

MITHRIL

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**ASX RELEASE**

**DRILLING COMMENCES ON THE KALLI MINERAL SANDS JOINT  
VENTURE**

Mithril Resources Ltd is pleased to announce the commencement of a drilling programme on the Kalli Mineral Sands Joint Venture. The Kalli Project is situated approximately 20 kilometres north of Ceduna in South Australia and is 70 kilometres southeast of Iluka's zircon rich Tripitaka mineral sands discovery. The programme will be managed by Iluka (Eucla Basin) Pty Ltd, a wholly owned subsidiary of Iluka Resources Ltd, which may earn a 51% interest in EL 3746 and ELA 26/03 under the terms of the Kalli Joint Venture Agreement as previously announced on April 28<sup>th</sup>, 2006.

The planned drill programme totals approximately 3000m. For the most part drilling will be conducted on existing roadsides at drill centre spacings of 800m and 400m. Assaying of samples for heavy minerals will be undertaken at one of Iluka's laboratories, and we anticipate that final results will be received in Quarter 4, 2007.

Mithril retains all rights to explore for and develop mineral deposits within the bedrock on the Kalli Project and will continue to evaluate the nickel sulphide potential on the tenements.

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For more information on the company visit [www.mithrilresources.com.au](http://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.*