

MMG to continue to next stage of Huckitta Nickel JV

- **MMG to continue to Stage 2 of JV having successfully completed Stage 1 by spending \$1.5M over 2 years.**
- **Additional \$2.5M to be spent by MMG no later than 31 October 2016 to earn a 51% interest in the project's nickel rights.**
- **Next round of nickel drilling planned for mid-2014.**
- **MMG now sole funding nickel exploration over 50% of East Arunta Project Area – allows Mithril to focus on its newly acquired Meekatharra Copper Projects.**

Mithril Resources Ltd (“Mithril” - **ASX: MTH**) is pleased to advise that its Northern Territory nickel JV partner – MMG Exploration Pty Ltd (“**MMG**”), has successfully completed Stage 1 (having spent \$1.5M over two years) of the Huckitta Option and Joint Venture Agreement and will continue to Stage 2 of the agreement (by spending an additional \$2.5M by no later than 31 October 2016).

Under the terms of the Agreement, MMG can earn up to an 80% interest of the nickel rights on selected tenements within the East Arunta Project Area (*Figures 1 and 2*) by completing staged expenditure of \$4 million and a Pre-Feasibility study on a JORC Indicated Mineral Resource. On completion of Stage 2 (total expenditure of \$4 million) MMG will earn a 51% interest in the project's nickel rights with Mithril retaining 100% interest in all other commodities.

MMG undertook a drilling program (14 holes / 1,511 metres) last year as an initial test of several conceptual nickel targets within the agreement area, and the completion of a high-resolution aeromagnetic survey on adjacent tenements subject to the Harts Range Option and Joint Venture Agreement (MMG earning up to 90% by completing expenditure of \$5M over 6 years - *ASX Announcement dated 20 November 2013*).

While the drilling intersected a range of gneissic and amphibolite rocktypes including disseminated sulphides (pyrite – pyrrhotite) in a number of holes, adverse ground conditions meant that several targets were not drilled and remain untested (*See Table 1 for details of completed drilling*).

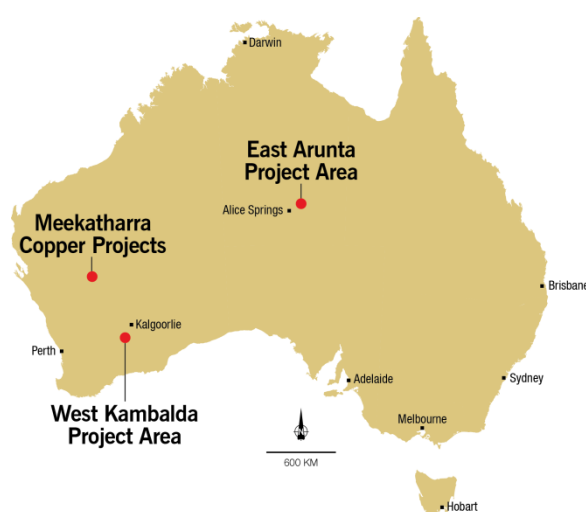


Figure 1: Project Location Plan

The recently completed aeromagnetic survey has successfully identified several new features within the Harts Range area that may represent nickel sulphide – prospective mafic intrusions.

MMG are currently reviewing the results of both work programs in order to generate further targets ahead of drilling planning for mid-2014.

The continuation of the joint venture by MMG is significant as it means that approximately 50% of the East Arunta Project Area is now subject to MMG’s sole-funded nickel exploration effort, a move that will allow Mithril to focus its 2014 exploration activities on the newly acquired Meekatharra Copper Projects (See Mithril’s ASX Announcements dated 6 December 2013 and 20 December 2013).

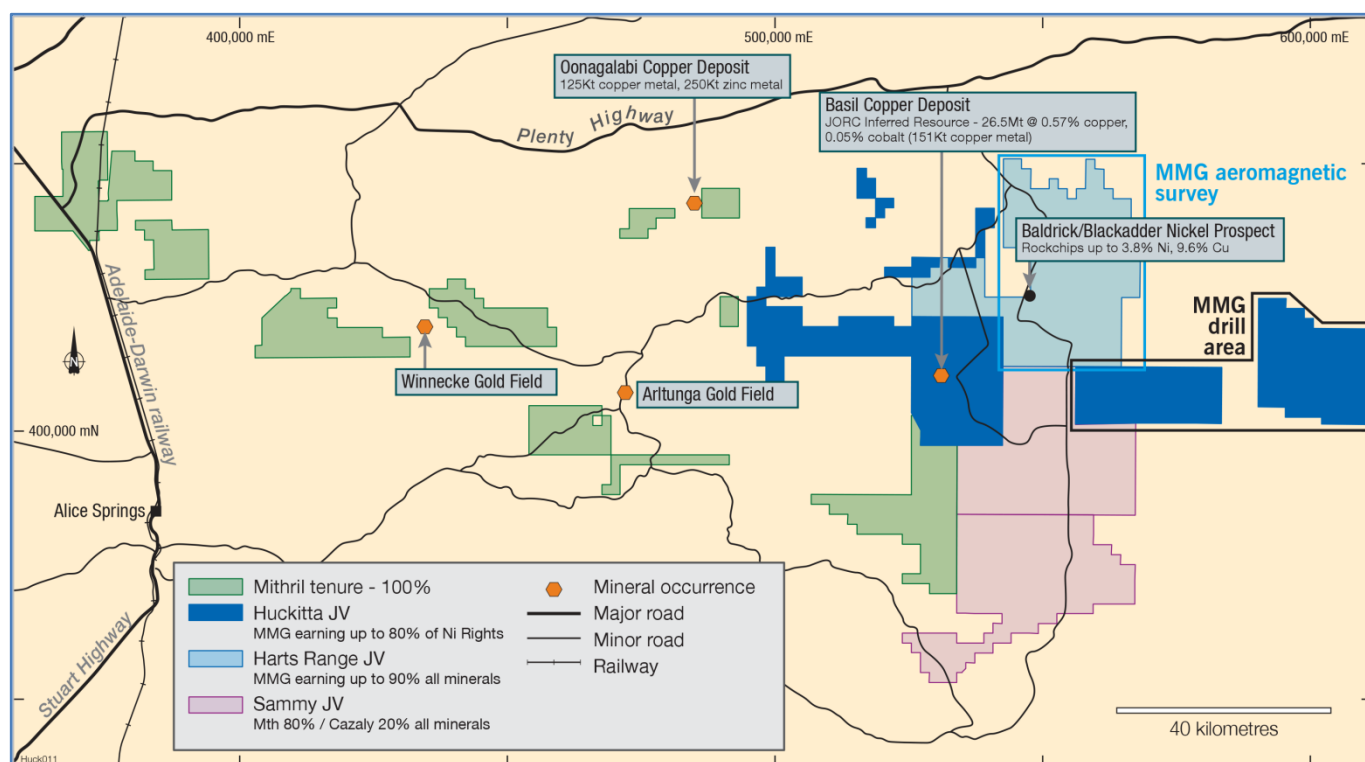


Figure 2: East Arunta Project Area showing the location of MMG nickel joint venture tenements (light and dark blue)

About the East Arunta Project Area

The East Arunta Project Area (“**East Arunta**”) is prospective for the discovery of economic base metal (copper, nickel, silver, lead and zinc) mineralisation and incorporates the 4,083 kms² Huckitta Project and wholly – owned 992 kms² Yambah Project.

East Arunta is located immediately north and east of Alice Springs in the Northern Territory and represents a significant greenfields exploration portfolio within the rapidly emerging, and relatively underexplored Eastern Arunta Province of the Northern Territory.

In addition to 100% - owned tenements, Mithril has three joint ventures covering approximately 70% of the East Arunta Project Area.

Sammy Joint Venture (MTH – 80% / CAZ – 20%)

The joint venture covers two copper – prospective tenements (EL’s 25643 and 25653) in the south eastern portion of the project area. The joint venture is between Mithril Resources (80% and operator) and Sammy Resources Pty Ltd (20%), a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (ASX: CAZ) with both parties funding the JV on a pro-rata basis.

The Sammy Joint Venture is separate from any other joint venture with MMG.

Huckitta Option and Joint Venture (MMG earning up to 80% Nickel Rights)

MMG Exploration Pty Ltd (“MMG”) can earn up to 80% of the nickel rights on the following Mithril tenements (EL’s 26942, 27178, 27243, 27435, 27662, 28336, 28471, and 28501), by completing expenditure of \$4 million and a Pre-Feasibility study on a JORC Indicated Mineral Resource as follows:

- Stage 1 (Option Period) – MMG to complete sole funded expenditure of \$1.5M following which the parties’ respective interests will be MMG (0%) and Mithril (100%),
- Stage 2 – MMG to complete expenditure of an additional \$2.5M by no later than 31 October 2016 following which the parties’ respective interests will be MMG (51%) and Mithril (49%), and
- Stage 3 – MMG to complete a Pre-Feasibility Study on a JORC Indicated Nickel Resource, following which the parties’ respective interests will be MMG (80%) and Mithril (20%).

Harts Range Option and Joint Venture (MMG earning up to 90%)

Under the terms of the Agreement:

- MMG Exploration Pty Ltd (“MMG”) can earn up to a 90% interest (all minerals) in following Mithril tenements (EL’s 25453 and 30005) by completing staged expenditure of \$5 million over 6 years. The tenement is currently held by Mithril Resources Limited (60%) and Oklo Resources Limited (40%).
- MMG may withdraw from the joint venture by giving 30 days’ notice to Mithril and Oklo subject to MMG completing an aeromagnetic survey over the tenement and reimbursing both Mithril and Oklo for rental fees paid by them as at March 2013.
- If MMG withdraws from the joint venture, MMG’s current and future rights will cease and it will have no further interest in the tenement. If MMG has earned an interest in the tenement, it must transfer that interest to Mithril and Oklo for \$1.
- Within 60 days of MMG earning 90%, Mithril and Oklo may elect to contribute to ongoing expenditure on a pro rata basis (i.e. Mithril – 6%, and Oklo – 4%) or convert their respective interests to a net smelter return royalty (i.e. Mithril – 0.9% NSR, and Oklo – 0.6% NSR)

Table 1. Huckitta Nickel Drilling Details

HoleID	Northing	Easting	Datum	Total Depth	Dip°	Azi_Mag°
AHURC01	7,407,954	556,840	MGA53 (GDA1994)	100	-70	175
AHURC02	7,408,017	556,841	MGA53 (GDA1994)	100	-70	175
AHURC03	7,407,646	557,277	MGA53 (GDA1994)	100	-70	175
AHURC04	7,407,707	557,276	MGA53 (GDA1994)	100	-70	175
AHURC05	7,418,213	595,413	MGA53 (GDA1994)	70	-90	0
AHURC06	7,407,073	557,627	MGA53 (GDA1994)	100	-70	212
AHURC07	7,407,106	559,978	MGA53 (GDA1994)	100	-70	212
AHURC08	7,407,068	559,943	MGA53 (GDA1994)	100	-70	212
AHURC09	7,407,475	560,517	MGA53 (GDA1994)	100	-70	175
AHURC10	7,407,407	560,525	MGA53 (GDA1994)	100	-70	175
AHURC11	7,418,174	593,284	MGA53 (GDA1994)	100	-70	222
AHURC12	7,418,273	593,387	MGA53 (GDA1994)	100	-70	222
AHURC13	7,419,406	596,162	MGA53 (GDA1994)	200	-90	0
AHURC14	7,416,581	595,176	MGA53 (GDA1994)	200	-70	216

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>	Drill samples were collected every metre from the drill rig and passed through the rig mounted cyclone/splitter unit. 2 metre composite samples were collected from the splitter, placed into calico bags and sent to the laboratory for analysis. The splitter/cyclone was routinely cleaned to avoid sample contamination.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate</i>	The volume of each composite sample was maximised, to ensure greater representivity of the material being

Criteria	JORC Code explanation	Commentary
	<i>calibration of any measurement tools or systems used.</i>	sampled. The collar location of drill holes was recorded using a handheld GPS (+/- 5m accuracy).
	<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>	2m composite RC drill samples were submitted to ALS Laboratories Pty Ltd in Alice Springs for sample preparation and analysis. Samples were oven dried (110 ⁰ C) before crushing and pulverizing (~85% <75µm). Au, Pt and Pd were analysed by Fire Assay with an ICPMS finish (method – PGM-MS23). All other elements including Ni, Cu, and Co were analysed using a Four Acid Digestion (hydrofluoric, nitric, perchloric and hydrochloric acids) with an ICPOES finish (method – ME-MS61).
<i>Drilling techniques</i>	<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>	Reverse Circulation drilling was undertaken.
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	The drilling was supervised by a geologist at all times and written records were kept of drilling and ground conditions, and sample recoveries.
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	N/A
	<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>	N/A
<i>Logging</i>	<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>	Drill holes were geologically logged at the time of drilling.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography</i>	Logging is qualitative i.e. a lithological description was given for each metre drilled.
	<i>The total length and percentage of the relevant intersections logged.</i>	N/A
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	N/A
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	Drill samples were collected every metre from the drill rig and passed through the rig mounted cyclone/splitter unit. 2 metre composite samples were collected from the splitter, placed into calico bags and sent to the laboratory for analysis. Samples were typically dry, but wet samples were included when encountered.
	<i>For all sample types, the nature, quality and</i>	The sample preparation techniques applied followed

Criteria	JORC Code explanation	Commentary
	<i>appropriateness of the sample preparation technique.</i>	industry best practice – samples were oven dried (110 ^o C) before crushing and pulverizing (~85% <75µm).
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	RC drilling was undertaken using professional drilling contractors under the supervision of MMG geological personnel to ensure quality control procedures (i.e. cleaning of drill rig splitter / cyclones and consistent sample weights) were maintained.
	<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>	During the drilling, sample duplicates were taken.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled</i>	Not known. Assumed appropriate.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	Four acid digests, aqua regia digests and Fire Assay for selected elements is appropriate for the type of exploration undertaken. Four acid and aqua regia digests are considered partial techniques and Fire Assay is considered a total technique.
	<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>	N/A
	<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>	Certified standards, blanks and laboratory standards were used with satisfactory results on all elements.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	No significant results were returned.
	<i>The use of twinned holes.</i>	None undertaken.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	Primary data (i.e. geological description and location information) was captured in the field at the time of drilling and digitised into a Microsoft Access database.
	<i>Discuss any adjustment to assay data</i>	None undertaken.
<i>Location of data points</i>	<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>	Collar locations recorded with a handheld GPS with an accuracy of +/- 5m.
	<i>Specification of the grid system used.</i>	GDA1994 - Zone 53.
	<i>Quality and adequacy of topographic control.</i>	N/A
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	N/A – see next comment.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral</i>	The drilling was of a reconnaissance nature and represented the first ever test of several conceptual nickel targets.

Criteria	JORC Code explanation	Commentary
	<i>Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	Typically only one hole was drilled at each target and as such the work was not undertaken with a view to estimating a Mineral Resource.
	<i>Whether sample compositing has been applied.</i>	2 metre composite samples were collected and submitted for analysis.
<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>	N/A
	<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>	N/A
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	In the field at the time of collection, 5 calico sample bags, each containing an individual 2m composite sample were placed inside a poly-weave bag before transportation to ALS Laboratory Services Pty Ltd in Alice Springs.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	No audits or reviews have been undertaken.

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>	Drilling took place within the eastern portion of Mithril's East Arunta Project Area (Northern Territory) on Exploration Licences 27435 and 27243, in which MMG has the right to earn up to a 80% interest (in the nickel rights) by completing expenditure of \$4 million and a Pre-Feasibility study on a JORC Indicated Mineral Resource.
	<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>	Mithril had previously carried out surface reconnaissance activities within the area of drilling.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	MMG are targeting nickel sulphide mineralisation within Palaeozoic - aged mafic intrusions within the Eastern Arunta Province.
<i>Drill hole Information</i>	<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</i></i>	A summary of all information material to the understanding of the drilling results is presented in Table 1 of the Report.

Criteria	JORC Code explanation	Commentary
	<i>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.
<i>Data aggregation methods</i>	<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 significant results were returned. 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 shown in detail.</i>	Not applicable as no significant results were returned.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents reported.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	Widths of mineralisation have not been postulated.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	Widths of mineralisation have not been postulated.
	<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>	Widths of mineralisation have not been postulated.
<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 Table 1 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 results are reported in Table 1 of this Report.
<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>	N/A
<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or</i>	MMG are currently reviewing the results of both the drilling and aeromagnetic surveys on adjacent

Criteria	JORC Code explanation	Commentary
	<i>large-scale step-out drilling).</i>	tenements in order to generate further targets ahead of drilling planning for mid-2014.
	<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>	No significant results were returned.

ENDS

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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 is an Australian exploration company focused on the discovery and development of base metal deposits primarily copper. Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground.