EL28501 – MT LIONEL

YEAR 4 ANNUAL and FINAL REPORT

For the Period

16 August 2011 to 7 April 2015

Compiled By

Jim McKinnon-Matthews

MAP REFERENCE: Illogwa Creek 250K - Sheet SF53/15

Target Commodities: Nickel and Copper

All data provided is of GDA94 Datum, Zone 53.

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SUMMARY

This report presents work completed during the life of tenure on the Mt Lionel Tenement (EL28501), granted to Mithril Resources Ltd (Mithril) on August 16, 2011.

EL28501 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 life of the tenement included:

- Review of historic work of the project
- Geological reconnaissance
- Helicopter assisted stream sediment sampling – 11 samples.
- Review of all Mithril’s historic data by MMG

No significant targets were generated by this worked and the tenement was relinquished in full on the 7th April 2015.
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1.0 INTRODUCTION

This report presents work completed on the Mt Lionel Tenement (EL28501) by Mithril for the life of the tenement, ending 7th April 2015.

EL28501 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 EL28501 (Mt Lionel).](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 adjacent licence (EL26942) 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 EL28501 for a six year period due to expire 15 August 2017. In late 2011 MMG Exploration Pty Ltd (now MMG Australia Limited) entered into an option to Joint Venture on the Nickel rights on the tenement. MMG withdrew from this JV in September 2014.

<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>
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</thead>
<tbody>
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<td>Huckitta</td>
<td>Mt Lionel</td>
<td>28501</td>
<td>07/12/2010</td>
<td>8</td>
<td>25</td>
<td>16/08/2011</td>
<td>6 years</td>
</tr>
</tbody>
</table>
3.0 GEOLOGY

3.1 Regional Geology

EL28501 lies within the Proterozoic Irindina Province 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).

3.2 Project Geology

EL28501 contains approximately 75% outcrop/subcrop with recent cover from colluvial sand and gravel (Figure 2).

Where outcrop is available the dominant stratigraphic units are the Brady Gneiss, Entia Gneiss and the Inkamulla Granodiorite.

The area has been subjected to intense deformation and metamorphism and 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 EL28501 (from published geology map sheet – Illogwa Creek 250K).
4.0 HISTORICAL EXPLORATION WORK COMPLETED

Few companies and individuals have explored in the general area covered by EL28501.

4.1 Work Completed During 2011-2012

Work completed during the 2011-2012 reporting period included:

- Data compilation and review of exploration data
- Reconnaissance field verification of geology

4.2 Work Completed During 2012-2013

Work completed during the 2011-2012 reporting period included:

- Helicopter assisted collection and analysis of 11 stream sediment samples (Figure 3)
- Field reconnaissance

4.3 Work Completed During 2013-2014

- Desktop studies

4.4 Work Completed During 2014-2015

- Review of all work completed on the tenement, no field work
- No anomalies / targets of interest were identified and the tenement was relinquished in whole
Figure 3: Surface stream sediment sample locations on EL28501.
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