

Doray to drill gold targets at Duffy Well JV

- Doray Minerals (ASX: DRM) to drill 3,500 metre aircore program commencing September 2016
- Four gold targets identified from new aeromagnetic survey and review of previous exploration activity
- Duffy Well covers the southern end of the Gnaweeda Greenstone Belt where Doray has 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
- Doray earning an initial 51% from Mithril by completing exploration expenditure of \$300,000 over 2 years

Mithril Resources Ltd (“Mithril” – ASX: MTH) is pleased to advise that Doray Minerals Limited (“Doray” – ASX: DRM) will undertake a 3,500 metre Aircore drilling program to test multiple gold targets at Mithril’s **Duffy Well Gold Project** located 30 kilometres east of Meekatharra WA (*Figure 1*)

Duffy Well (EL51/1649) covers the interpreted southern extension of the Gnaweeda Greenstone Belt where Doray has 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 (*Figure 1 and Doray ASX Announcement dated 11 June 2015*).

The gold targets (*Figures 2 and 3*) have been identified from an interpretation of a newly acquired aeromagnetic data and a review of previous exploration at Duffy Well (which comprises reconnaissance RAB and aircore drill traverses with little or no follow-up).

The targets are typically characterised by zones of structural complexity with coincident bedrock gold (+50ppb) and arsenic (+100ppm) anomalism within wide-spaced drillholes.

Heritage Clearance Surveys are scheduled to be undertaken late this week with drilling to commence thereafter in September and Mithril looks forward to informing the market once the program starts.

Doray are exploring Duffy Well under the terms of a Farm-in and Exploration Joint Venture Agreement whereby they can earn an **initial 51% interest** by completing expenditure of \$300,000 within two years (by 3 November 2017) and can elect to earn an additional 34% interest by completing further expenditure of \$200,000 within another one year (in total 85% by spending \$500,000 over three years).

If Doray elects not to earn the further 34% interest, then Mithril has the right to contribute on a pro rata basis or dilute as per an industry standard formula. If Doray has earned its 85% interest, Mithril has the right to contribute on a pro rata basis or dilute as per an industry standard formula. If Mithril's interest dilutes at any time below 10% it will be deemed to have withdrawn and will be entitled to receive a 1.5% Net Smelter Royalty on all Precious and Base Metals.

Doray is required to keep the tenements in good standing at all times and can only withdraw after it has spent a minimum of \$100,000 in the first year (i.e. by 3 November 2016).

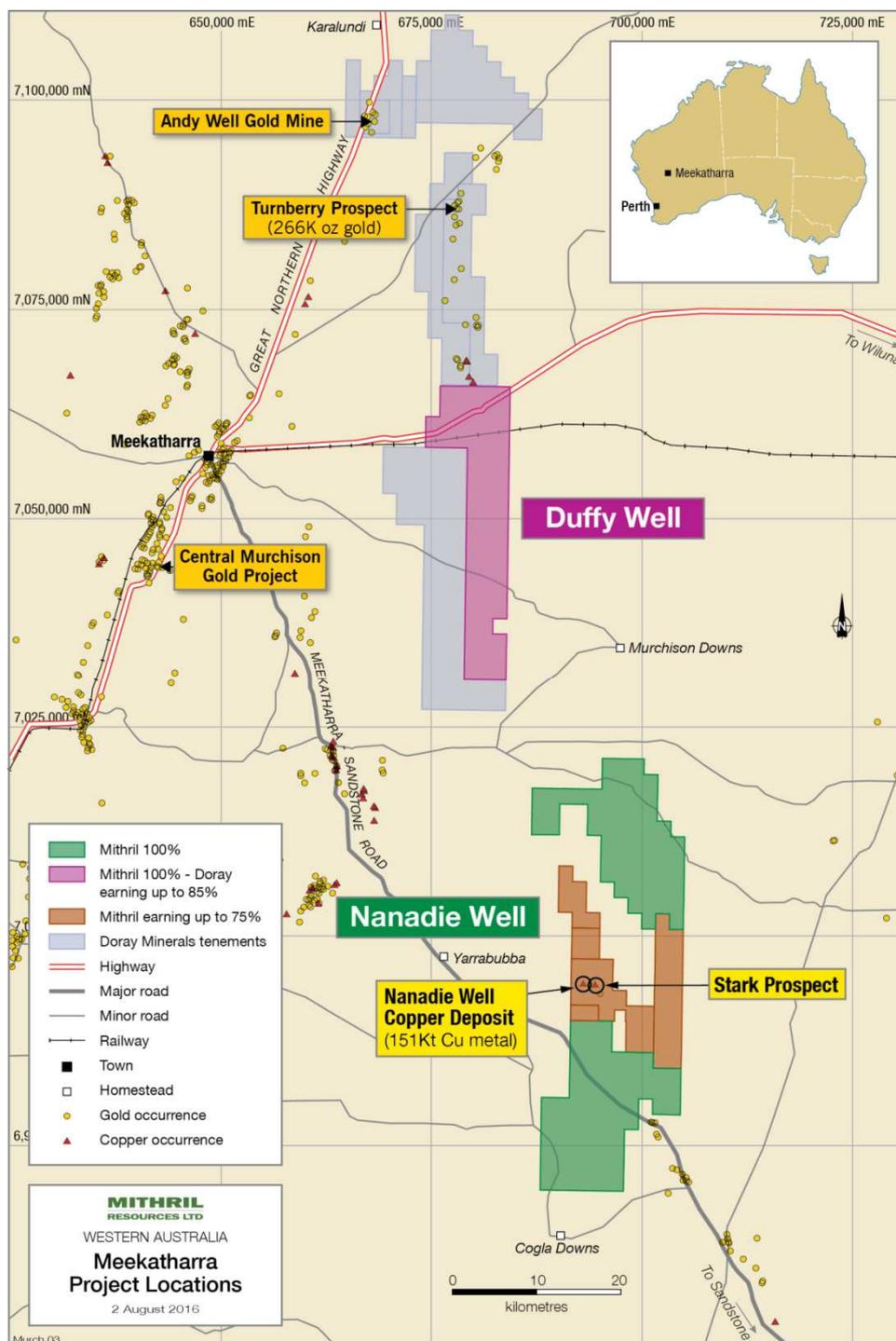


Figure 1: Meekatharra Project Location Plan showing Mithril's Duffy Well and Nanadie Well Projects, Doray Minerals' tenements (grey), Doray's Turnberry Prospect and the Andy Well Gold Mine.

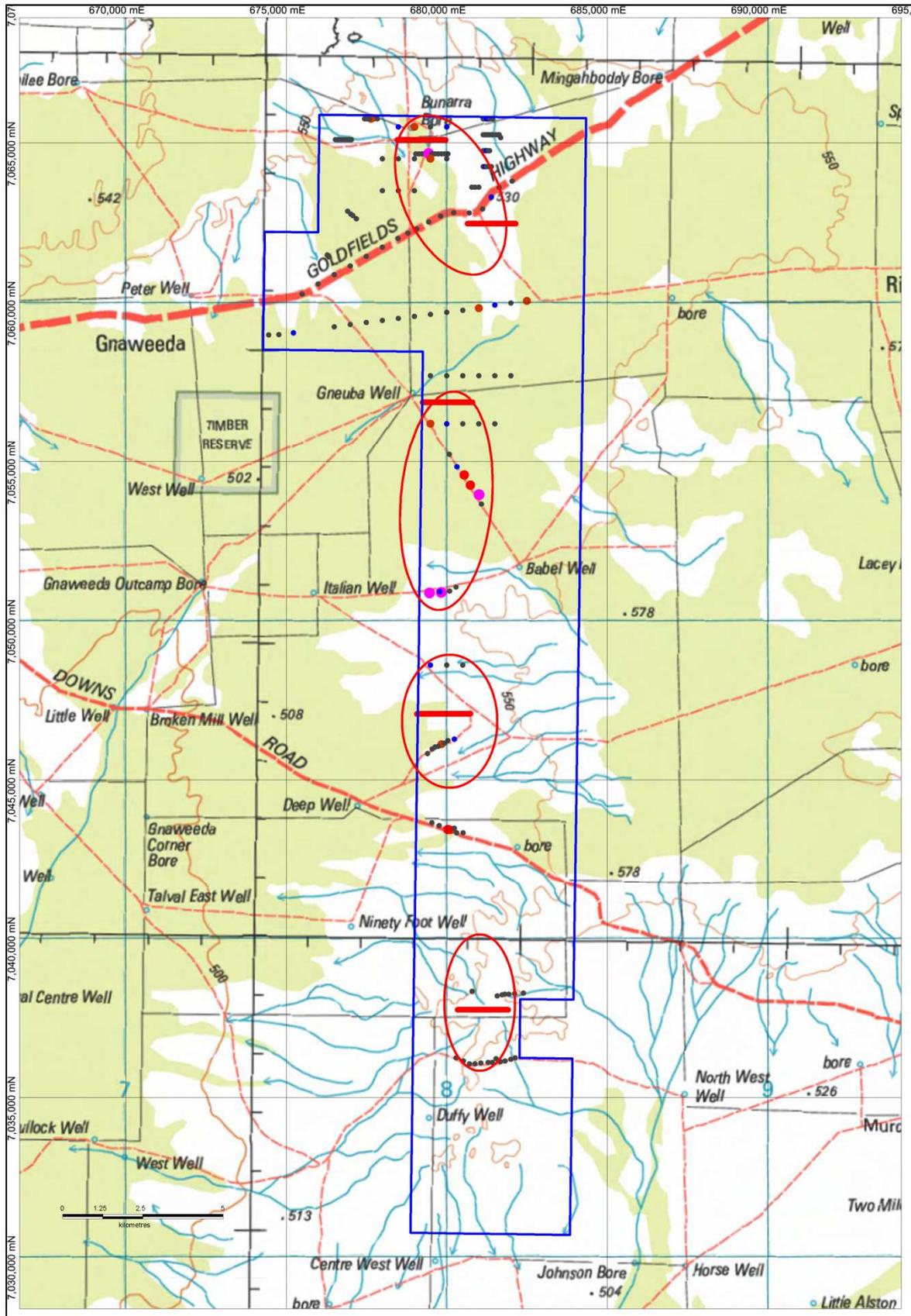


Figure 2: Duffy Well Project showing topography and infrastructure, historic drilling with maximum downhole gold values (ppb), gold targets (red polygons) and proposed aircore traverses (red lines). 5 kilometre grid squares.

Downhole gold values: pink (+50ppb) / red (25 – 50ppb) / orange (10 – 25ppb) / blue (5 – 10ppb) / grey (less than 5ppb).

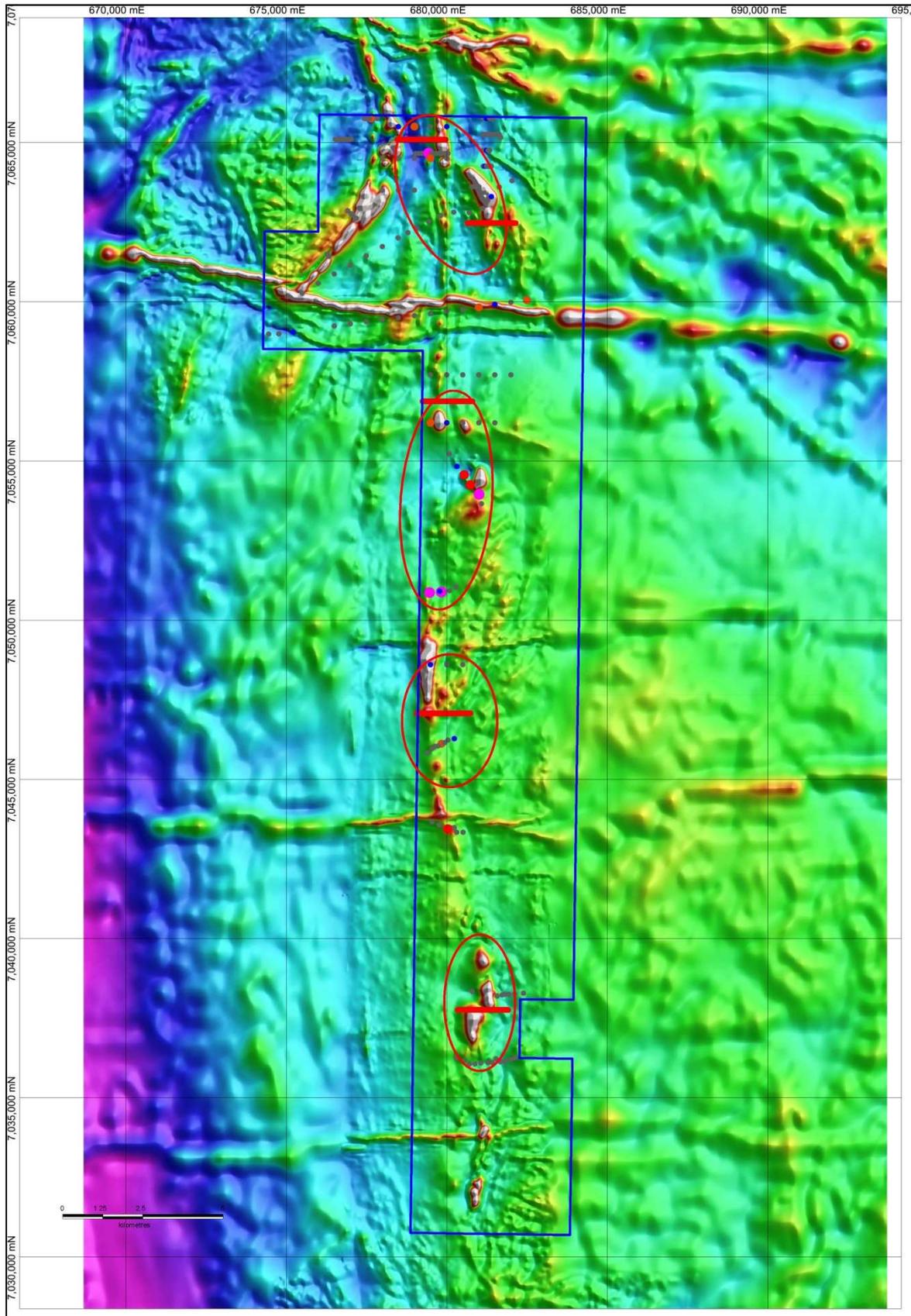


Figure 3: Duffy Well Project showing RTP NE shade (linear) magnetic image, historic drilling with maximum downhole gold values (ppb), gold targets (red polygons) and proposed aircore traverses (red lines). 5 kilometre grid squares.

Downhole gold values: pink (+50ppb) / red (25 – 50ppb) / orange (10 – 25ppb) / blue (5 – 10ppb) / grey (less than 5ppb).

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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 and precious metal deposits primarily copper, nickel and gold. 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.