

East Arunta drill program to test for high-grade copper

- **3,000 metre RC drill program testing five outcropping copper targets to commence first week of September**
- **Targets prioritised following systematic work up over last 6 – 12 months**
- **Half of the targets have never been drilled with only shallow historic drilling completed on remainder**
- **Strong geological similarities between East Arunta Project Area and the Cloncurry Copper District NW Queensland**

Mithril Resources Ltd (“Mithril” - **ASX: MTH**) has now finalised details of its upcoming **3,000 metre RC** drilling program scheduled to commence during the **first week of September** 2013. The program will test five **outcropping copper targets** within the East Arunta Project Area, Northern Territory (*Figure 1*) with an additional sixth target, being a buried geophysical anomaly, to also be tested.

The targets (**Mini Me West, El Gordo, Ivana, Harry Creek, Red Rock Bore, and Coles Hill North** – *Figure 2*) have been prioritised for drill testing following systematic geological, geochemical and geophysical workup by the Company over the last 6 – 12 months.

Mini Me West, Ivana and Coles Hill North have **never been drilled** with the only shallow drilling (not below base of weathering) undertaken on the remaining targets.

The September drill program aims to **discover economic high-grade copper mineralisation** with Mithril’s work to date highlighting strong geological similarities between project area and the Cloncurry Copper District in NW Queensland.

Mini Me West and El Gordo are partly analogous to the Eloise Copper Deposit (1995 pre-mine resource of 3.1 Mt @ 5.5% Cu, 1.4 g/t Au, 16 g/t Ag – *See Notes*), where underground mining commenced in 1996 and is still continuing.

Mini Me West, El Gordo and Ivana are subject to a joint venture between Mithril (80% and operator) and Sammy Resources Pty Ltd (20%), a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (**ASX: CAZ**) with both parties funding the upcoming drilling on these targets on a pro-rata basis.

Statutory approvals have been received for Mini Me West, El Gordo and Ivana, with all remaining approvals expected by the end of August.

Mithril looks forward to informing the market once the drill program is underway.



Figure 1: Project Location Plan

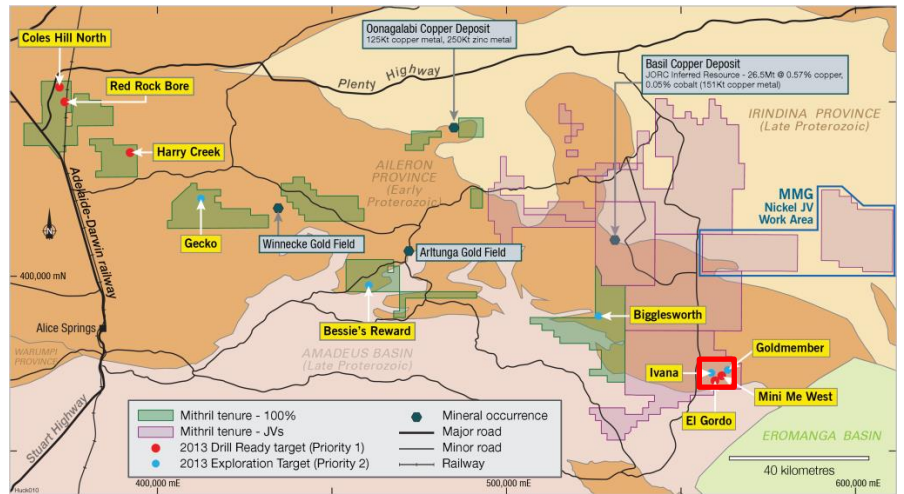


Figure 2: East Arunta Project Area – location of targets and Figure 3 (red box)

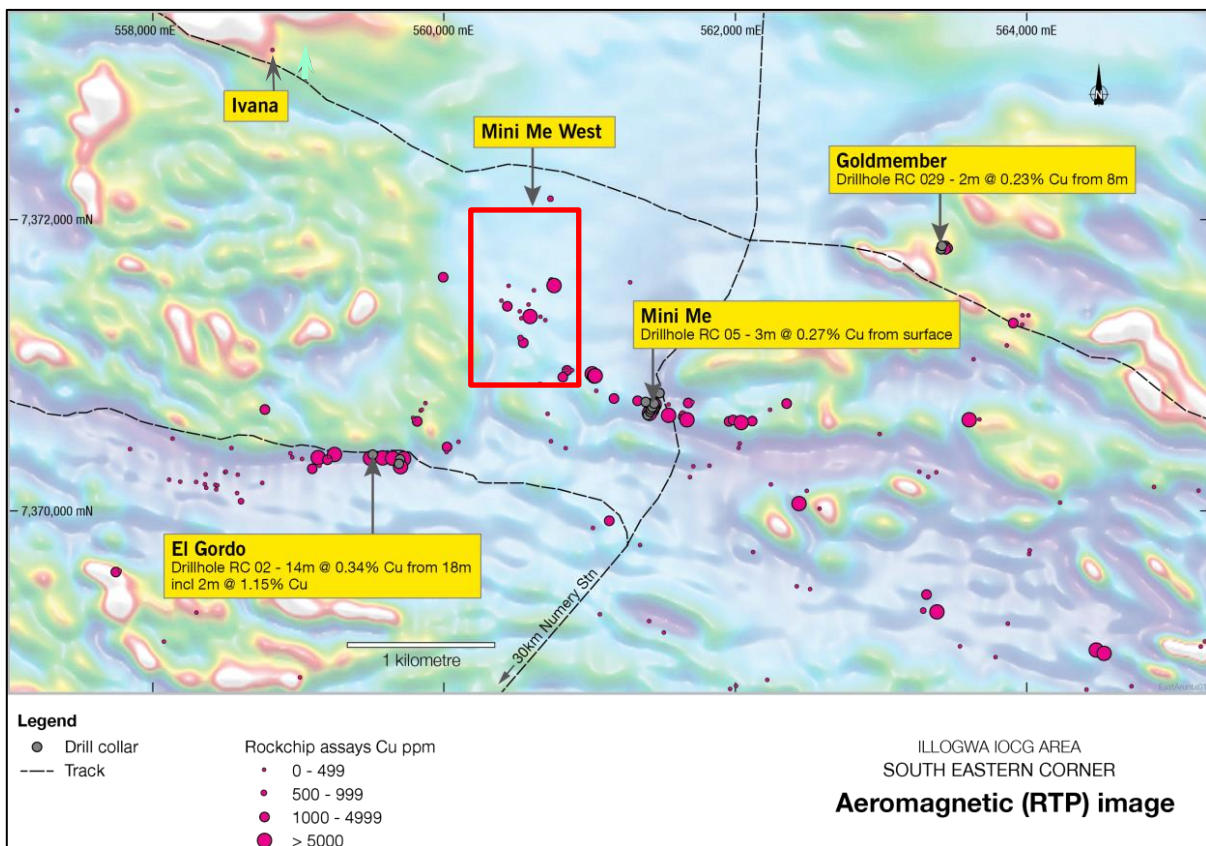


Figure 3: Mini Me West area – aeromagnetic image showing copper rock-chip results and location of Figure 4 (red box)

Target Details – in drill order

1. Mini Me West (Mithril 80% and Cazaly Resources Ltd 20%)

Mini Me West comprises an 800 - metre long combined VTEM and IP geophysical anomaly overlain by sporadically outcropping zones of veined and brecciated quartz – haematite – copper (malachite) mineralisation (rock chip results up to 1.91% copper - *Figures 3 and 4*).

Modeling suggests that the geophysical anomalies may represent a steeply dipping zone of semi – massive / massive sulphide mineralisation within a broader halo of disseminated sulphide mineralisation (*Figures 4 to 6*). The target has never been drilled and 8 holes (average hole depth of 120 – 140 metres) on two traverses are planned to test the significance of the geophysical anomalies and surface copper mineralisation.

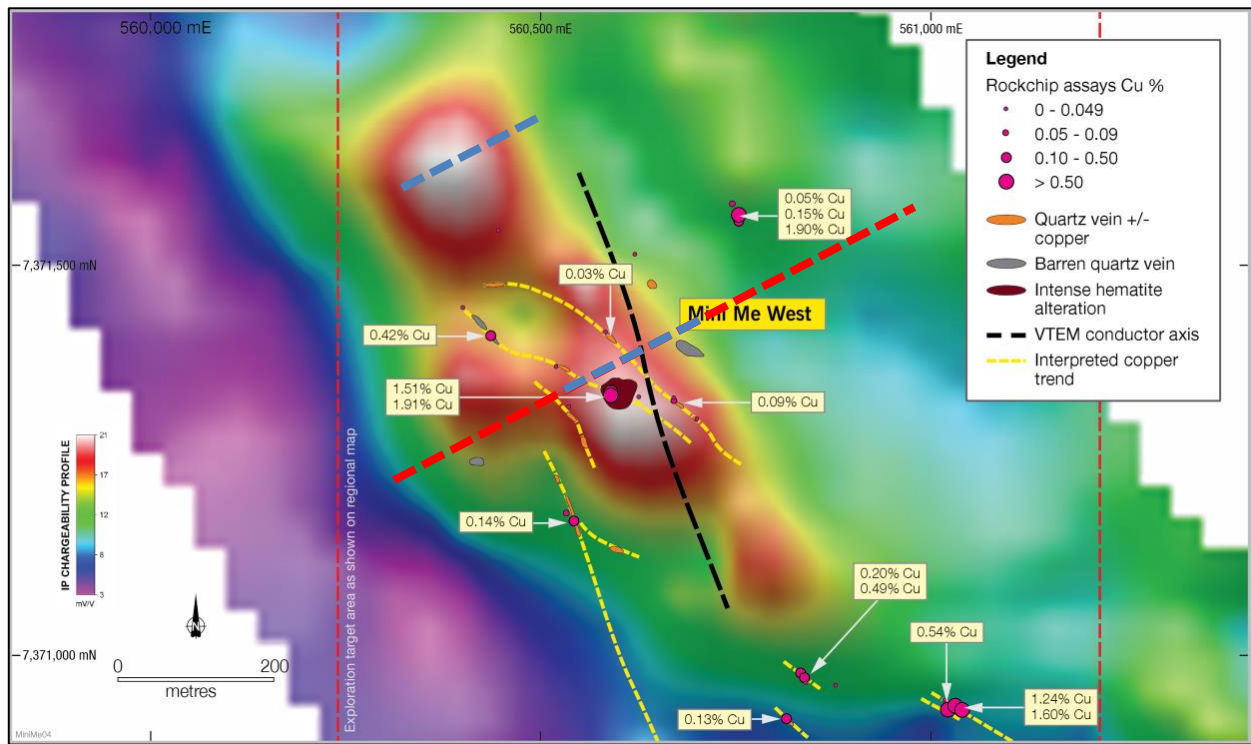


Figure 4: Mini Me West – IP chargeability image showing IP section location (red dashed line), VTEM conductor (black dashed line), surface copper mineralisation and proposed drill traverses (blue dashed lines)

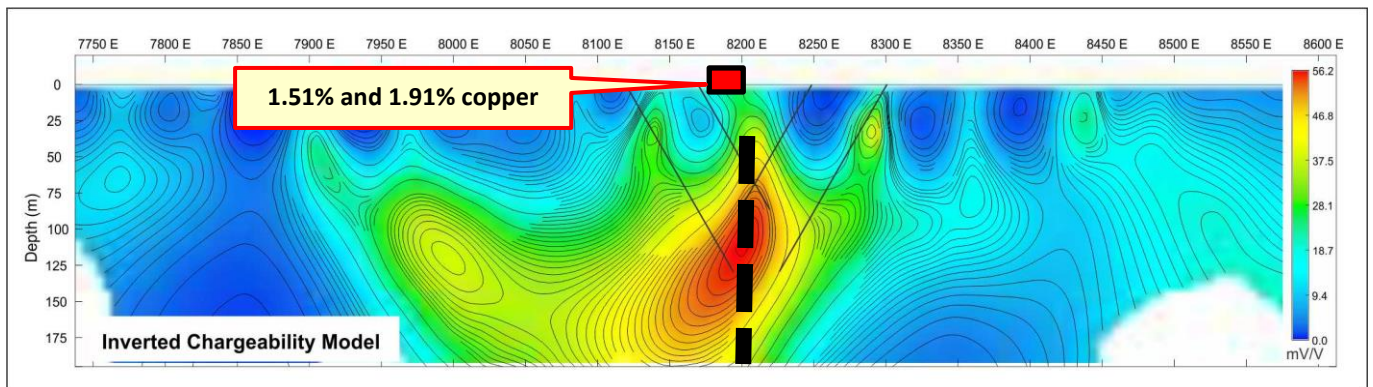


Figure 5: Mini Me West – IP Section (location in Figure 4) showing chargeability (high) anomaly (10 x background), VTEM profile and conductor (black dashed line), surface copper and proposed drill holes.

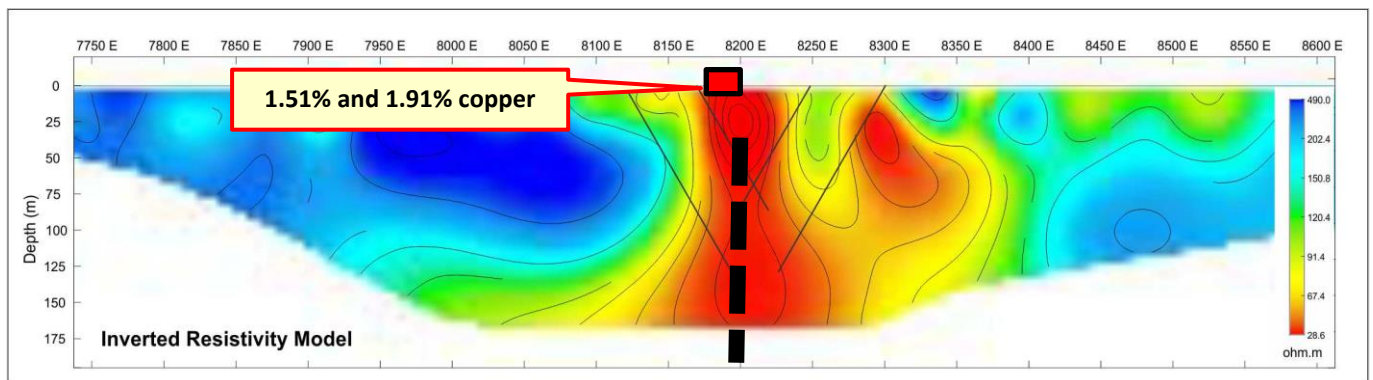


Figure 6: Mini Me West – IP Section (location in Figure 4) showing resistivity low coincident with chargeability high shown above, VTEM profile and conductor (black dashed line), surface copper and proposed drill holes.

2. El Gordo (Mithril 80% and Cazaly Resources Ltd 20%)

El Gordo is located 1 kilometre southwest of Mini Me West (*Figure 3*), and comprises an 800 - metre long zone of outcropping sheared and veined copper (malachite – azurite) mineralisation and associated quartz – haematite alteration with surface widths (true widths unknown) ranging from 2 to 10 metres (rock chip results up to 12.6% copper, 1.0g/t gold and 12.5g/t silver).

Three weak VTEM geophysical anomalies are also present at El Gordo. The features have not been drill tested and their significance is currently being assessed given that they coincide with, and lie directly along strike from, known copper mineralisation.

Three shallow reconnaissance drill holes completed by Mithril in late 2012 at the eastern end of El Gordo, confirmed the presence of a copper mineralised system at El Gordo, with one hole (RC02) returning 14m @ 0.34% copper, 0.04g/t gold from 18 metres including 2m @ 1.15% copper, 0.23g/t gold. The intersection lies 50 metres along strike from a weak VTEM geophysical anomaly and remains open in all directions.

3 holes (average hole depth of 100 – 120 metres) are planned to test down dip and along strike from the MIRC-008 intercept in order to assist in determining the size potential of the El Gordo system.

3. Ivana (Mithril 80% and Cazaly Resources Ltd 20%)

Ivana is located 2 kilometres north-west of Mini Me West (*Figure 3*) and comprises a strong copper in soil anomaly (up to 240ppm copper) that overlies a regional east – west trending structural zone that is developed parallel to the El Gordo – Mini Me West trend to the south.

The target has never been drilled and a short reconnaissance traverse of 3 holes (average hole depth of 40 metres) will be drilled across the soil anomaly with the aim of confirming the prospectivity of the target and underlying structure.

4. Harry Creek (Mithril 100%)

At **Harry Creek**, continuously outcropping zinc – lead – copper mineralisation has been mapped over a 400 metre strike length (up to 15 metres true width). A single diamond drill hole completed in 1966 (DDH1) confirmed the existence of a major mineralised system at Harry Creek and returned 19.87m @ 0.54% zinc, 0.14% lead, 0.08% copper from 22.8 metres including **4.21m @ 2.08% zinc, 0.27% lead, 0.21% copper from 38.5 metres** (*Figure 7*).

2 holes (average hole depth of 140 metres) are planned as further test in order to confirm Harry Creek's size potential. One hole will test approximately 50 metres down dip (in fresh rock) of the DDH1 intercept and a second hole will test a historic EM anomaly that lies approximately 200 metres west along strike of DDH1.

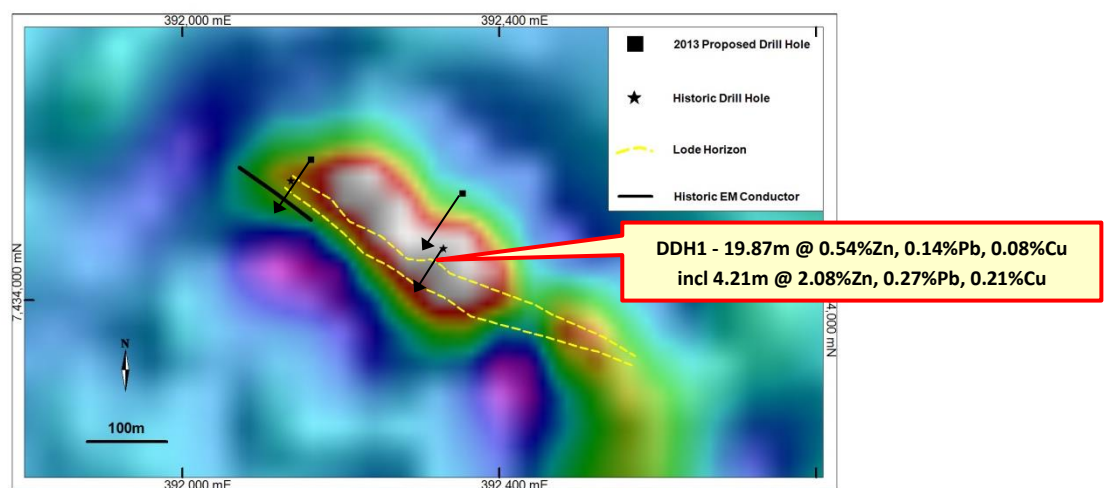


Figure 7: Harry Creek – ground magnetic image showing outcropping mineralisation, EM conductor and proposed drilling

5. Red Rock Bore (Mithril 100%)

At **Red Rock Bore**, outcropping zinc – lead – copper mineralisation has been previously drilled on 50 metre-spaced sections over 1 kilometre strike length (5 to 10 metres true width) to an average vertical depth of 100 metres with a best result of 12.30m @ 3.7% zinc, 0.6% lead, and 0.09% copper from 131.30 metres in RRK031 including **1m @ 13.6% zinc, 0.1% lead, 0.08% copper from 132.30 metres** (Figure 8).

The mineralisation remains open in all directions and the potential to extend the mineralisation has been reinforced following a recent review of geophysical data. Modeling of newly acquired ground magnetic data and historic IP data confirms that a combined magnetic and IP chargeability anomaly coincident with the known mineralisation extends for several hundred metres to the north-west and south east (along strike) beyond the area of drilling.

Similarly, a number of undrilled parallel – trending IP geophysical anomalies, potentially indicative of new mineralised zones have also been identified.

10 holes (average hole depth of 80 – 100 metres) will be drilled on two traverses to test for along strike extensions to the known mineralisation and also for new mineralisation associated with the parallel IP geophysical anomalies.

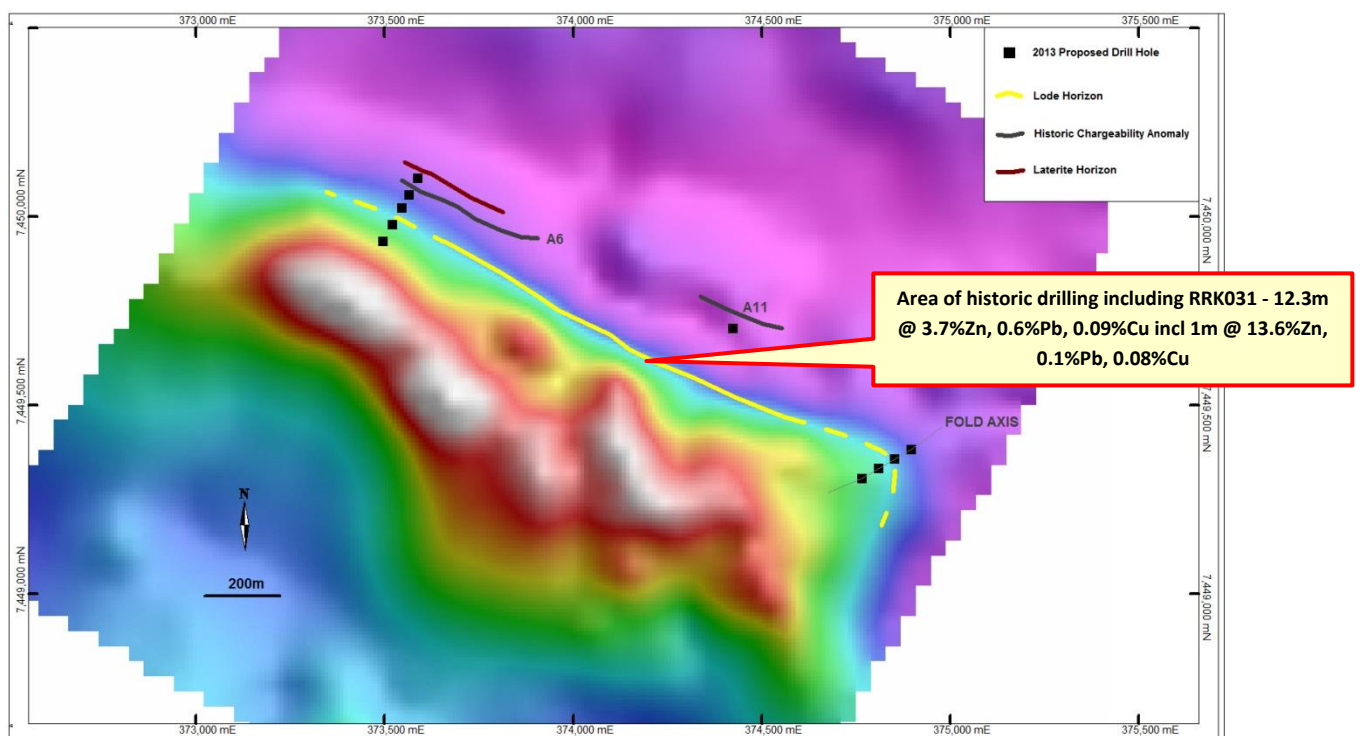


Figure 8: Red Rock Bore – ground magnetic image showing drilled mineralisation (yellow solid line) and potential extensions (yellow dashed lines), parallel IP anomalies (blue lines) and proposed drill traverses

6. Coles Hill North (Mithril 100%)

The **Coles Hill North** target is entirely under sand cover and lies 4 kilometres north of Red Rock Bore. It comprises a combined EM and magnetics geophysical anomaly that is interpreted to sit in the same stratigraphic position as the Red Rock Bore mineralisation.

The target has never been drilled and a short reconnaissance traverse of 3 holes (average hole depth of 40 metres) will be drilled across the soil anomaly with the aim of determining the significance of the geophysical anomaly.

ENDS

NOTES SPECIFIC

About the East Arunta Project Area

The East Arunta Project Area (“East Arunta”) is highly prospective for the discovery of economic base metal (copper, nickel, silver, lead and zinc) mineralisation and incorporates the 4,083 kms² **Huckitta Project** and wholly – owned 992 kms² **Yambah Project**.

East Arunta is located immediately north and east of Alice Springs in the Northern Territory (*Figures 1 and 2*) and represents a significant greenfields exploration portfolio within the rapidly emerging, and relatively underexplored Eastern Arunta Province of the Northern Territory. Significant mineral occurrences within the province includes the Company’s **Basil Copper Deposit** (Inferred Resource of 26.5Mt @ 0.57% copper, 0.05% cobalt), Kentor Gold Limited’s (ASX: KGL) **Jervois Copper – Silver – Gold Project**, and Kidman Resources Limited’s (ASX: KDR) **Home of Bullion Copper Project**.

The **Basil Copper Deposit Inferred Mineral Resource** of 26.5Mt @ 0.57% copper, 0.05% cobalt has been calculated using a 0.3% copper cut-off grade. The Resource is composed of both interpolated and extrapolated resources and has been reported in accordance with the JORC Code (2004) and JORC/ASX Companies Update Number 03/07. *Refer to ASX Announcement dated 21 March 2012 for further information.*

In addition to 100% - owned tenements, Mithril has two joint ventures covering approximately 52% of the East Arunta Project Area.

1. Sammy Joint Venture (MTH – 80% / CAZ – 20%)

The joint venture covers two tenements (EL’s 25643 and 25653) in the south eastern portion of the project area and is the current focus of the Company’s copper exploration efforts. The joint venture is between Mithril Resources (80% and operator) and Sammy Resources Pty Ltd (20%), a wholly owned subsidiary of ASX-listed Cazaly Resources Ltd (**ASX: CAZ**) with both parties funding the JV on a pro-rata basis.

2. Huckitta Nickel Joint Venture (MMG earning up to 80% Nickel Rights)

MMG Limited can earn up to 80% of the nickel rights on the following Mithril tenements (EL’s 26942, 27178, 27243, 27435, 27662, 28336, 28471, and 28501) at Huckitta, by completing expenditure of \$4 million and a Pre-Feasibility study on a JORC Indicated Mineral Resource.

Under the terms of the joint venture agreement, MMG must spend a minimum of \$1.5 million by 31 October 2013. If MMG doesn’t satisfy this requirement then it is obliged to pay Mithril the difference between actual expenditure and the \$1.5 million.

Eloise Copper Deposit 1995 Pre Mine Resource

The Eloise Copper Deposit 1995 pre-mine resource of 3.1 Mt @ 5.5% Cu, 1.4 g/t Au, 16 g/t Ag was sourced from; Baker.T (1998)., *Alteration, Mineralisation and Fluid Evolution at the Eloise Cu-Au Deposit, Cloncurry District, Northwest Queensland, Australia. Economic Geology Vol. 93, 1998, pp 1213-1236.*

Historic Drilling Details

| Hole ID | Prospect | Easting | Northing | AziMag° | Dip° | From | Width | % Zinc | % Lead | % Copper | g/t Gold |
|------------------|---------------|---------|-----------|---------|------|--------|-------|--------|--------|----------|----------|
| RC02 | El Gordo | 559,515 | 7,370,386 | 180 | -60 | 18.0 | 14.0 | - | - | 0.34 | 0.05 |
| <i>Including</i> | | | | | | 21.0 | 1.0 | - | - | 1.83 | 0.36 |
| DDH 1 | Harry Creek | 392,326 | 7,434,102 | 225 | -49 | 22.8 | 19.87 | 0.54 | 0.14 | 0.08 | - |
| <i>including</i> | | | | | | 38.5 | 4.21 | 2.08 | 0.27 | 0.21 | - |
| RRK031 | Red Rock Bore | 374,420 | 7,449,440 | 20 | -60 | 131.30 | 12.30 | 3.7 | 0.6 | 0.09 | - |
| <i>including</i> | | | | | | 132.30 | 1.00 | 13.6 | 0.1 | 0.08 | - |

All drilling results are historic and as such, the analytical method is unknown, with the exception of RC02 whose results were obtained from analysis of 1 or 2 metre samples. All samples are prepared and analysed at ALS Global Pty Ltd.'s Perth Minerals Laboratory following preparation at ALS's Alice Springs Sample Preparation facility. Sample preparation is by pulverisation of the entire sample to a nominal 85% passing 75 microns in size. Base metal analysis is carried out by subjecting a 25-gram portion of the sample to a multi acid digest and analysing the sample by Inductively Coupled Plasma Atomic Emission Spectrometry (method ME-ICP61). Gold and precious metal analysis is carried by 25g Fire Assay and an AAS finish (method Au-AA25).

Intersections are reported as down hole widths, not true widths. Reported intersections are calculated as length weighted average grades typically using a 0.1% zinc, lead, and copper cut-off grade. Holes with "DDH" prefix are diamond drill holes, and holes with "RC" or "RRK" prefix are reverse circulation drill holes. The location of drill holes is given using the 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.