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ASX Release

**Mithril Formulates Joint Venture on the Indiana Project
Northern Territory**

Mithril Resources is pleased to announce that BHP Billiton has entered into a Joint Venture Agreement on the Indiana Project under the terms of the alliance as set out in the Subscription Agreement.

The Indiana Project is located approximately 250km northeast of Alice Springs in the Northern Territory and consists of three granted Exploration Licences (24194, 24427 and 24739) that are held 100% by Mithril Resources Ltd and its wholly owned subsidiary Minex (Aust) Pty Ltd.

To date Mithril has incurred expenditure of approximately AUD\$255,000 on the Project Area. Under the terms of the Joint Venture BHP Billiton can earn an initial 51% interest in the project by incurring expenditures of AUD\$2M (Stage 1). BHP Billiton can then elect to earn a further 14% interest (for a total of 65%) by incurring additional expenditures of AUD\$3M. Stage 1 will include systematic airborne electromagnetic ("AEM") coverage over the prospective ultramafic units on the project. The proposed AEM program is estimated to cost AUD\$380,000.

Recent work completed by Mithril on the project includes ground electromagnetic ("EM") surveys over priority geochemical anomalies identified through the previously reported stream sediment sampling, magnetic lag soil sampling and rock sampling programmes. At Indiana South, the electromagnetic results highlight a coincident mid-time conductor and magnetic anomaly associated with anomalous nickel-copper values returned from rockchip sampling (up to 0.28% nickel). The ground EM results also suggest that the background is relatively resistive and that the area would be amenable to AEM surveys, thus offering a viable tool to screen this large project area (1440km²) for near surface nickel copper sulphide mineralization. Survey flying will commence in the next two to three months subject to the availability of crews and equipment. The aim of this survey is to identify further targets for drill follow-up.

Mithril welcomes BHP Billiton's participation in the project and looks forward to aggressively exploring an area which is believed to be an emerging belt prospective for nickel sulphide mineralization.

Graham Ascough
Managing Director
Mithril Resources Ltd

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 G Ascough, who is a full-time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr G Ascough 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 G Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.