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ASX:MTH

Inferred Mineral Resource Estimate for the Basil Copper-Cobalt Deposit

- **Consultants Mining Plus have completed an initial Inferred Mineral Resource estimate for the Basil Copper-Cobalt Deposit**
  - **90Mt@0.28%Cu, 0.03%Co at a 0.1%Cu Cut off; or**
  - **26.5Mt@0.57%Cu, 0.05%Co at a 0.3%Cu Cut off**
- **Inferred Resource estimate includes the Rotten Hill and Peaks Mineralised Zones (~3km of strike) on the 10km long mineralised trend at Basil**
- **The deposit remains open down-dip and along-strike**
- **Field work underway focusing on higher grade targets at key locations across the Huckitta Project**

Base metals explorer Mithril Resources Ltd (Mithril/Company) is pleased to advise that a JORC code compliant Inferred Mineral Resource estimate has been completed for the Rotten Hill and Peaks zones of the Basil copper-cobalt deposit on its Huckitta Project in the Northern Territory (Figure 1).

The Company commissioned Mining Plus Pty Ltd (Mining Plus) to undertake the resource estimate for the Basil copper-cobalt deposit and the result is presented in Table 1 at two different cut-off grades. The resource has been classified as an Inferred Mineral Resource and this classification is based on criteria including geological and grade continuity, the quality of the data and the confidence of the estimation.

JORC Category	Cut off grade	Tonnes (MT)	% Cu	Co ppm	S%	Fe%
Inferred	0.3	26.5	0.57	504	11.3	25.4
Inferred	0.1	90.0	0.28	309	6.3	19.1

Table 1: Basil Deposit Inferred Mineral Resource details at cut off grades of 0.3% copper and at 0.1% copper.

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The Inferred Mineral 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. A resource estimation summary is provided in the attached appendix.

A portion of the mineralisation has been extrapolated beyond the extents of the drilling to reflect the expected geological continuity. The proportion of the resource that is based on extrapolated data is approximately 41% and 99% of the blocks used for the extrapolated portion of this resource lie within 275m of an existing drill hole. A diagrammatic representation of the Inferred Resource outlining the extrapolated part of the estimated resource is shown in Figure 2.

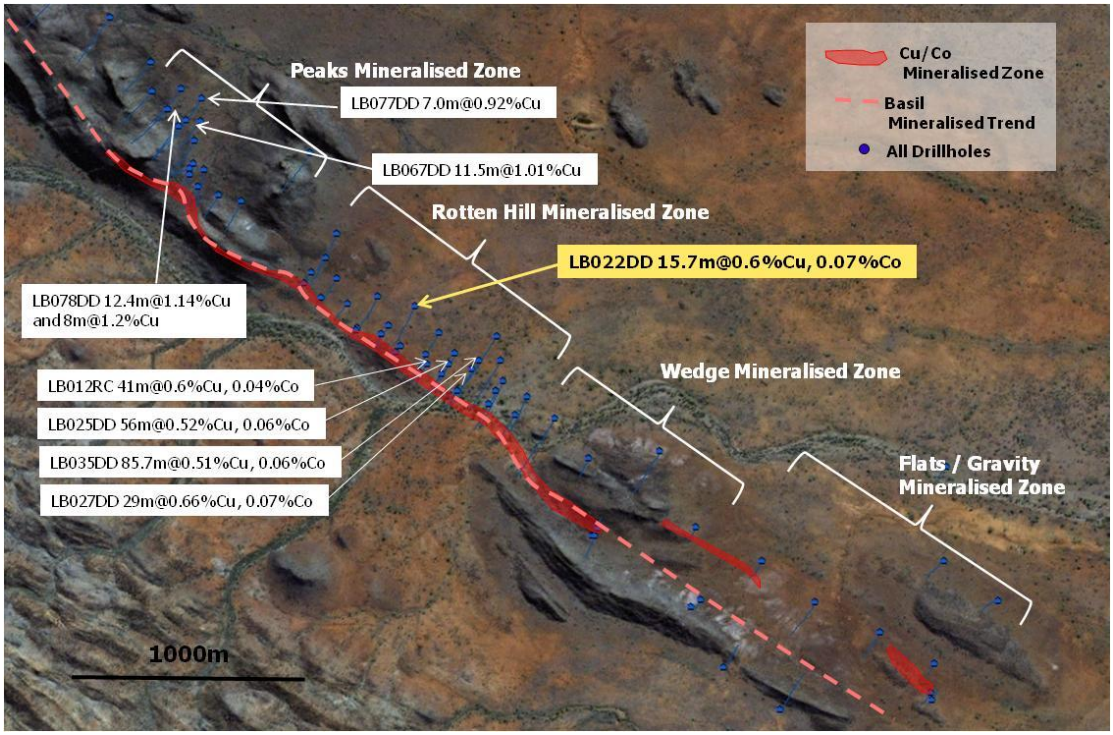

Figure 1: Southern 5km portion of the Basil Prospect showing drillholes, mineralised zones and selected (downhole) intercepts.

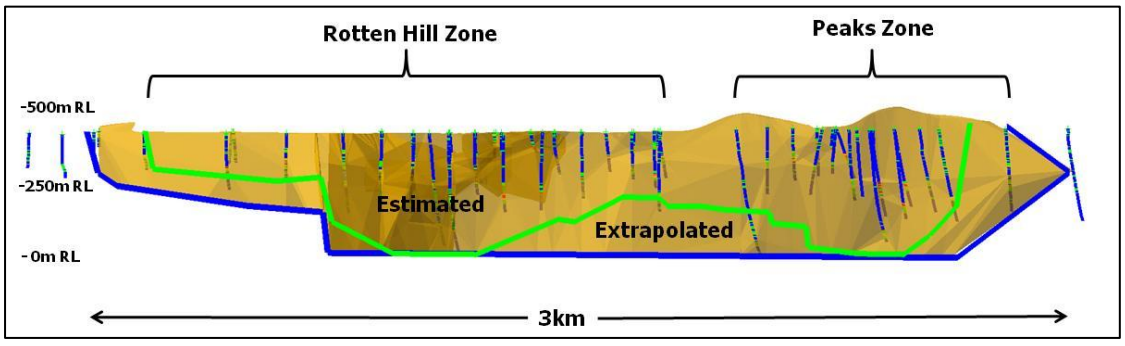

Figure 2: Long section representation of the Inferred Resource outlining the extrapolated part of the resource between blue and green lines (looking SW).

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The resource is open down dip and along strike and the final report from Mining Plus has highlighted a number of areas that may warrant further drill testing. Mithril is evaluating these targets in light of geophysical modelling and downhole electromagnetic surveys. The highlighted areas include down dip of the current resource in the vicinity of LB022DD and another potentially mineralised horizon in the hanging wall amphibolite package where the Peaks and Rotten Hill mineralised zones meet (Figure 1).

"The Inferred Resource estimate for Rotten Hill/Peaks, covering 30% of the Basil mineralised trend, demonstrates the potential of the Huckitta region to host large mineral deposits near surface" said Managing Director Graham Ascough. "The scale at Basil is quite considerable, consequently work will focus on locating higher grades both at Basil and elsewhere on the Huckitta Project".

As a first step in the exploration season, field work is now underway approximately 30km south of Basil on the near surface Illogwa iron-oxide-copper-gold targets and the Company looks forward to providing further updates on exploration results as they become available.

For more information visit www.mithrilresources.com.au or contact:

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The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G Ascough, who is a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr G Ascough, 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 G Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information and resource estimation has been prepared by Mr B Godsmark who is a Member of the AusIMM and reviewed by Mr JP Llorca who is also a Member of the AusIMM and the Australian Institute of Geoscientist. Messrs Godsmark and Llorca are full time employees of Mining Plus Pty Ltd and have more than five years experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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". Messrs Godsmark and Llorca consent to the inclusion in the report of the matters based on information in the form and context in which it appears.

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Appendix
Resource Estimation Summary

Data used in the resource estimation consisted predominantly of Reverse Circulation (RC) and Diamond Drilling (DD) data (Table 1) completed by Mithril Resources Ltd. The drilling data in areas of identified mineralisation was collected nominally at 100m section spacing with pierce points down dip nominally at distances of 50 to 100m. Some larger step out drill holes have also demonstrated significant geological continuity - up to 320m down dip from the nearest drill hole.

PROSPECT	DRILL_TYPE	Number of Holes	Total Meters
BASIL	RC	21	2597.8
BASIL	DD	33	10039.4
PEAKS	DD	20	6778.4

Table 1: Drilling used in resource estimation

Drill holes were collared perpendicular to the strike of the mineralisation and intersected the mineralisation at various angles but generally at angles of approximately 30 degrees from normal. Surface mapping, where available, was used to project the wire frame model of the mineralised package to the surface. All holes were located on surface using Gramin hand held GPS units.

All drillholes were geologically logged with RC samples taken every 1m using the "spear" method. All DD holes drilled up to and including LB035DD were sampled with quarter core, all holes drilled after and including LB036DD were sampled with half core. In mineralised zones quarter core or half core samples were collected at nominal 1m intervals without crossing geological boundaries. In areas of continuous barren lithology, composite chip samples were collected over intervals of no more than 6m.

All samples (from RC and DD) were submitted to the ALS Laboratory in Alice Springs for sample preparation and analysis of samples was completed by ALS in Perth using the ME-MS61 technique for multi-element analysis (46 elements) using a 4-acid digest and the PGM-ICP23 fire assay technique for Pt, Pd, and Au. Standards were included as every 25th sample throughout the diamond drilling completed from and including LB036DD.

Statistical analysis, grade interpolation and block modelling was undertaken by Mr Bruce Godsmark and supervised by Mr James Llorca of Mining Plus in consultation with Mithril Resources staff. Three mineralised domains were interpreted from the geological and assay data. The "high grade" domain was intended to isolate the population > 0.4% copper. The "medium grade" domain was designed to isolate the population from 500ppm to 0.4% copper. The "low grade" domain was designed to isolate material with an assay of < 500 ppm copper. Assays from within each of the domains were then investigated to determine the statistics of the material isolated within each of the domains.

The block model was constructed in such a way to allow storage of inverse distance (ID), inverse distance squared (ID2) and an ordinary kriging (OK) estimations.
The block model was coded using 7 high grade triangulations, 8 low grade triangulations and 3 "host" grade triangulations. All blocks located outside of these zones were given a generic code to represent the country rock, some of which is weakly anomalous in base metals.

SG data have been measured for approximately half of the total number of diamond drill samples. None of the RC samples have had SG measured. In order for Vulcan to calculate a tonnage for each block, a SG value was attributed to each block. Blocks within high, medium and low grade domains were assigned SG values based on the average measured SG of all samples measured within that domain. During the initial creation of the block model "air blocks" above the ground surface are assigned an SG of 0.

Grade interpolation was carried out using both ordinary kriging (OK) and inverse distance (ID) estimation methods. No allowance was been made for sample support thus half core, quarter core and RC samples have been treated with equally weighting when compositing and when used in grade estimation.

Model validation was undertaken though visual inspection and statistical analysis. Visual inspection was undertaken by comparing the block grades with drill hole grades. Statistical analysis involved the checking of average grades of composite samples within a domain with the average grade of blocks within the same domain. This visual inspection shows a very good correlation between drilling assays and modelled grades. Average grades for blocks classified within each of the mineralised domains have been compared with the average grade of the equivalent coded intervals from the composite drill hole database. Results of the analysis show only minor variations between reported block grades and composite grades which indicate that there is minimal global bias.

For the purpose of resource reporting only the coherent mineralisation of the main trend has been reported. The geostatistical range and the number of drill holes used to estimate a block are the main determinants of the resource classification. The modelled mineralisation displays a high level of geological and grade continuity, therefore both interpolated and extrapolated block totals are quoted in the inferred resource category.

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