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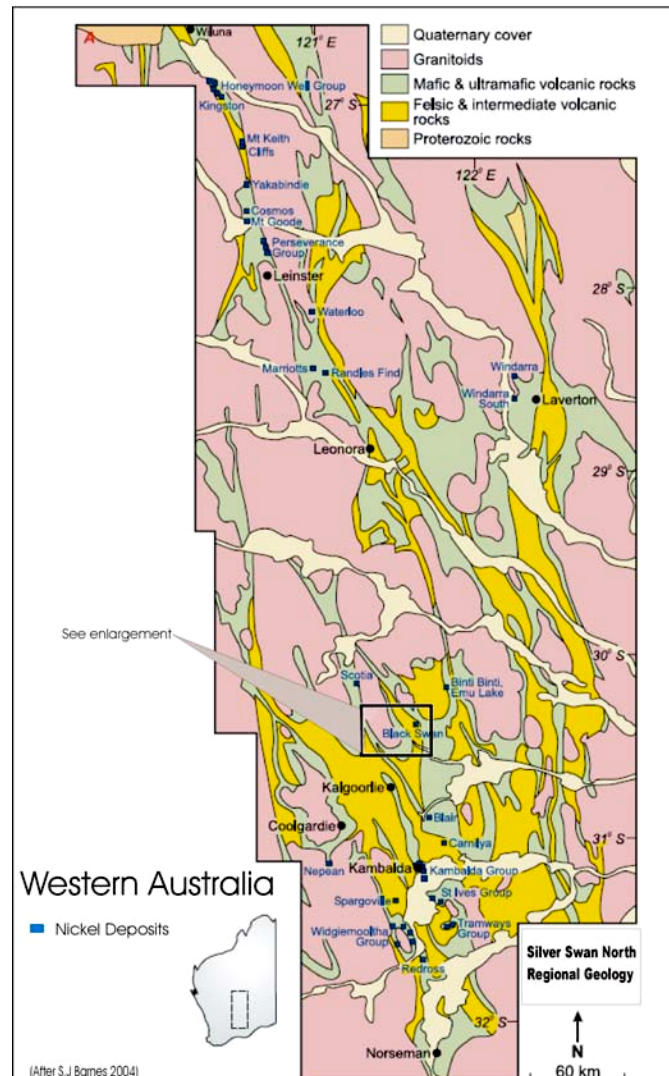
26 April 2006

NICKEL SULPHIDE JOINT VENTURE WITH FERRAUS LIMITED

Mithril Resources Ltd is pleased to announce that drilling will commence on May 8th at the Silver Swan North Project in Western Australia. The project, situated approximately 45 kilometres north-northeast of Kalgoorlie Western Australia and immediately adjacent to the Silver Swan and Black Swan nickel deposits operated by LionOre Mining, is a Joint Venture with FerrAus Limited.

The Joint Venture area consists of one Exploration Licence E27/209 and four Mining Leases M27/262-265 which form a contiguous group covering an area of approximately 39 square kilometres and cover a succession of Archaean age felsic, mafic and ultramafic rocks. Ultramafic rocks are the host sequence for the Silver Swan and Black Swan nickel deposits.

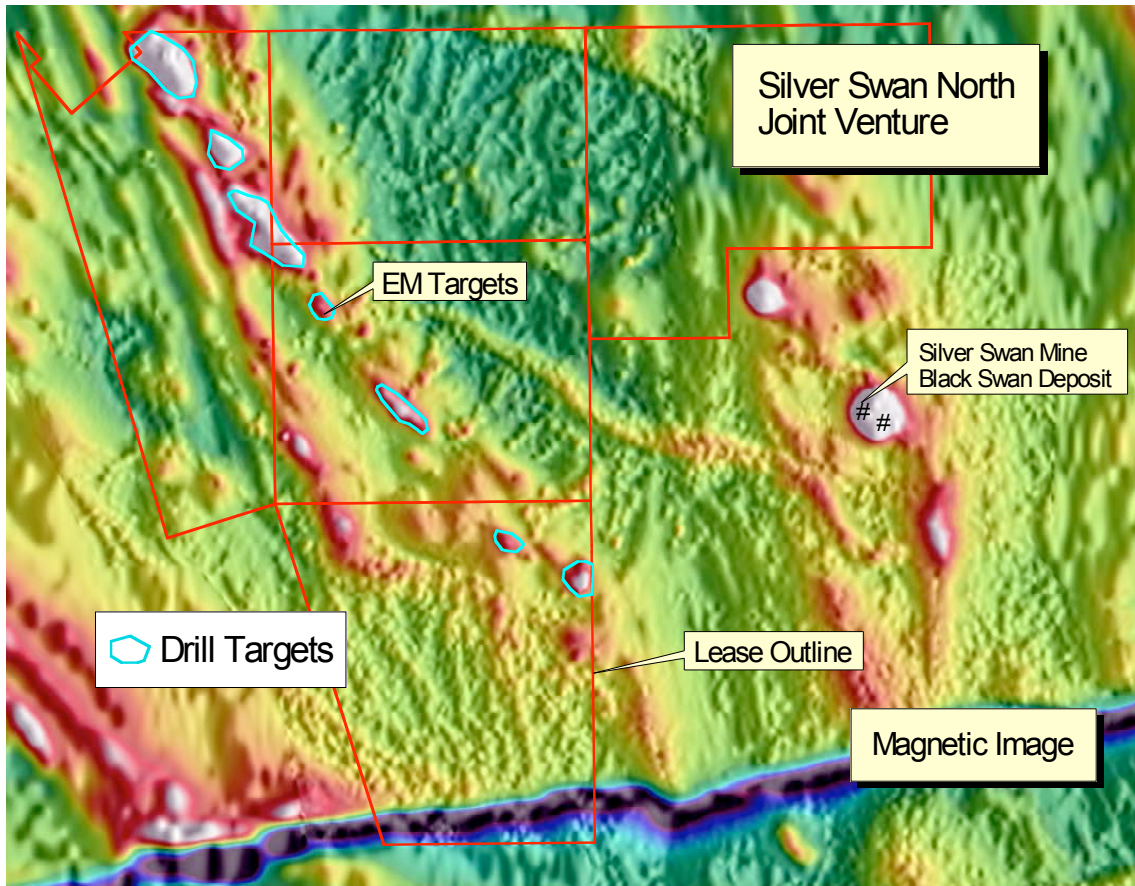
The Silver Swan deposit is a high grade orebody (Total Mineral Resources of 184,000 tonnes grading 9.5% nickel after depletion from production as quoted by LionOre in December 2004)



whereas the Black Swan deposit is a large low grade orebody (as evident from the LionOre resource statement of December 2004 quoting a Total Mineral Resource of 7.9 million tonnes grading 0.77% nickel). Within the Silver Swan North tenements the ultramafic host sequence extends for a 7.5 kilometre strike extension and is only 4.5 kilometres west of the Silver Swan deposit.

Mithril has completed a three component down hole electromagnetic (EM) survey down a historical drill hole ESD003 at the Silver Swan North Prospect. The survey was designed to follow up a strong surface EM conductor which had been drilled by Niquist (now FerrAus) in 2004 but failed to intersect a conductor. Using new B Field technology Mithril has identified three off hole conductors (similar to the Silver Swan Orebody). Modeling of the down hole EM data indicates the dominant response in the bottom of the hole (Target A) is from a 300 metres long steeply dipping body at a depth of 220 metres, approximately 15 metres off the end of the hole with a depth extent of 150 metres. Target A is very conductive. The increase in signal at extremely late times suggest that had ESD003 been extended it would have eventually intersected the target (Target A). The down hole EM has defined a second extremely conductive but smaller response at about 220 metres down the hole (Target B). The response (Target B) is modeled as a smaller body with a strike-length of 150 metres, a depth extent of 70 metres and is located slightly above and in front of the bottom of the hole. A third conductive response which was modeled to the north and slightly above the drill hole at a depth of about 145 meters (Target C) is interpreted to be 100 meters long by 75 meters in depth extent.

A surface electromagnetic survey is currently in progress and will cover the entire ultramafic belt within the project area. A drilling program, comprising a minimum of 1500 metres, will commence in early May to test the geophysical targets delineated from the down hole surveys completed in ESD003. Additional geophysical targets within the belt will be drill tested subsequently.



Mithril views the joint venture with FerrAus Limited as an exceptional opportunity to find a nickel deposit with the grade characteristics of a Silver Swan deposit.

Please direct enquiries to:

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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.