EL27662 – SALT HOLE DAM

ANNUAL AND FINAL REPORT

For the Period

1 June 2010 to 7 April 2015

Compiled By

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

All data provided is of GDA94 Datum, Zone 53.

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SUMMARY

This report presents work completed during the nearly 5 years of tenure on the Salt Hole Dam Tenement (EL27662), granted to Mithril Resources Ltd (Mithril) on 1 June 2010.

EL27662 is centred approximately 140 km east 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.

Exploration has focused on the Harts Range Group and in particular the Riddoch Amphibolites.

MMG Ltd joint ventured into the EL, during the 2012 reporting period, with a focus on nickel sulphide exploration and subsequently withdrew from the JV in September 2014.

Work completed during the 2014-15 reporting period was restricted to desktop review of all results obtained to date. As a result of this review the licence was relinquished in full on the 7th April 2015.

Work completed over the life of the EL has included:

- Stream sediment sampling
- Grab sampling
- Geological mapping
- Airborne EM (VTEM)
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1.0 INTRODUCTION
This report presents work completed on the Salt Hole Dam Tenement (EL27662) by Mithril for the near 5 year life of the EL, ending 7 April 2015.

EL27662 is located approximately 140 km east of Alice Springs (Figure 1). The tenement can be accessed from the north via the Plenty Highway and station tracks or the south 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 adjacent licence (EL26942) has identified significant sulphide hosted Cu-Co mineralisation at the Basil Prospect. Drill intersections at the Basil prospect include 59.1m @ 0.63% Cu and 0.07% Co in LB035DD; and 29.0m @ 0.66%Cu and 0.07% Co in LB027DD.

2.0 TENURE
Mithril Resources Limited (ACN 099 883 922) was granted exploration licence EL27662 for a six year period due to expire 31 May 2016.

Table 1: EL27662 (Salt Hole Dam) 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>Salt Hole Dam</td>
<td>27662</td>
<td>28/09/2009</td>
<td>23</td>
<td>73</td>
<td>1/06/2010</td>
<td>6 years</td>
</tr>
</tbody>
</table>
3.0 GEOLOGY

3.1 Regional Geology

EL27662 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 volcano-sedimentary succession that was metamorphosed to granulite facies during the Ordovician Larapinta Event (475-460 Ma). Litho-stratigraphical 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

EL27662 contains approximately 75% outcrop and 25% subcrop with recent cover from colluvial sand and gravel (Figure 2).

Where outcrop is available the dominant stratigraphic units are the Irindina Gneiss and the Riddoch Amphibolite. The Irindina Gneiss is a quartz-feldspar-biotite +/-garnet gneiss with interbedded massive amphibolites with lesser calc-silicates and marble. The Riddoch amphibolites are massive to compositionally layered amphibolite intercalated with garnet-biotite-feldspar-quartz gneiss and rare quartzitic units.

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**

Numerous companies and individuals have explored in the general area covered by EL27662.

A detailed synthesis of previous exploration work is contained in the 2011 Annual Report.

4.1 **Work Completed During 2010-2011**

- Review of historical work over the project area
- Airborne EM (VTEM) survey (77.1 line km). Locations in Figure 3.
- Geological reconnaissance / prospecting
- Collection of 5 rockchip samples (locations in Figure 3).
This work identified a number of VTEM anomalies that required ground follow up.

4.2 Work Completed During 2011-2012

- Work completed during the 2011-2012 reporting period included:
  - Field reconnaissance of VTEM anomalies
  - MMG review of all existing data over the project

This work did not locate the source of the VTEM anomalies and were attributed to surficial features of little or no interest.

4.3 Work Completed During 2012-2013

Work completed during the 2012-13 reporting period included:
- Helicopter assisted stream sediment and grab sampling (33 stream sediments and 1 rockchip sample), Figure 4.
- Geological reconnaissance
The stream sediment results suggested some weak base and precious metal anomalous drainage areas that need to be assessed further.

4.4 Work Completed During 2013-2014

Work completed during the 2013-14 reporting period was restricted to desktop studies of results obtained from previous years’ work.

5.0 WORK COMPLETED DURING THE REPORTING PERIOD

No field work was completed on the tenement and as a result of a review of the work completed the tenement was relinquished in full on the 7th April 2015.