EL 28336 – INKAMULLA

YEAR 2 ANNUAL REPORT

For the Period

4 July 2012 to 3 July 2013

Compiled By

Jim McKinnon-Matthews (General Manager – Geology)

MAP REFERENCE: Illogwa Creek 250K - Sheet SF53/15
Target Commodities: Nickel and Copper

Report submitted on 19th August 2013
All data provided is of GDA94 Datum, Zone 53.

All enquiries to Jim McKinnon-Matthews
Phone: 08 8378 8200
jimm@mithrilresources.com.au
SUMMARY

This report presents work completed during the second year of tenure on the Inkamulla Tenement (EL 28336), granted to Mithril Resources Ltd (Mithril) on 4 July 2011.

EL 28336 is centred approximately 150 km 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.

Work completed during the reporting period included:

- 1 rock chip sample collected
- 12 stream sediment samples collected – helicopter assisted

Anomalies detected from this survey will be followed up in the next reporting year.
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Appendix 1: Surface sample locations
  Digital file: EL28336_2012_A_01_SurfaceLocations.txt

Appendix 2: Surface sample geochemical data
  Digital file: EL28336_2012_A_01_SurfaceGeochem.txt
1.0 INTRODUCTION

This report presents work completed on the Inkamulla Tenement (EL 28336) by Mithril for the second reporting year, ending 3 July 2013.

EL 28336 is located approximately 150 km 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 EL 28336 (Inkamulla)](image)

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 close licence (EL 26942) has identified significant sulphide hosted Cu-Co mineralisation at the Basil Prospect.

2.0 TENURE

Mithril Resources Limited (ACN 099 883 922) was granted exploration license EL 28336 for a six year period due to expire 3 July 2017. On 31st October 2011 Mithril entered into an agreement with MMG limited whereby MMG can earn up to an 80% interest in the nickel rights of the tenement.
Table 1: EL 28336 (Inkamulla) tenure.

<table>
<thead>
<tr>
<th>Project</th>
<th>Tenement Name</th>
<th>Tenement No</th>
<th>Application Date</th>
<th>Grant Blocks</th>
<th>Area (km²)</th>
<th>Grant Date</th>
<th>Grant Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Huckitta</td>
<td>Inkamulla</td>
<td>28336</td>
<td>12/10/2010</td>
<td>9</td>
<td>28</td>
<td>4/07/2011</td>
<td>6 years</td>
</tr>
</tbody>
</table>

3.0 GEOLOGY

3.1 Regional Geology

EL 28336 lies within the Proterozoic Aileron Province of the south-eastern Arunta Inlier.

The Aileron Province comprises the Strangways Metamorphic Complex, a mix of felsic and mafic gneiss, metavolcanics and metapelite.

3.2 Project Geology

EL 28336 contains approximately 50% outcrop/subcrop with recent cover from colluvial sand and gravel (Figure 2).

Where outcrop is available the dominant stratigraphic units is the Inkamulla Granodiorite and metahornblendite/meta-ultramafic rocks.

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
4.0 HISTORICAL EXPLORATION WORK COMPLETED

Few companies and individuals have explored in the general area covered by EL 28336.

4.1 Work Completed During 2011-2012

Work completed during the 2011-2012 reporting period included:

- Historical data compilation
- 53 rock chip samples collected
- VTEM Survey: 130 line kilometres of data collected
- IP/Resistivity Survey: 1.05 km line of data collected

5.0 WORK COMPLETED DURING THE REPORTING PERIOD

5.1 Surface Sampling

One rockchip and 12 stream sediment samples were collected over the tenement by MMG during the reporting period. The sampling program was conducted using a helicopter during mid to late September 2012. Catchments within the tenement were identified (Figure 3), and the survey was designed to target as many of these catchments as possible (Figure 3). In total, 12 stream sediment samples and 1 rock-chip sample were collected. Geochemistry data for the rock sample is contained in Appendix 1 and for stream sediment samples in Appendix 2.
Figure 3: Surface sample locations.
6.0 CONCLUSIONS AND PLANNED WORK 2012-13

Anomalous stream sediment geochemistry will be followed up with detailed sampling within the catchment, including more extensive rock chip sampling in order to identify possible in-situ basement sources.

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