



# MITHRIL

## RESOURCES LTD

ASX RELEASE

2 August 2010

### Drilling Commences at the Pardoo Nickel Project

Base metals explorer Mithril Resources Ltd (MTH:ASX) is pleased to advise that drilling has commenced on the Pardoo Nickel Project in Western Australia.

The Pardoo Nickel Project hosts the Highway nickel sulphide deposit – an Inferred Mineral Resource of 50Mt grading 0.3% nickel, 0.13% copper and 0.03% cobalt (based on the guidelines of the 2004 JORC code).

The initial drill program will consist of a single drillhole targeting higher grade nickel, copper and cobalt mineralisation beneath the existing Highway Deposit at a depth of approximately 300m vertical (Figures 1 & 2). In 2008 significant widths of nickel, copper and cobalt were intersected in holes DD08HW001 and DD08HW002 which were drilled 200m apart. This included some higher grade nickel intercepts of up to 1.8% over 1m intervals. As these relatively shallow intersections are the deepest drillholes completed within the resource to date it remains open at depth and along strike.

The planned drillhole will be extended so that it also tests a gold and copper bearing horizon intersected during the 2008 drilling program where results from DD08HW002 returned 1.5m grading 5.18g/t gold and 1.05% copper from 286.5m while DD08HW001 drilled 200m along strike returned 1.0m grading 1.37 g/t and 0.55% copper.

The Pardoo Project is located only 15km from the coast and approximately 100km east of Port Hedland along the Great Northern Highway in close proximity to power, road and port facilities. Mithril is earning up to a 65% interest in the Pardoo Project for all minerals other than iron from Segue Resources Limited (SEG:ASX).

*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](http://www.mithrilresources.com.au) or contact:

**Mithril Resources Ltd**

Graham Ascough

[admin@mithrilresources.com.au](mailto:admin@mithrilresources.com.au)

08 8378 8200

**Michels Warren**

Richard Sproull 0418 585 517

Kristy Macfarlane 0402 557 527

---

60 King William Road, Goodwood, South Australia 5034

Telephone: (61 8) 8378 8200 Fax: (61 8) 8271 0037

Web: [www.mithrilresources.com.au](http://www.mithrilresources.com.au) Email: [admin@mithrilresources.com.au](mailto:admin@mithrilresources.com.au)

ABN: 30 099 883 922

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.

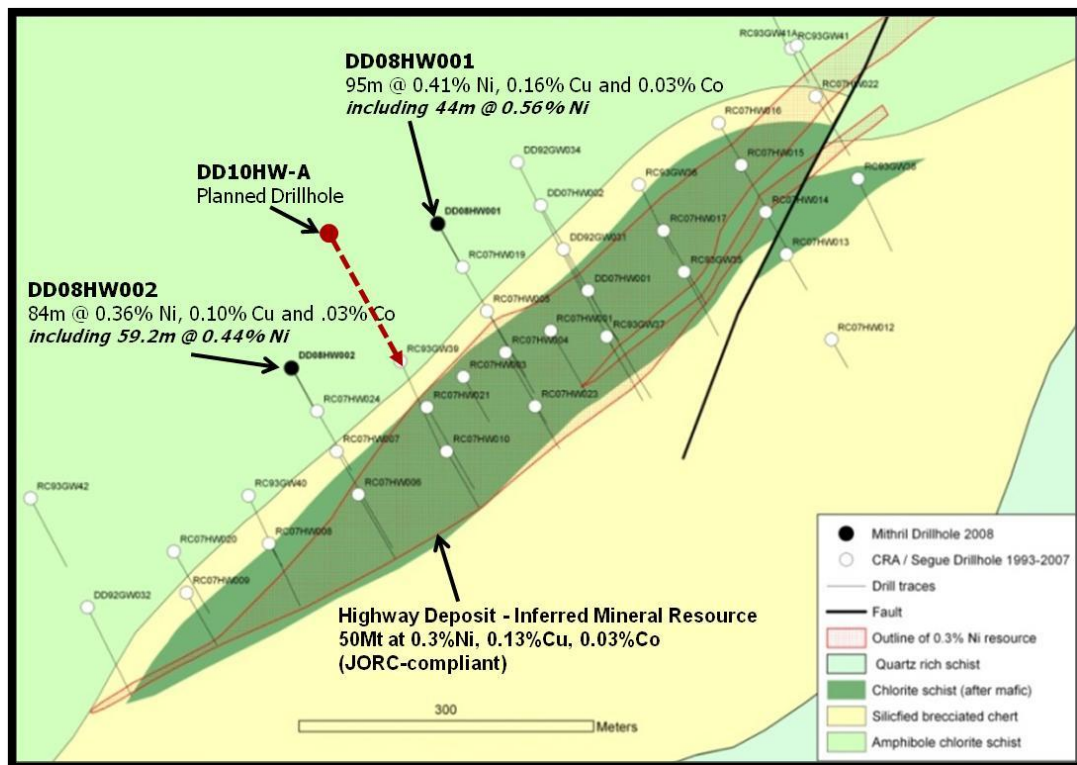


Figure 1: Plan map of the Highway Deposit

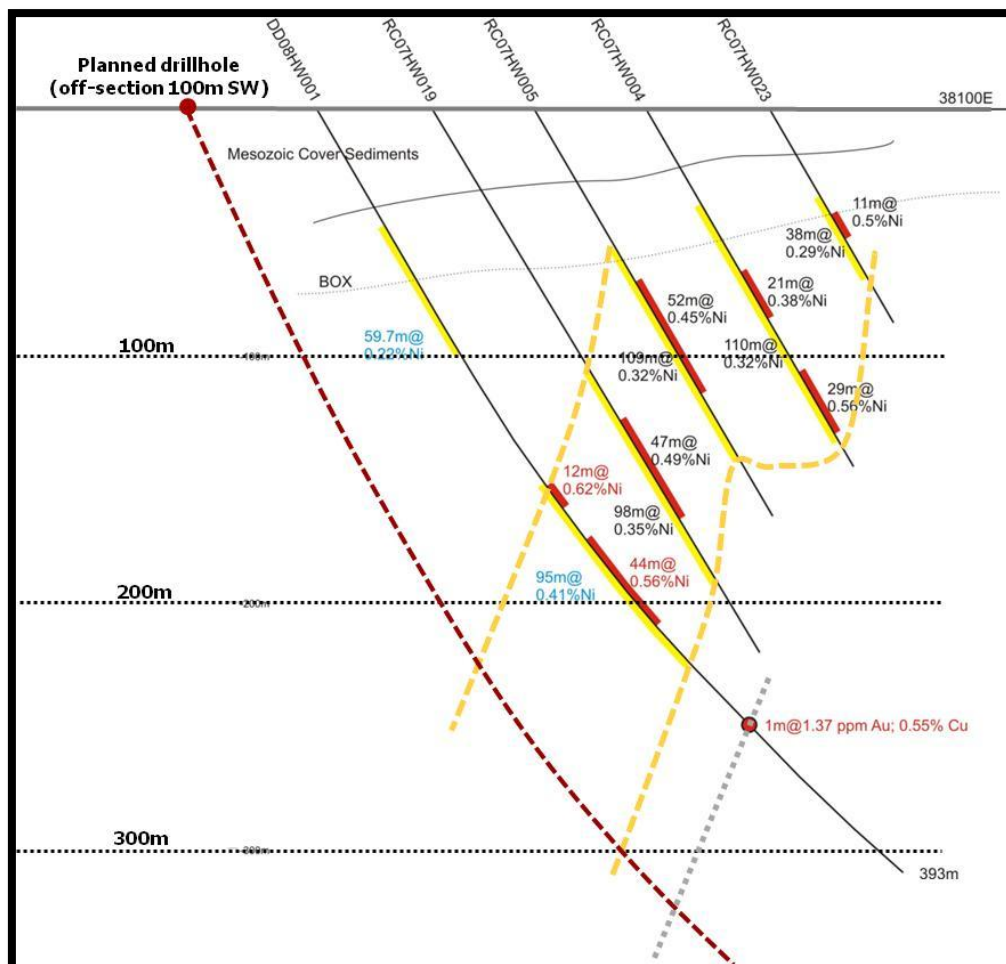


Figure 2: Cross Section 38100E through the Highway Deposit