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ASX RELEASE

DRILLING COMMENCES AT THE PIPELINE COPPER PROSPECT

Mithril Resources Ltd is pleased to advise that drilling has commenced on the Pipeline copper prospect on Mithril's wholly owned Casey Project. The Casey Project consists of one granted exploration licence and three exploration licence applications located approximately 220km east of Alice Springs in the Northern Territory.

As previously reported, exploration on the Casey Project identified two prospect areas, Pipeline and Arthur Popes, with significant outcropping copper mineralisation. No exploratory drilling has been undertaken in the Casey area previously. Mithril plans to drill three diamond drillholes at the Pipeline Prospect and one reverse circulation (RC) drillhole at the Arthur Popes Prospect (located approximately 10km to the southwest) for a total of 900m of drilling.

The Pipeline Prospect was first identified in late 2006 when Mithril geologists mapped and sampled ferruginous material over an 80m strike length. Analytical results from the rock samples were anomalous in copper over the entire strike extent with values up to 3.45% copper. Further mapping at Pipeline in the first quarter of 2007 identified additional copper mineralization and extended the mineralised horizon over a one kilometre strike length. Recent mapping and prospecting identified further copper mineralisation within the matrix of a conglomerate unit with values up to 1% and 5.2% copper 250m south and 300m east of the main Pipeline gossan, respectively. The identification of widespread copper mineralisation at Pipeline is very encouraging and

drilling will target the mapped mineralised horizon and associated weak to moderate strength electromagnetic conductor.

High values up to 22% copper were returned from rock chip samples taken from the Arthur Popes Prospect area. The samples were also anomalous in rare earth elements (REE) and the mineralised vein system at Arthur Popes has been mapped over a 3km strike length. Further mapping and prospecting has identified a similar vein set 1.7km to the south of Arthur Popes and rock samples have returned values up to 27% copper again with elevated REE. A single RC hole to test the down-dip extent of the best mineralised portion of the Arthur Popes vein system is planned.

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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 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.