Mithril Resources Limited: Billy Hills Zinc Project Underway

12.09.2018 | ABN Newswire

Adelaide, Australia - Mithril Resources Ltd. ("Mithril") (ASX:MTH) is pleased to advise that two tenements (EL's 04/2497 and 2503) at its 100% - owned Billy Hills Zinc Project (located adjacent to the former Pillara Zinc Mine, 25 kms southeast of Fitzroy Crossing in the West Kimberley region of Western Australia - see Figure 1 in link below) have been granted and four initial targets have been prioritised for field follow-up.

- Four initial targets prioritised for follow-up on newly granted tenements

- Targeting large scale zinc + lead + silver deposits similar to the nearby Pillara deposit and along strike from known mineralisation

- Target prospectivity highlighted by elevated rock chip results up to 14.24% zinc + lead, an untested IP geophysical anomaly and broad zones of bedrock anomalism in historic drill intercepts;

o 3.0m @ 4.41% zinc + lead from 77 metres,

o 5.0m @ 1.4% zinc + lead from 274 metres including 3m @ 1.88% zinc + lead from 277 metres,

o 14.90m @ 1.0% zinc + lead from 179.10 metres, and

o 5.80m @ 1.04% zinc + lead from 225.20 metres

At Billy Hills, Mithril is targeting large scale zinc + lead + silver deposits within NNE - NNW orientated fault zones immediately along strike from elevated rock chip samples and historic drill intercepts.

The targets are under-explored with the bulk of historic drilling and geophysical testing carried out on the adjacent Pillara Mine Lease (ML04/118) which is not owned by Mithril. The pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003 (See Mithril's ASX Announcement dated 21 August 2017).

Management Comment

Mithril's Managing Director Mr David Hutton said that the Company was looking forward to commencing field work at Billy Hills.

"We are pleasantly surprised by how many prospective areas remain to be tested at Billy Hills, given the amount of exploration that has previously taken place at Pillara. Our review of the historic exploration data has highlighted four initial targets and we're confident that further targets will emerge as exploration progresses".

"Along with our Kurnalpi Nickel Project, near Kalgoorlie and the new Bangemall Base Metal Project, north west of Meekatharra, Billy Hills is an immediate priority for the Company".

Target Details (see Figures 2 - 5 in link below)

Target A (1.8 km2 area) lies over the northern end of a soil - covered NNW trending fault zone (which is developed parallel to the main Pillara controlling fault zone). Prospectivity is highlighted by elevated rock chip samples (up to 14.24% zinc + lead - see Table 2) and broad zones of anomalism in reconnaissance drill holes undertaken in the southern target area, i.e.;

- 3.0m @ 4.41% zinc + lead from 77 metres in PD508,

- 5.0m @ 1.4% zinc + lead from 274 metres in PLR0510 including 3m @ 1.88% zinc + lead from 277 metres,

- 14.90m @ 1.0% zinc + lead from 179.10 metres and 5.80m @ 1.04% zinc + lead from 225.20 metres in PLR0509, and

- 1.7m @ 1.39% zinc + lead from 215 metres, 6.0m @ 0.68% zinc + lead from 249 metres, and 9.0m @

0.57% zinc + lead from 268 metres in PD646.

An untested Induced Polarisation ("IP") chargeability anomaly overlying the NNW fault within the northern target area also strengthens the prospectivity of Target A.

IP is a geophysical technique that was used extensively at Pillara in the past to identify the presence of marcasite (iron sulphide) mineralisation which typically forms a halo around economic zinc + lead mineralisation.

Target B (0.7km2 area) is located 3.5 kilometres south along strike of the Pillara deposit and includes numerous anomalous rock chip samples (up to 9.3% zinc + lead - see Table 2) which have been taken at surface from gossanous outcrops within a major fault system. The majority of the target is under cover and has not been previously drilled or subject to geophysical surveying.

Target C (0.2km2) is located in the central project area, south along strike from Target A and covers a 150 metre - long zone of surface mineralisation (rock chip sampling up to 7.26% zinc + lead - See Table 2) present within the same major NNW fault zone that hosts Target A. A shallow diamond drill hole (PD510) beneath the rock chip samples returned 2m @ 0.59% zinc + lead from 22 metres and has not been followed up.

Targets D (1.3km2) is located in the southern project area and covers a 1 kilometre - long NNE trending mineralised fault zone (rock chip samples up to 10.98% zinc + lead and 98 g/t silver - see Table 2) that has been poorly drill tested with only three wide-spaced drill holes, two of which returned anomalous mineralisation;

- 2.0m @ 1.05% zinc + lead from 39 metres in PD514, and 4.0m @ 0.71% zinc + lead from 89 metres in PD512.

The fault zone extends under cover and has not been the subject to any follow-up drilling or geophysical surveying.

Next Steps

Mithril plans to follow-up the targets with a combination of geophysics (Induced Polarisation - "IP") and diamond drilling and the Company is currently negotiating a Heritage Protection Agreement with the Gooniyandi Aboriginal Corporation (the Registered Native Title Claimants for the project area) to establish protocols for on-ground exploration activities at Billy Hills.

At the time of writing, negotiations were progressing well with the expectation that an agreement will be reached during September or early October 2018 and Mithril will provide further updates as new information comes to hand.

About the Pillara Deposit and Pillara West Prospect (located on ML04/118 which is not owned by Mithril)

At the Pillara Deposit, zinc + lead +/- silver mineralisation is hosted by structurally controlled zones of breccia and vein development which are spatially associated with a series of large scale NNE - NNW orientated fault zones that cut a sequence of Devonian-age limestones.

The mine had a reported pre-mine resource of 18.05 million tonnes at 7.7% Zn and 2.4% Pb and produced 10.3 Mt @ 6.9% Zn, 2.3% Pb from June 1997 to October 2003 (See Mithril's ASX Announcement dated 21 August 2017). Mining briefly resumed during 2007 / 2008 and the mine site is now closed.

The area's prospectivity is further enhanced by the Pillara West Prospect which is located 300 - 500 metres west of existing underground workings at Pillara and 300 metres from Mithril's tenement boundary. The prospect was discovered in 2006 by Lennard Shelf Pty Ltd, the owners of the mine who conducted multiple drilling programs at Pillara West right up to the mine's closure in 2008.

Mineralisation at Pillara West occurs within a shallow-dipping zone of mineralised (zinc-lead-marcasite-calcite) rubble limestone breccias and veining, drilling of which has returned multiple intercepts including;

- 15.8m @ 6.80% zinc, 3.05% lead, 30g/t silver from 399.8 metres in PD785 including 3.3m @ 11.10% zinc, 5.30% lead, 66g/t silver,

- 19.1m @ 7.60% zinc, 2.10% lead, 17g/t silver from 385.4 metres in PDD796 including 11.9m @ 10.40% zinc, 3.20% lead, 25g/t silver, and

- 11.0m @ 8.20% zinc, 8.80% lead, 26g/t silver from 347.0 metres in PD802 including 4.0m @ 11.80% zinc, 17.20% lead, 45g/t silver.

Historic information, including IP geophysical surveys and drill intercepts referred to in this Report have been sourced primarily from the following open file Exploration Reports available from the WA Department of Minerals and Energy via their WAMEX system;

o Progress Report on the Lennard Shelf Lead Zinc Project, West Kimberley Goldfield, WA. Amax Exploration (Australia) Inc. March 1973. WAMEX Report No. A3915

o 1993 Annual Report for the Pillara Joint Venture, BHP Minerals. January 1994. WAMEX Report No. 40657

o Partial Relinquishment Report for EL04/601. Western Metals April 1995. WAMEX Report No. 44156

o 1996 / 1997 Annual Report Group Report Lennard Shelf Project. February 1997. Western Metals Ltd. WAMEX Report No. A50329

o 1999 Annual Report Group Report Lennard Shelf Project C326/1997. March 2000. Western Metals Ltd. WAMEX Report No. A60289

o 2001 Annual Report Group Report Lennard Shelf Project C326/1997. February 2002. Western Metals Ltd. WAMEX Report No. A64395

o Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2006 to 31 December 2006. February 2007. Lennard Shelf Pty Ltd. WAMEX Report No. A74569. Details of the 2006 Pillara IP surveys have been sourced from this Report.

o Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2007 to 31 December 2007. February 2008. Lennard Shelf Pty Ltd. WAMEX Report No. A77687. Details of the 2006 Pillara IP surveys have been sourced from this Report.

o Annual Report Group Report C27/2006 Lennard Shelf Project for the period 01 January 2008 to 31 December 2008. February 2009. Lennard Shelf Pty Ltd. WAMEX Report No. A80938

WAMEX can be accessed via: http://www.abnnewswire.net/lnk/89398PGI

To view tables and figures, please visit:
http://abnnewswire.net/lnk/7HCZYW2F

About Mithril Resources Limited:

[Mithril Resources Ltd.](#) (ASX:MTH) is an Australian resources company whose objective is the creation of shareholder wealth through the discovery of mineral deposits.

The Company and its exploration partners are actively exploring throughout the Kalgoorlie, West Kimberley and Murchison Districts of Western Australia for economic nickel, copper, zinc, and vanadium deposits.

In the Kalgoorlie District, Mithril is exploring for nickel on the Kurnalpi, Lignum Dam and North Scotia Projects which lie along strike from, or adjacent to previously mined high-grade nickel at the Silver Swan and Scotia Nickel Deposits.

In the West Kimberley, Mithril is exploring for zinc on the Billy Hills Project which lies adjacent to the previously mined Pillara Zinc Deposit.

In the Murchison, Mithril is exploring for copper, nickel and zinc mineralisation on the Nanadie Well Project and for copper, silver, zinc and lead on the Bangemall Base Metal Project. Mithril's exploration partner – Monax Mining Ltd. is also exploring for vanadium on the Limestone Well tenements.

Source:

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