



*Mithril Resources Ltd*

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**ASX ANNOUNCEMENT**

**EXPLORATION ALLIANCE UPDATE**

Mithril Resources Ltd wishes to advise that the strategic exploration alliance with BHP Billiton Minerals Pty Ltd, a wholly owned subsidiary of BHP Billiton Ltd, expired on December 31, 2007. The Company would like to record its appreciation of the effectiveness of the alliance and wishes to point out that certain projects including all Exploration Licence Applications acquired for nickel but not granted prior to December 31, 2007 will still be subject to the terms of the alliance for a further period of 24 months (until December 31, 2009). Mithril and BHP Billiton will continue as partners in the Silver Swan North, Indiana, Hammer Hill and Talia Hill Joint Ventures.

The alliance began in November 2002 and was extended in 2006 to December 31, 2007. It has been a mutually beneficial relationship for both parties and has given Mithril an advantage in project generation through access to BHP Billiton's Australian geophysical database and other technical information. Under the terms of the Alliance any project generated for nickel sulphides is presented to BHP Billiton as a joint venture opportunity when a drill target is identified. BHP Billiton may then elect to enter a joint venture with Mithril and sole fund the next stage of exploration to earn an equity interest in the project.

While the alliance has been advantageous to date, our project generation efforts are no longer utilizing the BHP Billiton datasets and by mutual agreement it was decided not to extend the alliance. Mithril values its relationship with BHP Billiton and looks forward to continuing our association on a less formal basis and as partners in the four current joint ventures.

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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.*