



MITHRIL

RESOURCES LTD

JULY 4, 2008

ASX RELEASE

HUCKITTA DRILLING UPDATE

- **Drillholes completed on two prospects located 34 kilometres apart have intersected significant sulphide mineralisation with anomalous copper values**
- **Downhole electromagnetic (EM) surveys at the IVT016 Prospect on the Hammer Hill JV identified a number of untested off-hole targets. A number of other priority target areas remain to be drill tested**

Mithril Resources Ltd is pleased to provide an update following the completion of the first phase of drilling at Huckitta. To date, five diamond drillholes have been completed on two prospects located 34 kilometres apart (Figure 1). Four of the five holes have intersected significant intervals of sulphide mineralisation and assays received to date have returned highly anomalous copper values. Drilling was targeted at testing potentially mineralised zones related to bedrock conductors identified under thin alluvial cover and the Company is encouraged by locating significant sulphide intersections at this early stage of exploration.

On the Hammer Hill JV where BHP Billiton and Mithril are currently earning up to a 70% interest in tenements held by Arafura Resources Limited, three drillholes were completed on target IVT016 (Figure 2). The results are summarised below:

Drillhole HHDD001 intersected a 6.25meter (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°). Assays received from this interval returned 0.28% copper over the 6.25m including 0.45% copper over 3.3m. The downhole EM results indicate a considerable off-hole geophysical response indicating the intersected sulphide body can be expected to extend a considerable distance to the north and south of the drillhole as well as above and below the hole.

Drillhole HHDD002 was drilled approximately 500m southwest of HHDD001 and intersected varying amounts of disseminated sulphide mineralisation from 61.0m to 70.0m with a 0.6m interval of semi-massive sulphides at 66.4m. Downhole EM results show a broad off-hole response at 65m indicating an untested EM conductor located 100m northeast and below the drillhole.

Drillhole HHDD003 located 200m northwest of HHDD002 intersected a sequence of felsic and mafic metamorphosed rocks similar to the host lithologies in HHDD002 and HHDD001 with numerous thin sulphide veins. The targeted EM conductor was not satisfactorily explained and downhole EM results suggest the target is positioned approximately 25m southeast of the drillhole at a depth of 112m.

On the Indiana JV where BHP Billiton are earning a 65% interest in tenements held by Mithril, two drillholes have been completed at target IVT040 (Figure 3). The results are summarised below:

INDD001 was targeted to test a moderate strength EM conductor 280m along strike from a mafic outcrop with anomalous copper (up to 1.3% copper in chip samples). From 146.5m the hole intersected a 15m interval of 10%+ sulphide mineralisation with six 0.5m-1m zones containing greater than 30% sulphides. The 15m interval averages 0.18% copper and assays returned values of up to 0.5% copper over narrow 0.5m zones.

INDD002 was drilled 800m southeast of INDD001 and intersected stringer and disseminated sulphide mineralisation from 62.5m to 66.7m and from 101m to 114m in a similar host sequence. Assay results are pending.

The sulphide mineralisation encountered to date does not appear to be related to a magmatic nickel sulphide system but does indicate potential for significant base metal mineralisation on the project. Mithril looks forward to further encouraging results from the ongoing exploration programs at Huckitta 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 1). Exploration expenditure at Hammer Hill and Indiana is sole funded by BHP Billiton under the terms of the Hammer Hill and Indiana Joint Venture Agreements. 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). Under a separate joint venture at Indiana, BHP Billiton may earn up to a 65% interest in tenements held 100% by Mithril (joint venture details are provided in the ASX announcement lodged on March 6th, 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 mineralisation 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.

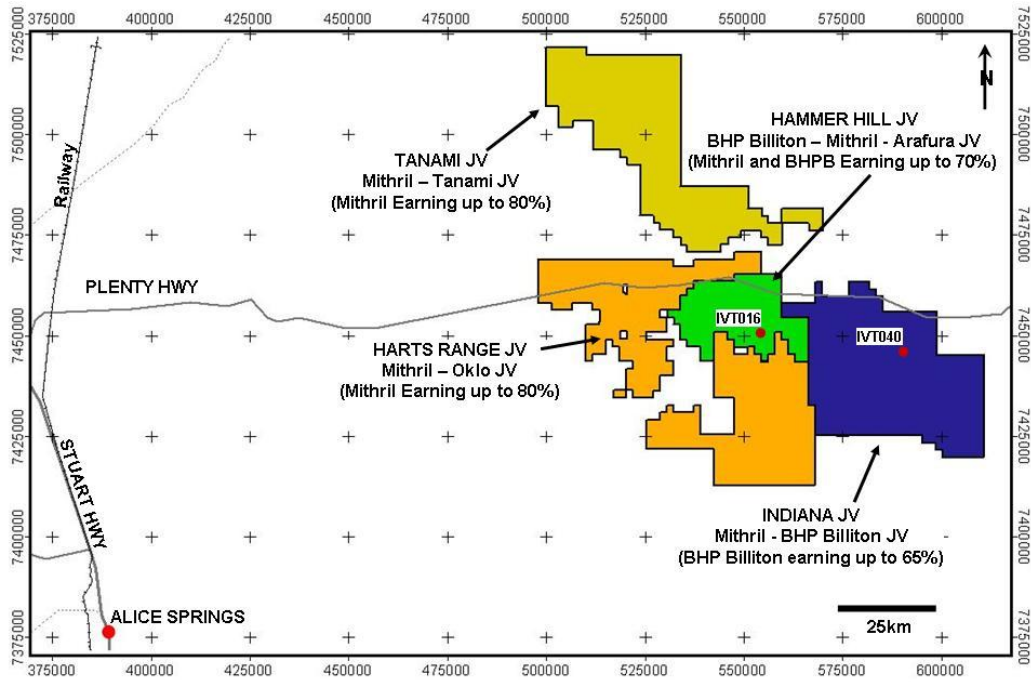


Figure 1: Huckitta Project Location Map

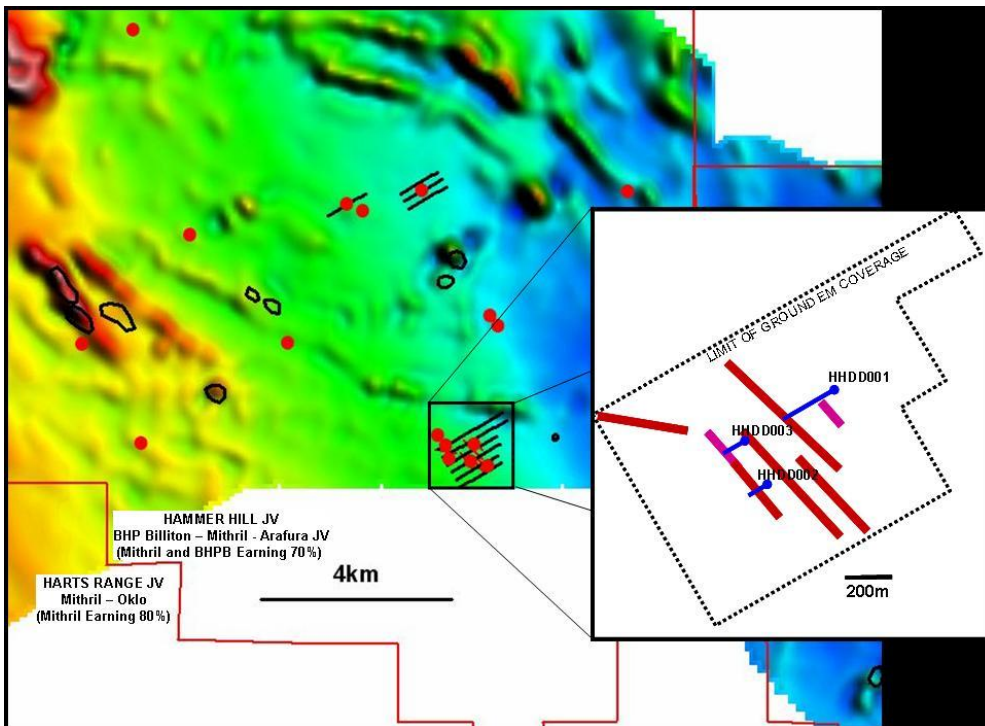


Figure 2: Location of drillholes at IVT016. Main image depicts priority airborne geophysical anomalies (red circles), ground EM lines (black) and ultramafic outcrops (black polygons) on magnetics. Inset image depicts conductor traces along with the drillhole positions at IVT016.

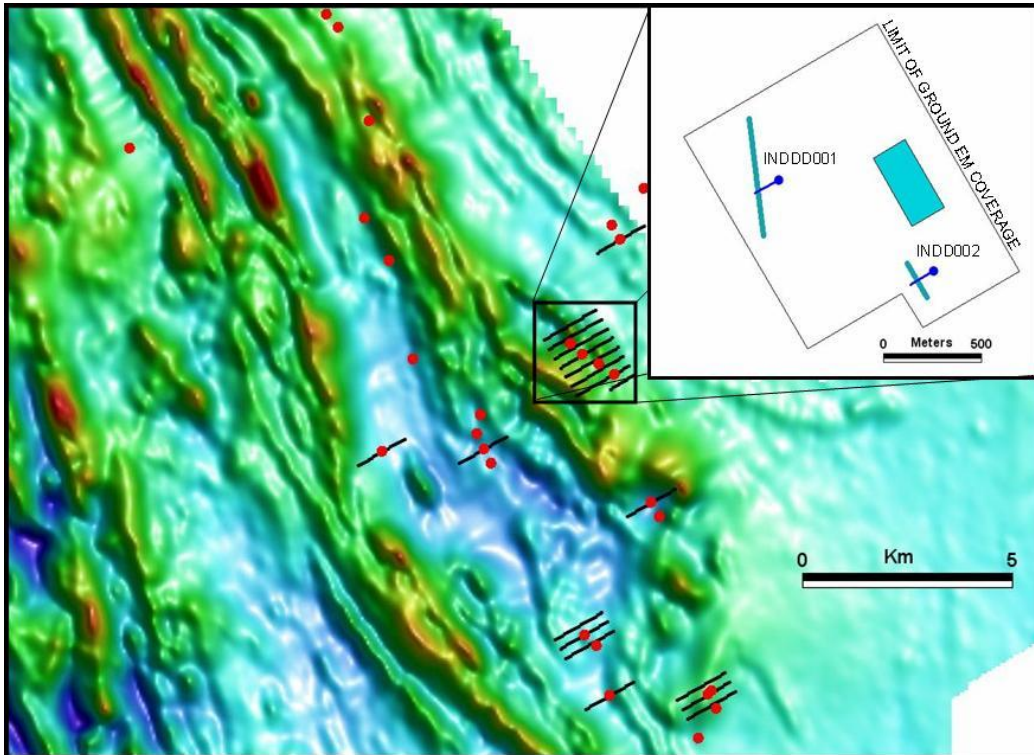


Figure 3: Location of drillholes at IVT040. Main image depicts priority airborne geophysical anomalies (red circles), ground EM lines (black) on magnetics. Inset image depicts conductor traces along with the drillhole positions at IVT040.