



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

December 6th, 2007

ASX RELEASE

MITHRIL TO FARM-IN TO THE PARDOO NICKEL PROJECT

SUMMARY

- Mithril to spend \$5.5 million over four years to earn an initial 51% interest in the Pardoo Nickel Project
- The Pardoo Nickel Project, 100% owned by Segue (Pardoo) Limited, has an Inferred Mineral Resource of 44.7 million tonnes, grading 0.3% nickel and 0.1% copper (“Highway Deposit”)
- Mithril can increase its holding to 65% by spending a further \$10 million on exploration or by completing a Feasibility Study (whichever occurs first)

Mithril Resources Ltd (“Mithril”) is pleased to announce it has entered a Farm-in and Joint Venture Agreement with Segue (Pardoo) Limited (“Segue”), a wholly owned subsidiary of Segue Resources Limited. Under the terms of the agreement Mithril will have the right to earn an initial 51% interest in Segue’s 100% owned Pardoo Nickel project (“Pardoo”) through expenditure of \$5,500,000 over 4 years. Pardoo is located 100km east of Port Hedland in Western Australia’s Pilbara region and comprises exploration licences 45/1866 and 45/2146 and prospecting licences 45/2572 and 45/2573 (“Tenements”).

The Pardoo Nickel Project is considered highly prospective for magmatic and shear-hosted nickel, copper and platinum group element mineralisation and provides an excellent fit with Mithril's exploration and development strategy. Earlier in the year Segue commissioned Snowden Mining Industry Consultants ("Snowden") to conduct a review of available drillhole data to determine a JORC compliant resource at Pardoo. Snowden's report concluded that the project has an Inferred Mineral Resource (classified according to the 2004 JORC Code) of 44.7 million tonnes, grading 0.3% nickel and 0.1% copper using a 0.1% nickel cut off in respect of the Highway Deposit. Further details on the resource are provided in Segue's ASX Announcement dated 19 October, 2007. Geographically, the project is well positioned, 15 km from the coast and approximately 100km east of Port Hedland along the Great Northern Highway in close proximity to power, rail and port facilities.

The Highway mineralisation is associated with the regional east-northeasterly trending De Grey Structural Zone that also hosts the Supply Well Prospect 15 km to the northeast. Previous drilling at Supply Well intersected significant widths of low grade nickel, copper (+/- zinc) mineralisation in broadly spaced drillholes.

Mithril's planned exploration programs will evaluate existing exploration targets, advance the understanding of the Highway Resource in terms of its size, economic parameters, metallurgy and processing options, and look to generate further exploration targets on the project. The priority exploration targets include:

- The untested depth potential beneath the Highway Deposit. Previous drilling at Highway is relatively shallow and only three holes have tested the deposit beneath a 200m vertical depth and no holes have tested the

mineralized zone beneath 275m. Deeper holes within the currently defined resource have all intersected nickel and copper mineralisation and the deposit is open at depth. Downhole electromagnetic methods have not been utilized on the project and will greatly assist in locating potential semi-massive to massive (higher grade) sulphide mineralisation in future drilling programs.

- Areas of low grade nickel and copper mineralisation at Supply Well identified by previous drilling require further investigation. Electromagnetic (“EM”) conductors identified in close proximity to some of these intercepts remain untested.
- EM anomalies identified along the De Grey Structural Zone between Highway and Supply Well along with EM anomalies south of Highway require further ground verification prior to a drill test decision.
- Coincident gravity and magnetic anomalies immediately north of the Highway Deposit are thought to represent a large layered mafic/ultramafic intrusion under shallow cover and are prospective for nickel-copper sulphides and platinum group elements. No drilling has been undertaken on this target to date.
- Ultramafic horizons identified south of the Highway Deposit are potential hosts for Kambalda-style nickel mineralisation and remain largely untested

The Agreement covers all minerals (excluding 50% of the iron ore rights on exploration licence 45/2146) and Mithril may earn an initial 51% interest in the Tenements by completing expenditure of A\$5,500,000 within 4 years. Mithril may then elect to earn a further 14% interest (for a total of 65%) by completing a Feasibility Study or by incurring additional expenditures of A\$10,000,000, whichever occurs first. Mithril must complete a minimum expenditure of A\$1,000,000 in each year of the initial earn-in period to keep the farm-in in good standing.

Upon Mithril earning the 51% interest in the Tenements, the parties shall be associated in an unincorporated joint venture. Mithril may elect to withdraw from the Farm-in Agreement prior to earning its 51% interest.

Mithril welcomes the opportunity to work with Segue and to acquire an interest in Pardoo, a project with proven nickel and copper potential and considerable prospectivity for further discoveries.

For further information please contact:

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.

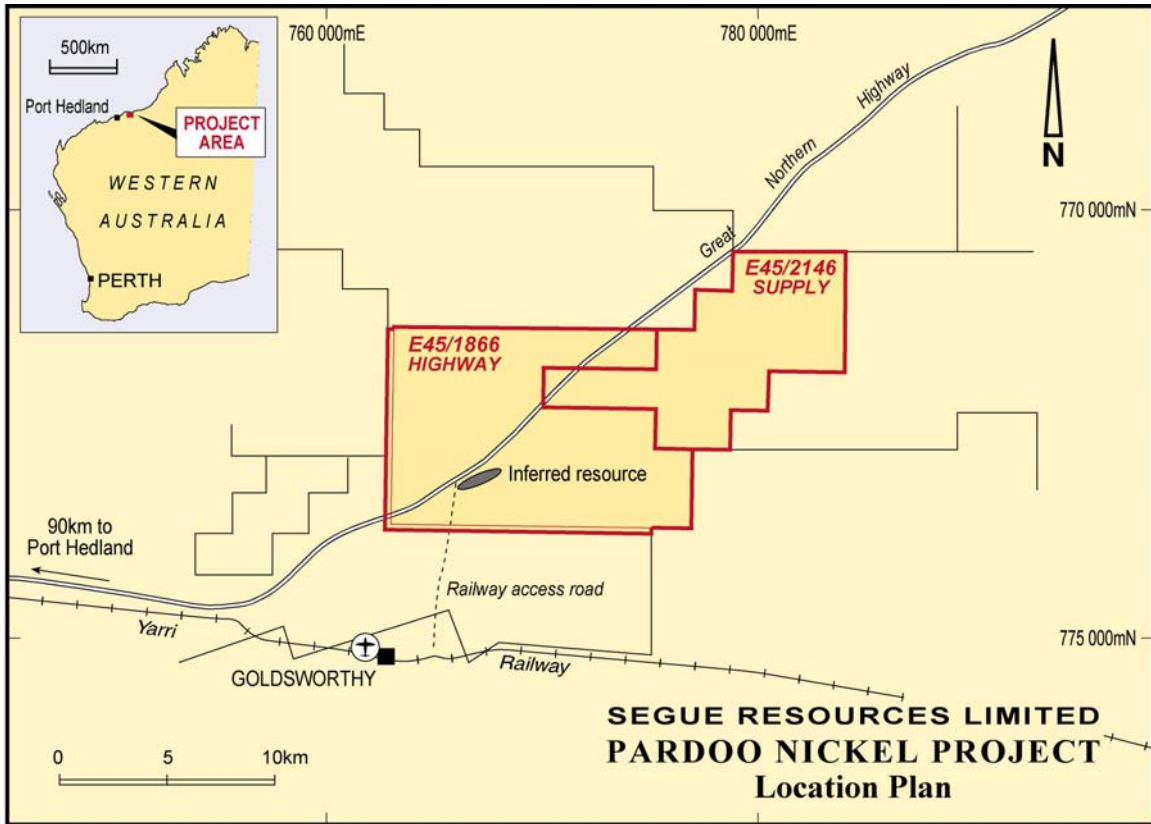


Figure 1: Pardoo Nickel Project Location Map