



MITHRIL

RESOURCES LTD

29 October 2008

ASX RELEASE

Mithril consolidates further exploration interests in the vicinity of the Blackadder nickel-copper Prospect

The directors of Mithril Resources Ltd are pleased to advise the Company has entered a heads of agreement with Sammy Resources Pty Limited ('Sammy') a wholly owned subsidiary of ASX listed Cazaly Resources Ltd (ASX:CAZ) to earn an 80% interest in Northern Territory Exploration Licences 25643 and 25653 ('Tenements'). The Tenements are contiguous with the Company's existing Huckitta Project to the north and the Casey Project to the South (Figure 1). The tenements were selected based on the presence of favourable rocktypes for nickel and copper mineralisation and are located south of the recently announced Blackadder discovery where rock chip assays returned high grade values of 3.8% nickel and 9.6% copper.

The agreement covers all minerals and Mithril may earn an 80% interest the Tenements by completing expenditure of AUD\$2M within 5 years of the commencement date of the agreement. At the completion of the earn-in expenditure a 80% Mithril, 20% Sammy unincorporated joint venture will be formed. Sammy may elect to convert its 20% participating interest to a 1.5% net smelter returns royalty within 60 days of the formation of the joint venture. After the joint venture is formed both parties must contribute pro-rata or dilute and if either party's interest dilutes to less than 10% its interest reverts to a 1.5% net smelter returns royalty. So long as Mithril has a participating interest of at least 80%, it has the right to purchase and/or market Sammy's share of minerals on normal commercial terms. Mithril may withdraw from the agreement at any time during the earn-in stage and if it does so would have no interest in the Tenements and no right to acquire an interest in the Tenements.

Mithril welcomes the addition of these Tenements to the Huckitta Project and looks forward to aggressively exploring the area which it believes to be an emerging belt prospective for nickel and copper sulphide mineralisation.

Graham Ascough
Managing Director
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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.

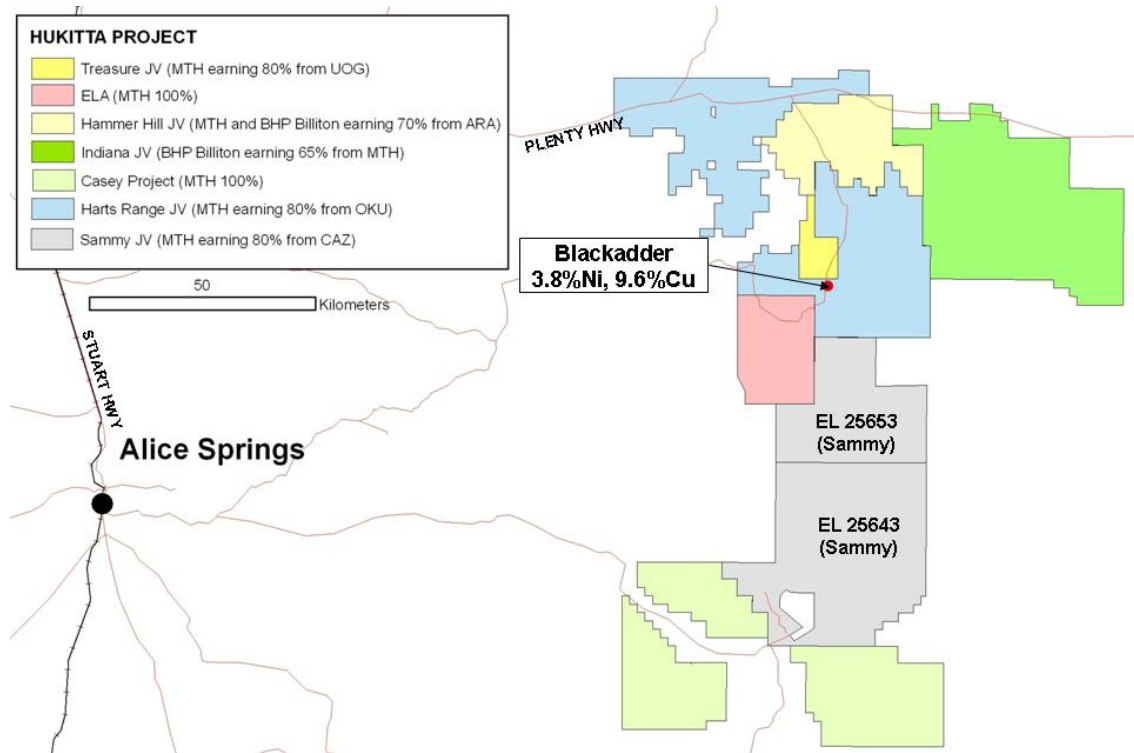


Figure 1: Huckitta and Casey Project Areas, Northern Territory