

## Fieldwork to commence at Billy Hills Zinc Project

- **Field inspection of exploration targets to define specific targets for drill-testing to commence this week**
- **Targeting large scale zinc + lead + silver deposits along strike from known mineralisation similar to the nearby Pillara deposit**

Mithril Resources Ltd (**MTH.AX**) is pleased to advise that field work on its priority 100% - owned Billy Hills Zinc Project (located adjacent to the former Pillara Zinc Mine, 25kms east of Fitzroy Crossing WA – *Figure 1*) will commence this week.

Field inspection (comprising geological mapping and surface sampling) of targets identified from Mithril's desktop review of historic exploration data will be undertaken to define specific targets for drill-testing.

Meetings will also be held with the project's Traditional Owners and local pastoralists to brief them on Mithril's proposed 2019 exploration program and to organise heritage clearances of proposed drill sites.

At Billy Hills, Mithril is targeting large scale zinc + lead + silver deposits within soil-covered portions of fault zones immediately along strike from existing surface and bedrock mineralisation.

Billy Hills is relatively under-explored with the bulk of historic drilling and geophysical testing carried out on the adjacent Pillara Mine Lease (ML04/118) which hosts the Pillara Zinc Deposit.

Pillara had a pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003 (*See Mithril's ASX Announcement dated 21 August 2017*).

Of the many targets identified to date, the **Firetail** and **Python** prospects have emerged as priority targets for immediate follow-up (*Figure 2 – and see Mithril's March 2019 Quarterly Report and ASX Announcement dated 15 February 2019 for all technical details including JORC information*).



**Figure 1: Project Location**

**Firetail** is located in the southern project area and covers a 1.5 kilometre – long NNE trending mineralised fault zone (rock chip samples up to 10.98% zinc + lead and 98 g/t silver and a  $\geq 500$ ppm zinc + lead soil anomaly) that has been poorly drill tested with only three wide-spaced drill holes, two of which returned anomalous mineralisation; 2.0m @ 1.05% zinc + lead from 39 metres in PD514, and 4.0m @ 0.71% zinc + lead from 89 metres in PD512.

The fault zone extends under cover and has not been the subject to any follow-up drilling or geophysical surveying since the early 1990's.

**Python** is located in the far east of the project and covers a +1 kilometre – long NNE trending mineralised fault zone (rock chip samples up to 12.3% zinc + lead and a  $\geq 500$ ppm zinc + lead soil anomaly), drilling of which returned strong intercepts adjacent to Mithril's tenure;

- 4m @ 8.07% zinc + lead from 78 metres in HDD1,
- 10m @ 3.0% zinc + lead from 22 metres in HPD3,
- 26m @ 1.5% zinc + lead from 56 metres in HPD2,
- 30m @ 0.79% zinc + lead from 30 metres in HPD6.

Historic wide spaced drilling undertaken along strike to the north (on Mithril's tenure) also intersected further broad zones of mineralisation within the controlling structure;

- 42m @ 0.46% zinc + lead from 210 metres in HD018,
- 6.1m @ 1.29% zinc + lead from 1.9 metres, 18m @ 0.54% zinc + lead from 60 metres and 12m @ 0.57% zinc + lead from 92 metres in HD007.

The last of the intersections were obtained in 1992 and appear not to have been followed-up. Python's prospectivity is further strengthened by the presence of an IP geophysical anomaly (identified in 1998) which corresponds with known mineralisation in the drill holes, and extends for over 1.4 kilometres on Mithril's ground with little or no drill testing.

The Billy Hills Zinc Project is Mithril's primary focus and to ensure that focus is maintained, the Company is seeking to introduce exploration funding partners and / or divest all of its other exploration projects.

Consistent with the strategy, Mithril has executed a Sale Agreement with Corona Minerals Pty Ltd whereby Corona will purchase Mithril's 15% interest in the Spargos Reward Gold Project for \$50,000 cash subject to the successful completion of Conditions Precedent\*. Corona Minerals is Mithril's exploration partner at Spargos Reward and currently holds an 85% interest in the project.

The Company is also in preliminary discussions with a number of companies who have expressed an interest in other projects within the Company's portfolio. Mithril will provide an update on these discussions if and when any material developments occur.

#### **Managing Director's comment.**

Commenting on the announcement, Mithril's Managing Director Mr David Hutton said that he was looking forward to commencing field work on the project.

“We have identified multiple targets at Billy Hills that need to be assessed in the field to determine specific targets for drill testing which subject to Mithril obtaining pre-requisite approvals, could commence during the September 2019 Quarter”.

Mithril looks forward to providing further exploration updates as new information becomes available.

\* The Conditions Precedent to the Spargos Reward Sale Agreement are the execution of various Deeds of Assignment in relation to third party royalty and mineral rights

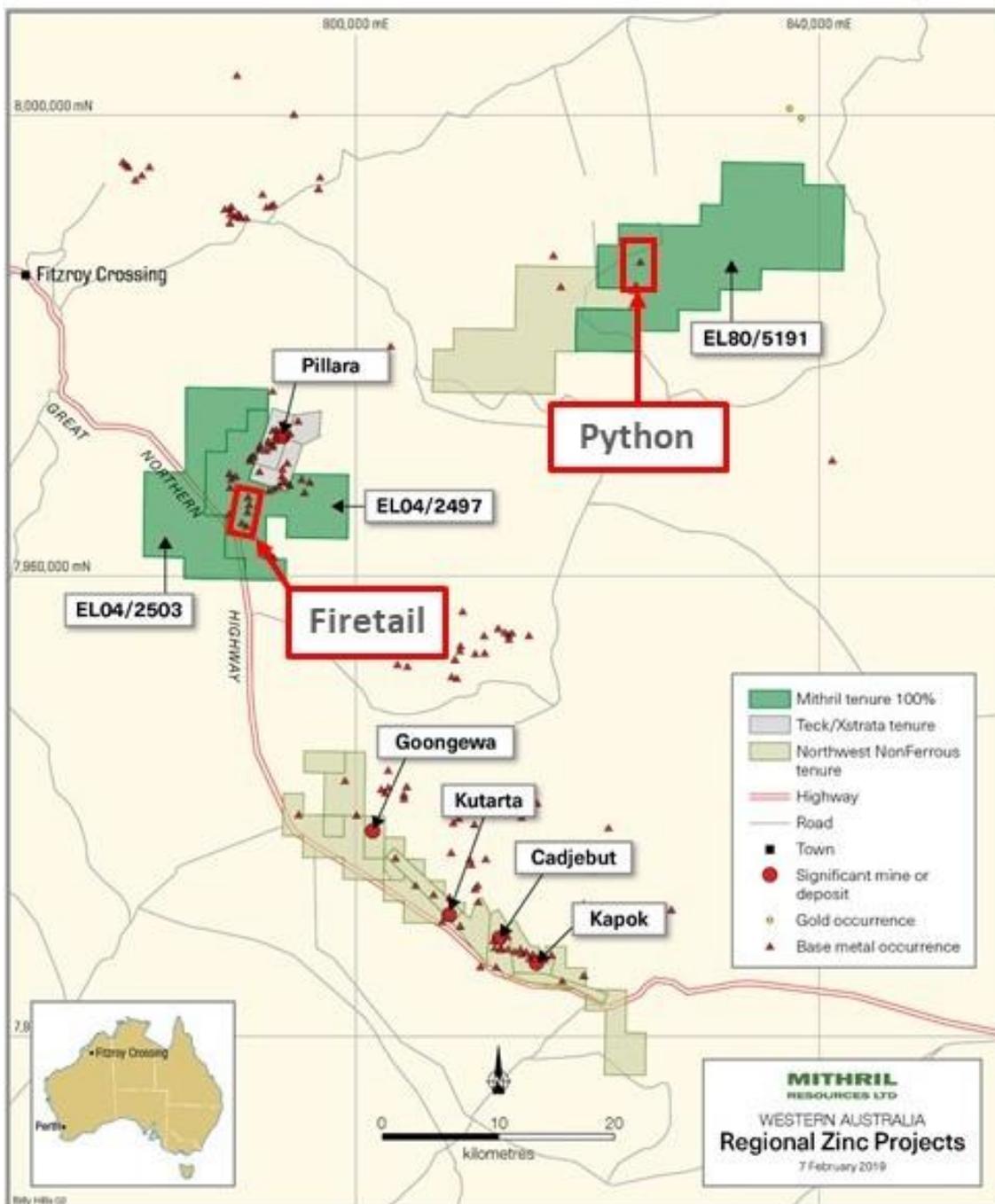


Figure 2: Billy Hills Zinc Project – location of the priority Firetail and Python prospects

## **About the Pillara Zinc Deposit (located on ML04/118 which is not owned by Mithril)**

At Pillara, zinc + lead +/- silver mineralisation is hosted by structurally controlled zones of breccia and vein development which are spatially associated with a series of large-scale NNE – NNW orientated fault zones that cut a sequence of Devonian-age limestones.

The deposit had a reported pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and underground mining produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003. Mining briefly resumed during 2007 / 2008 and the mine site is now closed (*See Mithril's ASX Announcement dated 21 August 2017*).

The style of mineralisation, which occurs at Pillara and adjacent deposits, produces metal concentrates which are very highly sought by smelting companies due to their very high-grade and low amount of impurities.

Zinc concentrate grade historically ranged between 57-63% and lead concentrate grade between containing 73-81%. It is as a result of their clean, high-grade nature, that concentrates from area have in the past attracted a premium price from smelters.

**ENDS**

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### **For Further Information Contact:**

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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 (MTH:AX) is an Australian resources company whose objective is the creation of shareholder wealth through the discovery of mineral deposits.

The Company and its exploration partners are actively exploring throughout the West Kimberley, Kalgoorlie, and Murchison Districts of Western Australia for economic zinc, copper, nickel, and vanadium deposits.

The Company's priority Billy Hills Project lies adjacent to the previously mined Pillara Zinc Deposit, 25kms east of Fitzroy Crossing in Western Australia.

In the Murchison, Mithril's exploration partner – Auteco Minerals is also exploring for vanadium on the Limestone Well tenements which lie directly along strike from the Barrambie Titanium – Vanadium Deposit.