

# Quarterly Report

## For the Period Ending 31 March 2015

**MTH**

**MITHRIL**  
RESOURCES LTD

## Key Points

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### Meekatharra Projects – Western Australia

- Stark diamond drilling extends copper-nickel-PGE mineralisation and confirms high-grade potential. Results include (downhole widths):
  - 16.37m @ 0.40% copper, 0.07% nickel, and 0.20g/t (gold + platinum + palladium - “PGE’s”) including; 0.27m @ 0.41% copper, 1.62% nickel, and 1.60g/t PGE’s and 0.43m @ 2.19% copper, 0.12% nickel, and 0.77g/t PGE’s
  - 0.15m @ 13.70% copper, 0.16% nickel, 3.94g/t PGE’s, and 73.7g/t silver
- Mineralisation intersected over 1 kilometre strike and remains open in all directions.
- Newly granted 100% - owned tenement south of Stark gives Mithril access to a further 20 kilometres of rock types interpreted to be equivalent to these found at Stark, the majority of which has little or no previous exploration.
- High-powered ground and downhole EM to define next round of drill targets commencing shortly.

### Exploration Outlook

- Further geophysical and drill testing of the Stark Prospect will be the Company’s primary focus for the June 2015 Quarter.

### Corporate and Cash

- Cash reserves of \$0.70M at 31 March 2015.

## Exploration Overview

Mithril Resources (“Mithril” or “the Company”) is exploring a portfolio of projects within Western Australia’s Eastern Goldfields (**Meekatharra** and **West Kambalda Projects**) that are highly prospective for the discovery of economic copper, nickel and gold mineralisation (*Figure 1*).

During the March 2015 Quarter (the “Quarter”), Mithril extended the zone of copper-nickel-PGE mineralisation at the **Stark Prospect** and confirmed the prospect’s high-grade potential.

## Corporate

During the Quarter, the Company spent \$0.43M on the exploration activities outlined in this report and at 31 March 2015, the Company had cash reserves of \$0.70M.



Figure 1: Project Location Plan

## Cost Reduction Measures

In light of continued weak market conditions and in order to maximise funds available for in-ground exploration purposes a range of measures were introduced during the Quarter to further lower the Company’s future running costs including: a reduction in staff costs, a further reduction in Director’s Fees, the sale of surplus vehicles and field equipment, and the divestment of non-core exploration tenements.

## Meekatharra Projects - Western Australia

### Nanadie Well Project (MTH earning up to 75%, and MTH 100%)

During the Quarter, Mithril extended the zone of copper-nickel-PGE mineralisation at the **Stark Prospect** (*located 80 kilometres south east of Meekatharra, WA*) and confirmed the prospect’s high-grade potential, with 2 diamond drill holes (319.6 metres) returning a strong assay results including (downhole widths);

- 16.37m @ 0.40% copper, 0.07% nickel, and 0.20g/t (gold + platinum + palladium - “PGE’s”) from 213.43 metres in NDD15001, including; **0.27m @ 0.41% copper, 1.62% nickel, and 1.60g/t PGE’s from 213.43 metres and 0.43m @ 2.19% copper, 0.12% nickel, and 0.77g/t PGE’s from 213.70 metres,**
- 0.6m @ 3.81% copper, 0.05% nickel, 1.05g/t PGE’s, and 19.1g/t silver from 246.35 metres in NDD15001, including; **0.15m @ 13.70% copper, 0.16% nickel, 3.94g/t PGE’s, and 73.7g/t silver from 246.35 metres.**

The intercepts are from disseminated and massive sulphides (pyrrhotite-chalcopryrite-pentlandite-pyrite) that occur both within, and at the base of a mafic (gabbro) intrusion adjacent to a Banded Iron Formation (BIF) and metasedimentary sequence (*Figure 2*). The drilling also intersected disseminated sulphides (chalcopryrite) within the metasediments below the base of the intrusion.

As well as confirming Stark’s high-grade potential, the latest intercepts suggest that mineralisation at the base of the mafic intrusion is continuous down-dip with the very high-grade copper intercept in NDD15001 (0.15m @ 13.70% copper, 0.16% nickel, 3.94g/t PGE’s, and 73.7g/t silver) lying 40 and 80 metres respectively, down dip of two earlier Mithril drill holes - NRC14008 (4m @ 1.91% copper, 0.18% nickel, and 0.96g/t PGE’s), and NRC14003 (2m @ 1.04% copper, 0.18% nickel, and 0.49g/t PGE’s).

The NDD15001 intersection also occurs at the lower contact of a late stage dolerite dyke that appears to have partially “stoped out” the basal contact mineralisation in the vicinity of the drill hole, and as such, the intersection may represent the remains of a thicker zone of copper mineralisation that was present before the dyke was emplaced. This concept will be tested by further drilling in future programs.

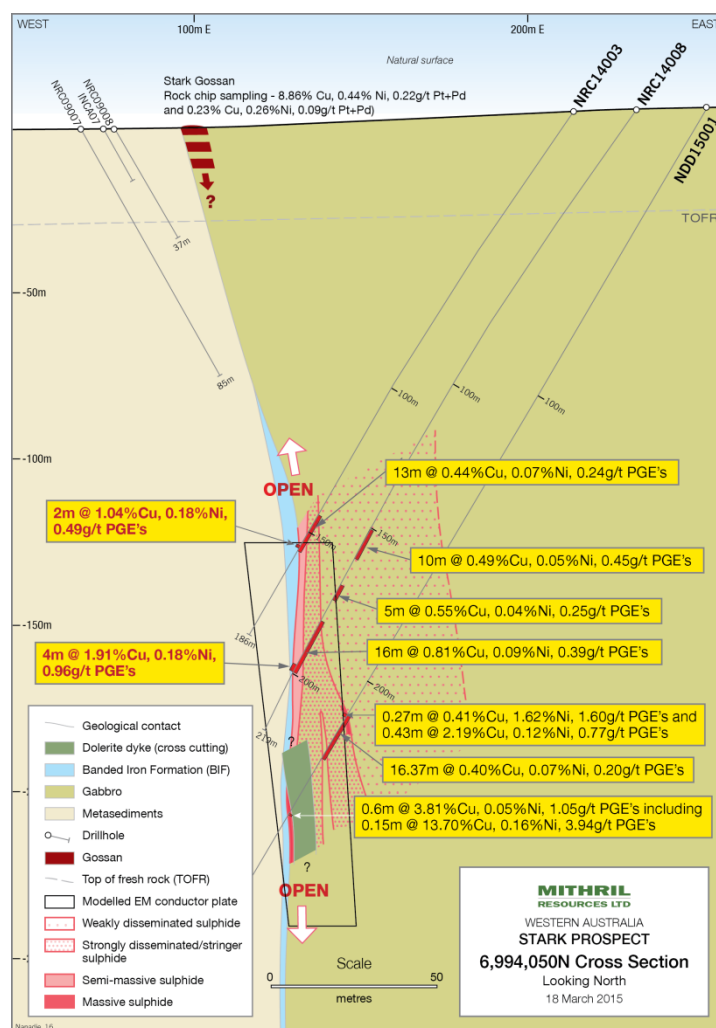


Figure 2: Stark Prospect 6,994,050N Cross Section

The latest results also demonstrate the potential for multiple mineralised horizons at Stark.

The zone of nickel mineralisation in NDD15001 (from 213.43 metres) occurs above the base of the mafic intrusion and is interpreted to be a new “hanging wall” position which has not been previously intersected and remains open in all directions.

The new results lie within the central portion of a 500m long series of modelled EM plates at the southern end of a broader 1km long zone of bedrock copper-nickel-PGE mineralisation (*Figure 3*) which remains open both north and south along strike and at depth.

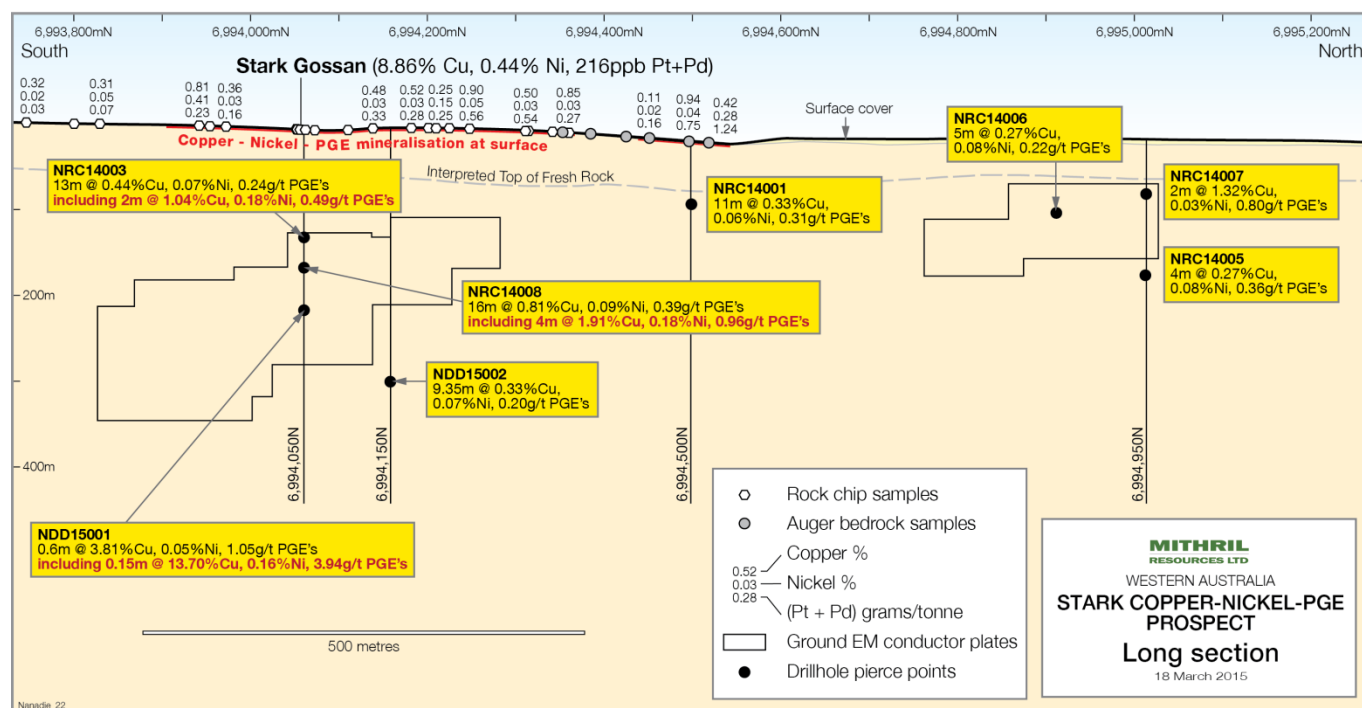
Throughout the 1km zone, only eight RC and diamond holes have been drilled – all by Mithril since December last year.

Stark is rapidly emerging as a significant copper-nickel-PGE discovery and to define the next round of drill targets, a program of high-powered ground and downhole electromagnetic surveying will commence shortly. Recent heavy rainfall at Stark has delayed the arrival of the geophysics contractor.

Stark is located on tenements subject to the Nanadie Well Farm-in and Joint Venture Agreement with Intermin Resources Limited (“Intermin” - **ASX: IRC**) whereby Mithril can earn a 60% interest 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).

In addition to the Nanadie Well JV tenements, a new 100%-owned tenement (E20/846) immediately south of Stark was granted during the Quarter.

The new tenement gives the Company access to over 20 strike kilometres of rock types interpreted to be equivalent to those found at Stark. Significantly the majority of the prospective corridor has not been subject to any previous exploration.



**Figure 3: Stark Prospect long section showing surface mineralisation, modelled ground EM conductor plates and all drill hole pierce points**

### **Copper Hills Project (MTH earning up to 80%)**

During the Quarter, Mithril withdrew from the Copper Hills Farm-in and Joint Venture Agreement with Doray Minerals Limited **ASX: DRM**) effective 27 April 2015. Following the withdrawal, Mithril will hold no interest in the project.

## **West Kambalda Projects - Western Australia**

### **Spargos Reward Gold Project (MTH 100%)**

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

### **Spargoville Project (MTH 20% and earning up to 80%)**

During the Quarter, Mithril withdrew from the Spargoville Farm-in and Joint Venture with KalNorth Gold Mines Limited (**ASX: KGM** – “KalNorth”) effective 11 May 2015 (“Effective Date”).

Mithril currently has a 20% interest in Spargoville and can earn an additional 60% interest by spending a further \$1.68M by no later than 17 May 2017 (total expenditure of \$2 million over 4 years for an 80% interest). Mithril has elected to return its 20% interest to KalNorth for no consideration, and from the Effective Date, will hold no interest in the Spargoville Project.

## East Pilbara Project - Western Australia

### **Exploration Licences 45/3457 and 3680 (MTH 100% with Kalamazoo Resources earning 60%)**

Located 130km southeast of Port Hedland WA, the project is subject to a new Farm-in and Joint Venture with private company - Kalamazoo Resources Pty Ltd (Kalamazoo) whereby they have the right to earn an initial 60% interest in the tenements by spending \$150,000 over 2 years.

Upon Kalamazoo earning its initial 60%, Mithril can elect to maintain a 40% interest by contributing to ongoing expenditure. If Mithril elects not to contribute to ongoing expenditure, Kalamazoo can earn an additional 20% (for a total of 80%) by sole-funding and completing a Bankable Feasibility Study. Kalamazoo also has the right to purchase 100% of the tenements' iron ore rights from Mithril for \$30,000 on or before 31 December 2015.

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

## East Arunta Projects – Northern Territory

### **Huckitta and Yambah Projects (MTH 100%), Sammy JV (MTH 80%) and Harts Range JV (MTH 0%)**

Located immediately east of Alice Springs NT, the project tenements are either 100% owned by Mithril or subject to one of two joint ventures, i.e.; the Sammy JV (Mithril – 80% and Cazaly Resources Limited (20% - **ASX: CAZ**) and the Harts Range JV (Mithril – 60% and Oklo Resources Limited (40% - **ASX: OKU**).

No field work was carried out on any of the projects during the Quarter.

During the Quarter, Mithril withdrew from the Harts Range JV with Oklo Resources Limited and has no further interest in the JV tenements (EL's 25453 and 30005).

Subsequent to the Quarter, Mithril also sold two Yambah tenements (EL's 28271 and 28340) to KGL Resources Limited (**ASX: KGL**) for \$20,000 in cash.

## 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 29<sup>th</sup> 2011.

During the Quarter, Musgrave carried out geological reconnaissance activities on their recently-granted Mamba project which is located within the Fraser Range District of Western Australia.

## Exploration Outlook

Further geophysical and drill testing of the **Stark Prospect** will be the Company's primary focus for the June 2015 Quarter.



David Hutton  
Managing Director

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## Notes Specific – March 2015 Quarter ASX Announcements

The following announcements were lodged with the ASX during 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.

- Latest results confirm high-grade Cu-Ni-PGE potential at Stark - 23.03.2015
- Spargoville JV Withdrawal - 19.03.2015
- Half Year Report December 2014 - 11.03.2015
- New tenement expands land holding at the Stark copper-nickel-PGE discovery - 05.03.2015
- RIU Explorers Conference Presentation Feb 2015 - 25.02.2015
- Disseminated and massive sulphides at Stark - 19.02.2015
- BRR Interview Drilling underway at Stark - 10.02.2015
- Drilling underway at Stark - 09.02.2015
- Stark Discovery Investor Presentation Feb 2015 - 04.02.2015
- Drilling to recommence at Stark - 04.02.2015
- Stark Copper Nickel PGE Discovery - 20.01.2015

**ENDS**

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### For Further Information Contact:

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**David Hutton, Managing Director**  
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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.

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

MITHRIL RESOURCES LTD

ABN

30 099 883 922

Quarter ended ("current quarter")

31 March 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(425)	(1,120)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(158)	(574)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	4	29
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other – Fuel Tax Credits	-	-
	Other – JV Income	-	11
	Other – R & D Tax Refund	-	-
	<b>Net Operating Cash Flows</b>	<b>(579)</b>	<b>(1,654)</b>
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	40	40
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
		40	40
	<b>Net investing cash flows</b>		
1.13	Total operating and investing cash flows (carried forward)	(539)	(1,614)

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(539)	(1,614)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	738
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(8)
1.18	Dividends paid	-	-
1.19	Other (share issue costs)	(9)	(95)
	<b>Net financing cash flows</b>	<b>(9)</b>	<b>635</b>
	<b>Net increase (decrease) in cash held</b>	<b>(548)</b>	<b>(979)</b>
1.20	Cash at beginning of quarter/year to date	1,250	1,681
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>702</b>	<b>702</b>

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'ooo
1.23	Aggregate amount of payments to the parties included in item 1.2	94
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Directors' fees, wages and superannuation for the quarter

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

+ See chapter 19 for defined terms.



### Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	128
4.2 Development	-
4.3 Production	-
4.4 Administration	182
<b>Total</b>	<b>310</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	402	550
5.2 Deposits at call	300	700
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>702</b>	<b>1,250</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed		Refer Appendix 1		

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

6.2	Interests in mining tenements acquired or increased		Refer Appendix 1		
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**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	<b>+Ordinary securities</b>	421,043,293	421,043,293	Fully Paid	Fully Paid
7.4	Changes during quarter				
	(a) Increases through issues				
	(b) Decreases through returns of capital, buy-backs				
7.5	<b>+Convertible debt securities</b> (description)	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> (description and conversion factor)			Exercise price (Each)	Expiry date
		350,000	-	\$0.18	22/09/2015
		2,235,000	-	\$0.25	16/12/2015

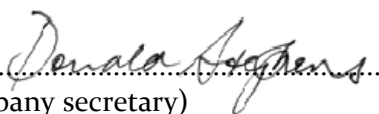
+ See chapter 19 for defined terms.

		8,000,000	-	\$0.30	16/12/2015
		550,000	-	\$0.20	22/05/2016
		1,300,000	-	\$0.10	31/07/2017
		1,000,000	-	\$0.10	28/11/2017
		1,000,000	-	\$0.15	28/11/2017
		2,050,000	-	\$0.05	21/07/2018
		2,900,000	-	\$0.015	19/06/2019
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter		-		
7.11	<b>Debentures</b> (totals only)	-	-		
7.12	<b>Unsecured notes</b> (totals only)	-	-		

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

.....  
(Company secretary)

Date: 15<sup>th</sup> April 2015

Print name:

Donald Stephens.....

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

+ See chapter 19 for defined terms.

**Changes in Interests in Mining Tenements  
For Quarter Ended 31 March 2015**

		<b>Tenement Reference</b>	<b>Nature of Interest</b>	<b>Interest at the beginning of Quarter</b>	<b>Interest at the end of Quarter</b>
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL27435	Exploration licence surrendered effective 31 March 2015 (Huckitta, Ascot Bore, NT).	100%	0%
		EL27662	Exploration licence surrendered effective 31 March 2015 (Huckitta, Salt Hole Dam, NT).	100%	0%
		EL28336	Exploration licence surrendered effective 31 March 2015 (Huckitta, Inkamulla, NT).	100%	0%
		EL28471	Exploration licence surrendered effective 31 March 2015 (Huckitta, Coggan Bore, NT).	100%	0%
		EL28501	Exploration licence surrendered effective 31 March 2015 (Huckitta, Mt Lionel, NT).	100%	0%
		EL29638	Exploration licence surrendered effective 31 March 2015 (Mt Mabel, Pannikan Dam, NT).	100%	0%
		EL29639	Exploration licence surrendered effective 31 March 2015 (Mt Mabel, Mt Brassy, NT).	100%	0%
		EL29801	Exploration licence surrendered effective 31 March 2015 (Mt Mabel, Pannikan Dam West, NT).	100%	0%
		EL28175	Exploration licence surrendered effective 31 March 2015 (Yambah, Harry Creek, NT).	100%	0%
		EL25453	Withdrawal from JV effective 11 February 2015 (Huckitta Harts Range JV, NT).	60%	0%
		EL30005	Withdrawal from JV effective 11 February 2015 (Huckitta Harts Range JV, NT).	60%	0%
6.2	Interests in mining tenements acquired or increased	E20/846	Exploration licence granted on 24 February 2015 (Murchison, Winnie Creek, WA).	0%	100%
		E51/1615	Exploration licence granted on 20 March 2015 (Murchison, Willow Well, WA).	0%	100%

## ASX Additional Information

### List of mining tenements

Tenement No	Location	Area (km2)	Company Interest
EL24253	East Arunta Area	213.62	33.3%
EL25643	East Arunta Area	301.20	80%
EL25653	East Arunta Area	283.19	80%
EL26942	East Arunta Area	402.13	100%
EL28271	East Arunta Area	219.02	100%
EL28335	East Arunta Area	243.43	100%
EL28340	East Arunta Area	174.06	100%
E45/3457	East Pilbara Area	112.07	100%
E45/3680	East Pilbara Area	54.45	100%
E27/538	Kurnalpi Area	171.86	100%
E28/2506	Kurnalpi Area	64.99	100%
P28/1271	Kurnalpi Area	1.17	100%
E20/846	Murchison Area	207.22	100%
E51/1615	Murchison Area	183.32	100%
E51/1649	Murchison Area	202.23	100%
E57/1000	Murchison Area	152.19	100%
E63/1718	Norseman Area	160.04	100%
E15/1423	West Kambalda Area	23.47	100%
P15/4876	West Kambalda Area	1.61	100%
P15/4877	West Kambalda Area	1.73	100%
P15/4878	West Kambalda Area	1.73	100%
P15/4879	West Kambalda Area	0.74	100%
P15/4880	West Kambalda Area	1.62	100%
P15/4881	West Kambalda Area	1.43	100%
P15/4882	West Kambalda Area	0.03	100%
P15/4883	West Kambalda Area	0.61	100%
P15/4886	West Kambalda Area	0.95	100%
P15/5763	West Kambalda Area	0.33	100%
P15/5791	West Kambalda Area	0.24	100%
E15/1174	West Kambalda Area	36.24	20%
M15/1806	West Kambalda Area	3.42	20%
P15/4801	West Kambalda Area	1.02	20%
P15/4802	West Kambalda Area	1.39	20%
P15/5216	West Kambalda Area	1.95	20%
P15/5236	West Kambalda Area	1.93	20%
P15/5264	West Kambalda Area	0.60	20%
P15/5392	West Kambalda Area	1.04	20%

## ASX Additional Information

List of mining tenements

Tenement No	Location	Area (km2)	Company Interest
P15/5409	West Kambalda Area	0.17	20%
P15/5537	West Kambalda Area	2.00	20%
P15/5545	West Kambalda Area	0.01	20%
P15/5546	West Kambalda Area	0.06	20%
P15/5547	West Kambalda Area	0.03	20%
P15/5548	West Kambalda Area	0.04	20%
P15/5766	West Kambalda Area	0.89	20%
P15/5772	West Kambalda Area	0.65	20%