



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

JULY 2nd, 2007

ASX RELEASE

FURTHER DRILLING PLANNED ON THE SILVER SWAN NORTH JV

Mithril Resources Ltd is pleased to announce that a further drilling program of 4 diamond drillholes totalling 2000 metres is planned on the Silver Swan North Joint Venture. The program budget of A\$729,925 will be funded by BHP Billiton, as part of the Mithril / BHP Billiton Alliance.

At Silver Swan North, Mithril Resources and BHP Billiton are earning an initial 51% interest in one Exploration Licence and four Mining Leases currently held 100% by FerrAus Ltd. Under the terms of the Joint Venture, Mithril and BHP Billiton must spend \$2 million to earn their 51% interest. To date expenditure totals A\$981,000.

The tenement holding forms a contiguous area totalling approximately 39 square kilometres and covers a succession of Archaean felsic, mafic and ultramafic rocks that have only been subjected to shallow exploration drilling to date. The ultramafic rocks are interpreted to be equivalent to the host sequence for the Silver Swan and Black Swan nickel deposits located four kilometres to the southeast.

Recent drilling has confirmed the large magnetic anomalies in the northern portion of the western ultramafic horizon coincide with favourable channel facies ultramafic rocks, similar to those that host the nearby Black Swan and Silver Swan nickel deposits. The proposed program of four 500 metres deep diamond drillholes will target these discrete magnetic bodies. The drillholes are designed to intersect the interpreted and potential

basal contact of these channels at a vertical depth of about 350 metres below surface. At the completion of the drilling all holes will be surveyed with electromagnetics to search for potentially mineralised positions within 150m of the drillhole.

Graham Ascough
Managing Director
Mithril Resources Ltd
admin@mithrilresources.com.au

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.