EL28336 – INKAMULLA

ANNUAL AND FINAL REPORT

For the Period

4 July 2011 to 7 April 2015

Compiled By

Jim McKinnon-Matthews (General Manager – Geology)

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

Report submitted on 6 May 2015
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 a summary of all work completed on the Inkamulla Tenement (EL28336), granted to Mithril Resources Ltd (Mithril) on 4 July 2011.

EL28336 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 over the life of the tenement period included:

- Rock/grab sampling and analysis
- Stream sediment sampling
- VTEM surveying
- IP surveying
- Geological reconnaissance, prospecting and mapping
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1.0 INTRODUCTION

This report presents work completed on the Inkamulla Tenement (EL28336) by Mithril for the life of the tenement, ending 7 April 2015.

EL28336 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.

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 nearby 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 EL28336 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. In September 2014 MMG withdrew from this agreement.
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

EL28336 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

EL28336 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 EL28336. No recorded historical samples were identified over the tenement area. Most of the exploration in the nearby area has been previously restricted to tungsten, uranium and REE exploration as evidenced by the nearby Valley Bore (W), Haddock (U) and Daicos (REE) mineral occurrences.

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

This work identified a north–south trending sporadic gold bearing horizon over some 100’s of meters on the eastern margin of the well-defined mafic-ultramafic unit. A small discrete IP anomaly is coincident with this horizon. A summary location of work completed in 2011-12 can be found in figures 3-5.
Figure 3: Grab sample locations on airphoto image for 2011-12 year.
Figure 4: VTEM lines on airphoto image for 2011-12 year.
4.2 Work Completed During 2012-2013

Work Completed during the 2012-2013 year included:

- Heritage survey
- Stream sediment sampling (12 samples)
- Grab sampling (1 sample)

The heritage survey excluded drilling of the coincident IP anomaly with the N-S gold horizon. No significant anomalies were detected from the stream sediment geochemical sampling, Figure 6).

4.3 Work Completed During 2013-2014

Work completed during the 2013-14 reporting period was restricted to desktop studies and reassaying of 3 rockchip samples collected in the 2011-12 reporting year.

4.4 Work Completed During 2014-2015

No field work was completed on the tenement during the 2014-15 year. In September 2014 MMG withdrew from the joint venture over the licence. Following a review of all data by Mithril after MMG withdrawal the tenement was relinquished entirely on the 7th April 2015.
Figure 6: Surface sample locations 2012-13 reporting year.
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