EL28175 – HARRY CREEK

YAMBAH PROJECT

FINAL REPORT

For the Period

9/2/2011 to 8/2/2015

Compiled by

Jim McKinnon-Matthews (GM - Geology)

MAP REFERENCE: Alice Springs 250K - Sheet SG53-14
Target Commodities: Copper, Gold, Lead & Zinc

Report submitted 26th March 2015
All data provided is of GDA94 Datum, Zone 53.

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SUMMARY

This report summarises the work completed during the life of Harry Creek (EL28175).

No further work was completed on the EL after the last annual report (as part of the Yambah combined report) submitted in November 2014. A summary plan showing exploration activities is located below:

Plan showing all ground work completed by Mithril during the life of the EL
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APPENDICES

NIL
1.0 INTRODUCTION

This is the final report for work completed on Mithril’s Harry Creek Tenement (EL28175). This EL has been part of the Yambah Project which had joint reporting status with, Bald Hill (EL28271), and Bushy Park (EL28340) tenements. The tenements are located to the north and north east of Alice Springs, as shown in Figure 1. They cover parts of five pastoral stations, namely Yambah, Bushy Park, The Garden, Bond Springs and Aileron.

Access to the tenements is via the Stuart and Plenty Highways, the Arltunga Tourist Drive and good station-tracks. The terrain varies from grassy and scrubby flats and plains to rugged hills rising some 300m above the surrounding plains, most of which cannot be traversed by vehicle.
2.0 TENURE

Tenure of the Yambah Project is summarised in Table 1.

<table>
<thead>
<tr>
<th>Name</th>
<th>EL Number</th>
<th>Title Holder</th>
<th>Grant Blocks</th>
<th>Grant area (km²)</th>
<th>Grant Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harry Creek</td>
<td>28175</td>
<td>Mithril Resources Ltd</td>
<td>36</td>
<td>114</td>
<td>9/2/2011</td>
</tr>
</tbody>
</table>

Table 1: Summary of Harry Creek tenure.

3.0 GEOLOGY

The Project lies within the Aileron Province of the Arunta Region. Outcropping and interpreted basement geology is comprised of the Palaeoproterozoic (1.8–1.7 Ga) Strangways Metamorphic Complex (SMC) and mafic intrusives. The SMC consists of felsic and mafic granulites, orthogneiss, paragneiss, minor calsilicates, iron formations, and granitoids. Retrograde schists and mylonites are found in high-strain zones formed during the Palaeozoic Alice Springs Orogeny. Quaternary aeolian sands, alluvium, and calcrete generally cover low-lying areas and plains.

Known base-metal occurrences (Cu-Zn-Pb±Ag±Au) are stratabound and have largely experienced the same metamorphic history as their host rocks of the SMC. The protoliths to the host rocks are mostly considered to have been volcanics and there is evidence that the mineralisation was syngenetic (Hussey et al., 2006). Details of the known mineralisation can be found in Hussey et al. (2006).

Surface expressions of mineralisation vary from localised copper-carbonate coatings on joint surfaces (e.g., Tom Brauns, Harry Creek) to lode-horizons (±alteration) 1-20m thick with a strike length of a kilometre or more (e.g., Rankins, Coles Hill). Mineralisation intersected in drill holes at Harry Creek and Coles Hill occurs as sulphides in veins and disseminations (Hussey et al., 2006).

4.0 PREVIOUS EXPLORATION

Numerous companies and individuals have explored in the general area covered by the Yambah Project. Previous exploration has been undertaken for metamorphosed polymetallic (Cu-Pb-Zn-Ag-Au) massive sulfide deposits, while more recently, the potential for iron oxide copper gold (IOCG) mineralisation in the area has been recognised. A summary of previous work on the Harry Creek EL is located below:

4.1 Harry Creek EL28175

- 1950s: Baldissera sank a 2m deep pit into malachite stained gneiss at the Harry Creek Prospect.
- 1950s: Zinc Corporation collected grab samples at Harry Creek, with up to 22% Cu assayed.
- 1965: BMR conducted a low level aeromagnetic survey over the Strangeways Metamorphic Complex, which defined a zone of magnetic rocks coincident with malachite staining (Harry Creek Prospect).
1966: Northern Territory Mines Department drilled a 98m hole under Baldissera’s Pit: 4.3m of cummingtonite gneiss was intersected, averaging 0.21% Cu, 0.27% Pb and 2.1% Zinc.

1975: Planet Mining NL tested the Harry Creek Prospect with a soil sampling program, a ground magnetic survey and an induced polarisation (IP) survey. Chargeable zones were detected but were not drill tested.

1989: Macmahon Construction conducted three fixed loops of Ground EM over the Harry Creek Prospect. Three key conductors were identified and drill tested. No significant mineralisation was intersected. Conductors were not explained.

5.0 MITHRIL EXPLORATION

5.1 2011/12
- Compilation and digitisation of historic data
- Acquisition and processing of ASTER data

5.2 2012/13
- Geochemical sampling – 18 grab/rock samples
- Ground magnetic survey – 53 line km
- Ground EM survey - 4.3 line km
- Geological mapping

5.3 2013/14
- Soil sampling – 257 samples (<1.5mm)
- Rockchip/grab sampling – 51 samples
- Heritage survey - AAPA
- RC drilling – 5 drillholes for a total of 375m and 161 samples for multielement analysis
- Rehabilitation of all drill sites by station manager.

5.4 2014/15
- Review of all results, no field work completed

DISCUSSION/CONCLUSIONS

At Harry Creek, the regional magnetic data shows the magnetic high associated with the mineralisation continuing to the east for an additional one kilometre. The aim of the ground magnetic survey was to better define this target. The data shows the Harry Creek magnetic feature is an isolated, 600m long WNW-ESE striking feature, possibly folded at its eastern extent (Figure 2). A more subtle, discontinuous magnetic package exists east of the Harry Creek Prospect and ground follow up work shows this is due to quartzofeldspathic-magnetite gneisses. A detailed soil sampling program was conducted over the quartz-feldspar-magnetite gneiss package and results are presented below.
Figure 2: RTP image of Harry Creek Prospect. Harry Creek trend extends for 600m only and may be folded at its eastern extent. The more subtle, discontinuous magnetic package east of Harry Creek is due to quartz-feldspar-magnetite gneisses. The HW and FW contacts of mineralisation are shown as yellow lines. 2013 drill holes shown as black dots.

Soil Sampling

A detailed soil sampling program was conducted at 100mx100m centres east of the Harry Creek Prospect to test for possible extensions to mineralisation. Figure 3 is a gridded image displaying Zn. The Harry Creek mineralisation was detected in the NW sector of the survey. A dominant Zn anomaly is apparent at 393200mE/ 7432800mN; weakly altered basement was noted at this location but never followed up by MTH.
Drilling

During the period 21/09/2013 – 23/09/2013, 5 RC holes were drilled across the Harry Creek tenement for a total of 375m.

Summary of targets and results is presented below and drill locations are presented in the summary plan.

YBRC-001

Target:

- Harry Creek Mineralisation
- Drill downdip of historic DDH1

Result: The HW stratigraphy consists of quartzofeldspathic gneisses, quartzites and thin quartz veins with variable magnetite alteration. Zn-Cu HW alteration was observed between 74-84m in a mafic gneiss or Amphibolite and graded into a Cummingtonite Gneiss +/- magnetite. The Cummingtonite Gneiss represents the lode horizon and returned 41m @ 0.31% Zn, 0.11% Pb, 0.12% Cu, 0.37g/T Ag and 0.01g/T Au (true width thickness of 34m) from 81m. No visible lead or zinc was observed in the drill cuttings and chalcopyrite was noted between 110-119m. The lode horizon has thickened at depth with historic DDH1 intersecting ~16m true width compared to YBRC-001 which intersected ~34m true width. This is probably the result of structural
thickening. Zn grades appear to diminish with depth and this may be a function of supergene enrichment in DDH1, given the mineralisation was intersected above the base of oxidation. The mineralised package appears to be zoned, with a Zn dominant HW and Cu dominant FW. The FW stratigraphy consists of hornblende-magnetite gneisses and calc-silicates at EOH.

Recommendation: Given the low grades, Harry Creek is a second order priority. Any further work will be in the form of GPX surveying.

**YBRC-002:**

Target:
- Western extension of Harry Creek Mineralisation
- Drill down dip of historic PDHC-2
- Historic EM Feature

Result: HW stratigraphy consists of quartzite and quartz-hornblende-magnetite gneiss. Subtle Zn dispersion was recorded between 27-43m and this lies directly above the mineralised package. The lode horizon or Cummingtonite Gneiss was intersected over 30m from 39m and consisted of the following significant intercepts:

- 43-48m: 0.1% Zn, 0.17% Cu and 0.17g/T Au
- 54-66m: 0.12% Zn, 0.08% Cu and 0.02g/T Au.

Strongly weathered quartz-biotite-hornblende gneiss verging on clay was intersected between 80-86m and carried elevated Zn and Cu. This unit correlates with logged interval 32-40m in PDHC-2.

No semi-massive to massive sulphides were intersected that explain the historic EM feature. Without access to the original data it is difficult to come to any real conclusions here. Either the EM feature is deeper than tested or it does not exist.

Recommendation: Given the low grades, Harry Creek is a second order priority. Any further work will be in the form of GPX surveying.

**YBRC-003 to 005**

Target: Gossanous float at surface with elevated Zn-Pb and Cu

Result: Gravel cover to a depth of ~3m. Weathered quartz sericite-plagioclase basement down to 39m. No base metal or Au anomalism.

Assume gossanous float at surface is transported.

Recommendation: No further work required

Given the poor results from the drilling and the lack of any follow-up targets it was decided to relinquish the EL in its entirety.
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