



Mithril Resources Ltd

247 Greenhill Road, Dulwich 5065, South Australia

Tel: +61 8 8366 6066 Fax: +61 8 8366 6067

Website www.mithrilresources.com.au

Email admin@mithrilresources.com.au

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FURTHER WORK PLANNED AT SILVER SWAN NORTH JOINT VENTURE

The Silver Swan North Joint Venture is situated approximately 45 kilometres north-northeast of Kalgoorlie Western Australia and immediately adjacent to the Silver Swan nickel mine operated by LionOre Mining.

The Joint Venture between Mithril Resources, BHP Billiton and FerrAus 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. The tenements cover a succession of Archaean felsic, mafic and ultramafic rocks. The ultramafic rocks are the host sequence for the Silver Swan and Black Swan nickel deposits.

In May this year five angled RC Percussion drillholes for 1293m were completed over the project area. Two of these holes (SNRC-001, 008) targeted east dipping conductive bodies identified from the recently completed ground electromagnetic (EM) surveys on ultramafic contacts and hole SNRC-003 targeted a conductive body internal to the ultramafic pile. Two drill holes (SNRC-004, 006) targeted contacts to the ultramafic sequence.

Drill hole SNRC-001 intersected 24m of semi-massive and massive sulphides from 252m at the bottom of the hole near the mafic / ultramafic contact. Due to the drill rig capability this hole stopped in these sulphides and the ultramafic contact was not intersected. Analytical results indicate these sulphides are sedimentary in origin with no Ni values greater than 100 parts per million (ppm). Drill hole SNRC-003 intersected a

pyritic shale internal to the ultramafic pile and drill hole SNRC-008 intersected a five metre thick zone from 255m of 10-40% sulphides adjacent to the eastern ultramafic contact. Nickel values are elevated in this interval (up to 1000ppm).

As part of the Joint Venture, BHP Billiton has agreed to fund further EM surveys in the project area. This includes downhole EM on SNRC-001, 004, 006 and 008 as well as fixed loop EM over moving loop EM anomalies detected and not drill tested in the last drilling campaign. In addition BHP Billiton will fund approximately 10 line km of moving loop EM over a magnetic anomaly directly north of the Silver Swan Deposit.

Mithril and BHP Billiton continue to view the area as highly prospective for nickel sulphides.

Please direct enquiries to:

Jim McKinnon-Matthews
Chief Geologist
Mithril Resources Ltd

David Miller
Managing Director

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

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr D R Miller, who is a full-time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr D R Miller has more than five years experience which is relevant to the style of mineralization 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 D R Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

