



MITHRIL
RESOURCES LTD

EL27178 – LIZZIE CREEK

YEAR 5 ANNUAL AND FINAL REPORT

For the Period

6 November 2013 to 5 November 2014

Compiled By

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MAP REFERENCE: Alice Springs 250K - Sheet SF53/14
Illogwa Creek 250K – Sheet SF53/15

Target Commodities: Nickel and Copper

Report submitted on: 18 December 2014
All data provided is of GDA94 Datum, Zone 53.

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SUMMARY

This report presents work completed during the fifth year of tenure on the Lizzie Creek Tenement (EL27178), granted to Mithril Resources Ltd (Mithril) on 6 November 2009.

EL27178 is centred approximately 125 km east, northeast of Alice Springs. The tenement area has been held by numerous other companies who have explored for gold, base metals, industrial minerals and Uranium.

Mithril first applied for the ground with a view to explore for Nickel sulphide deposits whilst remaining open minded to opportunities provided by other commodities.

Exploration has focused on the Harts Range Group and in particular the Riddock Amphibolites.

Work completed during the reporting period included a review of all data collected for the tenement following the withdrawal of MMG from the Huckitta Joint Venture with Mithril. This review resulted in the recommendation that, due to the remoteness of the tenement location, the logistical difficulties with the area and the severe lack of funding in the market for greenfield exploration plays that the tenement be relinquished in full.

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1.0 INTRODUCTION

This report presents work completed on the Lizzie Creek Tenement (EL27178) by Mithril for the fifth reporting year, ending 5 November 2014.

EL 27178 is located approximately 125 km east, northeast of Alice Springs (Figure 1). The tenement can be accessed from the north via the Plenty Highway and station tracks or the east via the Ross Highway and station tracks. Station tracks provide for reasonable access to much of the tenement area.

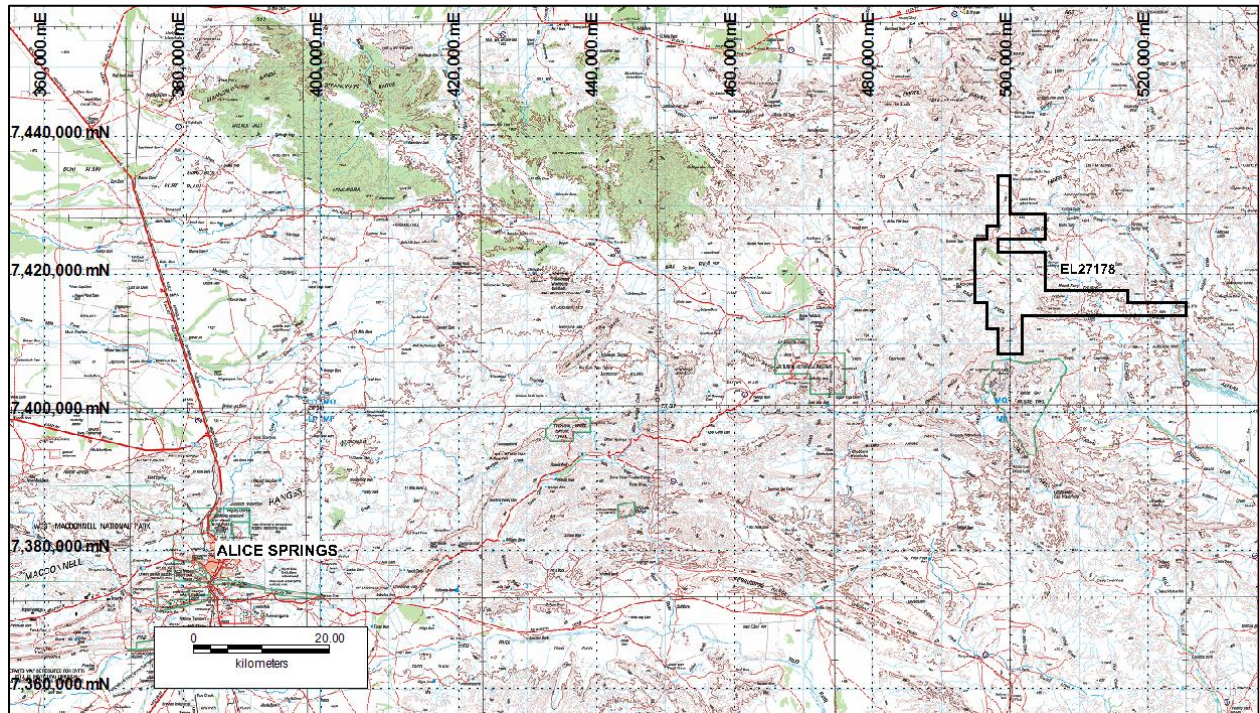


Figure 1: Location of EL27178 (Lizzie Creek).

Mithril initially targeted the area for Ni-Cu-PGE sulphide deposits associated with mafic and ultramafic magmatic rocks. This style of mineralisation has been identified on adjacent tenements. However, recent exploration on the adjacent licence (EL26942) has identified significant sulphide hosted Cu-Co mineralisation at the Basil Prospect. Drill intersections at the Basil prospect include 59.1m @ 0.63% Cu and 0.07% Co in LB035DD; and 29.0m @ 0.66% Cu and 0.07% Co in LB027DD.

2.0 TENURE

Mithril Resources Limited (ACN 099 883 922) was granted exploration licence EL27178 for a six year period due to expire 5 November 2015. MMG Ltd entered into a “Nickel Only” joint venture in October 2011 whereby MMG can earn up to an 80% interest in the tenement.

Table 1: EL27178 (Lizzie Creek) tenure.

| Project | Tenement Name | Tenement No | Application Date | Grant Blocks | Area (km ²) | Grant Date | Grant Period |
|----------|---------------|-------------|------------------|--------------|-------------------------|------------|--------------|
| Huckitta | Lizzie Creek | 27178 | 25/02/2009 | 69 | 218 | 6/11/2009 | 6 years |

3.0 GEOLOGY

3.1 Regional Geology

EL27178 lies within the Irindina Province (also known as the Harts Range Metamorphic Complex) of the south-eastern Arunta Inlier. The Irindina Province comprises the Harts Range Group, a volcano sedimentary succession that was metamorphosed to granulite facies during the Ordovician Larapinta Event (475-460 Ma). Litho-stratigraphical and geochronological data indicate that the Harts Range Group correlates with Neoproterozoic to Cambrian sediments of the adjacent Amadeus and Georgina Basins. Therefore, the Harts Range Group was probably deposited in a basin contiguous with, and possibly linking, the Amadeus and Georgina Basins.

While the Harts Range Group was metamorphosed to granulite-facies, sedimentation continued in the Amadeus and Georgina Basins. Structural and lithological evidence suggest that the Larapinta Event was extensional, with very deep burial required for the measured metamorphic conditions (30-35 km). Such an event was probably associated with mantle melting. The numerous mafic and ultramafic units found throughout the Irindina Province, although their timing is poorly constrained, may have intruded during the Larapinta Event. These intrusions are considered prospective for Ni-Cu-PGE sulphide deposits.

The Harts Range Group and Amadeus and Georgina Basins were structurally inverted and brought to the surface during the mid-Palaeozoic Alice Springs Orogeny (450-300 Ma).

3.2 Project Geology

EL27178 contains approximately 75% outcrop and 25% subcrop with recent cover from colluvial sand and gravel (Figure 2).

Where outcrop is available the dominant stratigraphic units are the Irindina Gneiss and the Riddock Amphibolite. The Irindina Gneiss is a quartz-feldspar-biotite +/-garnet gneiss with interbedded massive amphibolites with lesser calc-silicates and marble. The Riddock amphibolite is massive to compositionally layered amphibolite intercalated with garnet-biotite-feldspar-quartz gneiss and rare quartzitic units.

The area has been subjected to intense deformation and metamorphism (as outlined in regional geology above).

The area is considered prospective for;

- Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions
- “Basil type” Cu-Co semi-massive sulphides
- Vein-style REE-Th mineralisation
- Uranium mineralisation

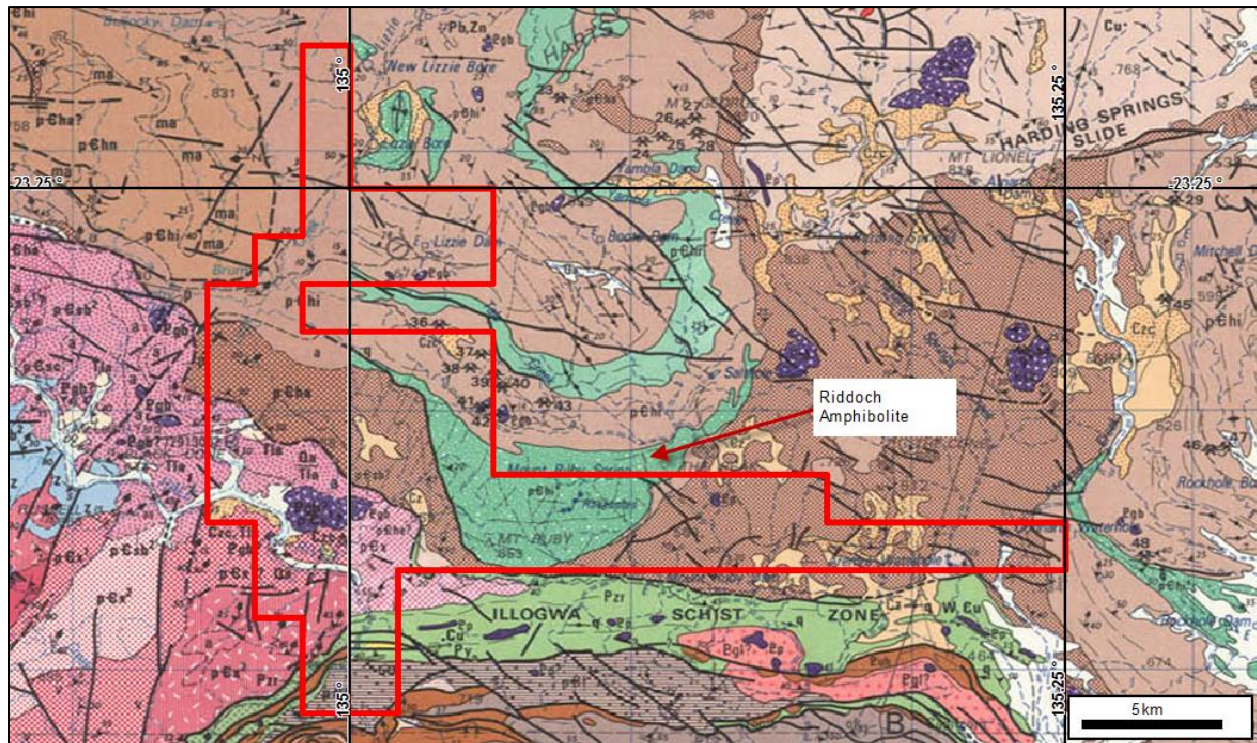


Figure 2: Geology of EL27178 (from published 1:250K geology map sheet).

4.0 HISTORICAL EXPLORATION WORK COMPLETED

Numerous companies and individuals have explored in the general area covered by EL27178.

A detailed synthesis of previous exploration work was contained in the first annual report and a summary of work completed by the current holder is outlined below and summarised in Figure 3.

4.1 Work Completed During 2009-2010

- Data compilation and review of exploration data
- 225 line kms of airborne EM
- 17 float and rock chip samples

4.2 Work Completed During 2010-2011

- 697 line kms of airborne EM
- 5 float and rock chip samples.

4.3 Work Completed During 2011-2012

- Data compilation and review of exploration data
- 18 VTEM anomalies field checked
- 5 rock chip samples collected and assayed

- 95 stream sediment samples collected

4.4 Work Completed During 2012-2013

- Analysis of geochemical data from the 2012 stream sediment and rockchip sampling
- Heritage surveys
- Geological reconnaissance by helicopter to help determine source of VTEM conductors

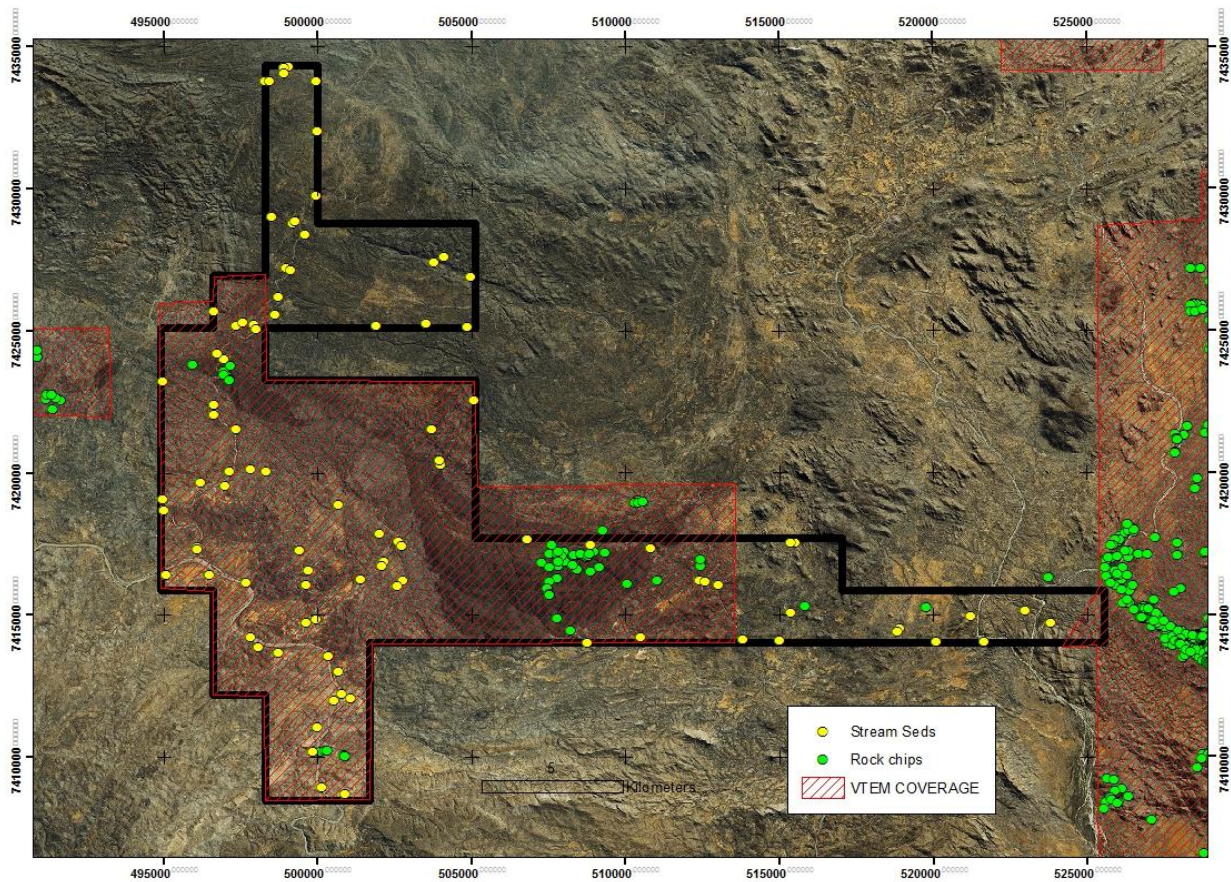


Figure 3: Summary of work completed on EL27178 during reporting period on Airphoto image

5.0 WORK COMPLETED DURING THE REPORTING PERIOD / CONCLUSIONS

A review of all data was completed during the reporting period by Mithril following the withdrawal of MMG from the Joint Venture. Although the source of many of the VTEM conductors were found not to have been explained, given the remote and rugged nature of their location and lack of available funds for greenfield exploration in the market, the decision was made to relinquish the entire tenement.

6.0 PLANNED WORK 2014-15

As the tenement has been relinquished, no work is planned.

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