



MITHRIL

RESOURCES LTD

JUNE 2, 2008

ASX RELEASE

HAMMER HILL DRILLING UPDATE – INITIAL ASSAYS

- **Initial assays from drillhole HHDD001 return 0.28%Cu over 6.25m**
- **Drillhole HHDD002 intersects disseminated mineralisation from 61m to 70m, including a 0.6m interval of semi-massive sulphides**
- **Drillhole HHDD003 is underway**
- **Further assays from HHDD001, HHDD002 and HHDD003 pending**

Mithril Resources Ltd wishes to advise that initial assays from a mineralised intercept in the first drillhole on the Hammer Hill Joint Venture returned anomalous copper values. As previously reported HHDD001 intersected a 6.25m interval containing 15%-20% sulphide mineralisation with thin bands of massive sulphides from a downhole depth of 341.75m (hole drilled at -60°). Preliminary assays received from this interval returned 0.28% copper over the 6.25m including 0.45% copper over 3.3m. No significant nickel values were returned. Further assays from this drillhole are pending and will be reported when received.

Drillhole HHDD001 was targeted to test IVT016, a high electrical conductance bedrock feature that was identified by the recently completed ground electromagnetic (øEMø) surveys (Figure 1). The complex nature of this zone requires testing by several drill holes, in conjunction with down hole geophysical (electromagnetic) surveys. Two holes have now been completed (HHDD001 and HHDD002) and a third is underway (HHDD003).

Drillhole HHDD002 was targeted to test a separate electromagnetic anomaly southwest of HHDD001 (Figure 1). After passing through thin alluvial cover the hole intersected a sequence of felsic and mafic metamorphosed rocks with varying amounts of disseminated sulphide mineralisation from 61.0m to 70.0m with a 0.6m interval of semi-massive sulphides intersected from 66.4m. The copper-bearing sulphide, chalcopyrite, was observed in the drillcore along with significant amounts of pyrrhotite and lesser amounts of pyrite.

Downhole electromagnetic surveys on HHDD001 and HHDD002 are currently in progress and the results from these surveys will be used to assist in targeting potential extensions of the mineralisation.

Mithril looks forward to further encouraging results from the ongoing drill program at Hammer Hill and notes that several priority electromagnetic targets remain to be tested.

The Huckitta Project is located 250km northeast of Alice Springs and is comprised of four separate joint ventures covering some 5,070km² of prospective ground (Figure 2). 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).

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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.

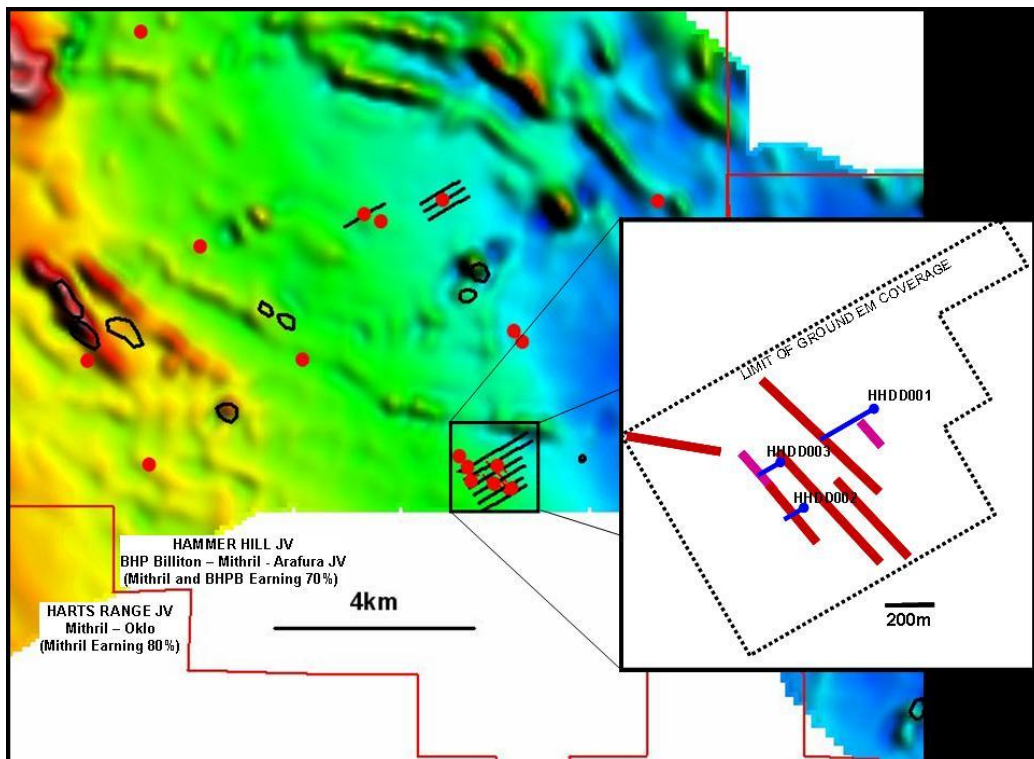


Figure 1: Location of drill program. Main image depicts priority VTEM anomalies (red circles), ground EM lines (black) and ultramafic outcrops (black polygons) on magnetics. Inset image depicts strong (red) and very strong (magenta) conductors along with the drillhole positions.

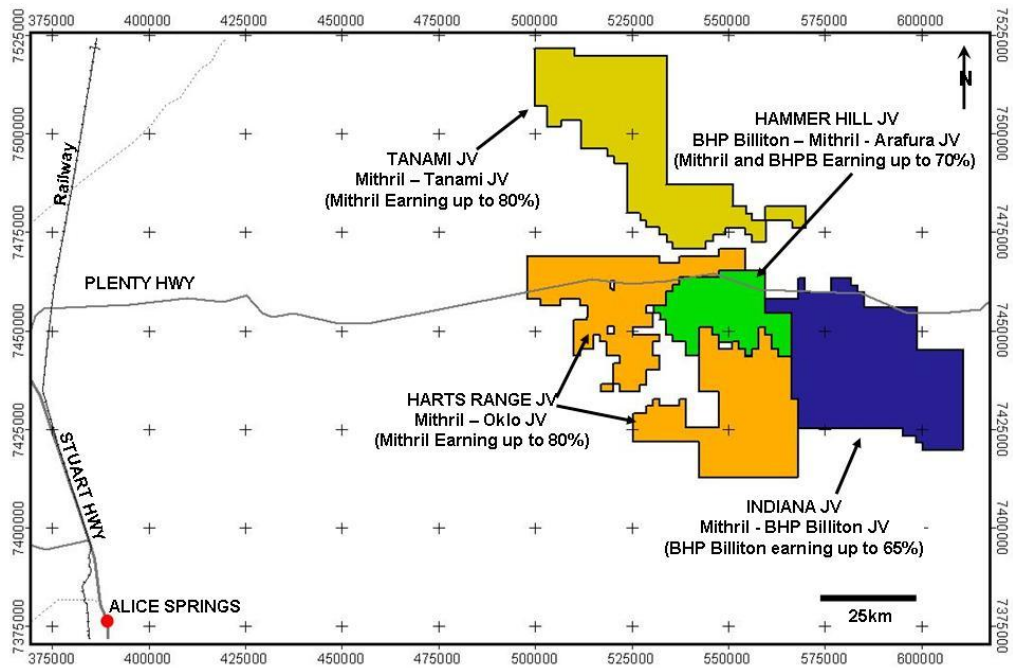


Figure 2: Huckitta Project Location Map