

Successful capital raising to drive Kurnalpi nickel sulphide search

- **Oversubscribed Share Purchase Plan and Placement raises \$824,232 (before costs)**
- **Funds raised will be used to drill test nickel sulphide targets at Kurnalpi, support ongoing nickel and zinc target generation activities and for working capital purposes**
- **EM geophysics scheduled to commence at Kurnalpi within the next three weeks with RC drilling to follow**

Mithril Resources Ltd (“Mithril” or the “Company”) (MTH.AX) is pleased to advise that it has received firm commitments to raise \$428,732 through a share placement pursuant to Section 708 of the Corporations Act (Cth) at the same issue price to the recently completed Share Purchase Plan (SPP), being \$0.0107 (1.07 cents) per share.

Together with the oversubscribed SPP (*announced 26 June 2018* - which raised \$395,500), Mithril’s latest capital raising initiative (“Capital Raising”) has raised a total of \$824,232 (before costs).

Funds raised will be used to drill test nickel sulphide targets at the 100% - owned Kurnalpi Nickel Project, support ongoing nickel and zinc target generation activities and for working capital purposes. EM geophysical surveying is scheduled to commence at Kurnalpi within the next three weeks with RC drilling to follow.

Management Comment

Mithril’s Managing Director, Mr David Hutton said that he was very pleased with the outcome of the capital raising and looks forward to nickel sulphide exploration recommencing at Kurnalpi as soon as possible.

“We are very grateful to participating shareholders for their ongoing support of the Company and its projects, and welcome new shareholders to the register” he said.

Capital Raising Details

As announced on 26 June 2018, the Company’s SPP closed oversubscribed on 18 June 2018 raising \$395,500 (after scale back).

Under the SPP, new shares were issued at a price of \$0.0107 (1.07 cents) per share, being a 20% discount to the 5-day Volume Weighted Average Price (VWAP) of shares traded up to and including the day before the issue date (25 June 2018).

Subsequent to the SPP, the Company conducted a “Top Up” Placement which was facilitated by Patersons Securities Ltd.

The Placement comprised the issue of 40,068,475 fully paid ordinary shares at the same price as the SPP (\$0.0107 per share or 1.07 cents per share) and was made to sophisticated investors eligible under section 708 of the Corporations Act (Cth).

The issue price of \$0.0107 represents a 24% discount to the 15-day trading VWAP up to and including the day before the issue price was determined (26 June 2018) and a 20% discount to the 5-day trading VWAP.

The placement shares will be issued in accordance with the Company’s available 25% placement capacity, with 24,041,085 shares issued pursuant to ASX Listing Rule 7.1 and 16,027,390 shares to be issued pursuant to ASX Listing Rule 7.1A. The new shares will rank equally with existing Mithril ordinary shares quoted on the ASX.

About the Kurnalpi Nickel Project

Mithril’s recent drilling at the 100%-owned Kurnalpi Nickel Project (*located 70 kms north east of Kalgoorlie, WA – Figure 1*) intersected a 4-metre zone of gossanous weathered ultramafic and several other narrow intervals of disseminated nickel sulphide mineralisation at the Kurnalpi Nickel-Cobalt Prospect which remains open in all directions.

This is the first ever recognition of nickel sulphides within the project tenement boundaries.

Subsequent downhole EM geophysical surveying identified a new off hole conductor lying adjacent to the sulphide mineralisation on the eastern edge of the host ultramafic unit.

The south-plunging conductor (Conductivity Thickness of 3400S), which has not been previously drilled, is a priority for follow-up and three Reverse Circulation holes (750 metres) are planned as an initial test of the EM conductor and the gossan / sulphide intercepts.

The nickel prospective ultramafic rocks also extend for over 7 kilometres to the south with little, or no previous testing.

In addition to the planned drilling, the Company is planning to carry out ground EM geophysical surveying over the southern ultramafic, including a historic drill hole (KURA50) which intersected 20m @ 0.69% nickel, 0.07% cobalt from 32 metres including 8m @ 0.96% nickel, 0.09% cobalt from 36 metres and was never followed-up (see ASX Announcement dated 7 February 2018).

The aim of the EM geophysics is to define additional targets for drill testing.

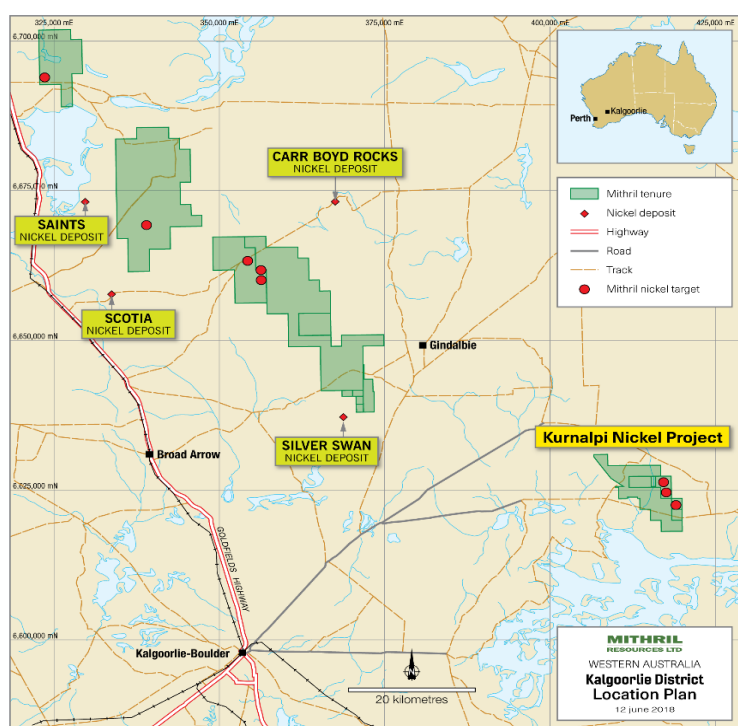


Figure 1: Kurnalpi Project Location

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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 is an Australian resources company whose objective is the creation of shareholder wealth through the discovery and development of mineral deposits.

Mithril is exploring for a range of high-value commodities (principally nickel, cobalt, copper and zinc) throughout the Meekatharra, West Kimberley and Kalgoorlie Districts of Western Australia.

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