



MITHRIL

RESOURCES LTD

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ASX RELEASE

DRILLING AT HAMMER HILL INTERSECTS SULPHIDE MINERALISATION

Mithril Resources Ltd is pleased to advise that the first drillhole on the Hammer Hill Joint Venture has intersected a 6.25 metre ($\pm\text{m}\phi$) interval of stringer and disseminated sulphides from a downhole depth of 341.75m (hole drilled at -60°). The interval includes narrow intervals (up to 15 centimetres ($\pm\text{cm}\phi$)) of massive sulphides. Diamond drillhole HHDD001 was targeted to test IVT016, a high electrical conductance bedrock feature that was identified by the recently completed ground electromagnetic ($\delta\text{EM}\phi$) surveys.

After passing through thin alluvial cover, the drillhole intersected a sequence of predominately metasedimentary rocks. Thin silica-carbonate-chlorite veins often containing sulphide mineralisation are present from the top of bedrock and become more prevalent beyond a depth of 150m. At 341.75m, a 6.25m interval containing 15%-20% sulphide mineralisation with thin bands of massive sulphides was intersected. The copper-bearing sulphide, chalcopyrite, was observed in the drillcore along with significant amounts of pyrrhotite and lesser amounts of pyrite. Preliminary spot testing using a handheld XRF analyser on vein mineralisation above the main mineralised zone indicated anomalous nickel and copper values. These need to be confirmed by conventional assaying results which are expected in four weeks time. Drilling continues on the project and several priority electromagnetic targets similar to that tested by HHDD001 remain to be drilled. Drillhole HHDD002 will be positioned 490m south of HHDD001 and will test a separate electromagnetic target. Downhole electromagnetic surveys will be completed in HHDD001 to assist in targeting potential extensions of the intersected mineralisation.

The Company is very pleased with this early success and feels it provides a strong endorsement of its interpretation of the prospectivity of the area and of its exploration approach. Mithril looks forward to further positive results from the ongoing drill program.

The Huckitta Project is located 250 kilometres (≈km \varnothing) northeast of Alice Springs and is comprised of four separate joint ventures covering some 5,070km² of prospective ground (Figure 1). The Huckitta region is relatively under-explored and has several key characteristics that are considered favourable for the formation of magmatic nickel sulphide deposits. At Hammer Hill, BHP Billiton and Mithril may earn up to a 70% interest in the tenements held by Arafura Resources Limited (joint venture details are provided in the ASX Announcement lodged on December 3rd, 2007).

Graham Ascough
Managing Director
Mithril Resources Ltd

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.

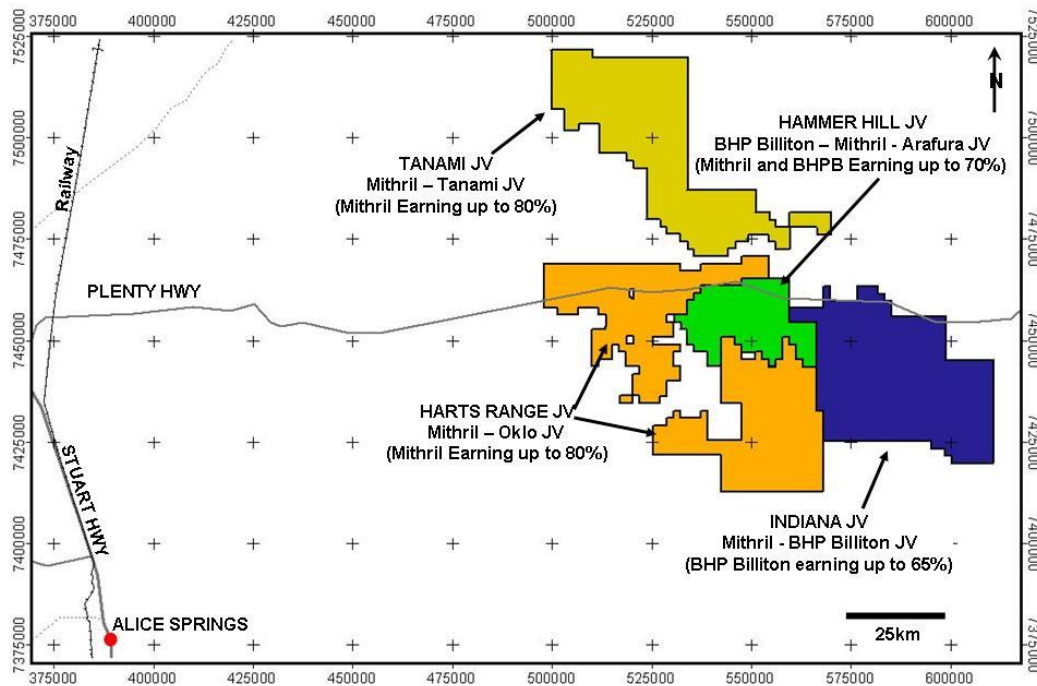


Figure 1: Huckitta Project Location Map

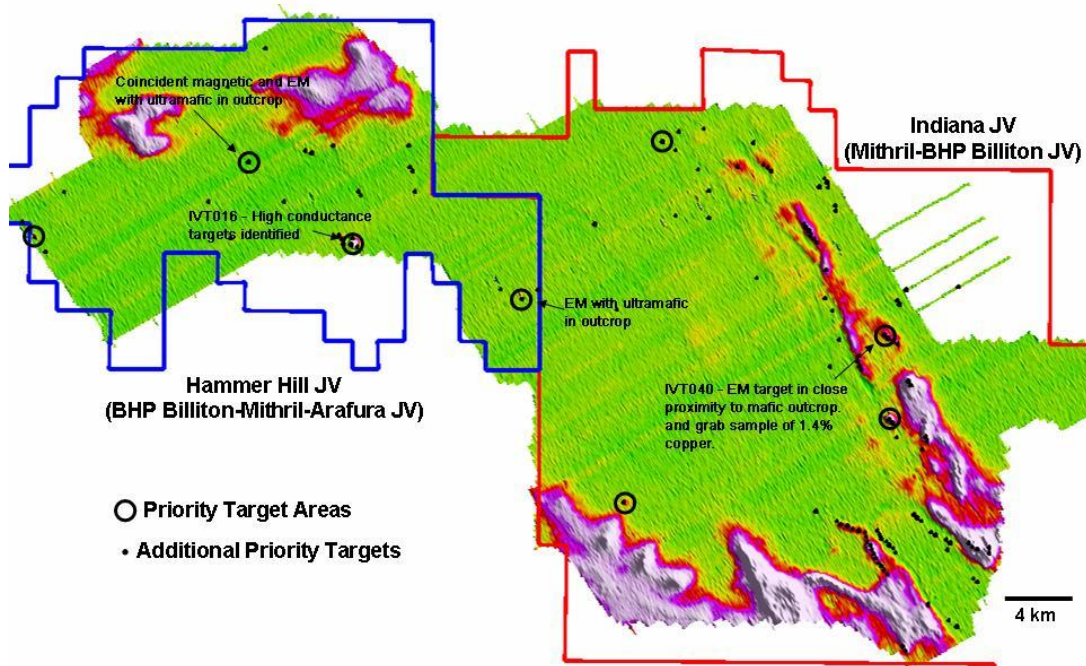


Figure 2: Image of Channel 34 VTEM results where hot colours (pinks) represent areas of higher conductivity. Very broad conductive areas are attributed to surface conditions or regionally extensive sedimentary units. Isolated features are considered to be the more prospective exploration targets. Drillhole HHDD001 is located at IVT016.