



MITHRIL
RESOURCES LTD

EL 28335 – ALBARTA BORE

YEAR 1 ANNUAL REPORT

For the Period

4 July 2011 to 3 July 2012

Compiled By

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

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All data provided is of GDA94 Datum, Zone 53.

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SUMMARY

This report presents work completed during the first year of tenure on the Albarta Bore Tenement (EL 28335), granted to Mithril Resources Ltd (Mithril) on 4 July 2011.

EL 28335 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.

Work completed during the reporting period included:

- Historical data compilation
- 140 float and rock chip samples
- 416 soil samples
- Ground Gravity Survey: 495 gravity stations on 38 lines
- Airborne Magnetic Survey: 206.6km² area surveyed

Geophysical anomalies were observed in both surveys and require follow up work along with continuation of geological field mapping and sampling. Drill programs are also planned for the next reporting period.

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- Appendix 1:** Surface sample locations
Digital file: EL28335_2012_A_02_SurfaceLocations.txt

- Appendix 2:** Surface sample geochemical data
Digital file: EL28335_2012_A_03_SurfaceGeochem.txt

- Appendix 3:** Soil sample locations and geochemical data
Digital file: EL28335_2012_A_04_SoilLocationGeochem.txt

- Appendix 4:** Surface sample logging codes data
Digital file: EL28335_2012_A_05_LithologyCodes.txt

- Appendix 5:** Historical data compilation by Mithril Resources Ltd
Digital file: EL28335_2012_A_06_HistoricalData.pdf

- Appendix 6:** Ground gravity report by Haines Surveys Pty Ltd
Digital file: EL28335_2012_A_07_GroundGravityReport.pdf

- Appendix 7:** Ground gravity data
Folder file: EL28335_2012_A_08_GroundGravityData

Appendix 8: Airborne magnetic report by Aerosystems Pty Ltd
Digital file: EL28335_2012_A_09_AirborneMagneticReport.pdf

Appendix 9: Airborne magnetic data
Folder file: EL28335_2012_A_10_AirborneMagneticData

Appendix 10: File listing information
Digital file: EL28335_2012_A_11_FileListing.txt

1.0 INTRODUCTION

This report presents work completed on the Albarta Bore Tenement (EL 28335) by Mithril for the first reporting year, ending 3 July 2012.

EL 28335 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 east via the Numery Road and station tracks. Station tracks provide for reasonable access to much of the tenement area.

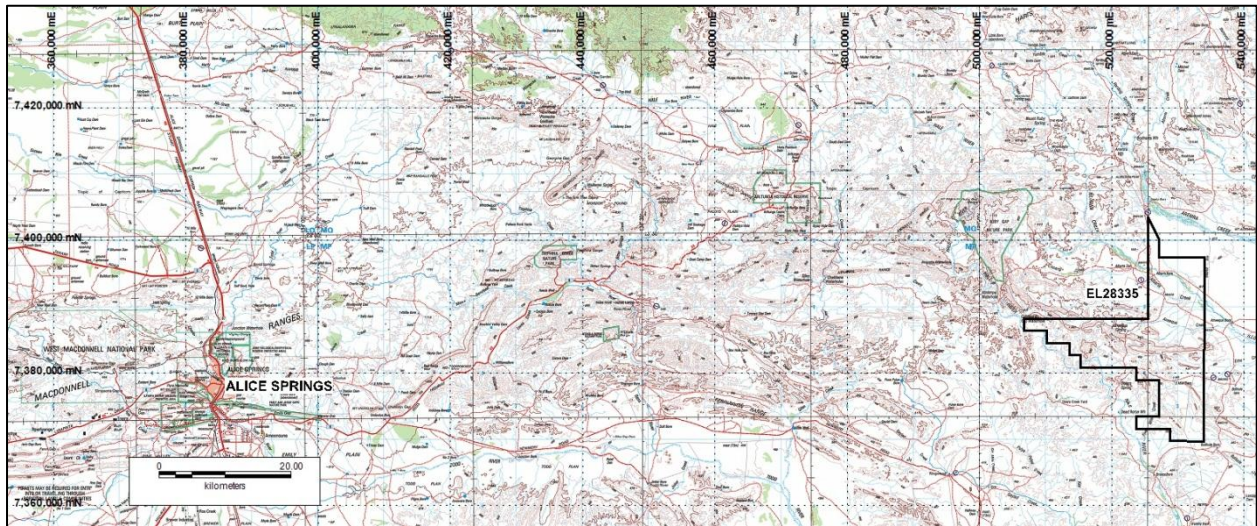


Figure 1: Location of EL 28335 (Albarta Bore).

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 neighbouring tenements. However, recent exploration on the adjacent licence (EL 26942) 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 license EL 28335 for a six year period due to expire 3 July 2017.

Table 1: EL 28335 (Albarta Bore) tenure.

Project	Tenement Name	Tenement No	Application Date	Grant Blocks	Area (km ²)	Grant Date	Grant Period
Illogwa	Albarta Bore	28335	12/10/2010	108	388	4/07/2011	6 years

3.0 GEOLOGY

3.1 Regional Geology

EL 28335 lies within the Proterozoic Aileron Province and Amadeus Basin of the Arunta Inlier.

Heavitree Quartzite, Bitter Springs Formation and the Atneeqa Granitic Complex make up the majority of the hills and ranges seen over the tenement area.

3.2 Project Geology

The tenement area contains approximately 50% outcrop/subcrop and 50% recent cover from colluvial sand and gravel (Figure 2).

The area has been subjected to intense deformation and metamorphism and is considered prospective for;

- Ni-Cu-PGE mineralisation in layered mafic and ultramafic intrusions
- “Basil type” Cu-Co semi-massive sulphides
- Vein-style REE-Th mineralisation
- IOCG style mineralisation

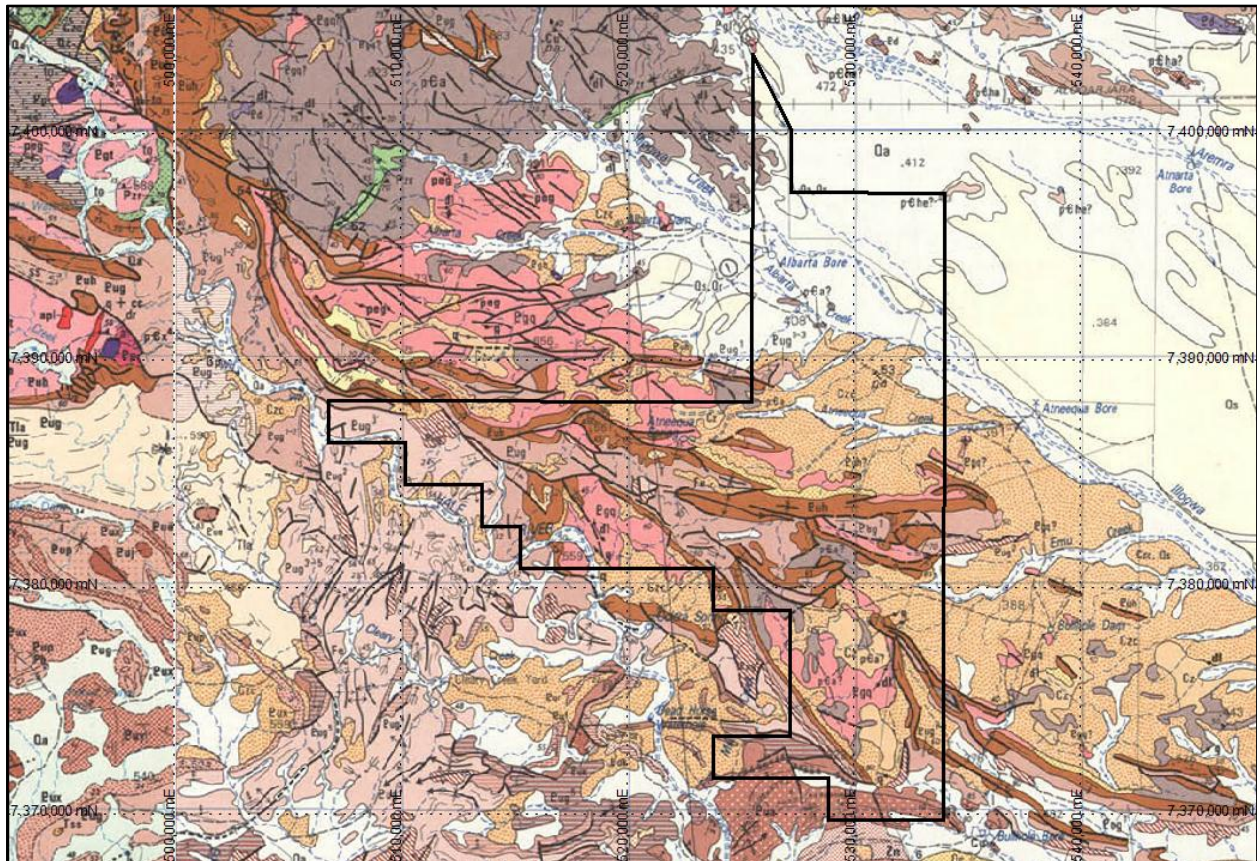


Figure 2: Geology of EL 28335 (from published geology map sheet – Quartz 100K).

4.0 HISTORICAL EXPLORATION WORK COMPLETED

Numerous companies and individuals have explored in the general area covered by EL 28335.

A detailed synthesis of previous exploration work is contained in Appendix 5.

5.0 WORK COMPLETED DURING THE REPORTING PERIOD

5.1 Surface Sampling

During mapping and sampling campaigns conducted in late 2011 and early 2012, 140 surface samples (rock chips) were collected (Figure 3). All location and assay data are included in Appendices 1 and 2. Elevated copper (>1%Cu) and gold (to 0.2g/tAu) were found outcropping in intensely hematite and silica altered outcrops at a number of locations.

Samples were analysed using ALS's method ME-ICP61. Where reported, Au, Pt, and Pd were analysed using ALS's method PGM-ICP23.

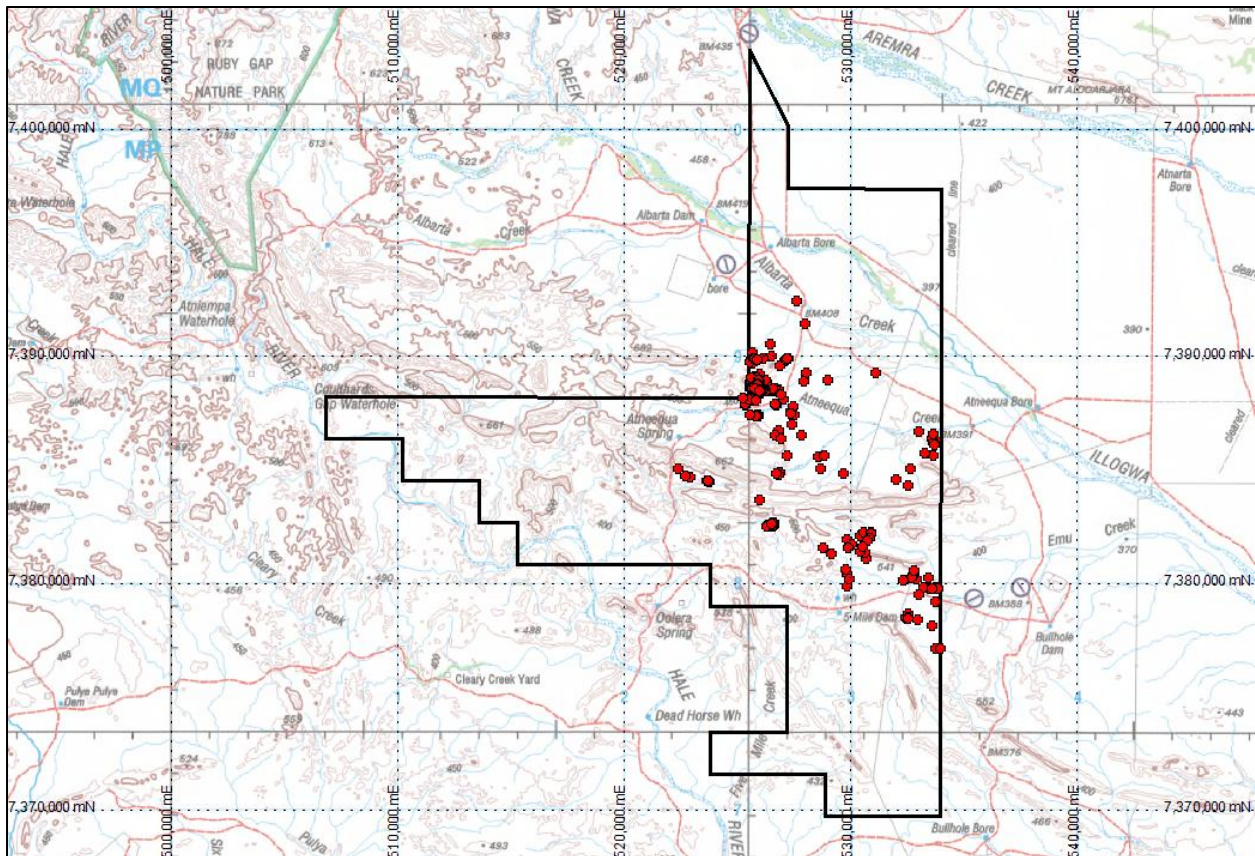


Figure 3: Surface sample locations.

5.2 Soil Sampling

In late October, early November 2011, a ground gravity survey was completed where soil samples were collected at each gravity station.

Locations of gravity stations/soil samples are shown in Figure 4 and assay data is included in Appendix 3.

Samples were analysed using ALS's method ME-ICP43. Where reported, Au, was analysed using ALS's method Au-TL43.

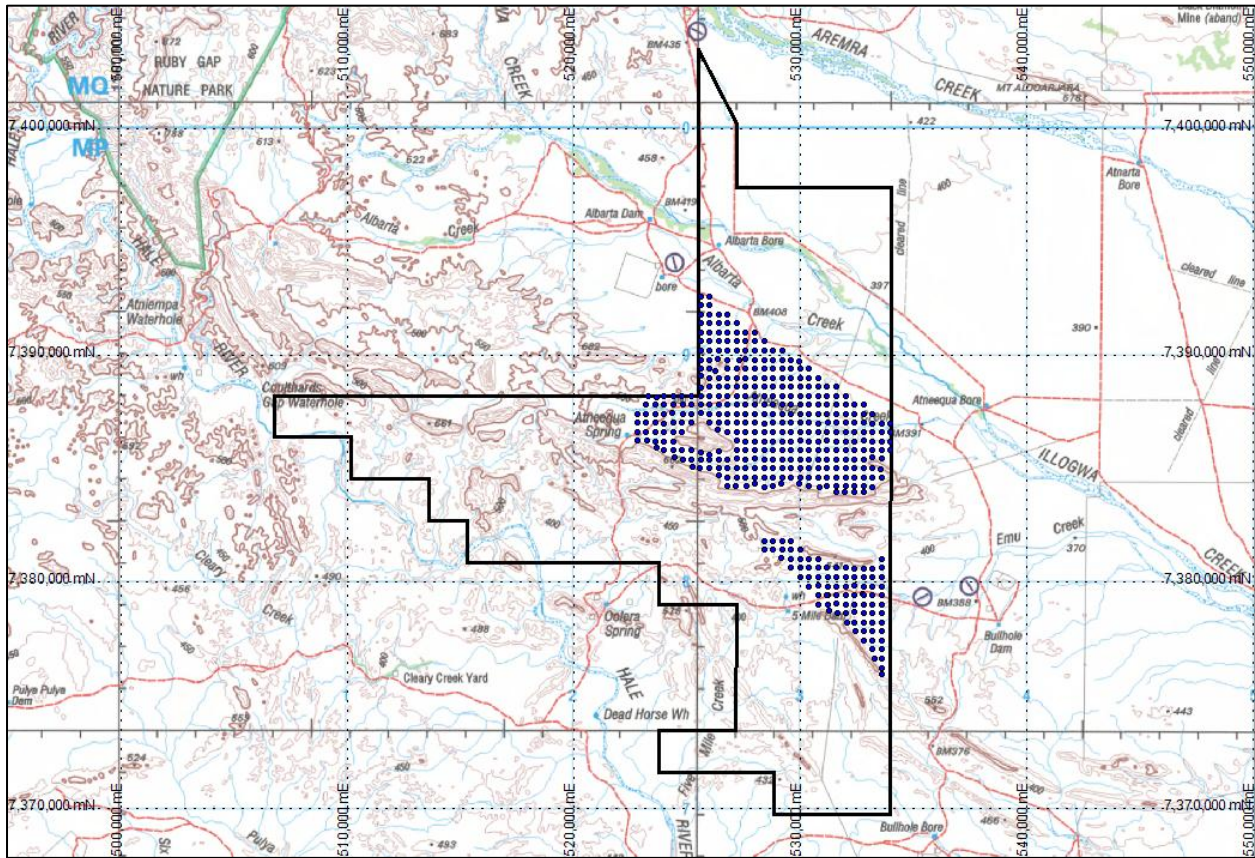


Figure 4: Soil sample locations.

5.3 Geophysics – Ground Gravity

A ground gravity survey was undertaken from 23 October to 2 November 2011 by Haines Surveys.

461 gravity stations in 29 lines were completed throughout the survey. Lines and stations were spaced at 400 m. A significant anomaly, striking northwest-southeast, was identified within the centre of the survey area (Figure 5)

A report and data from the gravity survey are included in Appendices 6 and 7.

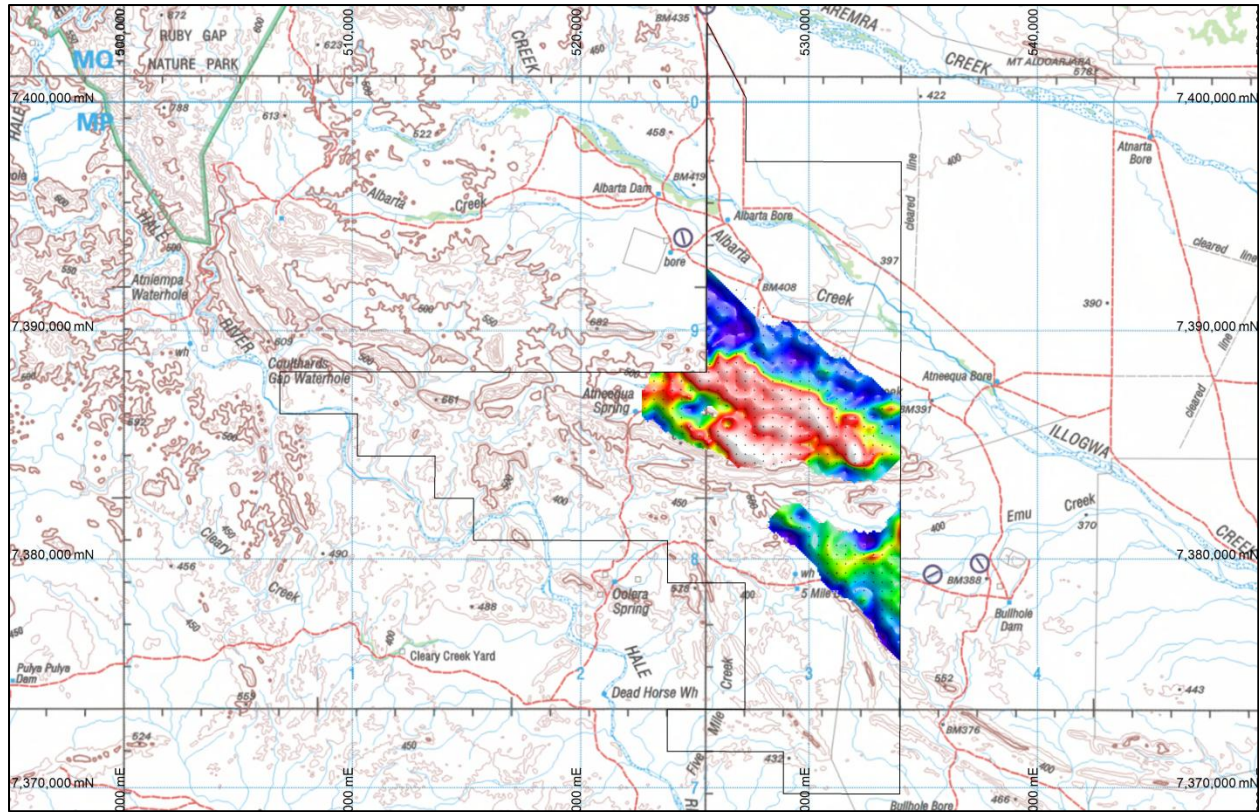


Figure 5: Gravity image and survey locations (black crosses).

5.4 Geophysics – Airborne Magnetics

An airborne magnetic survey was undertaken during the reporting period. The survey was conducted from 22 to 30 March 2012 by Aerosystems.

An area of approximately 205 km² of data was acquired from flight lines spaced 100 m (Figure 6).

The survey identified a significant conductive body, striking northwest-southeast and is coincident with the anomaly observed from the gravity survey (Figure 7).

A report and data from the airborne magnetic survey are included in Appendices 8 and 9.

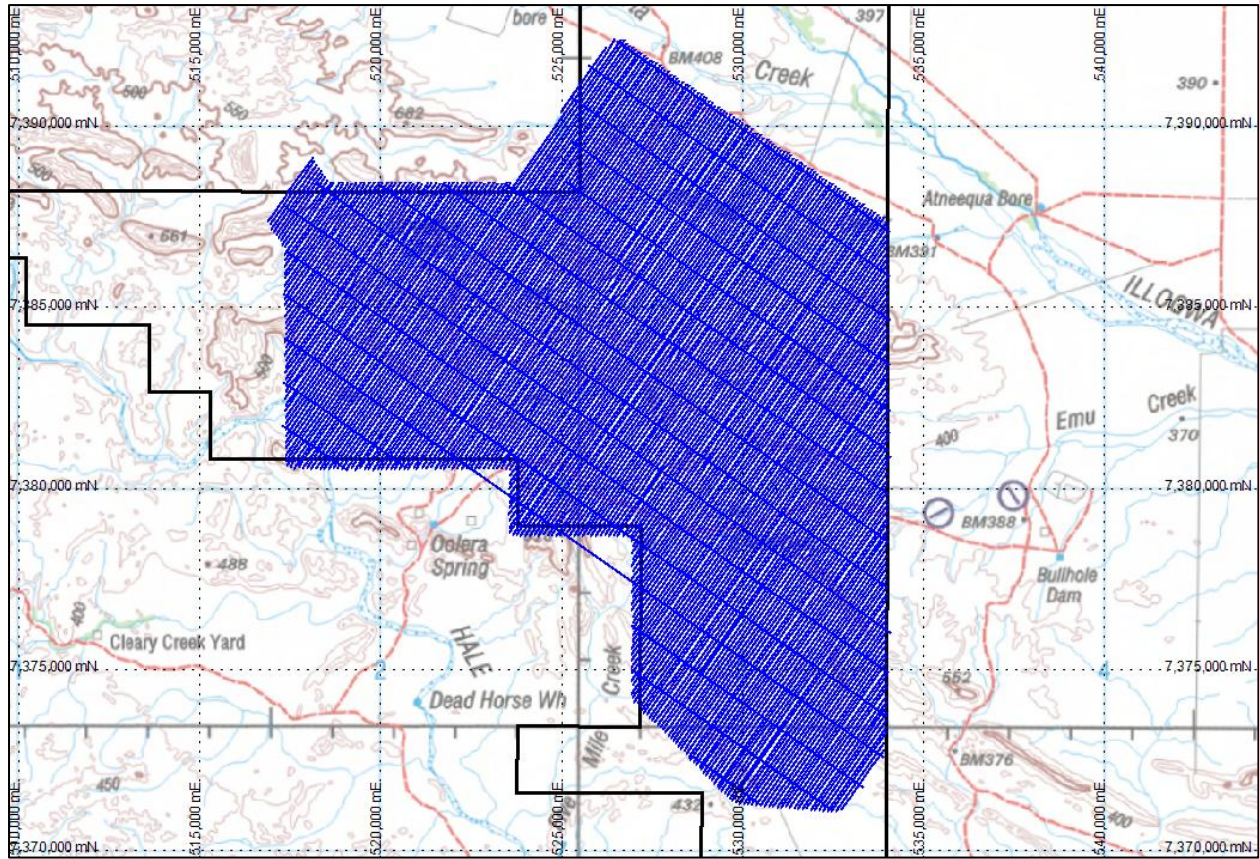


Figure 6: Airborne magnetic survey flight lines over EL 28335.

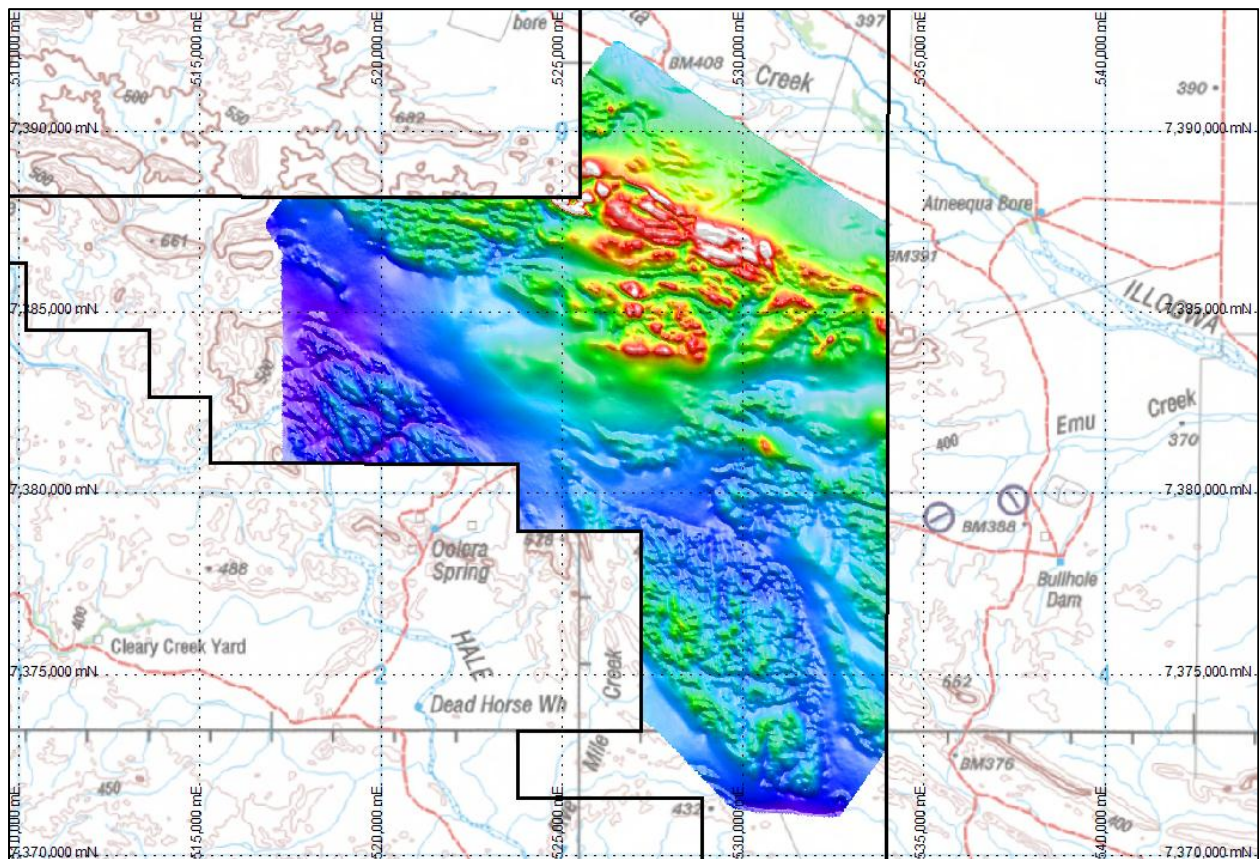


Figure 7: Airborne magnetic image.

6.0 CONCLUSIONS AND PLANNED WORK 2012-13

Work completed during the reporting period has identified significant geochemical and geophysical anomalies from both the gravity and magnetic surveys which will continue to be followed up with geological field mapping and sampling.

Reverse circulation and aircore drill programs are also planned to target geophysical anomalies and outcrop locations of interest.