



MITHRIL RESOURCES LTD

ASX RELEASE

4 June 2010

Hammer Hill Joint Venture

Mithril Resources Ltd (ASX:MTH) has informed Arafura Resources Ltd (ASX: ARU) that it has withdrawn from the Hammer Hill Joint Venture in the Northern Territory. The decision will enable Mithril to intensify its focus on 100% owned tenements and other joint ventures elsewhere in the Huckitta Region where a major drill program is underway on its new Basil copper discovery.

Under the terms of the Hammer Hill Joint Venture Agreement, Mithril was able to earn an initial 51% interest in the tenements held by Arafura. The Company has elected to withdraw prior to completing the Stage One expenditure commitment. As such, Mithril will not hold any residual interest in the Hammer Hill tenements after withdrawal.

Mithril would like to advise that the drilling program at the Basil copper discovery that commenced on May 28th is progressing well. Updates will be provided as drilling results become available and assays are received.

Mithril Resources Ltd is an Australian exploration company focused on the discovery and development of base metal deposits, primarily nickel and copper. Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground. This is yielding excellent results and Mithril's recent discovery of the Basil copper prospect at its Huckitta Project has the potential to deliver a large tonnage, near surface deposit.

For more information visit www.mithrilresources.com.au or contact:

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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.