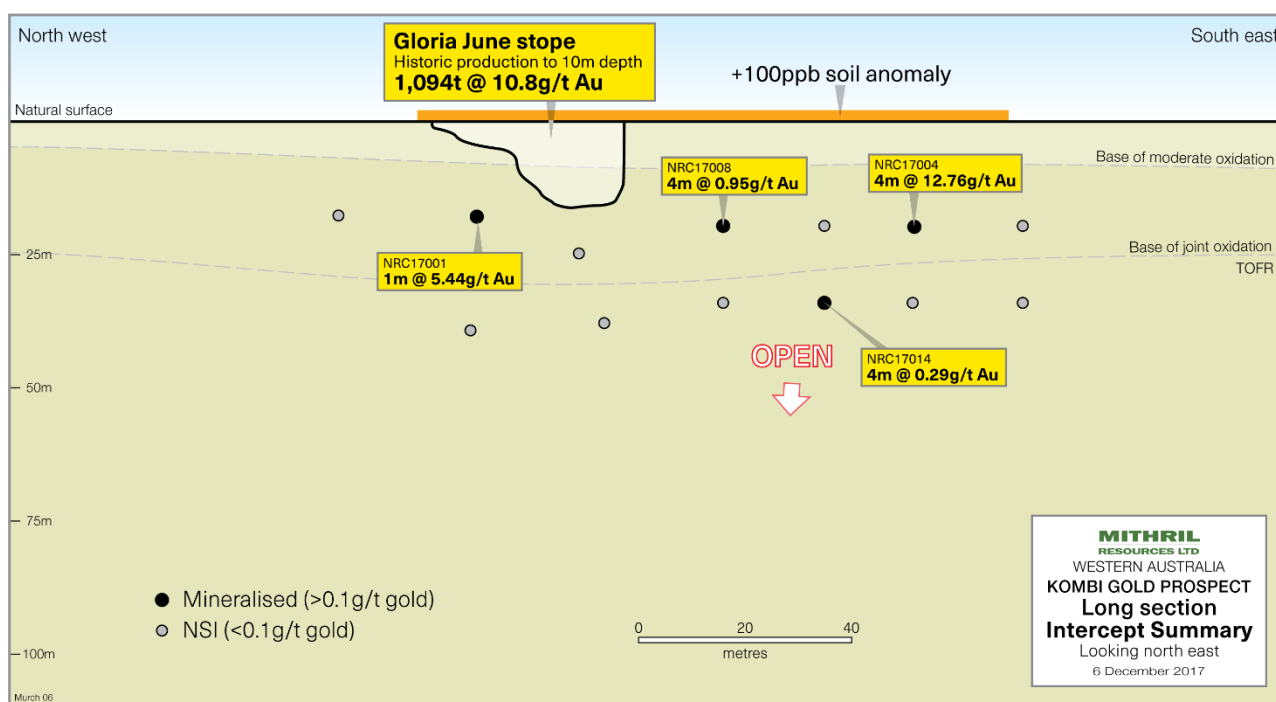


Figure 2: Kombi gold prospect long section showing all drill hole pierce points and intercepts greater than 0.1g/t gold. There is no drilling below 40m and the mineralised structure remains open down dip.

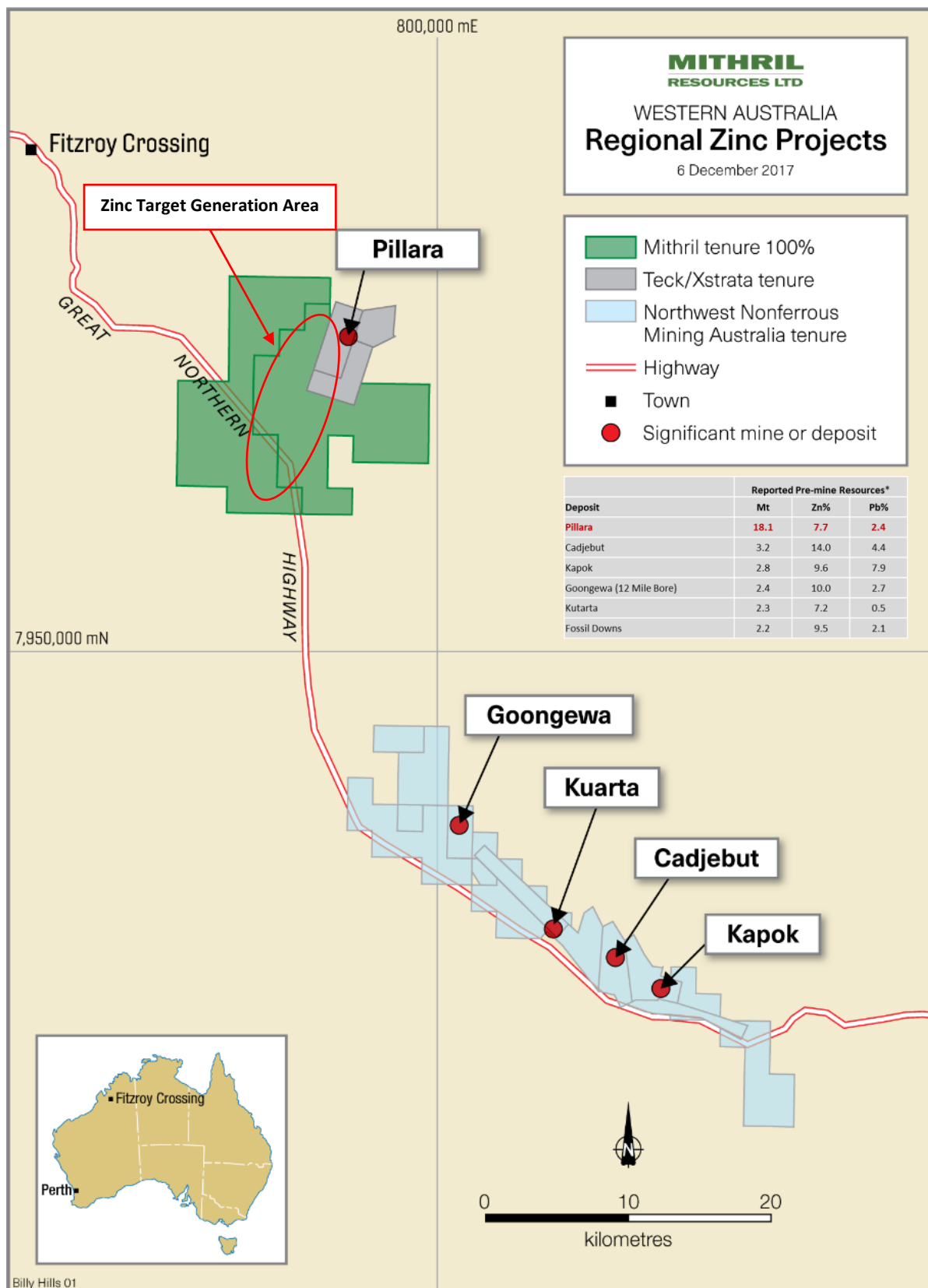


Figure 3: Billy Hills Zinc Project Location Plan showing major zinc deposits of the Lennard Shelf, Mithril tenements in green and area subject to zinc target generation activities.

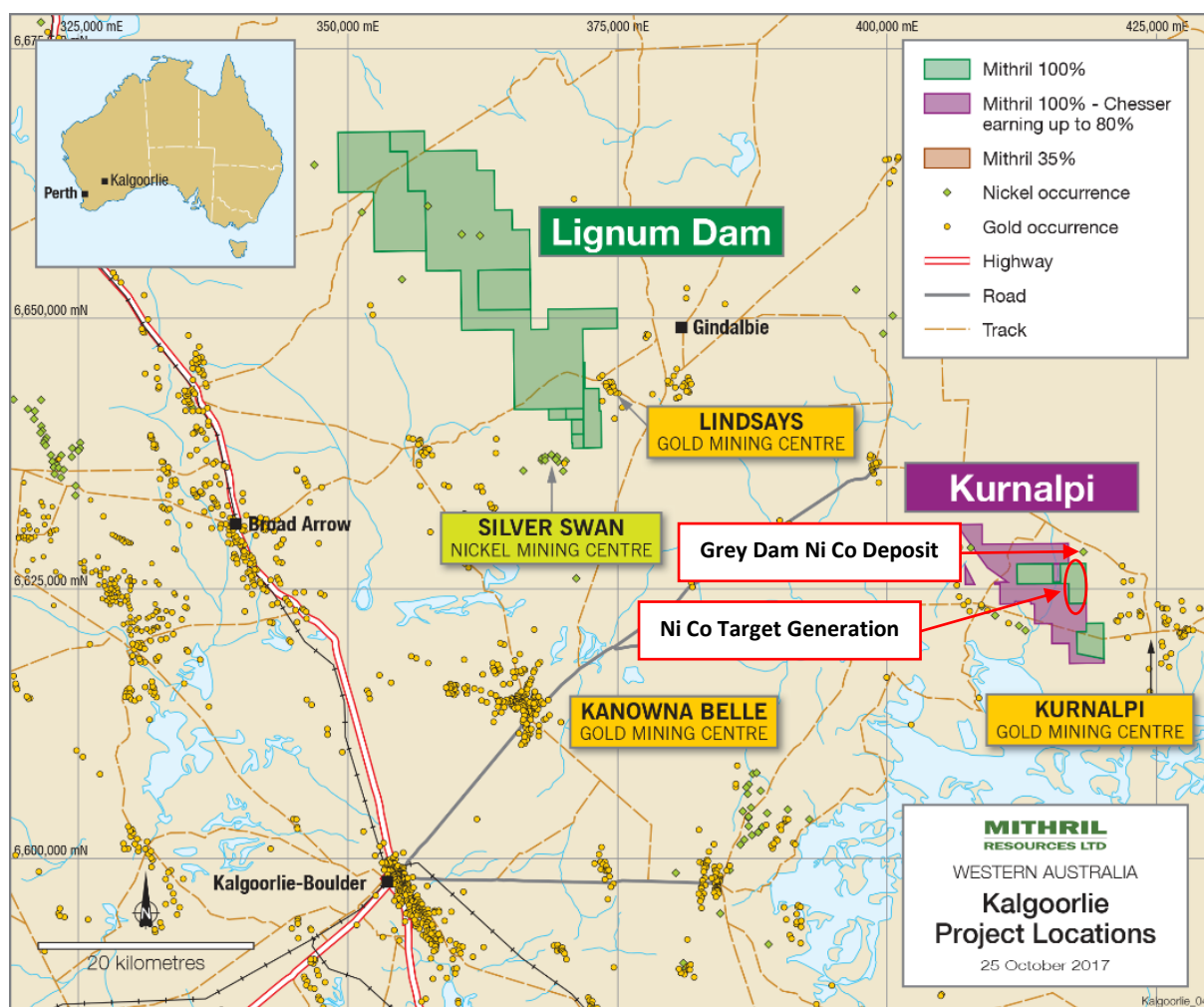


Figure 4: Kalgoorlie Location Plan showing Mithril tenements and area subject to current nickel-cobalt target generation activities. Grey Dam Nickel Cobalt Deposit also shown.

Table 1: Kombi and Fenceline gold prospects – drilling significant intercepts

HoleID	Easting	Northing	EOH	Dip°	Azi°	From	Width	Gold g/t
NRC17008	695019	6993082	39	-60	60	28	4	0.95
NRC17014	695013	6993060	81	-60	60	52	4	0.29
NRC17016	698789	7011072	60	-60	200	4	4	0.11
NRC17017	698791	7011088	51	-60	200	20	4	0.17

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>	Reverse Circulation (RC) drilling was undertaken at the Kombi and Fenceline gold prospects during November 2017. Samples were collected as composite samples (up to 4 metres) from the drill spoils laid out on the ground. Sample sizes were approximately 2-3kg in weight.
	<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. 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.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report.</i>	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 30g sub-sample for gold analysis by Fire Assay and ICP-AES finish (Method Code - Au-ICP21) with ore-grade repeats by Fire Assay and AAS (Method Code - Au-AA25).
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 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).
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Sample recoveries were monitored by the driller and Mithril site personnel. Any recovery issues (none) are recorded onto the drill hole log sheets.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	No measures taken to maximise sample recovery.
	<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. RC chip samples are always logged for lithology, colour, texture, weathering, minerals, alteration, and sulphide percentage and type, with comments included as necessary.
	<i>The total length and percentage of the relevant intersections logged.</i>	Every hole was logged (Lithology and magnetic susceptibility) for every metre (entire length of hole).
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Not Applicable as the drilling method produces chip samples (i.e. non-core).
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	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.
	<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).

Criteria	JORC Code explanation	Commentary
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	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.
	<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>	Sampling was supervised by the field geologist following geological logging to ensure that sampling was representative of the in-situ material collected.
	<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>	Fire Assay digest 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>	Magnetic susceptibility readings were taken every metre downhole utilising a Exploranium KT-9 Magnetic Susceptibility Meter.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	The laboratory carries out repeats analysis on samples returning >10g/t gold. From results achieved it is determined an acceptable level of accuracy and precision has been established. Sand blanks were inserted every 20 samples and these were returned within an acceptable range.
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>	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.
	<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>	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.
	<i>Specification of the grid system used.</i>	Data points have been quoted in this Report using the MGA Zone 50 (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>	There was no pre-determined grid space for the program, drill holes based on specific targeting. As detailed in Table 1 of this Report.

Criteria	JORC Code explanation	Commentary
	<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 employed (typically up to 4 metre intervals) depending on the geology and depth of hole.
<i>Orientation of data in relation to geological structure</i>	<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>	RC samples are unable to be orientated and do not provide structural information.
	<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.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	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 bulk bags to ALS Laboratories Pty Ltd in Perth.
<i>Audits or reviews</i>	<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
<i>Mineral tenement and land tenure status</i>	<i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i>	Kombi is located on EL51/1040 which is 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 completing further expenditure of \$2M over a further 2 years. Fenceline is located on EL51/1615 which is 100%-owned by Mithril Resources.
	<i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i>	There are no existing impediments to the tenements.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	The following parties have conducted exploration activities on the Kombi Gold Prospect: - Falcona Exploration and Mining Pty Ltd (1986). Shallow RC drilling underneath the Gloria June workings (hole details are unknown but field inspection demonstrates that there was no drilling greater than 20 – 25 metres vertical beneath the workings), - Dominion Mining Limited (1989 – 1990). Gridding, geological mapping, -80# soil sampling and RC drilling (RC drilling “INCA” series of holes took place away from the historic workings), - JN Holloway (2001) mapping and rock chip sampling of the Gloria June workings, - Intermin Resources (mid 2000’s – 2013) geological prospecting and mapping,

Criteria	JORC Code explanation	Commentary
		Mithril Resources (2014 – present). Rock chip sampling, prospecting and data review. Underground mining at Gloria June was thought to be undertaken during the period 1970 – 1980. There is no previous recorded exploration activity at Fenceline.
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The gold mineralisation at Kombi and Fenceline is interpreted to be of Archean - age and occurs within a sheared mafic sequence.
Drill hole Information	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <i>easting and northing of the drill hole collar, elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar, dip and azimuth of the hole, down hole length and interception depth, hole length.</i>	A summary of all material information referred to in this Announcement is presented in Table 1 of this Report.
	<i>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</i>	No information has been excluded.
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>	No weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades have been used.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	Not Applicable as no weighting averaging techniques have been applied.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents 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. Widths of mineralisation have not been postulated. All mineralised intervals quoted in this announcement are quoted as downhole widths only.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	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.
	<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>	The Exploration Results in this Announcement are reported as down hole widths only as true widths are not known.
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 Figure 1 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 significant (+0.1g/t gold) exploration results have been reported.

Criteria	JORC Code explanation	Commentary
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>	Further work will be focussed on assessing the larger prospect area to determine regional prospectivity.
	<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 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.

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 the Western Australian Goldfields for economic gold, copper and nickel deposits.

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