



Mithril Resources Ltd

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SILVER SWAN NORTH JOINT VENTURE

Mithril Resources Ltd is pleased to announce that a drilling program of 11 RC percussion drillholes totalling 2750 meters is planned to commence on the Silver Swan North Joint Venture in the last quarter of 2006. The program budget of A\$450,000 will be funded by BHP Billiton, as part of the Mithril / BHP Billiton alliance.

The joint venture is between FerrAus Limited, BHP Billiton and Mithril Resources. Mithril and BHP Billiton have spent A\$425,000 on the project to date and may earn a 51% interest in the project by expenditure of A\$2,000,000. The project area covers a succession of Archaean felsic, mafic and ultramafic rocks which are interpreted to be the same sequence that hosts the Silver Swan and Black Swan nickel deposits located four kilometers to the southeast.

The drilling will focus on two untested ground electromagnetic targets as well as testing a number of geochemical and geological targets generated from a detailed review of all work over the project area. At the completion of the drilling all holes will be surveyed with electromagnetics to detect potentially mineralised positions within 100m of the drillhole.

Please direct enquiries to:

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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.