

Share Purchase Plan

- **Share Purchase Plan to provide eligible shareholders with the opportunity to subscribe for up to \$15,000 worth of new shares at \$0.005 (0.5 cents) per share**
- **Issue price represents a 20% discount to the 5 day VWAP and a 17% discount to yesterday's closing price**
- **Funds raised will be used to drill priority gold targets at the Lignum Dam Project, fund ongoing target generation activities and for working capital purposes**
- **Directors intend to take up their maximum entitlement under the SPP**

Mithril Resources Ltd (the "Company") (**ASX: MTH**) is pleased to announce a capital raising by way of a Share Purchase Plan ("SPP") at an issue price of \$0.005 (0.5 cents). Under the SPP, a maximum of 170,063,720 shares will be issued to raise up to \$0.85M.

Funds raised will be used to drill priority gold targets at the **Lignum Dam Gold Project**, fund ongoing target generation activities and for working capital purposes.

located 50 kilometres north-northeast of Kalgoorlie in Western Australia, Lignum Dam covers a package of gold and nickel prospective Archaean mafic, ultramafic, and felsic rocktypes directly along strike from the Lindsay's Gold Mining Centre and the high grade Silver Swan nickel deposit.

The gold targets are characterised by historic surface gold geochemical anomalies (*typically 2-3 x background values*) that occur within areas of residual soil cover over prospective mafic and felsic rocktypes interpreted from aeromagnetic data. Little if any effective drill testing of the anomalies has previously been undertaken.

Of note is the **Forty Flats Prospect** where historic drill hole FFB008 finished in 3m @ 1.40g/t gold from 17 metres with the last metre returning 2.26g/t in an area dominated by shallow soil and sand cover. Inspection of remnant spoils from this hole indicates the mineralisation is associated with a shear zone comprising altered mafic schist and quartz veining. Resampling from the last metre of this hole by Mithril has returned **4.22g/t gold** (see ASX Announcement dated 4 August 2016).

The SPP will allow eligible shareholders to purchase up to A\$15,000 worth of fully paid shares in the Company (subject to scale-back if oversubscribed) without incurring brokerage or other transaction costs.

The offer price of the shares under the SPP represents a 20% discount to the volume weighted average price (VWAP) of Mithril shares traded on the ASX during the period of 5 trading days up to and including the trading day prior to this announcement, and a 17% discount to the closing price on the trading day prior to this announcement (yesterday).

The right to participate in the SPP is available exclusively to shareholders who were registered as holders of fully paid ordinary shares in the Company on 28 September 2016 (yesterday) and whose registered address is in Australia or New Zealand.

The Company's Directors have indicated that they intend to take up their maximum entitlement under the SPP (subject to scale-back if oversubscribed).

The Company expects to dispatch the SPP Offer Document and Application Form to eligible shareholders shortly.

ENDS

For Further Information Contact:

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

22B Beulah Road
Norwood, South Australia 5067
ABN: 30 099 883 922
T: (61 8) 8132 8800
F: (61 8) 8132 8899
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.