



MITHRIL

RESOURCES LTD

ASX RELEASE

27 September 2011

Mithril and MMG enter Agreement to accelerate nickel exploration at Huckitta

Base metals explorer Mithril Resources (ASX:MTH) is pleased to announce that it has entered an Option and Joint Venture Agreement with MMG Exploration Pty Ltd (MMG) relating to the nickel rights on the Company's wholly owned tenements on the Huckitta Project in the Northern Territory.

Mithril will retain the rights to non-nickel minerals across Huckitta including copper and gold and, as such, will still hold a 100% interest in the Basil copper and Yoda gold prospects. The Agreement only affects wholly owned tenements and does not apply to the existing joint venture tenements in the area (Figure 1) which host the Blackadder and Baldrick nickel prospects, the Tibbs gold prospect and the new Austin copper prospect.

The agreement with MMG allows the company to accelerate the aggressive exploration program across the Huckitta Project and to advance the copper and gold targets while MMG focuses on the nickel exploration.

"MMG has recognised that the Huckitta Project is highly prospective for nickel and is keen to deploy its experienced exploration team into the area. This will complement Mithril's ongoing commitment to the region", Mr Ascough said.

"This is an excellent outcome for Mithril shareholders as it enables the Company to focus on building on its recent exploration success and ensures that the Company benefits from the increased exploration expenditure across the Project."

MMG is owned by Minmetals Resources Limited (HKSE 1208), an international upstream base metals company. It is one of the world's largest producers of zinc as well as a substantial producer of copper, lead, gold and silver. Minmetals Resources Limited currently has mining operations located in Australia and Asia and a large portfolio of exploration and development projects in Australia, Asia and North America. Its operations include the Century mine in Queensland, Sepon copper and gold operations in Laos, Golden Grove underground base and precious metals mine in Western Australia and the polymetallic Rosebery mine in Tasmania.

Under the terms of the agreement, MMG must spend \$1.5M in an initial two year option period and an additional \$2.5M (for a total of \$4M) within an additional 3 years to earn a 51% interest (Stage 2) in the nickel rights of the 100%-held tenements. The \$1.5M option period expenditure is a firm commitment. If MMG does not spend this amount at Huckitta it must pay to Mithril the difference between the funds spent and \$1.5M.

At the completion of Stage 2, MMG may elect to earn a further 29% (for a total of 80% interest in the nickel rights) by completing a Pre-Feasibility study which must include estimates of Indicated Resources as defined in the JORC Code and an economic evaluation of a proposed development.

Mithril welcomes MMG’s involvement in the Huckitta region and looks forward to working with their exploration team for the mutual benefit of both companies under the Agreement.

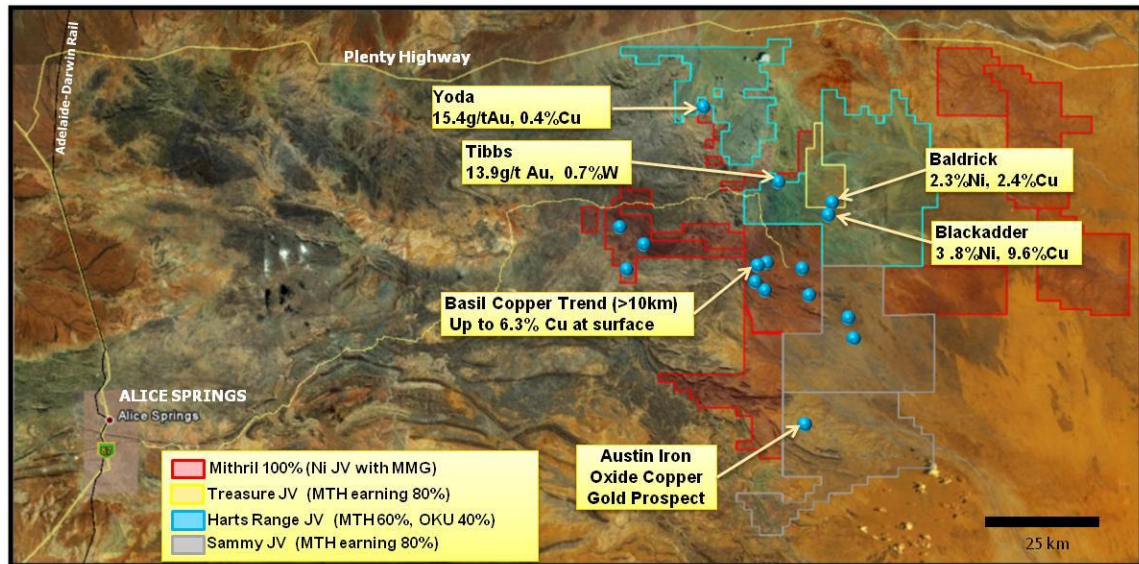


Figure 1: Huckitta Project Location Map. Tenements included in the nickel Option and Joint Venture Agreement with MMG are the 100% Mithril tenements in red. Significant mineral prospects are marked with blue circles.

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.