

New exploration partner for the Kurnalpi Project

Mithril Resources Ltd (**MTH:ASX**) is pleased to advise that it has executed an Option Agreement with Carnavale Resources Ltd (**CAV:ASX**) for the Kurnalpi Project (*located 80 kilometres northeast of Kalgoorlie, WA – Figure 1*) whereby Carnavale can acquire an initial 80% interest in the project by keeping the tenements in good standing and paying Mithril \$250,000 cash within a three year period.

Kurnalpi is prospective for nickel sulphide mineralisation and lies along strike from the Carnavale's Grey Dam Nickel Cobalt Deposit (14.6Mt @ 0.75% Ni and 0.049% Co for 110,000t nickel metal and 7,200t cobalt metal - see *Carnavale's ASX Announcement dated 26 February 2019*). The ultramafic host rock that underlies the Grey Dam Deposit is interpreted to extend onto the Kurnalpi tenements and Mithril understands that Carnavale will explore Kurnalpi in conjunction with their ongoing activities at Grey Dam.

The terms of the Option Agreement are as follows;

- Option Period: 3 years
- Option Fee: Upfront cash payment of \$20,000 on signing of the agreement
- Expenditure during Option Period: Minimum of Mines Department expenditure commitment sole funded by Carnavale (to keep tenements in good standing) plus all other statutory payments
- Carnavale may elect to acquire an 80% interest in the project tenements within the Option Period by paying Mithril \$250,000 in cash.
- Within 14 days of receiving the cash payment, Mithril can elect (within a further 30 days) to either;
 1. Transfer its 20% interest in the project tenements in return for a 1% Net Smelter Royalty on all commodities produced from the Tenements, or
 2. Enter into a Joint Venture with Carnavale (i.e. 80% CAV: 20% MTH) with both parties contributing on a pro rata basis with standard management, pre-emptive rights and dilution provisions also applying.

Over the past months, Mithril has extensively reshaped its exploration portfolio with new exploration partners introduced to sole fund exploration activities on the Lignum Dam and Limestone Well projects as well as the new Kurnalpi agreement. In addition, the Company has also relinquished tenements at Bangemall and Duffy Well and withdrawn from the Nanadie Well JV.

These decisions are consistent with Mithril's strategy of seeking exploration funding partners for and / or divesting its low-priority projects to ensure that the Company remains focused on its 100% - owned Billy Hills Zinc Project.

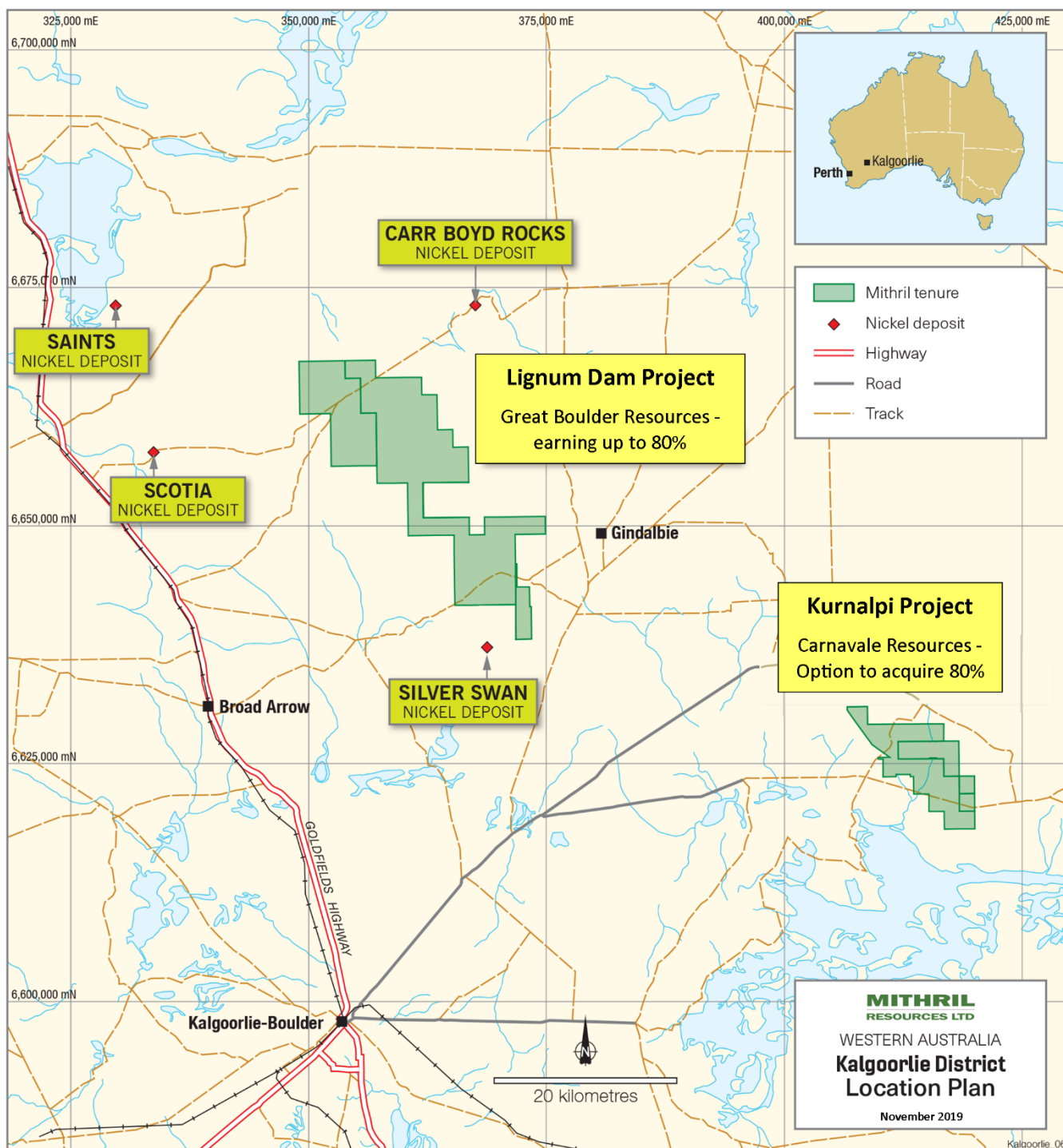


Figure 1: Kurnalpi Location Plan

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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 Ltd (MTH.ASX) is an Australian resources company whose objective is the creation of shareholder wealth through the discovery of mineral deposits.

The Company's priority Billy Hills Zinc Project lies adjacent to the previously mined Pillara Zinc Deposit, 25kms east of Fitzroy Crossing in Western Australia.

The Company' exploration partners are also exploring in the Kalgoorlie and Murchison Districts of Western Australia for economic nickel, gold and vanadium deposits.

In the Murchison, Auteco Minerals (AUT.ASX) is exploring for vanadium on the Mithril's Limestone Well tenements which lie directly along strike from the Barrambie Titanium – Vanadium Deposit.

Northeast of Kalgoorlie, Great Boulder Resources (GBR.ASX) is exploring for gold and nickel on Mithril's Lignum Dam tenements which lie adjacent the Silver Swan nickel deposit and the Lindsay's gold mining centre.
