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HARTS RANGE PROJECT

EL25451 AND EL25453

ANNUAL TECHNICAL REPORT FOR
PERIOD 22nd March 2011 to 21st March 2012

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MAP REFERENCE:
Illogwa Creek 250K Sheet SG53/15
Huckitta 250K Sheet SG53/11

SUMMARY

This report summarises work completed on Mithril Resources Harts Range Project Exploration Licence (EL25451 and EL25453) for the year ending the 21st March 2012.

The project area is located approximately 180 km northeast of Alice Springs, south of the Plenty Highway and straddles the Huckitta and Illogwa Creek 250,000-scale map sheets.

ELs 25451 and 25453 tenements are part of the Harts Range Project and have joint reporting status. Significant work was completed during the reporting period and included aircore and RC percussion drilling, airborne geophysical surveys (VTEM and magnetics), ground geophysical surveys (EM), geological mapping and surface geochemical sampling (rockchip sampling).

Results from this work were largely disappointing, however a number of targets remain to be assessed. A review of all data collected on the project is currently underway and further exploration activities are being planned.

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1.0 Introduction

This report summarises work completed on Mithril Resources Harts Range project for the year ending 21st March 2012.

The Project is located approximately 180 km northeast of Alice Springs. Access to the area is via the Plenty Highway, which passes east-west north of the project area (Figure 1). The tenement is contiguous with Mithril's Huckitta Project.

Mithril has identified significant Ni-Cu-PGE and gold mineralisation on the project to date.

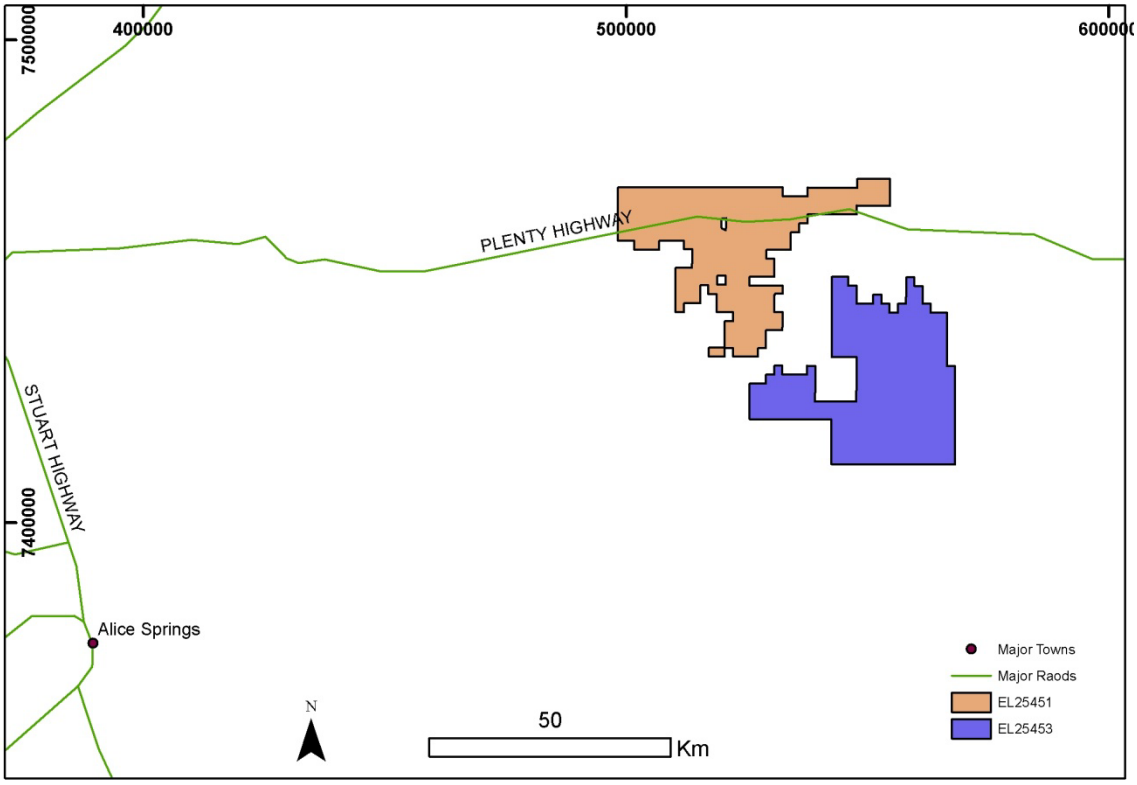

Figure 1: Location of Harts Range Project

2.0 Tenure

Leasing details for the project are detailed in Table 1 below. Mithril Resources entered a Heads-of-Agreement with Oklo Resources Ltd (formally Oklo Uranium Ltd) to farm-in to the Harts Range Project. The agreement covers all minerals other than uranium and Mithril has earned a 60% interest in the project. Oklo and Mithril are now joint funding exploration on a 60:40 Mithril/Oklo split with Mithril being the managers of the tenement.

Tenement	Grant date	Original size (blocks)	Current Block Size
EL25451	22/03/2007	276	138
EL25453	12/03/2007	303	289

Table 1: Tenement Status

3.0 Geology

3.1 Regional Geology

The Project 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 volcanosedimentary succession that was metamorphosed to granulite facies during the Ordovician Larapinta Event (475-460 Ma). Lithostratigraphical 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, however, 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

The Harts Range Project area is predominantly covered by a veneer of aeolian and colluvial sand and gravel. Strongly weathered biotite, garnet-biotite and quartzofeldspathic gneiss, calcsilicate rocks and amphibolite are sporadically exposed. There are numerous ferricrete, calcrete and silcrete rises, some of which may be indicative of the targeted mafic and ultramafic rocks. No detailed mapping has been undertaken in the area with the best regional maps compiled prior to detailed aeromagnetics and the current understanding of the geological history.

The area is considered prospective for Ni-Cu-PGE mineralisation associated with mafic and ultramafic intrusions. Vein-style REE-Th-U mineralisation has also been identified in the area as well as multiple occurrences of mica. Recent work by Mithril has also identified gossans returning anomalous values of gold-tungsten and copper.

4.0 Exploration Work Completed

4.1 Historical Exploration

Numerous companies and individuals have explored in the general area covered by EL 25453 and EL25451. Exploration has focussed on the uranium potential of this area with little consideration given to the base metal prospectivity. Oklo Uranium have completed a review of the REE and uranium potential of the licences and have identified several different model styles of uranium mineralisation, these are summarised below:

- Vein and disseminated hard rock uranium mineralisation located within and around Paleo-Proterozoic peralkaline to alkali granites perhaps associated with their differentiated zones alkali pegmatites. Preservation of the upper zones in such intrusive systems in rocks of this great age does pose some significant problems. The most significant vein type uranium deposits are located in Western and Central Europe. These are invariably hosted within Variscan age (280 – 310 mybp) alkali two mica granites and their contact metamorphic aureoles. Examples include Margnac, Boir Noirs – Limouzat, Mille Vache, Pribram, Jachymov (Joachimstal) and Erzberg to name but a few significant deposits. Lower grade “episyenite” styles of mineralisation present small exploration targets having complex structural and geometric controls. Hence, given these geologic features, such systems may not have been recognized hitherto;

- Marginal uraniferous vein and stockwork vein styles of mineralisation developed at the margins or contact aureoles of tin – tungsten, “S type”, peralkaline , tourmaline bearing, granites of the Paleo to Middle Proterozoic. There is the possibility of disseminated uranium mineralisation occurring within tourmaline bearing greisen systems;

- Finally, there is scope within the Tertiary – Pleistocene drainage system to locate valley calcrete hosted carnotite uranium mineralization. However, to date no economic deposit of this type has been discovered in the Northern Territory.

4.2 Mithril Resources Work Completed 2008

Mithril entered into a joint venture on this tenement early in 2008 as part of the Harts Range Project (ELs 25451 and 25453). During that year Mithril completed historical exploration analysis of all work completed on the Project. A number of field trips to the project area (EL25453) identified outcropping Ni – Cu – PGE gossans on the contact between a gabbroic body and a felsic gneiss. The prospect, now known as the Blackadder, was the first indicator of what Mithril believes is a new nickel sulphide province. As a result of this discovery field work was concentrated on EL25453. Further detailed review of the historical work has identified a number of mafic bodies (potentially the same generation as Blackadder) on EL25451

4.3 Mithril Resources Work Completed 2009

Work completed in 2009 focussed on EL25453 where significant nickel sulphides were discovered by Mithril. Work included airborne and ground geophysical surveys, aircore, RC percussion and diamond drilling for over $520,000 expenditure. Work completed on EL25451 was limited to regional reconnaissance geological mapping and desktop studies.

4.4 Mithril Resources Work Completed 2010

As in the 2009 exploration year significant work was completed over the project area. This work included airborne (VTEM) and ground (gravity) geophysical surveys and multiple phases of geological mapping/prospecting and geochemical sampling. This work resulted in the identification of a number of VTEM anomalies worthy of ground follow-up and in the discovery of the Tibbs gold-tungsten prospect where sporadic gold to 13.9g/t in grab samples in gossanous material was discovered over 3km of strike. These programs are summarised below.

5.0 Mithril Resources Work 2011

Significant work was completed over the project during the reporting period and included:

- Aircore drilling – 110 holes for 1572m
- RC drilling – 8 holes for 494m
- Airborne magnetic survey – 45 sqkm (50m spacing)
- VTEM survey – 170 sqkm (200m line spacing)
- Ground EM survey – 1.8 line km
- Geological mapping and Rockchip sampling – 50 samples

The work is located in Figure 2 and results are summarised below.

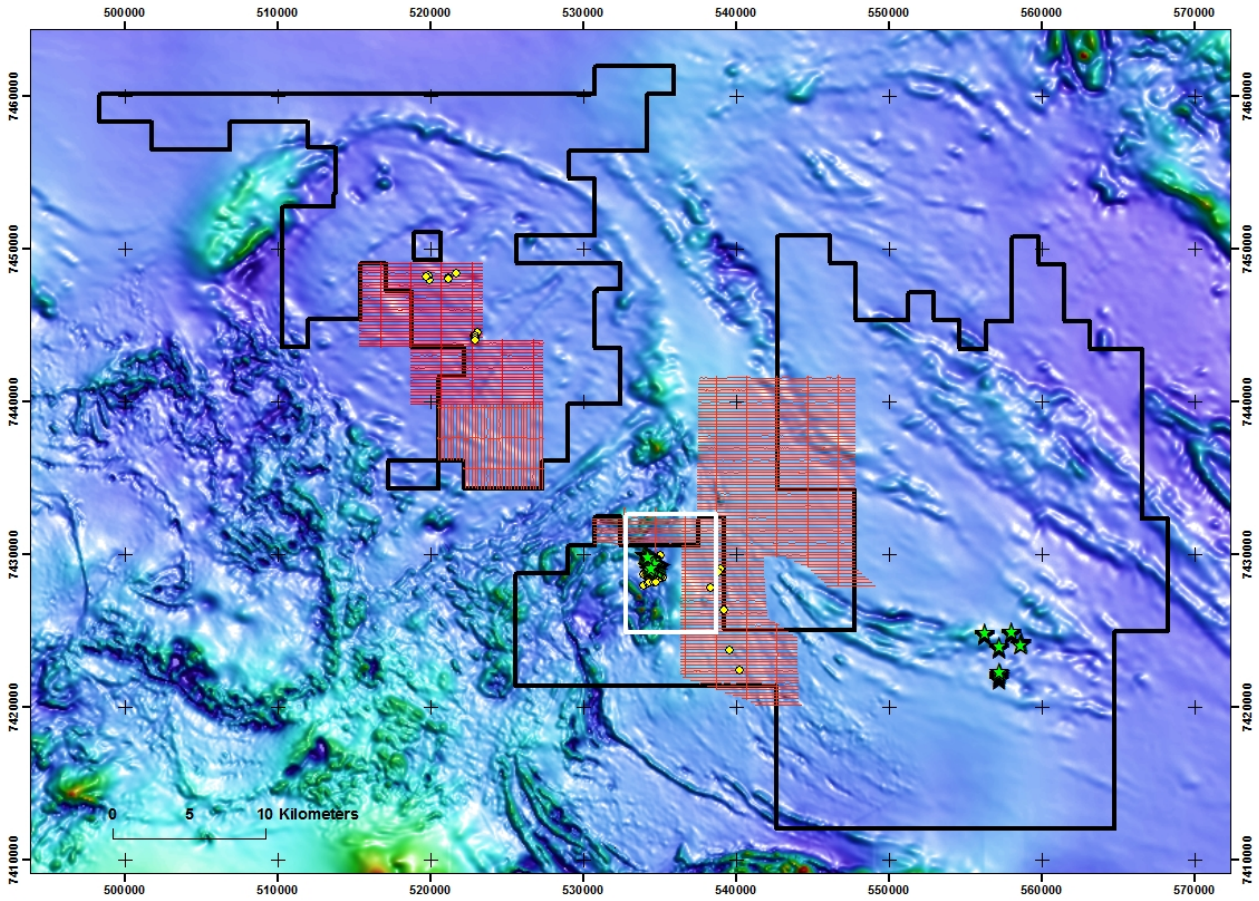

Figure 2: Magnetic map of project area showing locations of work completed. Red lines = VTEM survey; white box = magnetic survey area; green stars = drillhole locations; yellow dot = rockchip locations.

Aircore/RC drilling

This drilling focussed on the Tibbs gold prospect targeting beneath the outcropping/subcropping Au-W anomalous gossans/ironstone horizons and under thin sand covers targeting magnetic anomalies and structural targets. Drilling was also completed over a number of regional geophysical (VTEM and magnetic) targets under thin cover. Samples were taken for analysis over intervals from 1-6m depending on the geology encountered. Samples were then sent to ALS laboratories in Alice Springs and then pulps were forwarded to ALS in Perth for analysis using the ME-ICP41 technique for multi-element analysis and Au-TL43 for gold assay. Drill collars, geology logs, drill assays and downhole magnetic susceptibility readings can be found in Appendices 2-5. This drilling is detailed below:

Tibbs Area

Two stages of drilling occurred on the Tibbs Prospect. The first stage included Tibbs AC traverses 1 and 2 and a shallow RC hole into the Tibbs discovery gossan. It is important to note at the time of this drilling it was assumed that the mineralisation was conformable i.e.: at the gneiss/ marble contact. Subsequently, it was noted that the quartz vein hosted mineralisation cross cutting the stratigraphy. As such a second stage (Stage 2) of drilling was undertaken to test for a steeply dipping mineralised structure. This included three RC holes into the Tibbs discovery gossan. An additional line of AC was

drilled out on the flats to test a magnetic anomaly. This was also tested with a shallow RC hole (Figure 3).

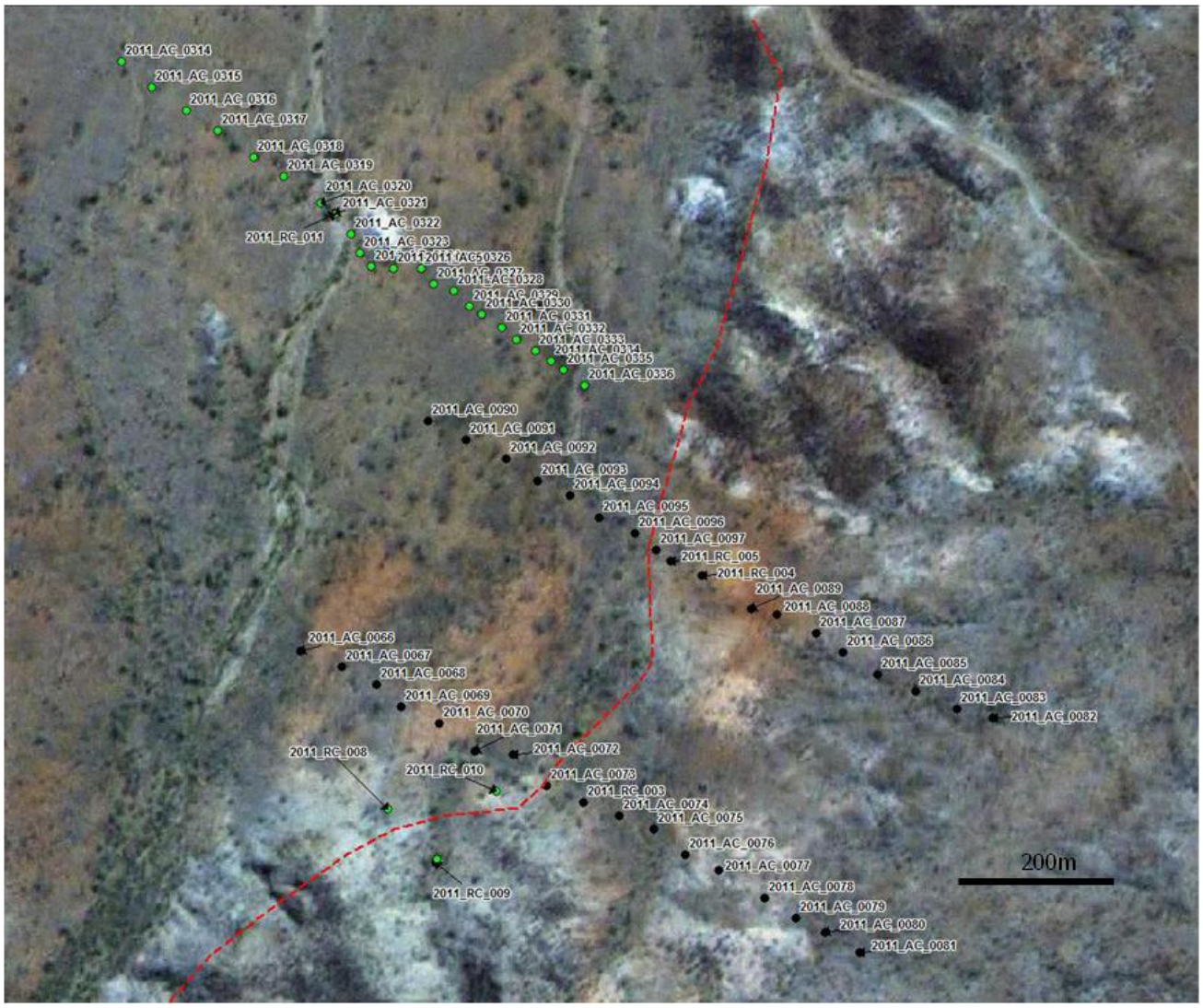

Figure 3: Tibbs gold prospect on airphoto showing drilling completed. Stage1 represented by black collar points; stage 2 represented by green collar points. Mineralised horizon shown as dashed red line.

Stage 1
TARGET: Tibbs mineralisation on Line 1
RESULT: 0.07g/t Au composited over 5m in 2011_RC_004, with highest assay 0.17g/t Au over 1m.

TARGET: Tibbs mineralisation on Line 2
RESULT: 0.023g/t Au over 3m in 2011_AC_072.

TARGET: Tibbs discovery gossan
RESULT: 2011_RC_002 (drilling to the west). Intersected the targeted gneiss/ marble contact at 15m. No significant base metal or Au anomalism. Weak Cu anomalism (128ppm) was detected between 11-13m intervals. 0.015g/t Au detected in the top 2m of the hole.

Stage 2
TARGET: Magnetic anomaly on the flats
RESULT: Basement over the magnetic anomaly was predominantly felsic gneiss with small amphibolite intervals. No base metal or gold anomalism was detected.
The magnetic feature was probed with a vertical hole, 39m in depth (2011_RC_011). At the 20m mark, magnetic susceptibilities changed from 0.0076 to 0.0199 SI, with the highest reading achieved at 0.0237 SI. The magnetic high can be modelled as a plunging elliptical pipe, with susceptibilities consistent with those observed from 2011_RC_011.

TARGET: Tibbs discovery gossan/ quartz vein structure
RESULT: Two 'scissor' holes were drilled into the discovery gossan (2011_RC_008 and 2011_RC_009). No base metal or Au anomalism. The quartz vein structure was not intercepted leading to the conclusion that the quartz veining hosting the gold mineralisation is sporadic and discontinuous.
Recommendation: No further work at this point

Newmarket Bore Area (magnetic target, BA212, BA216, BA217, BA218)

PROSPECT: Newmarket Magnetic Target
TARGET: Magnetic low – test for Blackadder type mafic intrusive/ remnant magnetism.
RESULT: Depth to saprolite basement varied between 11-18m at the central to northern end of the traverse. Basement was not intersected at the southern end of survey – mix of calcrete, ferricrete and silcrete cover sequences. Basement over the magnetic low was qtz-bt-schist. No mafic rocktypes intersected. Magnetic susceptibilities across the magnetic low ranged from 0.00015-0.00058 SI, suggesting the area is not remnantly magnetised.
RECOMMENDATION: No further work required

PROSPECT: BA212
TARGET: BA212 (late time shielded response with no magnetic association, possible noise)
RESULT: Depth to basement occurred between 15-18m. Basement was a quartzo-feldspathic gneiss +/- gnt. No major base metal or Au anomalism detected. Target assumed deeper than that tested.
RECOMMENDATION: Review EM data – can we tell if it is noise or not?

PROSPECT: BA216
TARGET: BA216 (late time shielded response)
RESULT: Depth to basement occurred at ~15m. Basement was not intersected in the southern five holes of the traverse. Basement, where intersected, consisted of undifferentiated siliceous gneiss. No base metal or gold anomalism detected. Target assumed deeper than that tested.
RECOMMENDATION: Review EM data and consider ground EM over target.

PROSPECT: BA217
TARGET: BA217 (late time shielded response)
RESULT: Outcropping 'Brady Gneiss' occurs at the northern end of the survey with depth to saprolitic basement reaching a maximum of 14m. Basement did

not change from undifferentiated Brady Gneiss +/- epidote. No base metal or gold anomalism detected. Target assumed deeper than that tested.
RECOMMENDATION: Review EM data and consider ground EM over target.

PROSPECT: BA218
TARGET: BA218 (late time shielded response)
RESULT: Depth to undifferentiated gneissic basement was reached between 16-22m. No major base metal or gold anomalism was detected. Slightly elevated copper exists in holes 373 and 373 (56 and 58ppm respectively). Target assumed deeper than that tested.
RECOMMENDATION: Review EM data and consider ground EM over target.

Airborne Magnetic/Radiometric Survey

A helicopter magnetic/radiometric survey at 50m line spacing was completed over the Tibbs Gold Prospect to potentially identify prospective structural targets under thin cover. This 45sqkm survey, located in Figure 2, identified possible structures and a discrete magnetic anomaly, both of which were tested with shallow drilling with largely negative results. The data and operations report for this survey can be found in Appendix 6.

VTEM survey

Three blocks of VTEM were flown over the project as part of a larger survey within Mithril's larger Huckitta Project (of which the Harts Range Projects forms a portion). Two of these blocks were flown over portions of EL25451 covering ~85sqkm and one over portions of EL25453 covering ~85sqkm in total also (Figure 2). A number of VTEM anomalies were generated and followed up on the ground. No significant assay results were returned from this follow-up work and further work is required to fully assess these results. All data and an operations/logistics report can be found in Appendix 7.

Ground EM

A single line of moving loop ground EM was completed over a moderate VTEM conductor and over the mineralised Au horizon previously identified at Tibbs. No significant results were returned from this. A full report on the results and all data from this can be found in Appendix 8.

Rockchip Sampling

Most of the 50 rockchip samples were collected in the Tibbs prospect area where some more detailed mapping was completed. Samples were submitted to ALS laboratories in Alice Springs and then pulps were forwarded to ALS in Perth for analysis using the ME-ICP61 technique for multi-element analysis and PGM-ICP23 for gold, platinum and palladium assay. The mapping work indicated that the gold was likely to be concentrated in structurally controlled sub vertical dipping narrow quartz veins striking approximately north – south. As discussed earlier drilling failed to identify significant gold mineralisation beneath targeted horizons. Other rockchips were taken following up VTEM anomalies identified from the 2010 VTEM survey. This follow-up did not identify the source of the conductors so further work in the form of further ground truthing of these targets is warranted. Assay and location data for the rockchip samples can be found in Appendix 9 and 10 respectively.

6.0 Planned Work 2011

Work planned for the next year includes, but is not limited to:

- Re-evaluation of all data collected over the tenement area - particularly VTEM anomalies identified
- Field check priority targets identified
- Drill test VTEM conductors under cover that can't be resolved through surface field checking.