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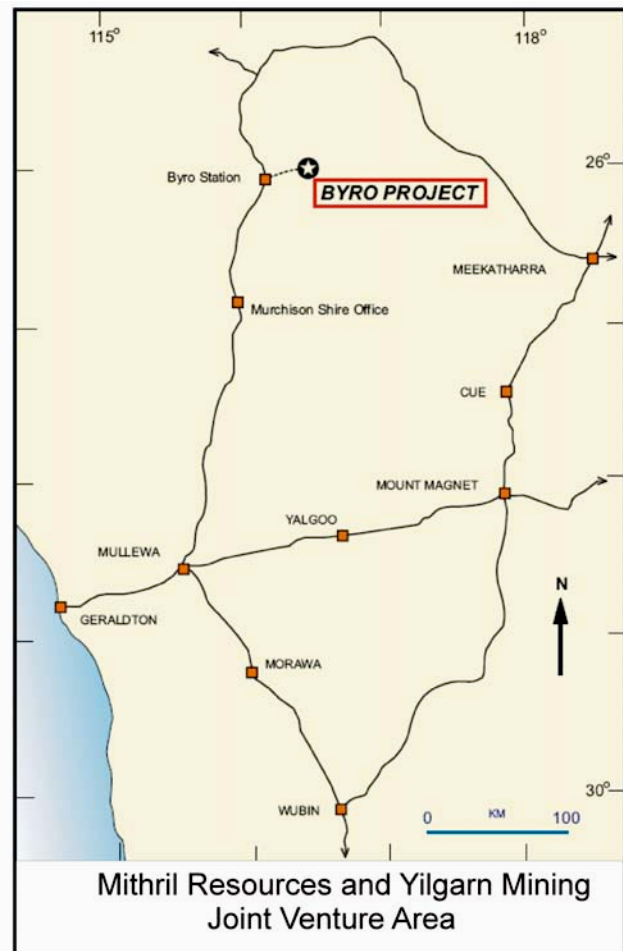
8 March 2006

NICKEL SULPHIDE JOINT VENTURE WITH YILGARN MINING LIMITED

Mithril Resources Ltd is pleased to announce a Joint Venture with Yilgarn Mining Limited to explore for nickel sulphides at the Byro Project in Western Australia. The Joint Venture Area is situated approximately 750 kilometres north of Perth Western Australia.

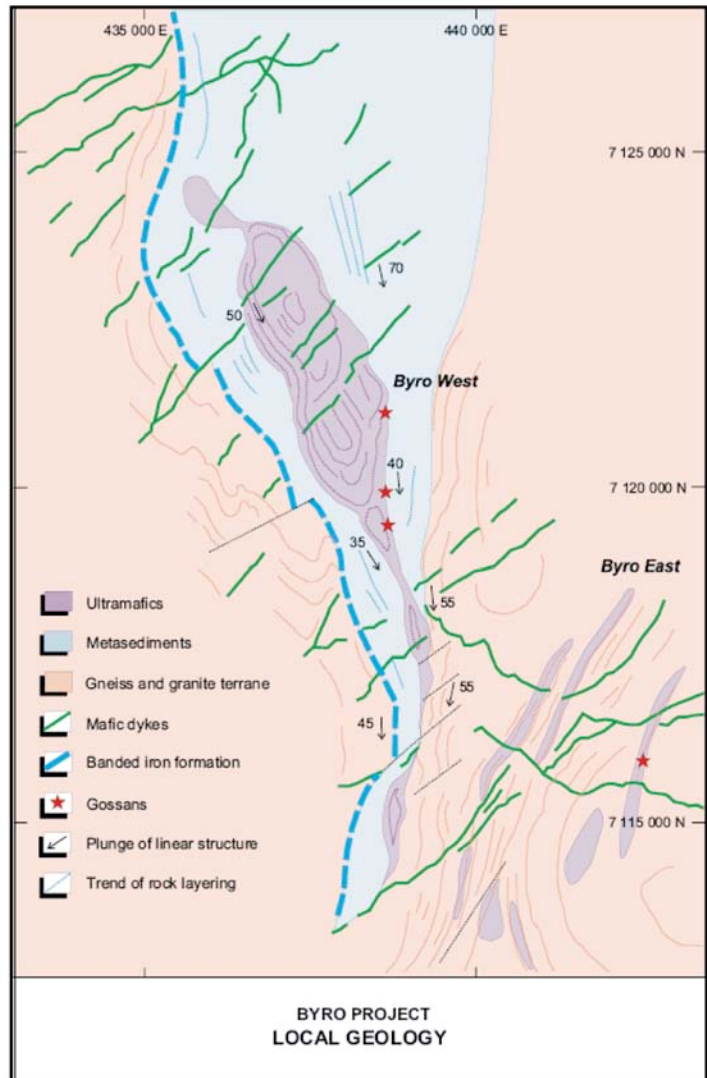
The Joint Venture area, consisting of one Exploration Licence EL 09/781 and an application for an Exploration Licence (ELA 09/1276), covers an area of approximately 209 square kilometres.

The tenements cover a cluster of ultramafic bodies within the Archean metasediments and gneisses of the Narryer Gneiss Complex. It lies within the Yilgarn Block, close to its northern boundary against the Proterozoic Capricorn Orogen. The main ultramafic body is elliptical in shape 6 kilometres long and 1.4 kilometres wide. Three copper-rich gossans lie on or near the eastern margin of this body. Yilgarn Mining has interpreted the gossans to be the surface expression of copper sulphides mobilised upwards from a hypothetical deeper



nickel-copper sulphide mass. By analogy with known nickel sulphide deposits the main target area at Byro is believed to be the deeper basal contact of the intrusion.

Most of the previous exploration was conducted during the 1970s by Jododex and Western Mining and the area has received limited exploration during the last 30 years. Limited drilling (during the 1970s) of one of these gossans gave a best intersection of 67 metres at 0.67% copper and 0.3% nickel, including 16.8 metres at 1.17% copper and 0.33% nickel. A hole 44 metres further north intersected 3 metres at 1.35% copper and 0.1% nickel; and 29 metres to the south a drill hole returned 32 metres at 0.47% copper and 0.27% nickel. The mineralisation is open at depth. A small ultramafic body to the east has recorded gossan samples up to 1.2% nickel and 0.15% copper.



Terms of Agreement

As a minimum commitment Mithril will cover the main ultramafic body using a proprietary electromagnetic system (Geoferrret) developed in-house by BHP Billiton and available to Mithril under the alliance. The system has the capacity to detect conductive bodies at a greater depth than conventional systems. Inclusive of the minimum

commitment, Mithril will be required to spend a total of \$2,000,000 over three years to earn 51% interest in the Joint Venture.

Mithril can elect to earn an additional 19% via a further \$10,000,000 expenditure over seven years, or on the completion of a bankable feasibility study which ever occurs first.

If either party dilutes to below a 10% interest in the Joint Venture their interest will be converted to a Net Smelter Royalty of 1.5%.

The Joint Venture is to include all commodities.

Mithril views the joint venture with Yilgarn Mining Limited as an exceptional opportunity to explore a mineralised system using state of the art technology.

Please direct enquiries to:

David Miller
Managing Director
Mithril Resources Ltd

For more information on the company visit www.mithrilresources.com.au

The drill results reported by Mithril insofar as they relate to ore or mineralization are based on information compiled by D R Miller (Member of the Australasian Institute of Mining and Metallurgy) who has a minimum of five years' experience in the field of activity being reported. It should not be assumed that the reported exploration results will result, with further exploration, in the definition of a Mineral Resource. Any exploration target sizes mentioned are conceptual in nature and do not imply that Mineral Resources have been, or will be, defined.