

Drilling Confirms Iron Oxide Copper Gold System at Illogwa

- Drilling continues with 1,351 metres completed to date as first ever drill test of a newly recognised Proterozoic copper – gold province
- Strong iron oxide alteration and visible copper sulphide mineralisation intersected.
- Regional VTEM survey to detect buried high-grade copper gold mineralisation commencing early September 2012

Further to its ASX release of 8 August 2012, **Mithril Resources Ltd (ASX: MTH)** is pleased to advise that initial reconnaissance drilling at the **Illogwa Iron Oxide Copper Gold (IOCG) Target Area** has confirmed the presence of a potentially significant iron oxide copper gold mineralised system at this locality.

Illogwa is located on the Company's Huckitta Project approximately 150 kilometres east of Alice Springs, Northern Territory (*Figure 1*) and lies within three tenements, two of which (ELs 25643 and 25653) are subject to a joint venture between Mithril Resources (80%) and Sammy Resources Pty Ltd (20%), a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (**ASX: CAZ**). Mithril is the operator of the joint venture.

At the time of writing, 1351 metres of diamond, reverse circulation and air core holes have been drilled as an initial test of a number of priority drill targets (*Figure 2 and Table 1*) throughout Illogwa.

At **Austin**, diamond drilling of Induced Polarisation (IP) anomalies modelled to lie directly beneath outcropping hematite alteration +/- copper mineralisation, has intersected **broad zones of strongly altered (quartz – haematite – fluorite) and brecciated granite** ranging in down hole widths from 21 to 51 metres (*Figure 3*).

This style of alteration is consistent with an iron oxide copper gold mineralised system.

Significantly, **visible weak stringer and disseminated – style copper sulphide (chalcopyrite – pyrite) mineralisation** (*Figure 3*) over 13 metres down hole width was observed within the altered zone in one of the holes (APDD002).



Figure 1: Projection Location Plan

At **Mini Me**, reverse circulation drilling beneath outcropping copper mineralisation (rock chip sampling returning values ranging from 0.13% to **7.8% copper** and 0.01 g/t to **1.4 g/t gold**) has intersected **multiple zones of quartz veining and visible disseminated – style copper sulphide (chalcopyrite – pyrite) mineralisation** ranging in down hole width from 1 to 3 metres within a broader 30 metre (down hole width) zone of sheared granite and meta-sediments.

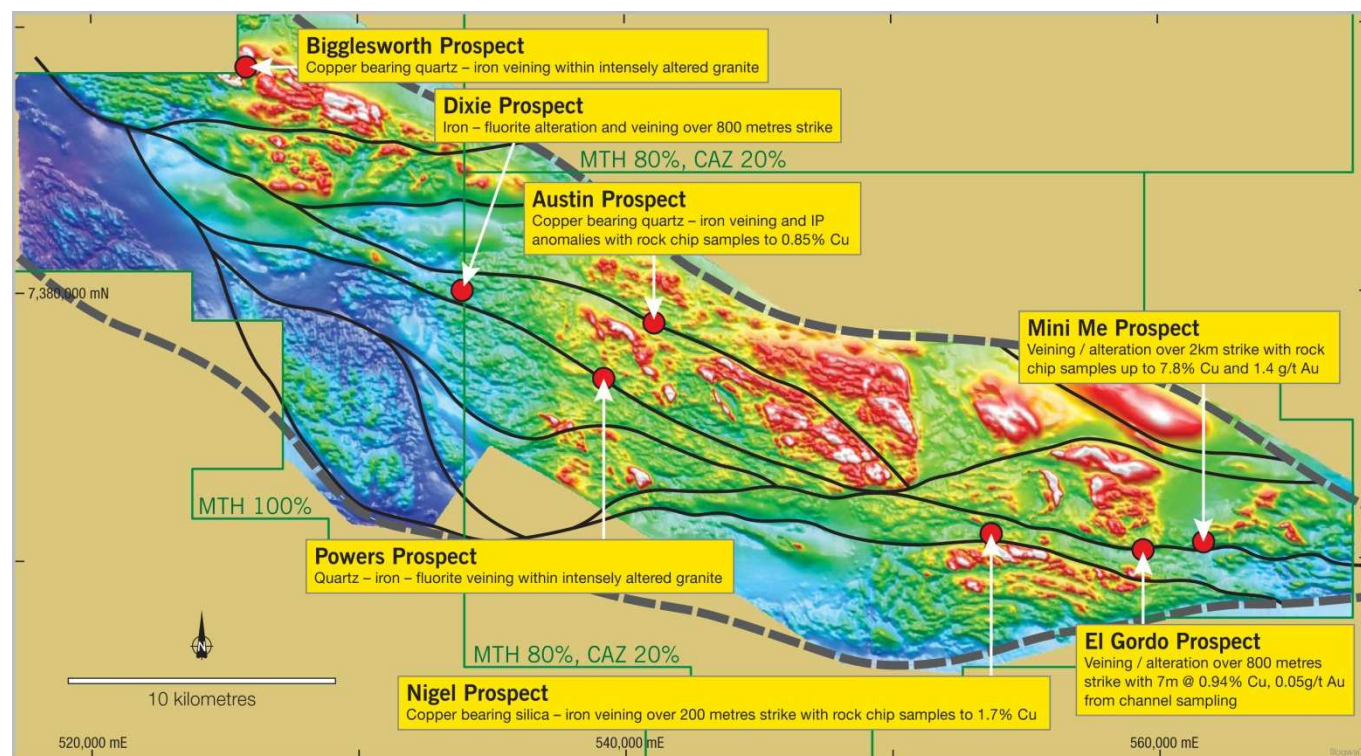


Figure 2: Illogwa Target Area prospect locations (magnetics)

While assays results are expected by early September 2012, the presence of visible copper sulphide mineralisation and broad widths of strong alteration is highly encouraging as it confirms that a significant iron oxide copper gold mineralised system is present at Illogwa. It should be noted that the prospects drilled to date cover an expansive target area – some 50 kilometres in strike length.

Additionally the presence of stringer – style sulphide mineralisation and shallow soil cover reinforces the Company's decision to carry out a **regional VTEM (airborne EM) geophysical survey** over the entire Illogwa IOCG Target Area with the aim of detecting buried high-grade copper gold sulphide mineralisation. The survey is scheduled to **commence early September 2012**.

Drilling is continuing with further holes planned at the Austin, Nigel, MiniMe and Bigglesworth prospects.



Figure 3a: Diamond drill hole APDD002 core photo from 40.00 to 40.20 metres down hole showing brecciated granite, red rock alteration and carbonate – fluorite (purple) veining.



Figure 3b: Diamond drill hole APDD002 core photo from 42.00 to 42.20 metres down hole showing brecciated granite and strong haematite – chlorite – red rock alteration.



Figure 3c: Diamond drill hole APDD002 core photo from 63.00 to 67.40 metres down hole showing quartz – haematite – fluorite alteration and stringer sulphides (chalcopyrite – pyrite).



Figure 3d: Diamond drill hole APDD002 core photo from 65.20 to 65.40 metres showing carbonate veinlets (white) and stringer sulphides (chalcopyrite – pyrite) (yellow) within strong haematite alteration (red – brown).

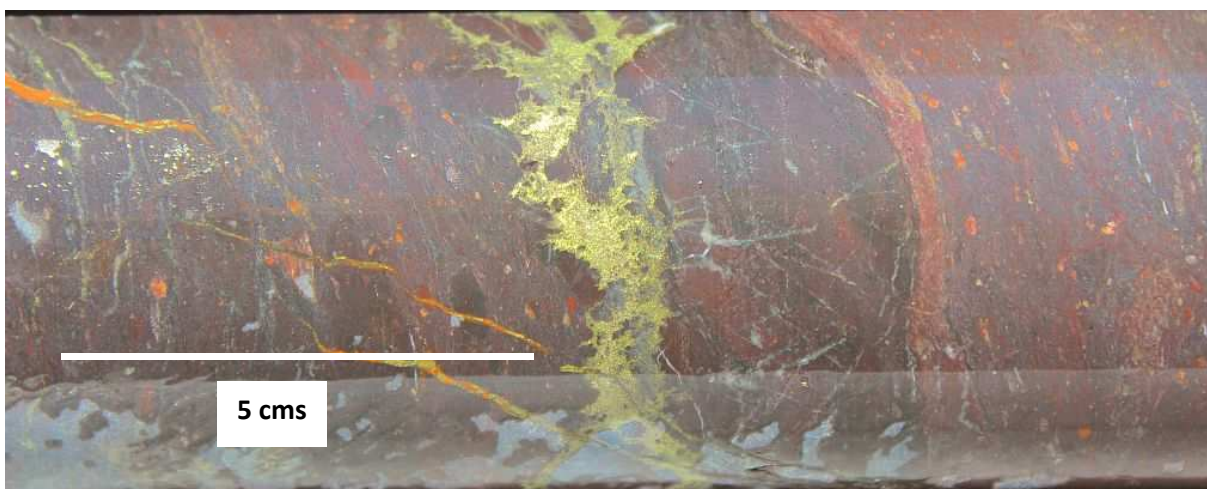


Figure 3e: Diamond drill hole APDD002 core photo from 65.60 to 65.72 metres showing stringer sulphides (chalcopyrite – pyrite) (yellow) within strong haematite alteration (red – brown).

Table 1: ILLOGWA IOCG TARGET AREA DIAMOND AND RC DRILLING

HOLE ID	PROSPECT	EASTING	NORTHING	DIP	AZI	EOH
APDD001	Austin	542615	7378755	-60	170	225.6
APDD002	Austin	541235	7379200	-60	200	159.6
RC001	El Gordo	559699	7370354	-60	180	50
RC001A	El Gordo	559692	7370325	-60	0	27
RC002	El Gordo	559515	7370386	-60	180	63
RC004	Mini Me	561451	7370739	-60	200	95
RC005	Mini Me	561431	7370717	-60	200	60
RC006	Mini Me	561414	7370682	-60	200	34
RC006A	Mini Me	561421	7370694	-60	208	25
RC007	Mini Me	561400	7370659	-60	200	30
RC009	Mini Me	561386	7370746	-60	205	64
RC029	Goldmember	563420	7371818	-60	125	60
RC030	Goldmember	563420	7371818	-60	90	37

Notes:

- Diamond drill holes are prefixed “APDD”. Reverse circulation drill holes are prefixed “RC”.
- Drill hole locations were determined using a handheld GPS achieving +/- 4 metre accuracy - MGA datum (Zone 53).

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Competent Persons Statement:

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr David Hutton (Managing Director), who is a full-time employee of the Company and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr D Hutton has more than five years' experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Mithril Resources Ltd:

Mithril Resources Ltd is an Australian exploration company focused on the discovery and development of base metal deposits primarily copper. Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground.