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ASX RELEASE

**MITHRIL COMMENCES AIRCORE DRILLING ON
MUSGRAVE TENEMENTS, RECIEVES PACE FUNDING**

SUMMARY

- **An aircore drilling programme has commenced on the Barrick JV Project in the Musgrave region of South Australia and will traverse the layered mafic intrusion that hosts the Alvey platinum-palladium prospect.**
- **The South Australian Government has awarded Mithril \$90,000 of PACE (Plan for Accelerating Exploration) funding**

Mithril Resources Ltd is pleased to advise that an aircore drilling programme has commenced on exploration licence ("EL") 3942 of the Barrick Musgrave Joint Venture ("Project"). The Project comprises four tenements located in the prospective Musgrave province of South Australia (Figure1) where the Company's exploration land holdings total in excess of 34,000 km² and are held through a number of joint ventures and tenement applications. Mithril is currently earning up to an 80% interest in the Project and details of the Joint Venture can be found in the ASX announcement lodged on March 23rd, 2007. This is the first exploration programme by Mithril on the company's strategic land holding in the Musgraves.

The planned programme will include the completion of 51 aircore drillholes totalling approximately 3000m on three traverses (Figure 2). Each drillhole will be drilled through shallow sand cover to sample basement rock. The two western traverses will provide detailed geological and analytical information across the magnetic low interpreted to

represent the continuation of the layered mafic body that hosts the Alvey platinum-palladium ('Pt-Pd') prospect. Alvey outcrops 800m west of Mithril's tenement boundary within a small area excluded from, but enclosed by EL 3942. The prospect was discovered and drill tested by Rio Tinto Exploration Pty Limited in 2000 with three reverse circulation drillholes spanning a strike length of approximately 500m. All three drillholes intersected wide zones (14m to 18m) of elevated Pt-Pd values (the best intersection being 0.9 grams/tonne ("g/t") Pt-Pd over 4m). The mineralization is situated at the contact between a melagabbro-norite and a gabbro-norite within a layered mafic intrusion. It strikes northeast towards Mithril's ground and has not been tested at depth (down-dip) or along strike.

The aircore drilling will take approximately 10 days to complete and analytical results from the sampling will be available in April. The goal of the initial work programmes is to identify further drill targets for testing in 2008.

In addition, the South Australian Government has awarded Mithril PACE funding of \$90,000 to jointly fund a future diamond drilling programme on EL 3942. The planned programme will consist of two drillholes each 400m deep testing the platinum-palladium potential the Alvey East area.

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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.

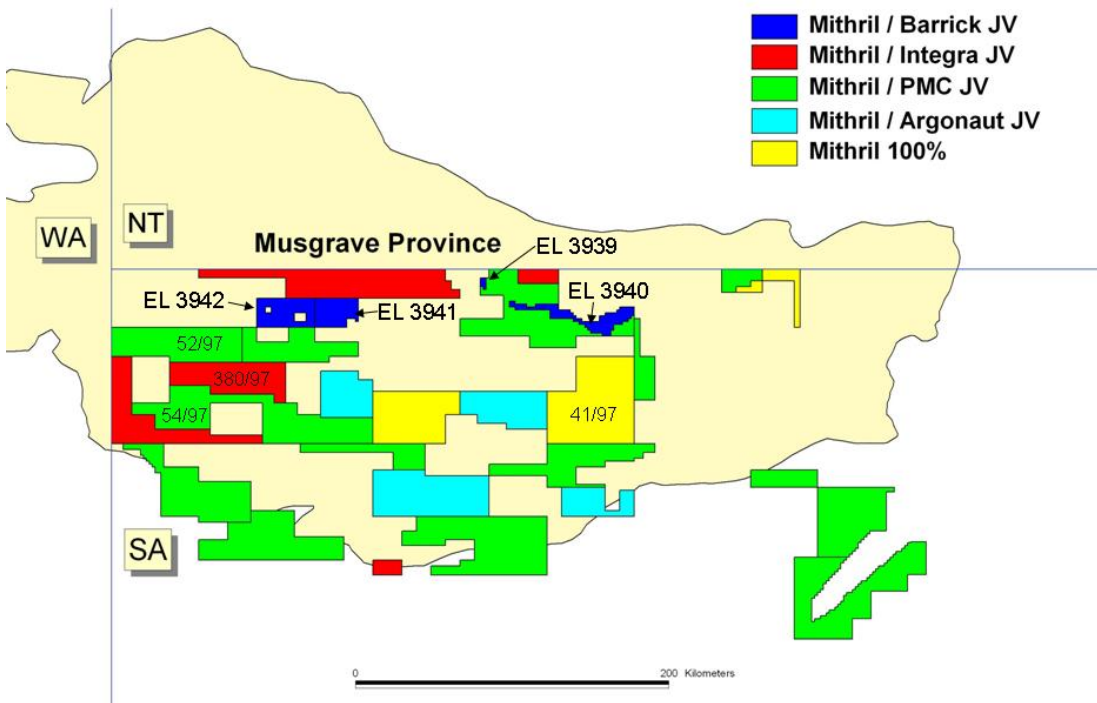


Figure 1: Mithril's tenement position in the South Australia Musgrave Province showing the Barrick JV tenements in dark blue.

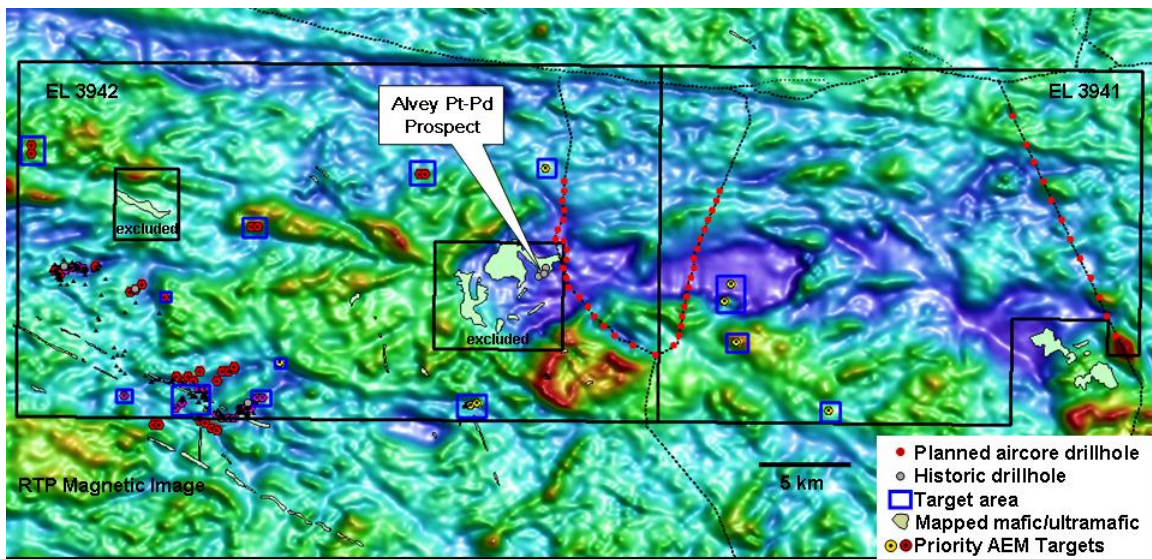


Figure 2: EL's 3941 and 3942 on magnetics showing previous drillholes, planned aircore drilling across magnetic lows (blue) along with other target areas selected for ground follow-up