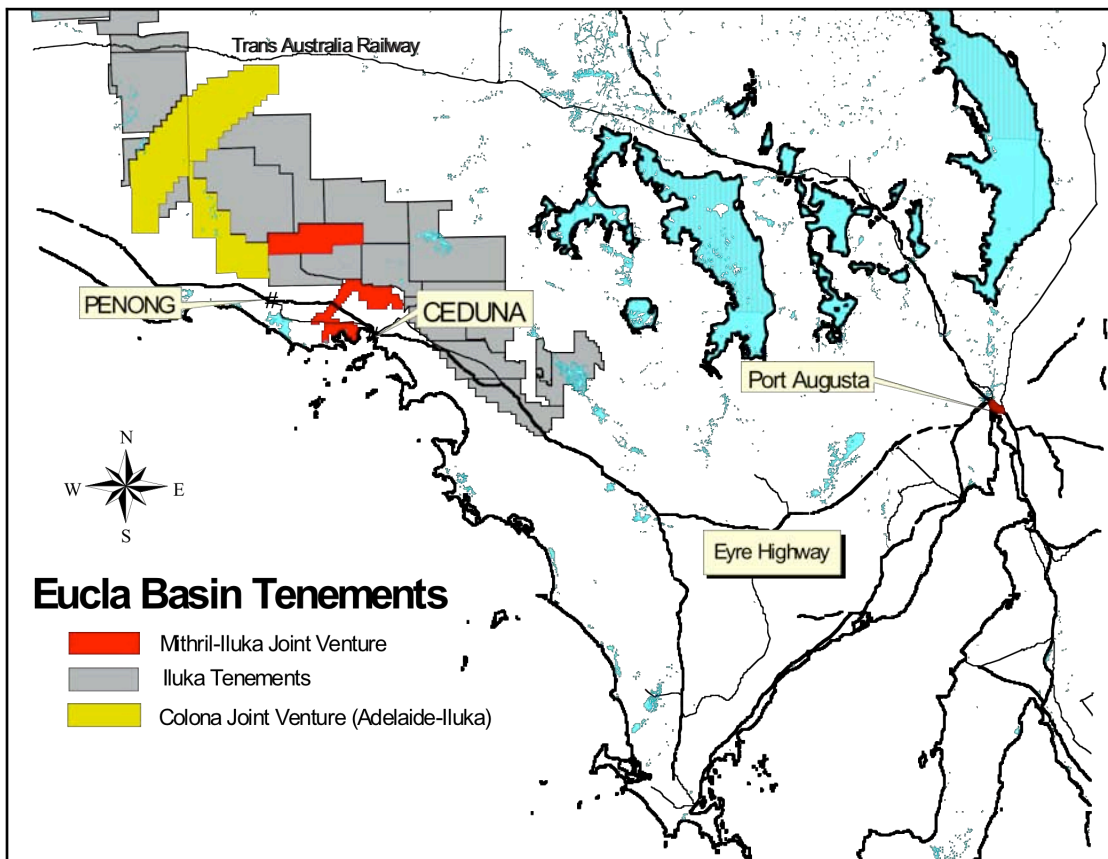


Mithril Resources Ltd
247 Greenhill Road, Dubwich 5065, South Australia
Tel: +61 8 8366 6066 Fax: +61 8 8366 6067
Website www.mithrilresources.com.au
Email admin@mithrilresources.com.au

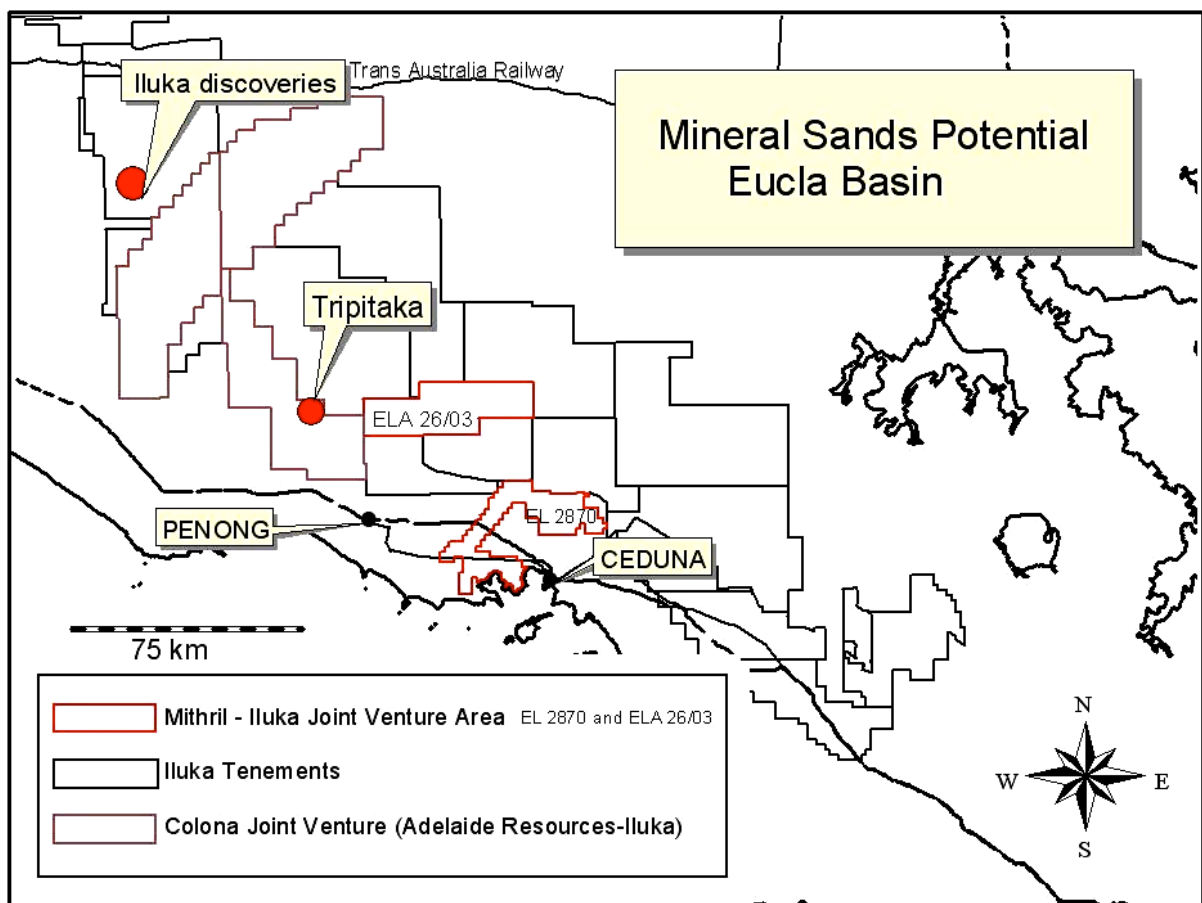
28 April 2006

MINERAL SANDS JOINT VENTURE WITH ILUKA RESOURCES LIMITED

Mithril Resources Ltd is pleased to announce a Joint Venture with Iluka (Eucla Basin) Pty Ltd a fully own subsidiary of Iluka Resources Ltd to explore for mineral sands on Exploration Licence (EL) 2870, and Exploration Licence Application (ELA) 26/03. The Joint Venture Area is situated approximately 27 kilometres west of Ceduna in South Australia and 17 kilometres east of the zircon rich Tripitaka discovery (see figures below).



EL 2870 and ELA 26/03 are situated on the Ooldea Range an old coastal barrier within the Eucla Basin. The basin is emerging as a new major mineral sands province within South Australia as evident from the recent zircon discoveries announced by Iluka at Jacinth and Ambrosia prospects, and more recently the joint announcement by Iluka and Adelaide Resources of the Tripitaka discovery on their Colona property. The Tripitaka discovery, situated 17 kilometres west of ELA 26/03, has been reported to contain exceptionally high levels of zircon (68%) and zircon prices are currently at near record levels.



Terms of Agreement

Iluka can earn an 51% interest in EL 2870 and ELA 26/03 by expending \$1,500,000 within 5 years on exploration within the tenements, including a minimum commitment of

1500 metres of drilling prior to withdrawal (subject to the ELA being granted within 12 months from commencement). Initial exploration activities will commence within EL 2870. Mithril retains all rights to explore and develop mineral deposits within the bedrock and will be evaluating the nickel sulphide potential under the existing alliance with BHP Billiton. Mithril welcomes the opportunity to work with Iluka Resources Ltd, a recognised mineral sands specialist, successful producer and explorer, in an area that is fast emerging as a new mineral sands province with the potential to host high value mineral deposits.

Please direct enquiries to:

David Miller
Managing Director
Mithril Resources Ltd
Ph: (08) 8366 6066

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