

Successful Capital Raising Underpins West Kambalda Nickel Drilling

- Share placement has received firm commitments to raise up to \$0.63M which will increase cash reserves to \$1.92M (before costs)
- Funds will underpin a RC drilling and geophysical program commencing next week - testing the Hendrix, Floyd and Zeppelin targets

Mithril Resources Ltd (“Mithril” - **ASX: MTH**) wishes to advise that it has received firm commitments to raise up to \$0.63 million (before costs) through a share placement to sophisticated and professional investors including a number of existing major shareholders.

The proceeds of the share placement will increase Mithril’s cash position to approximately \$1.92 million before costs (*based on cash position at 31st March 2014*) and will be used to underpin an initial 1,000 metre reverse circulation drilling and downhole geophysical program designed to test three high priority nickel and gold targets located approximately 30 kilometres west of Kambalda in Western Australia (*Figure 1*) and provide for working capital.

The nickel targets comprise **Hendrix**, where Mithril has identified a 300-metre long zone of anomalous conductivity within ultramafic rocktypes immediately adjacent nickel mineralisation drilled by Inco in 1970 (including **9.1m @ 2.5%Ni from 10.7 metres** – *Figures 2 and 3*) and **Floyd**, where Mithril has identified a bedrock conductor over a 600-metre strike length, proximal to an ultramafic / basalt contact south along strike from Hendrix (*see ASX Announcement dated 27 March 2014 for further detail*).

Drilling will also test **Zeppelin**, a high-grade gold target where recent sampling of ferruginous vein quartz material within a series of shallow historic workings returned high-grade gold values of **37.82g/t** and **64.17g/t** (*see ASX Announcement dated 28 March 2014 for further detail*).

The placement, comprising 63.1 million fully paid ordinary shares at an issue price of 1 cent per share, is being made to sophisticated investors eligible under s.708 of the Corporations Act (2001).

The placement was made in accordance with the Company’s available 25% placement capacity pursuant to ASX Listing Rules. The new shares will rank equally with existing Mithril ordinary shares quoted on the ASX and upon completion Mithril will have total issued capital of 315.7 million shares.

Completion of the placement and receipt of the funds is expected to occur next Monday (19th May) and the Company will make an application to the ASX for listing of these securities.

The drilling and geophysical work program will then commence mid next week with a locally based drilling contractor currently preparing to mobilise to site.

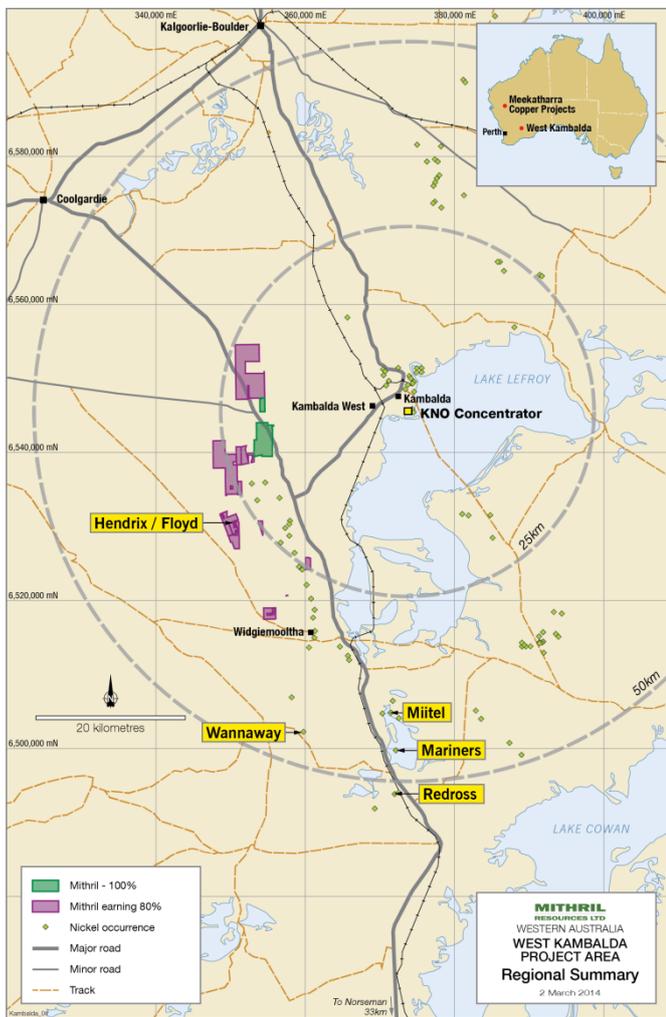


Figure 1: Project Location Plan

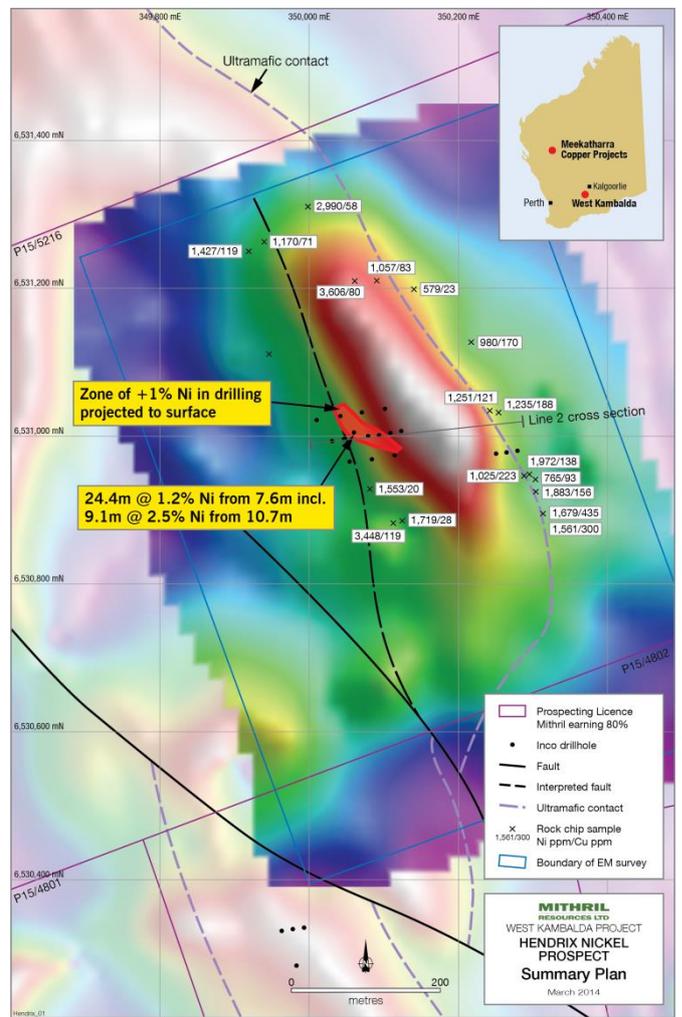


Figure 2: Hendrix nickel prospect - zone of anomalous EM conductivity (ch. 15 image) and Inco drill holes

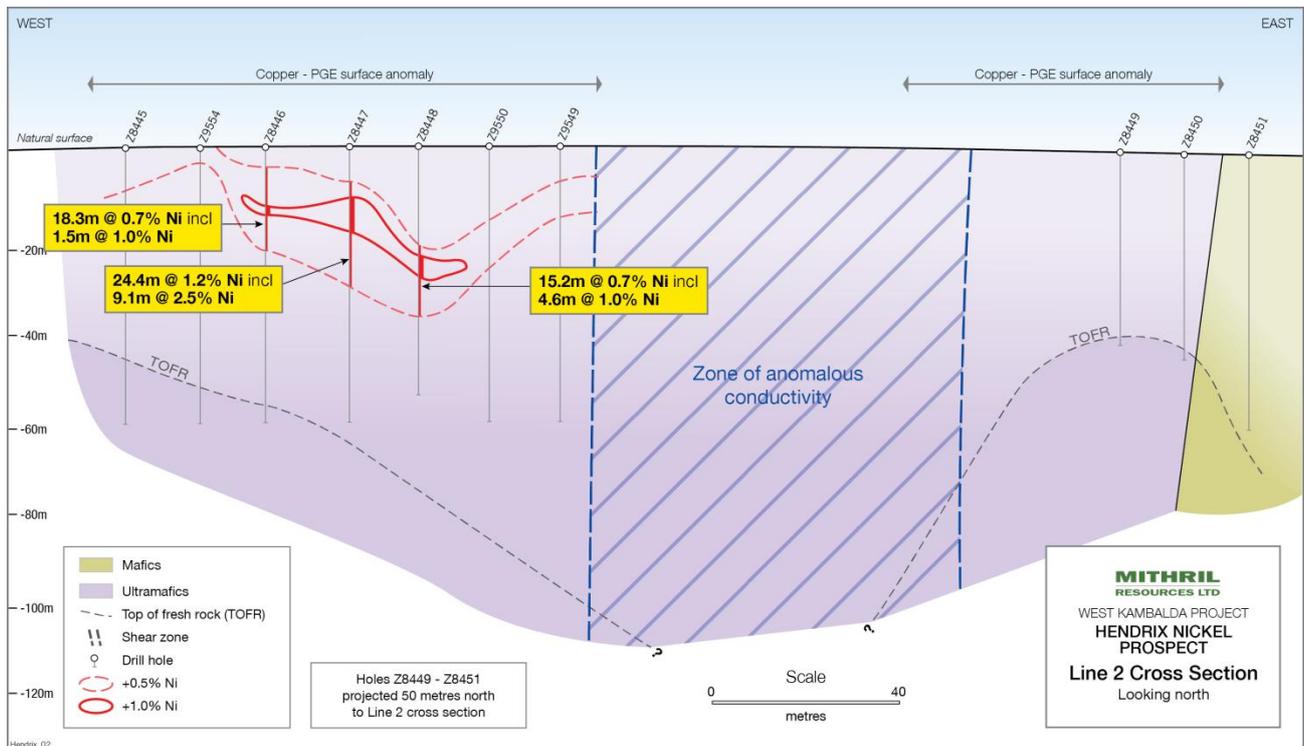


Figure 3: Hendrix nickel prospect – cross section showing Inco drilling results and zone of anomalous EM conductivity

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For Further Information Contact:

Mithril Resources Ltd
David Hutton, Managing Director
admin@mithrilresources.com.au

58 King William Road
Goodwood, South Australia 5034
ABN: 30 099 883 922
T: (61 8) 8378 8200
F: (61 8) 8378 8299
www.mithrilresources.com.au

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.
