

West Kambalda Nickel Drilling Underway

- RC drilling and geophysical program testing the Hendrix and Floyd nickel targets and Zeppelin gold target now underway
- Targets located 30 kilometres west of the Kambalda Nickel Mining Centre
- Shallow drilling undertaken in 1970 at Hendrix intersected broad zone of nickel mineralisation including 9.1m @ 2.5%Ni from 10.7 metres with no subsequent follow up
- First results expected by early – mid June

Mithril Resources Ltd (“Mithril” - ASX:MTH) wishes to advise that 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 is now underway (*Figure 1*).

The nickel targets comprise **Hendrix**, where Mithril has identified a 300-metre long zone of anomalous conductivity within ultramafic rocktypes immediately adjacent a shallow zone of greater than 1% 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 West Kambalda targets are subject to a Farm-in and Joint Venture Agreement with **KalNorth Gold Mines Limited** (ASX: **KGM**) where Mithril has earned an initial 20% interest having successfully completed expenditure of \$0.32M (Stage 1). Mithril is continuing to Stage 2 of the JV by spending a further \$1.68M by no later than 17 May 2017 for an additional 60% interest (total 80% interest by completing expenditure of \$2 million over 4 years).

The commencement of the drilling and geophysics follows a successful capital raising undertaken last week which raised \$0.63 million (before costs) through a share placement to sophisticated and professional investors including a number of existing major shareholders.

The Company looks forward to providing further drilling updates with first results expected by early – mid June.

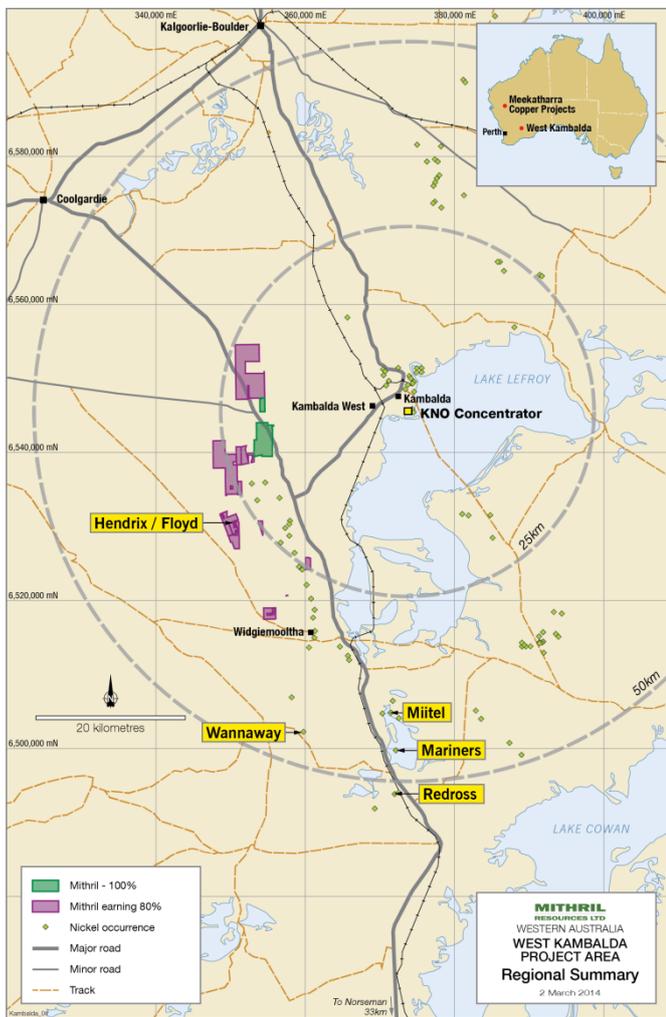


Figure 1: Project Location Plan

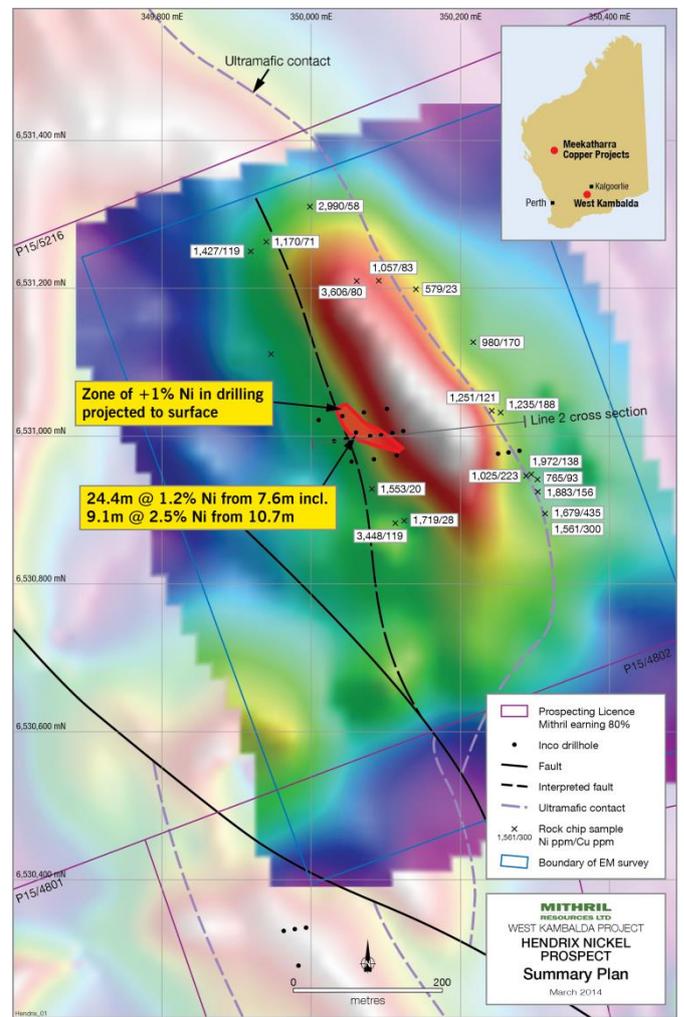


Figure 2: Hendrix nickel prospect - zone of anomalous EM conductivity (ch. 15 image) and Inco mineralised zone

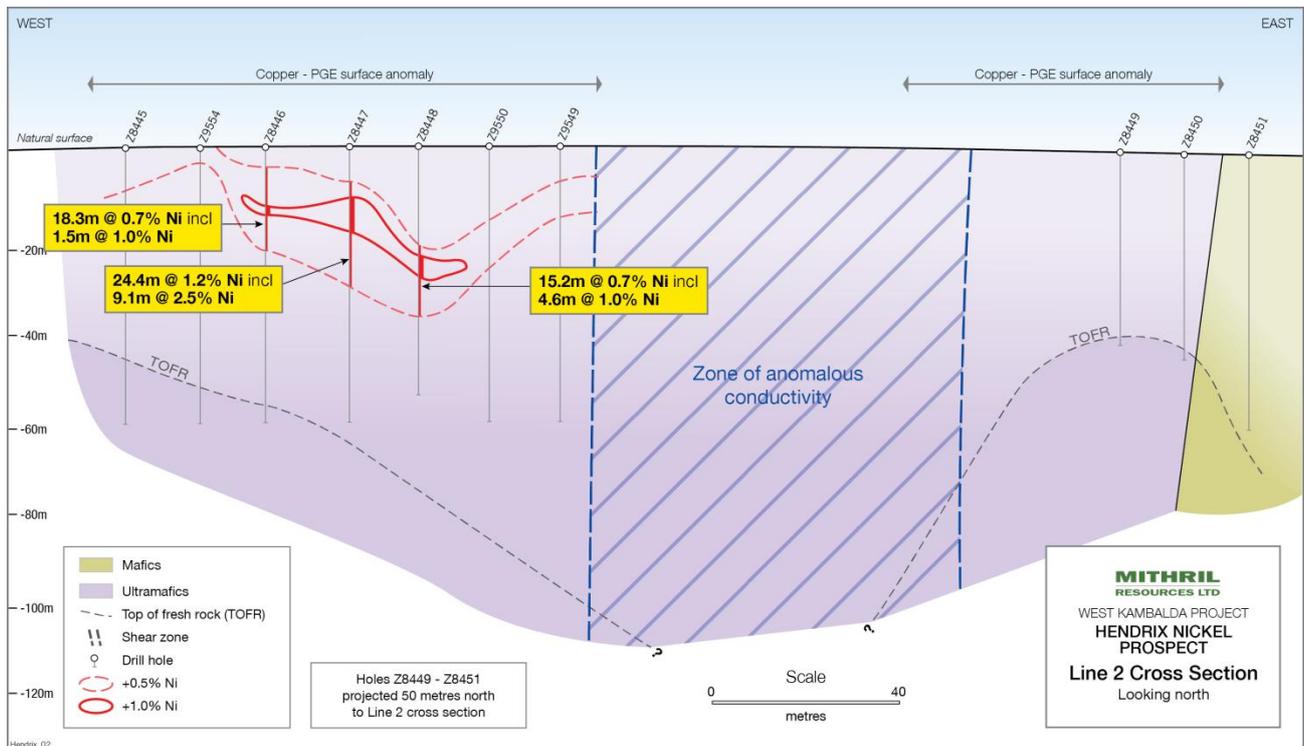


Figure 3: Hendrix nickel prospect – cross section showing Inco drilling results and zone of anomalous EM conductivity

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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.
