

Key Points

Nanadie Well Project (Copper-Nickel-PGE's)

- 2 new targets confirmed adjacent to and along strike from the Stark copper-nickel-PGE prospect
- Targets comprise a new EM anomaly and a newly identified structural feature adjacent to outcropping high grade copper-gold mineralisation (up to 12.85% copper and 6.97g/t gold in surface rock-chip samples) – each with no previous drilling

Duffy Well Project (Gold)

- Newly granted (100% - owned) tenement covering southern end of Gnaweeda Greenstone Belt where Doray Minerals (ASX: DRM) has recently intersected 3m @ 10.1g/t gold from 149 metres, 5m @ 17.4g/t gold from 71 metres, and 4m @ 17.9g/t gold from 45 metres on their adjacent tenement to the north
- Two gold prospective areas comprising zones of structural complexity and coincident bedrock gold + arsenic anomalism identified for initial follow-up

Kurnalpi Project (Gold)

- Chesser Resources (ASX: CHZ) to earn up to 80% of Mithril's Kurnalpi Project by reimbursing Mithril's tenement acquisition costs and completing exploration expenditure of \$250,000 over 4 years

Spargos Reward Project (Gold)

- Successful completion of conditions precedent to the Spargos Reward Gold Project Tenement Sale and Joint Venture Agreements
- Corona Minerals to earn up to 85% of the Project for \$100,000 cash, expenditure of \$150,000, and completion of a positive scoping study on a JORC Mineral Resource
- Project includes the Spargos Reward Gold Deposit where Corona Minerals planning to drill to establish a JORC Resource as early as possible

Exploration Outlook

- Ongoing development of targets at, along strike from, and adjacent to the Stark copper-nickel-PGE prospect will be the Company's primary focus for the December 2015 Quarter

Corporate and Cash

- Cash reserves of \$0.45M at 30 September 2015

Exploration Overview

Mithril Resources (“Mithril” or “the Company”) is exploring for copper-nickel-PGE mineralisation at the Nanadie Well Project (Meekatharra), gold at Duffy Well (Meekatharra) and Spargos Reward (Kalgoorlie), and nickel at Kurnalpi (Kalgoorlie), all of which are located within the southern half of Western Australia (Figure 1).



Figure 1: Project Location Plan

During the September 2015 Quarter (the “Quarter”) Mithril identified further priority copper-nickel-PGE targets at **Nanadie Well**, acquired the **Duffy Well Gold Project**, and successfully completed all of the conditions precedent to the new Tenement Sale and Joint Venture Agreements for the **Spargos Reward Gold Project**.

Subsequent to the Quarter, the Company entered into an agreement with a new farmin partner for the **Kurnalpi Nickel-Gold Project**.

Corporate

During the Quarter, the Company spent \$0.21M on the exploration activities outlined in this report and at 30 September 2015, the Company had cash reserves of \$0.45M.

At the end of the Quarter the Company raised **\$0.35M** through a Share Purchase Plan (“SPP”) and Placement. The Placement was made on the same terms as the SPP to several existing and new shareholders including Mithril’s largest shareholder – Minotaur Exploration Ltd (**ASX: MEP**).

The Company’s Directors took up their full entitlement under the SPP and to ensure that funds are maximised for “in ground” exploration purposes, the Non-Executive Directors have agreed to waive the payment of their Directors’ Fees until further notice.

Under the SPP and Placement, new shares were issued at a price of \$0.0045 (0.45 cents) per share and following which, Mithril has a total of 498,598,877 ordinary shares on issue.

The Company expresses its appreciation to participating shareholders for their ongoing support of the Company and its projects.

Nanadie Well Project (Copper-Nickel-PGE’s)

(Mithril 100% and earning up to 75%)

Ground electromagnetic (EM) surveying undertaken during the Quarter has confirmed two new targets (A and D) along strike from, and adjacent to the **Stark copper-nickel-PGE prospect** (located 80 kilometres south east of Meekatharra, WA – Figures 1 and 2).

The new regional targets are in addition to a series of bedrock EM conductors that have already been identified adjacent to semi-massive and massive sulphide mineralisation at Stark.

Target A is a new 200-metre long EM anomaly that lies on the eastern margin of a NNW-trending, east dipping mafic / ultramafic unit within which blebby copper sulphides have been identified in surface outcrops (0.55% copper, 0.04g/t gold in rock chip sample NAN1506-19, see ASX Announcement dated 15 July 2015). The target has not been previously drilled.

The significance of the new anomaly is unknown until follow-up fieldwork and drilling is carried out; however its position relative to outcropping mineralisation and favourable rocktypes suggest that it may be indicative of further copper sulphide mineralisation beneath the surface.

Target D is an area of poorly exposed copper-gold mineralised quartz veins (~1 metre true width) that can be mapped for approximately 130 metres at surface within a series of shallow historic prospecting pits approximately 2 kilometres ESE of Stark. The mineralisation has not been tested with two historic RAB holes failing to drill deep enough to reach the target.

Rock chip sampling of the mineralisation returned 12.85% copper, 6.97g/t gold in Sample NAN1506-04 and 7.91% copper, 2.95g/t gold in Sample NAN1506-07 (see ASX Announcement dated 15 July 2015).

Interpretation of the new EM data has identified a large-scale structure (characterised in the EM by a narrow linear zone of intense preferential weathering consistent with that seen in large scale structures) that occurs immediately adjacent to the surface mineralisation.

The structure is likely to be a major control on the distribution of copper-gold mineralisation within the area and as such, is a priority for follow-up.

Target A lies within a tenement that is **wholly owned by Mithril Resources** and is not part of the Nanadie Well Farmin and Joint Venture.

Stark and Target D lie within tenements subject to the **Nanadie Well Farmin and Joint Venture** with Intermin Resources Limited (**ASX: IRC**).

Under the terms of the joint venture, Mithril can earn an initial 60% interest in the project tenements by completing expenditure of \$2M by 14 April 2018, and an additional 15% by completing further expenditure of \$2M over a further 2 years (in total \$4M over 6 years for 75% - see ASX Announcement dated 6 December 2013).

Duffy Well Project (Gold)

(Mithril 100%)

Following the grant of EL51/1649 during the Quarter, the Company has a new 100% - owned exploration project (called "Duffy Well") located immediately 30 kilometres east of Meekatharra WA (Figure 1).

Duffy Well covers the interpreted southern extension of the Gnaweeda Greenstone Belt where Doray Minerals Limited (**ASX: DRM**) has recently intersected high-grade gold mineralisation in RC drilling at the Turnberry Prospect including 3m @ 10.1g/t gold from 149 metres, 5m @ 17.4g/t gold from 71 metres, and 4m @ 17.9g/t gold from 45 metres (Doray ASX Announcement dated 11 June 2015).

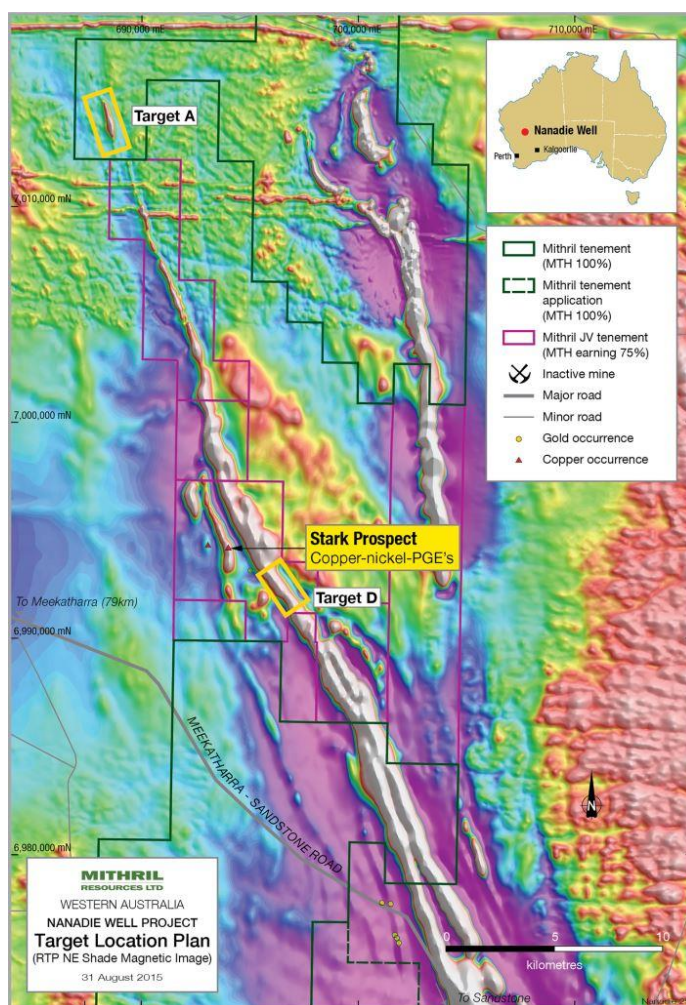


Figure 2: Stark regional targets

Previous exploration throughout the 200km² project area has comprised reconnaissance RAB and aircore drill traverses with little or no follow-up. Mithril's review of Duffy Well has identified two gold-prospective areas for initial follow-up.

Lying within the northern and central portions of the project, both areas are characterised by zones of structural complexity within favourable greenstone rocktypes and coincident combined bedrock gold (+50ppb) and arsenic (+100ppm) anomalism within wide-spaced drillholes.

Kurnalpi Project (Nickel-Gold)

(Mithril 100%, Chesser Resources earning up to 80%)

Subsequent to the Quarter the Company executed a Binding Letter Agreement with Chesser Resources Limited ("Chesser" – **ASX: CHZ**) whereby Chesser is entitled to earn up to an 80% interest in two recently granted tenements (EL28/2506 and PL28/1271) located at Kurnalpi (*approximately 60 kilometres north east of Kalgoorlie, WA - Figure 1*) by reimbursing Mithril's tenement acquisition costs and completing exploration expenditure of \$250,000 over 4 years.

The Kurnalpi Project tenements are both wholly-owned by Mithril and cover Archaen ultramafic / mafic sequences which are prospective for both nickel sulphide and lode gold mineralisation.

The introduction of a new farm-in partner for the Kurnalpi Project is significant as it not only sees externally – funded exploration activities commence at the project, but allows Mithril to maintain its **focus** on the Stark copper-nickel-PGE discovery.

Spargos Reward Project (Gold)

(Mithril 50%, Corona Minerals 50% with right to earn up to 85%)

During the Quarter, the Company successfully completed all of conditions precedent to the Spargos Reward Project (*located 55 kilometres south of Kalgoorlie WA – Figure 1*) Tenement Sale and Joint Venture Agreements with Corona Minerals Limited ("Corona").

Under the terms of the agreements, Corona will acquire equity and sole-fund all exploration as follows:

- Corona will purchase an initial 50% equity interest in the Spargos Reward Project tenements for A\$100,000 in cash payable on completion (i.e. on or before 16 September 2015),
- Corona will spend A\$150,000 on exploration by 11 May 2016 to earn a further 15% equity (for a total of 65%), and
- Corona has the right to earn a further 20% equity (for a total of 85%) by electing to sole fund exploration through to the completion of a positive scoping study on a 2012 JORC Code Compliant Mineral Resource.

The Spargos Reward Gold Project comprises P15/4876-4883, 4886, 5763, 5791, and E15/1423. Minotaur Exploration Ltd (**ASX: MEP**) holds the nickel rights to P15/4876-4883, and 4886 which have been excluded from this transaction.

The Project includes the historic Spargos Reward Gold Deposit and a number of priority exploration targets.

Spargos Reward was historically mined to a vertical depth of 120 metres (underground and open pit) with total production of approximately 29,260 ounces @ 8g/t gold.

RC drilling by Mithril in 2013 beneath the historic workings intersected high-grade gold mineralisation including: **8m @ 10.30 g/t gold** from 242 metres in 13SPRC07 **including 3m @ 25.73 g/t gold** from 243 metres, **10m @ 4.60 g/t gold** from 256 metres in 13SPRC09 **including 3m @ 13.00 g/t gold** from 260 metres (*ASX Announcement dated 27 March 2013*).

Corona has now completed a review of all project data and is planning to drill both along strike and down dip from the current gold intercepts in order to establish a JORC Code Compliant resource as early as possible.

Other Projects

Leaky Bore (Mithril 100%)

Located immediately east of Alice Springs in the East Arunta Province of the Northern Territory, the project comprises the Leaky Bore tenement (EL26942) which contains the Basil Copper Deposit (*2004 JORC Code Compliant Inferred Resource of 26.5Mt @ 0.57%Cu, 0.05%Co - see ASX Announcement dated 21 March 2012*) and a number of undrilled copper and nickel sulphide targets.

No field work was carried out on the project during the Quarter.

Investments

Mithril is the largest shareholder in Musgrave Minerals Limited ("**Musgrave**" - **ASX: MGV**) with 9.28 million shares and 2.5 million options. Mithril vended tenements into Musgrave as part of their successful IPO that was completed on April 29th2011.

During the Quarter, Musgrave continued to explore their Mamba and Corunna Projects which are located within the Fraser Range District of Western Australia and the Southern Gawler Craton of South Australia respectively.

Exploration Outlook

Ongoing development of targets at, along strike from, and adjacent to the **Stark copper-nickel-PGE prospect** will be the Company's primary focus for the December 2015 Quarter.



David Hutton
Managing Director

Notes Specific – September 2015 Quarter ASX Announcements

The following announcements were lodged with the ASX during, and immediately subsequent to the Quarter. Further details (**including JORC 2012 Code Reporting Tables, where applicable**) for each of the sections outlined above can be found in the announcements.

- Farm-in partner for new Kurnalpi Nickel-Gold Project - 15.10.2015
- Appendix 3Y - Directors' Interest x 3 - 13.10.2015
- Cleansing Statement - Share Placement - 07.10.2015
- Appendix 3B - Placement - 06.10.2015
- Appendix 3B - Share Purchase Plan - 06.10.2015

- Completion of Share Purchase Plan and Placement - 01.10.2015
- Extension to Share Purchase Plan - 17.09.2015
- New Meekatharra gold project - 14.09.2015
- Gold exploration to commence at Spargos Reward - 10.09.2015
- SPP Investor Update Presentation - 07.09.2015
- Two new regional targets confirmed at Stark - 02.09.2015
- SPP Offer Documents - 26.08.2015
- Dispatch of Share Purchase Plan Documents - 26.08.2015
- Cleansing Statement - SPP Notice - 25.08.2015
- Share Purchase Plan - 18.08.2015
- Geophysical surveys underway at Stark regional targets - 29.07.2015

Notes Specific – Basil Copper Deposit

The Basil Copper Deposit Inferred Mineral Resource of 26.5Mt @ 0.57% copper, 0.05% cobalt has been calculated using a 0.3% copper cut-off grade. The Resource is composed of both interpolated and extrapolated resources and has been reported in accordance with the JORC Code (2004) and JORC/ASX Companies Update Number 03/07.

It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Refer to ASX Announcement dated 21 March 2012 for further information.

ENDS

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Competent Persons Statement:

The information in this report that relates to Exploration Targets and Exploration Results 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 exploring for the next generation of mineral deposits within the proven Eastern Goldfields (Western Australia). 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.
