ASCOT BORE

EL 27435
ANNUAL TECHNICAL REPORT FOR THE
PERIOD 13th April 2011 to 12th April 2012

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May 2012

MAP REFERENCE:
Illogwa Creek 250K Sheet SG53/15
SUMMARY

This report summarises work completed on Mithril Resources Ascot Bore Exploration Licence (EL27435) for the year ending the 12th April 2012.

The project area is located approximately 200km east-northeast of Alice Springs, south of the Plenty Highway and forms part of Mithril’s larger Huckitta project.

No field work was conducted on the tenement during the reporting period. Extensive vegetation throughout the tenement area as a result from consistent rain in 2010-2011 posed a very high bushfire risk from August 2012 onwards. As a result of this a decision was made not to conduct any ground based exploration activities from this time onwards until the fuel load of the area was reduced significantly.

On other Huckitta Project tenements during the year Mithril continued to discover outcropping base metal and gold mineralisation and spent over $3M on exploration activities. In addition to this MMG Exploration Pty Ltd (a subsidiary of the Minmetals Group of companies) joint ventured in on the nickel rights over a number of the 100% Mithril owned ELs, including EL27435).

During the 2012-13 exploration year Mithril and MMG plan to complete geological reconnaissance mapping and sampling over the tenement area followed by ground or airborne geophysics (magnetics and/or EM).
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1.0 Introduction

This report summarises work completed on Mithril Resources Ascot Bore Exploration Licence (EL27435) for the year ending 12th April 2012. This tenement forms part of the larger Huckitta Project.

The tenement is located approximately 200km east-northeast of Alice Springs. Access to the area is via the Plenty Highway and then via a network of station roads and tracks on Huckitta and Indiana stations.

Mithril interprets that intrusive mafic and ultramafic rocks of Palaeozoic age may extend onto the tenement and that these rocks are prospective for magmatic Ni/Cu/PGE sulphides. On this basis MMG exploration Pty Ltd have joint ventured in on the nickel rights on this EL as well as a number of other 100% Mithril owned tenements on the Huckitta Project. In addition the tenement is also prospective for Cu-Co and gold mineralisation as these have also been discovered recently on other portions of the Huckitta Project by Mithril.

Figure 1: Location of EL27435 in relation to larger Huckitta Project on 250k published geology
2.0 Tenure

Leasing details for the project are detailed in Table 1 below.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Grant date</th>
<th>Original size (blocks)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL24735</td>
<td>13/4/2010</td>
<td>124 (386sqkm)</td>
</tr>
</tbody>
</table>

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 tenement area is predominantly covered by a veneer of aeolian and colluvial sand and gravel. Strongly weathered biotite, garnet-biotite and quartzofeldspathic gneiss, calcisilicate rocks and amphibolite are rarely 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 as well as “Basil type” copper-cobalt
mineralisation. Vein-style REE-Th-U mineralisation has also been identified in the area as well as multiple occurrences of mica.

4.0 Exploration Work Completed

Numerous companies and individuals have explored in the general area covered by EL27435 and research has shown that no sample has been recorded from this tenement area. This historical exploration is summarised in Appendix 1 from last year’s annual report.

4.1 Mithril Resources Work Completed 2010-11

No field work was completed during the year. Work was limited to reviewing historical exploration over the tenement. This was largely related to 4wd access problems given the extraordinary heavy and consistent rain throughout the year.

4.2 Mithril Resources Work Completed 2011-12

Work completed on this tenement during the year was limited to desktop studies, including the acquisition of detailed, georeferenced Google Earth Imagery, and outlining an exploration program over the tenement area. The lack of ground work is mainly attributed to decisions within the company not to conduct ground work on tenements with very high fuel load and thus bushfire risk on remote Huckitta tenements. A first pass field program was planned and this includes a regional stream sediment sampling program over the southern portion of the EL (Figures 2 and 3).

Figure 2: Southern portion of EL27435 showing proposed stream sediment sampling locations on LANDSAT image
5.0 Planned Work 2012-13

Planned work on the tenement for Year three will focus on determining the amount of basement outcrop over the tenement area through geological mapping. In addition regional stream sediment geochemical sampling is also planned (Figures 2 and 3) to determine any metal vectors towards potential near surface mineralisation. This work will be followed by geophysical programs such as magnetic and electromagnetic surveys (airborne and/or ground) where warranted.