

New Meekatharra gold prospect

- Surface rockchip samples return up to 8.22g/t gold from new Fenceline 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
- Further mapping and sampling planned ahead of drill testing in second half of 2017

Mithril Resources Ltd (ASX: MTH) is pleased to advise that recent rockchip sampling has identified a new gold prospect (called “Fenceline”) on its 100% - owned Willow Well tenement (EL51/1615), approximately 70 kms southeast of Meekatharra, WA (Figure 1).

The new gold prospect is 20kms north of Mithril’s Stark Copper Nickel Prospect where diamond drilling has just intersected 30 metres (downhole width) of disseminated, blebby, matrix, semi – massive and massive copper sulphides (see ASX Announcement dated 19 June 2017) and for which results are awaited.

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** (Table 1 and Figures 2 - 3).

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 and looks forward to updating the market with new results as they become available.

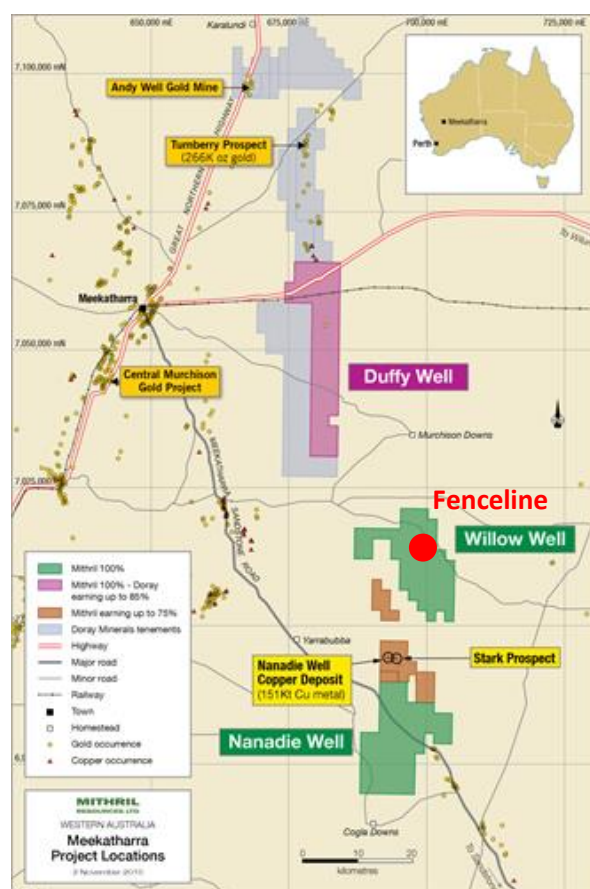


Figure 1: Location of Meekatharra Projects



Figure 2: Fenceline Gold Prospect – looking southeast along zone of quartz veining toward an area of alluvial sheet wash and drainage (Distance along zone to tree line is approx. 100 metres).



Figure 3: Close up photo of Sample WW170605 - ferruginous vein quartz where assays returned 3.01g/t gold

Table 1: Rockchip sample locations and description

SAMPLE_NUMBER	EAST_GDA94_Z50	NORTH_GDA94_Z50	ROCK_TYPE	SAMPLE_DESCRIPTION	Aug/t
NAN1506-40	698,780	7,011,064	vein quartz	ferruginous vein quartz	4.47
WW170601	698,794	7,011,057	vein quartz	ferruginous vein quartz	0.67
WW170602	698,787	7,011,061	vein quartz	ferruginous vein quartz	1.39
WW170603	698,787	7,011,061	vein quartz	ferruginous vein quartz	5.04
WW170604	698,782	7,011,065	vein quartz	ferruginous vein quartz	1.69
WW170605	698,779	7,011,057	vein quartz	ferruginous vein quartz	3.10
WW170606	698,779	7,011,057	vein quartz	ferruginous vein quartz	0.57
WW170607	698,762	7,011,067	vein quartz	ferruginous vein quartz	0.43
WW170608	698,755	7,011,070	gabbro	foliated altered gabbro	0.43
WW170609	698,747	7,011,075	vein quartz	buck qtz vein	0.04
WW170610	698,731	7,011,081	chert	chert / vein quartz float	0.01
WW170611	698,724	7,011,088	vein quartz	blue - grey vein quartz / fractured	8.22
WW170612	698,716	7,011,087	gabbro	foliated altered gabbro	0.06
WW170613	698,704	7,011,096	vein quartz	buck qtz vein	0.01
WW170614	698,688	7,011,109	vein quartz	buck qtz vein	0.26
WW170615	698,902	7,010,987	vein quartz	buck qtz vein	0.01
WW170616	698,886	7,010,967	vein quartz	buck qtz vein	0.00

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>	1 – 3kg rock chip samples of either outcrop, sub crop or float/lag material was collected at various locations based on prospective geology.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Each rock chip location (easting and northing) was collected by a handheld GPS. A brief sample description and additional comments as necessary were recorded at every sample location. All 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>	1 – 3kg rock chip samples were collected from either outcrop or sub crop and placed inside calico sample bags for transport to ALS Laboratories in Perth, WA for sample preparation and geochemical analysis. In the laboratory, samples are crushed and pulverised to produce a representative 25g sub-sample for analysis as follows: Trace Level GOLD by aqua regia extraction with ICP-MS finish.
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>	Not Applicable as no drilling was undertaken.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	Not Applicable as no drilling was undertaken.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	Not Applicable as no drilling was undertaken.
	<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>	Not Applicable as no drilling was undertaken.
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>	Rock chip samples have been described geologically but not to a level of detail suitable for Mineral Resource estimation, mining and metallurgical studies.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	Logging of rock chip samples is of a qualitative nature. Samples are logged for lithology and sometimes logged for colour, texture, weathering, minerals and alteration. An overall sample description and general comment on location is also included.
	<i>The total length and percentage of the relevant intersections logged.</i>	Logging was restricted to describing individual rock sample collected for analysis.
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 no drilling was undertaken.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Rock chip samples were collected from outcrop, sub crop or float and 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 rock chip 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>	Sub-sampling will only occur if the sample is >3kg. All samples submitted were <3kg so no sub sampling occurred.
	<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>	No field duplicates were taken. All samples collected were ~1 – 3kg, and entire sample pulverized.
	<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.
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>	Trace Level GOLD by aqua regia extraction with ICP-MS finish is considered a total technique and appropriate for determining gold analyses.
	<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>	Not applicable as no geophysical tools were used.
	<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>	For Multi-element analysis, each rack (40 tubes) contains one blank to monitor the purity of the reagents. Each rack contains two duplicate samples and the results are reported in a QC report at the end of the analytical report. Each rack contains two digested standards to monitor the accuracy of the method. The laboratory also conducts monthly round robin programs for fire assay gold and base metal analysis. The laboratory expects to achieve a precision and accuracy of plus or minus 10% for duplicate analyses, in-house standards and client submitted standards, when conducting routine geochemical analyses for gold and base metals. These limits apply at, or greater than, fifty times the limit of detection.
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	Significant Results detailed in this Report have been verified by the Company's Geology Manager and Managing Director
	<i>The use of twinned holes.</i>	Not Applicable as no drilling was undertaken.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Handwritten data entry was used for documenting the rock chip sampling.
	<i>Discuss any adjustment to assay data</i>	None undertaken.
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>	Data points (rock chip sample locations and historic drill hole collars) were recorded using a handheld GPS with an expected accuracy of +/- 5m. For the nature of the program completed, this level of accuracy is considered to be suitable.
	<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>	As detailed in Table 1 of this Report. The rock chip samples were randomly located based on where prospective rocks occurred as either outcrop or sub crop at the surface.
	<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>	No composite sampling has been applied.
Orientation	<i>Whether the orientation of sampling achieves unbiased</i>	Unknown as the nature of the underlying structures are unknown

Criteria	JORC Code explanation	Commentary
of data in relation to geological structure	<i>sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	and sampling was of a reconnaissance nature only.
	<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>	Not Applicable as no drilling was undertaken.
Sample security	<i>The measures taken to ensure sample security.</i>	Not Applicable as no drilling was undertaken.
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 work described in this Report was undertaken on EL51/1615 which is 100% - owned by Mithril Resources 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>	There are no existing impediments to the tenements.
Exploration done by other parties	<i>Acknowledgment and appraisal of exploration by other parties.</i>	There has been no previous work undertaken at the Fenceline Gold Prospect
Geology	<i>Deposit type, geological setting and style of mineralisation.</i>	The gold mineralisation at Fenceline is interpreted by of Archaen – age and occurs within a mafic – ultramafic 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>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>	A summary of all material information referred to in this Announcement is presented in Figures 2 - 3, and 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>	In reporting these Exploration Results, no weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades have been applied.
	<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</i>	No data aggregation methods have been applied.

Criteria	JORC Code explanation	Commentary
	<i>shown in detail.</i>	
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalent values have been used in this Report.
<i>Relationship between mineralisation widths and intercept lengths</i>	<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>	No drilling results have been reported and true widths are unknown.
<i>Diagrams</i>	<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 and 3 of this Report.
<i>Balanced reporting</i>	<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.
<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 rockchip sampling and mapping ahead of potential drill testing in the second Half of 2017.
	<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 2 displays the area of interest at Fenceline.

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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.