



MITHRIL

RESOURCES LTD

JUNE 16, 2008

ASX ANNOUNCEMENT

MITHRIL COMMENCES DRILLING ON THE PARDOO NICKEL PROJECT

Mithril Resources Ltd is pleased to advise that a diamond drilling program has commenced on the Pardoo Nickel Project in the Pilbara Region of Western Australia (Figure 1). Mithril is currently earning up to a 65% interest in the project under a joint venture arrangement with Segue Resources Ltd. The Project is host to the Highway Deposit where a JORC-code compliant inferred mineral resource of 44.7Mt grading 0.3% nickel and 0.1% copper has been identified by previous explorers.

The planned drilling program will focus on identifying higher grade mineralisation and will test the depth potential of the Highway Resource along with recently identified geophysical targets south and east of the resource area (Figure 2). 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 significant nickel, copper and cobalt mineralization and the deposit is open at depth. Recently completed electromagnetic surveys have identified two conductive targets along strike and east of the highway resource along with four priority targets along an interpreted ultramafic horizon immediately south of Highway. These targets will be tested in the planned drilling program.

The program will total approximately 2000m and will take four to six weeks to complete. Assays will be available approximately six weeks after the completion of drilling.

The Pardoo Nickel Project provides an excellent fit with the Company's exploration and development strategy. Geographically it is well positioned, 15km from the coast and approximately 100km east of Port Hedland along the Great Northern Highway in close proximity to power, rail and port facilities.

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.

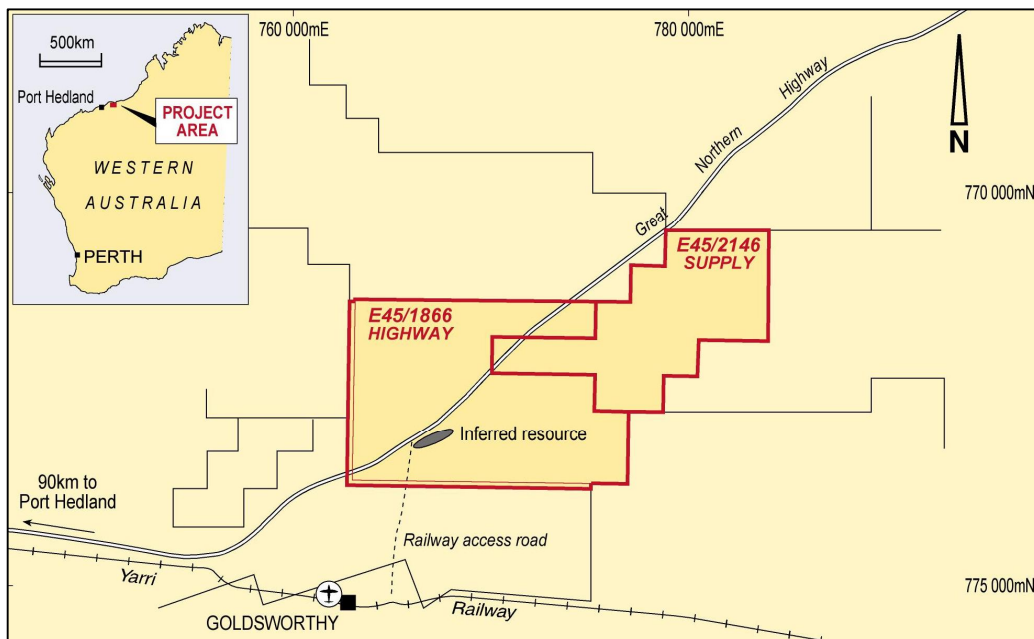


Figure 1: Location Map for the Pardoo Nickel Project

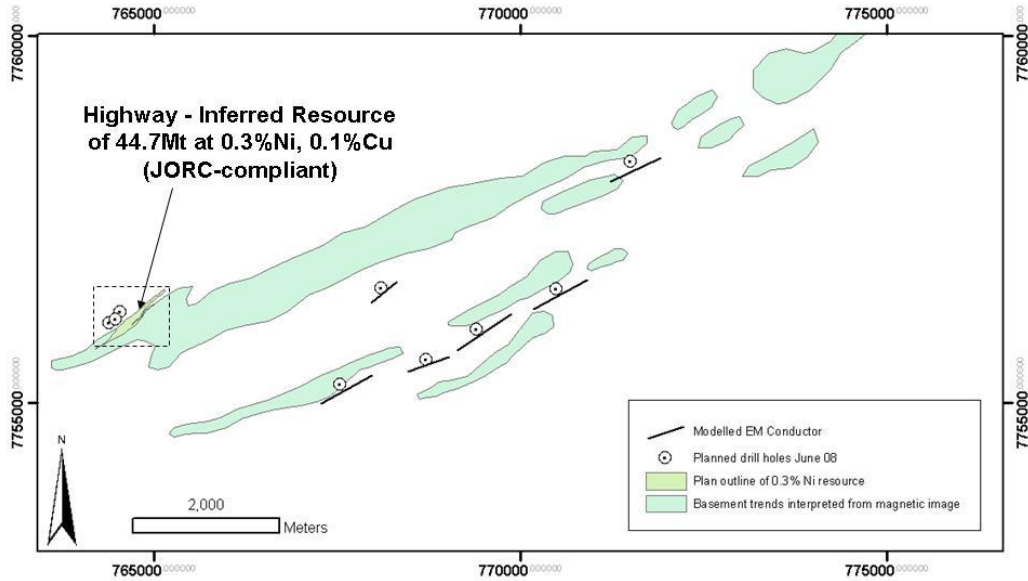


Figure 2a: Proposed drillholes for June 2008

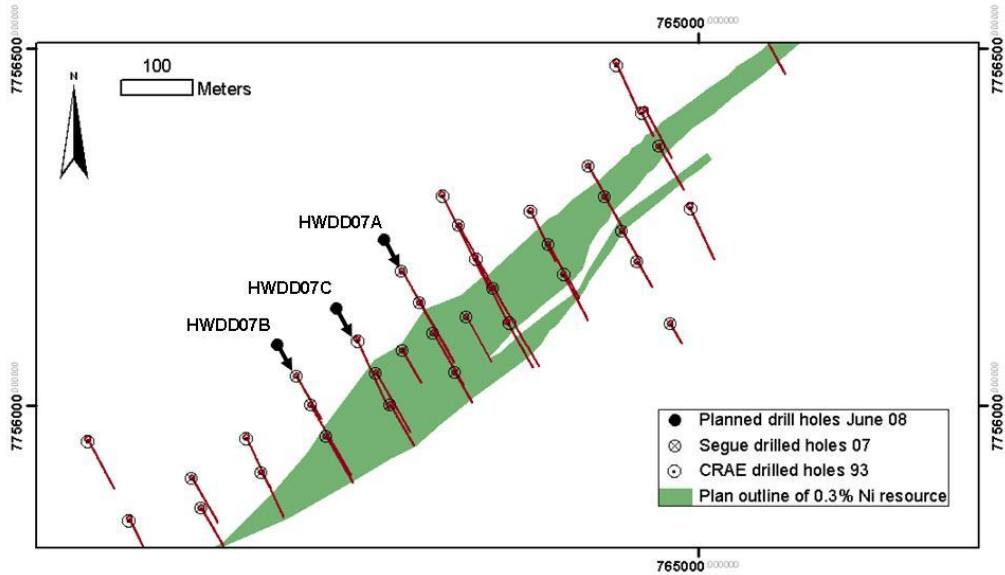


Figure 2b: Proposed drillholes in close proximity to the Highway Resource