



MITHRIL

RESOURCES LTD

ACN 099 883 922

REPORT FOR THE QUARTER ENDING 31 MARCH 2008

HIGHLIGHTS

Corporate

- Cash reserves of \$3.6 million at 31 March, 2008

Pardoo Nickel Joint Venture, WA

- Processing options to potentially unlock the metal value of the Highway Deposit, a JORC Code compliant Inferred Mineral Resource of 44.7 million tonnes, grading 0.3% nickel and 0.1% copper are under review.
- Ground electromagnetic (“EM”) surveys to identify new, potentially higher grade zones of mineralisation are underway.
- Drilling is scheduled to commence in June 2008.

Huckitta Project, NT

- Drilling preparations are complete and drilling will commence in April/May, 2008.
- A new copper target, the Perenti Prospect, is under review on the Tanami JV where previous explorers intersected 0.6% copper over 14m in shallow drilling.

Musgrave Barrick Joint Venture, SA

- An aircore drilling program has identified elevated nickel, copper, platinum and palladium values in the Alvey East area. The South Australian Government has awarded Mithril PACE funding of \$90,000 to jointly fund a diamond drilling programme to test the platinum-palladium potential of the Alvey East area.
- Rock chip samples from a recently identified copper prospect have returned assays up to 1.8% copper.

REVIEW OF OPERATIONS

CORPORATE

Cash and Expenditure

At the end of the reporting period, the Company held \$3.6 million in net cash.

During the quarter \$0.96 million was spent on exploration activities managed by Mithril of which \$0.51 million was net to Mithril. This expenditure was directed towards exploration activities and related administration costs on the projects summarized in the Exploration section of this report. Activities included aircore drilling, assaying, geological mapping, geophysical surveys and geochemical sampling.

Securities

On the 18th of March 2008 the Company issued 500,000 unlisted options and 250,000 fully paid ordinary shares without disclosure to investors under Part 6D.2 of the Corporations Act. The issue was made in accordance with the Musgrave Block Farm-in and Joint Venture Agreement between Pitjantjatjara Mining Company Pty Limited, Zeil No. 1 Pty Limited and Mithril dated January 11, 2005. The term of the options is 5 years and the exercise price is \$0.198. No further issue of shares or options is required in relation to the joint venture.

Investments

As previously announced, Mithril agreed to vend its New South Wales tenements and provide seed capital to Meridian Minerals Limited (Meridian) as part of Meridian's planned initial public offering ('IPO') and listing on the Australian Stock Exchange (announced on August 6th, 2007). Meridian is an exploration company that has been established to explore for gold and gold-copper resources in both brownfield and greenfield locations within Australia, some of which are located close to proven world class mineral deposits. The IPO is expected to proceed before the end of the next quarter and Mithril will hold approximately 10% of the issued shares in Meridian on listing.

Property Transactions

At the beginning of the reporting period Mithril entered a joint venture in the Huckitta region with Oklo Uranium Limited. Under the terms of the Agreement Mithril may earn up to 80% in Northern Territory exploration licences 25451 and 25453 for all minerals other than uranium (see ASX release dated January 3rd, 2008).

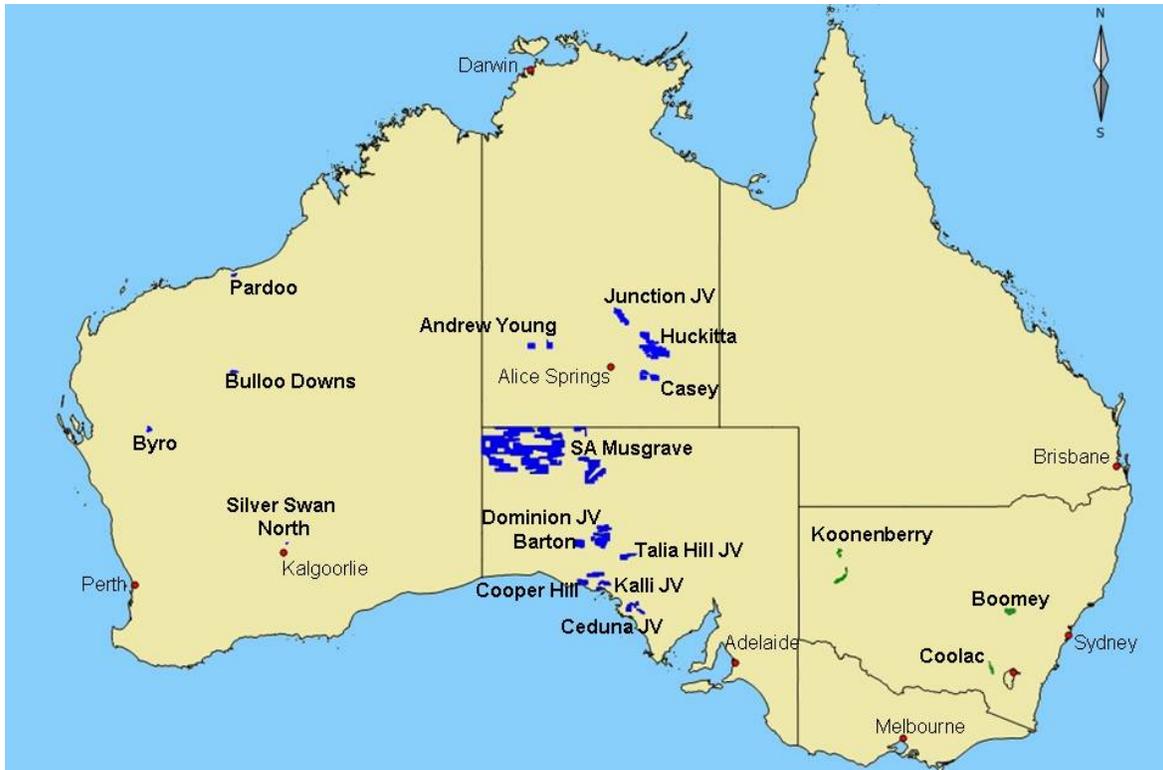


Figure 1: Mithril's Projects (blue) along with tenements vended to Meridian (green)

EXPLORATION

NORTHERN TERRITORY PROJECTS

**Huckitta Project (NT)
(Various joint venture interests)**

The Huckitta Project is located 250km northeast of Alice Springs and is comprised of four separate joint ventures as summarised in Figure 2. Mapping and ground EM surveys over conductors identified by the helicopter time-domain electromagnetic (“VTEM”) survey completed in 2007 have identified a number of high priority targets on the Hammer Hill and Indiana joint ventures that will require drill testing (Figure 3). Drilling is scheduled to commence in April or early May 2008 and will be funded by BHP Billiton under the Hammer Hill and Indiana Joint Ventures.

On the Tanami Joint Venture desktop studies have identified significant copper mineralization that was intersected in three drillholes at shallow depths over a strike length of over 500m. This drilling was completed in 1969-70 and the prospect was named Perenti. Analytical results from this drilling returned up to 14m @ 0.6% copper. There is no record of further work at Perenti and the mineralization remains open at depth and along strike. The drillcore is stored at the Northern Territory Geological Survey’s core library in Alice

Springs and relogging and resampling of these drillholes are in progress along with geological mapping and prospecting around the Perenti area.

**Casey (NT); EL 24646, ELA 25711, ELA 25887 and ELA 25888
Mithril 100%**

A recent field trip to the “pound area” within EL 24646 identified new copper bearing veins demonstrating that further mapping and prospecting is required. The goal of these programs will be to determine if any of the veins thicken significantly to potentially economic widths. In addition, a copper-bearing ultramafic outcrop was mapped in the “pound area” reigniting interest in the nickel potential of the area.

In partnership with the Northern Territory Geological Survey, Mithril will collect 1km x 1km spaced gravity data across all four tenements at Casey in June-July 2008. The next stage of exploration will further evaluate the copper, nickel and rare earth potential of the area. The Company is currently reviewing existing data to improve the understanding of the style of the copper mineralisation at Pipeline and will use this information to identify target areas where copper mineralisation may be concentrated. Ground geophysics consisting of magnetics, induced polarisation and EM will be completed over priority areas to identify targets for drill testing in the second phase of the program.

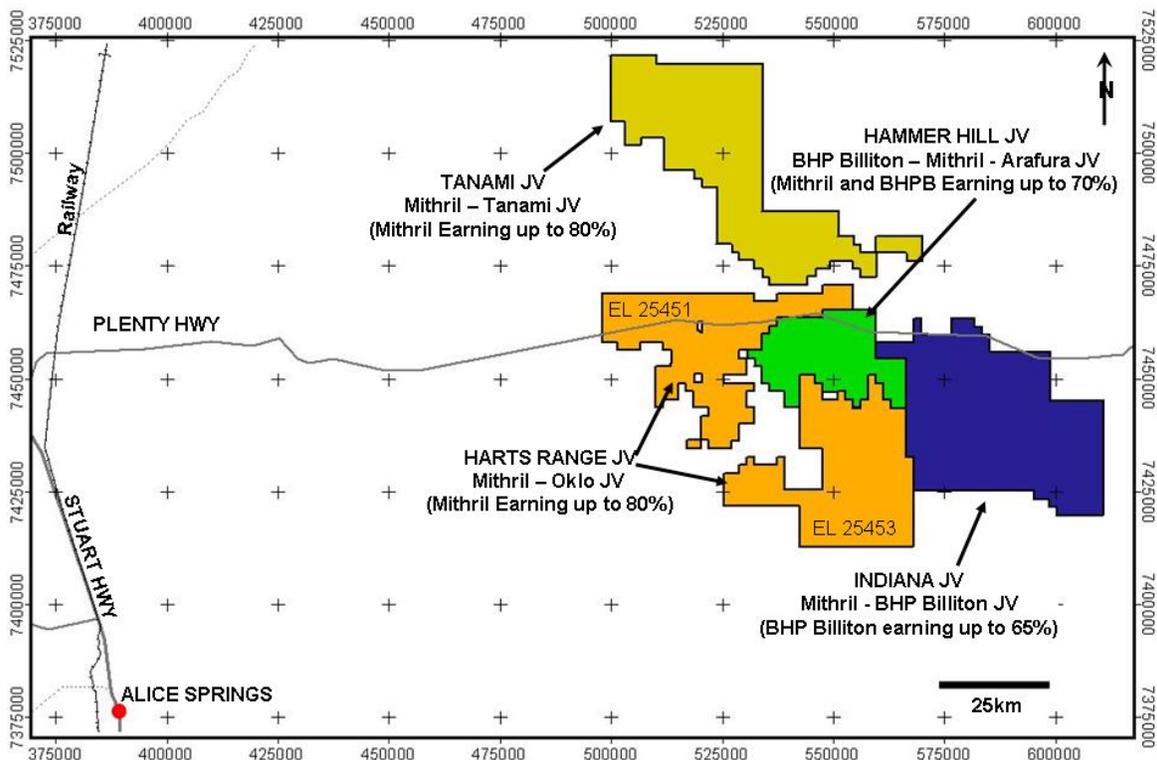


Figure 2: Huckitta Project Area

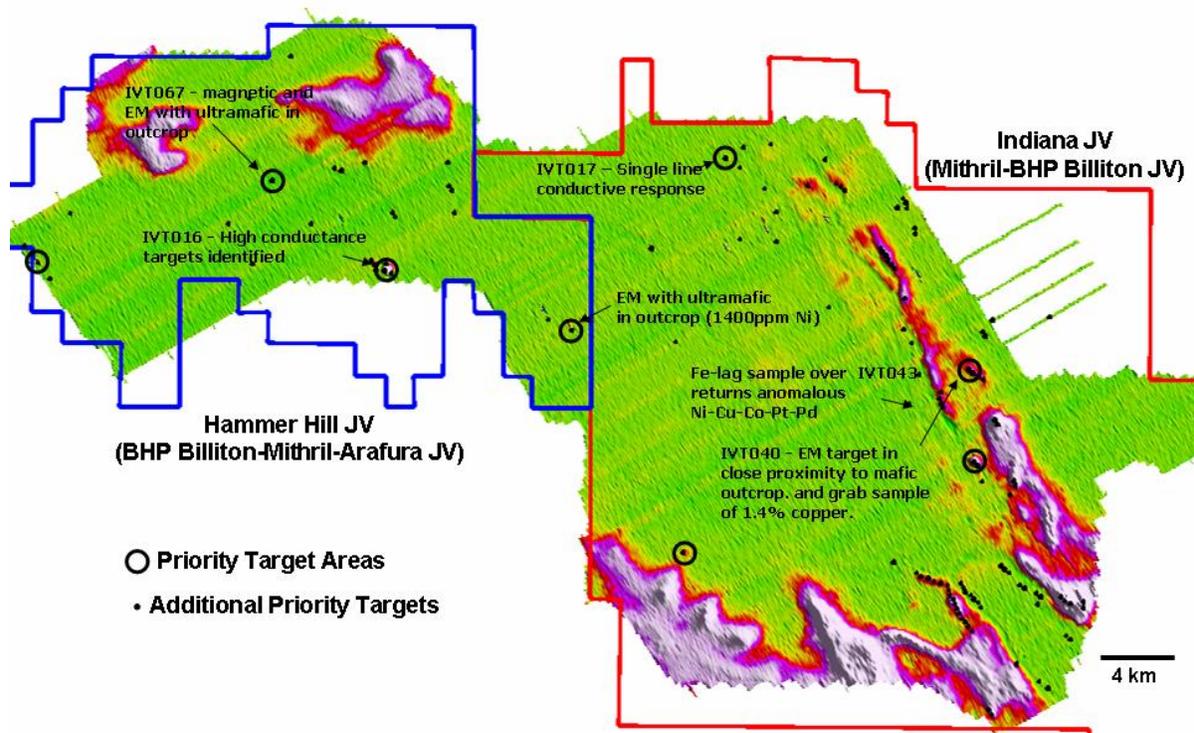


Figure 3: VTEM results with priority target areas

**Andrew Young (NT); ELA 25431 and ELA 22504
Mithril 100%**

A community consultation meeting to consider the grant of ELA 25431 is planned for April, 2008.

**Neutral Junction Joint Venture (NT); EL 24253
Mega Uranium Limited earning 80%**

No activity reported during the quarter.

WESTERN AUSTRALIA PROJECTS

**Pardoo Nickel Project (WA); EL45/1866, EL45/2146, PL45/2572 and PL45/2573
Mithril earning up to 65%**

The Pardoo project is host to the Highway Deposit where a JORC-code compliant inferred mineral resource of 44.7Mt grading 0.3% nickel and 0.1% copper has been identified by previous explorers. Under a joint venture arrangement with Segue Resources Ltd, Mithril may earn up to a 65% interest in the project and sees excellent potential for new discoveries and to expand the size and grade of the existing resource.

Various processing options to unlock the metal value of the Highway Resource (approximately 130,000 tonnes of contained nickel) are under review. Test work to determine the amenability of bio-oxidation heap leaching has commenced and the results of this work will be available in September 2008. QEMSCAN mineralogy is underway on selected samples to help estimate the grade/recovery relationship for nickel that could be achieved with various grind sizes.

Previous resource estimates at Highway have not incorporated cobalt or platinum group elements (“PGE”) and re-analysis of previous drill samples is underway. The deposit remains untested at depth with only three holes drilled to depths greater than 200m, all of which intersected significant intervals of nickel-copper mineralisation. Drilling is scheduled to commence in early June 2008 and will test the depth extent of Highway along with targets that have the potential to deliver higher grade nickel resources.

Ground EM surveys are in progress over the eastern extension of the Highway Resource area and over prospective ultramafic horizons south of Highway.

The Pardoo Nickel Project provides an excellent fit with the Company’s exploration and development strategy. Geographically, it is well positioned, 15 km from the coast and approximately 100km east of Port Hedland along the Great Northern Highway in close proximity to power, rail and port facilities.

**Silver Swan North Joint Venture (WA); EL 27/209 and Mining Leases (ML)
27/262-265
Mithril and BHP Billiton earning 51% in tenements held by FerrAus Limited**

Four drillholes (SNDD-020 to SNDD-023) were completed on the Silver Swan North joint venture for a total of 1950m during the previous quarter. All four drillholes intersected multiple sequences of favourable komatiites of low to high MgO affinities (ie 20-35% MgO) with variable amounts of disseminated sulphides. Final analytical results have been returned for drillholes SNDD-020 to SNDD-022 and indicate no significant nickel mineralisation. Analytical results for SNDD-023 are expected in the coming weeks.

Downhole EM surveys were completed in SNDD-023 and identified an off-hole conductor above the drillhole proximal to the favourable basal contact position.

Further work has been recommended that includes ground EM and drilling. This program is currently under consideration by the Company’s joint venture partner BHP Billiton.

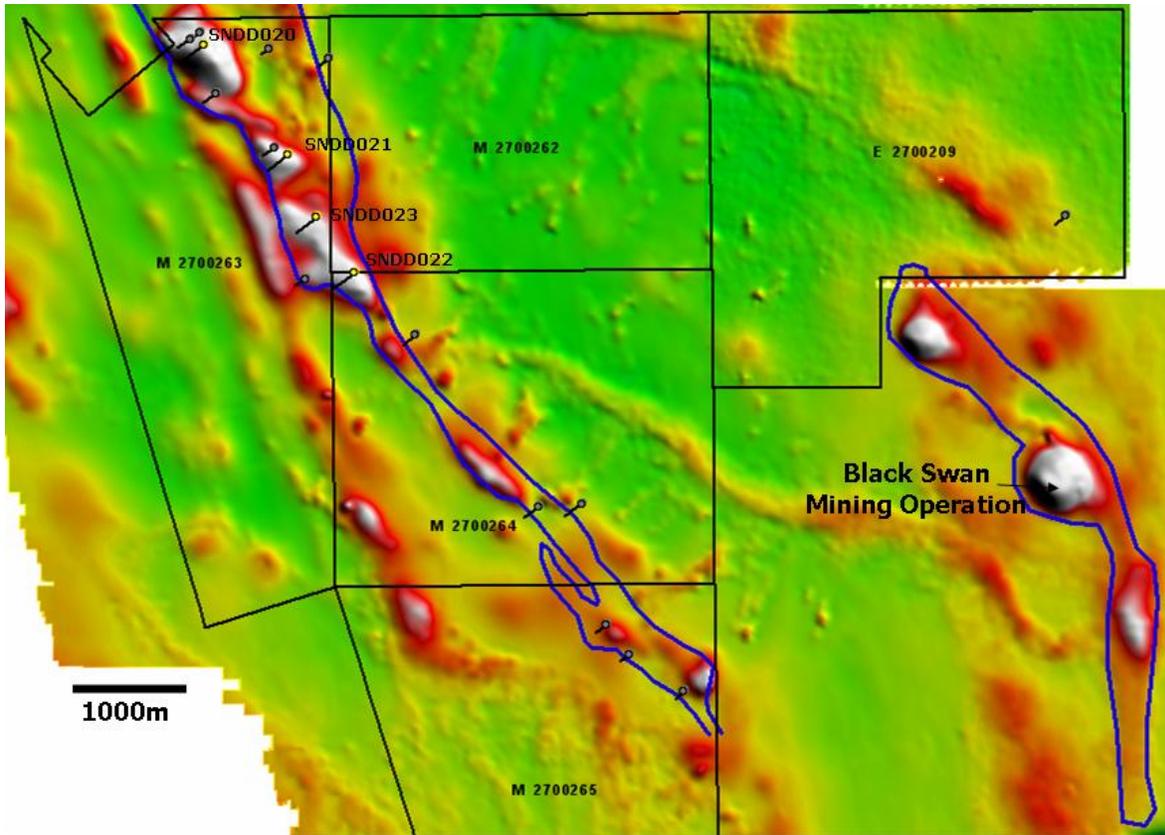


Figure 4: Silver Swan North Project showing tenements, ultramafic contacts (blue) and Mithril drillhole locations with magnetic image in background.

**Byro Joint Venture Western Australia; EL 09/781, EL 09/1276 and ELA 09/1401
Mithril earning 70%**

ELA 09/1401 was granted on the 15th of February, 2008 as EL 09/1401. It replaces both EL 09/781 and EL 09/1276 and expands the granted tenement holding from 74.4km² to 255.4km²

**Bulloo Downs Western Australia; EL 52/1929
Mithril 100%**

Mithril is actively seeking a joint venture partner for EL 52/1929.

SOUTH AUSTRALIA PROJECTS

**Musgrave Province of South Australia
(Various joint venture interests together with 100% interest in four tenements)**

Mithril successfully completed a 1740m, 52 hole aircore drilling program on EL's 3941 and 3942 in the Musgrave Block of South Australia during the quarter. The drilling was directed at ground truthing interpretations of previous geophysical programs and providing a regional guide to bedrock geology. The drilling confirmed the easterly extension of platinum-palladium (Pt-Pd) prospective rocks of the Giles Complex in the Alvey area. Preliminary analytical results of the drill samples received to date indicate Pt-Pd anomalism (to ~60ppb Pt+Pd) in drillholes directly east of the Alvey prospect. Nickel-copper anomalism is also evident in some drillholes. Once final results are returned they will assist in locating the collars for the PACE funded diamond drilling planned for May 2008.

A new copper prospect was identified on EL 3941 of the Barrick JV where a copper bearing quartz vein system with secondary copper minerals malachite, azurite and atacamite outcrops over an 80m strike extent. A grab sample returned a copper assay of 1.8%. The mineralisation occurs in close proximity to the Mann Fault, a continental scale structure in excess of 500km long that transects the Musgrave Block. A heritage clearance survey was completed over this area with a positive result clearing the way for further ground surveys and drilling.

Ground EM surveys were conducted over 10 priority target areas on the Barrick JV tenements. Several high conductance anomalies were identified during the survey and these will be drill tested later in the year.

ELA 52/97 located in the Bryson Hills region of the Musgrave Province of South Australia has been granted. The EL is numbered 4047 (Figure 5) and is one of 12 tenements that comprise the Musgrave Block Farm-in and Joint Venture Agreement entered into on January 11, 2005 between Pitjantjatjara Mining Company Pty Limited ("PMC"), Zeil No. 1 Pty Limited ("Zeil") and Mithril. Heritage clearance surveys have been completed and Mithril has been granted access to the western portion of the tenement where it plans to

complete a mapping and sampling program in May 2008. This area has not been subject to any previous exploration.

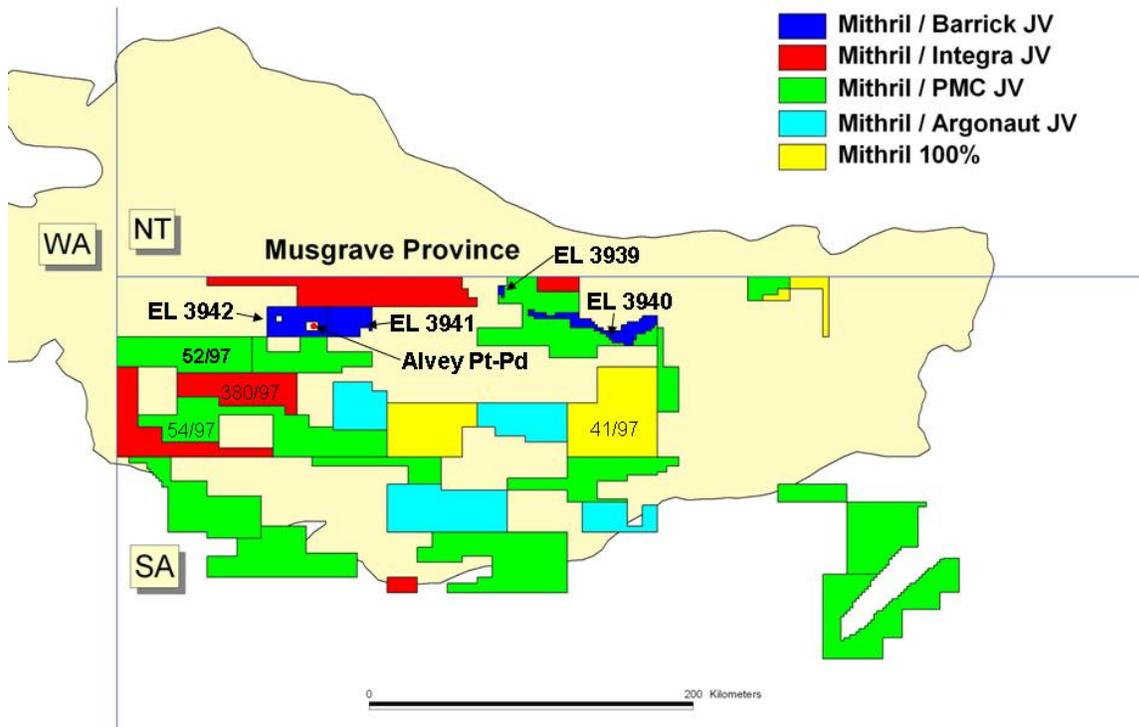


Figure 5: Mithril's Musgrave Tenement Holdings

**Dominion Joint Venture (SA); EL 3435, EL 3270, EL 2778, EL 3044 and EL 3300
Mithril earning up to 75% in nickel and associated elements**

No field work to report, compilation and desktop studies continue.

**Kalli Joint Venture (SA); EL 3746 and ELA 26/03
Iluka earning 51% of mineral sands, Mithril retains other rights 100%**

Iluka Resources Ltd is earning a 51% of the mineral sands rights on Kalli tenements. During the Quarter 42 air core holes for a total of 1055m where completed on EL3746. The holes were wide spaced roadside drilling and analytical results are pending.

Mithril retains all rights to explore for and develop mineral deposits within the bedrock on the Kalli Project and will continue to evaluate the nickel sulphide potential on the tenements.

**Talia Hill Joint Venture (SA); EL 2842
BHP Billiton earning 82%**

Drill testing of the Yerda gravity target was further delayed due to the lack of availability of a suitable drill rig to complete the program.

**Cooper (SA); EL 3105
Mithril 100%**

No field activity during the reporting period. Mithril is actively seeking a Joint Venture partner for the Cooper project.

**Barton Joint Venture (SA); ELA 265/04
Image Resources Earning 70% of mineral sands, Mithril retains other rights**

No field activity was completed.

**Ceduna Joint Venture (SA); EL 3697 and EL 3794
Toro Energy Limited earning up to 75% - Uranium Minerals Only**

EL 3697 and 3794 are two of six tenements that comprise Toro's Yaninee Project. Toro did not undertake any on-ground exploration activity during the Quarter and withdrew from the "Letter Agreement – Ceduna Joint Venture Proposal – Uranium Only" dated 10 March 2006, in regards to EL3697 Calca. The Letter Agreement is still in place in regards to EL 3794.

**Ceduna Joint Venture (SA); EL 3697 and EL 3794
Mithril 100%**

Minotaur withdrew from the Ceduna Joint Venture.

For further information please contact;

Graham Ascough
admin@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 L Ascough, who is Managing Director and a full time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr G L Ascough has more than 5 years' experience which is relevant to the styles of mineralization and types 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 L Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 5B
Mining exploration entity quarterly report

MITHRIL RESOURCES LTD

ABN 30 099 883 922

Quarter ended

31-Mar-08

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(685)	(2,650)
1.3 Dividends received	(274)	(1,032)
1.4 Interest and other items of a similar nature received	70	231
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - Joint Venture repayments	448	1,647
1.7 Other - Grants	-	50
Net Operating Cash Flows	(441)	(1,754)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	(150)
	(7)	(23)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing cash flows	(7)	(173)
1.13 Total operating and investing cash flows (carried forward)	(448)	(1,927)

1.13 Total operating and investing cash flows (brought forward)	(448)	(1,927)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Share issue costs)	-	-
Net financing cash flows	0	0
Net increase (decrease) in cash held	(448)	(1,927)
1.20 Cash at beginning of quarter / year to date	4,043	5,522
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	3,595	3,595
Payments to directors of the entity and associates of the directors		
Payments to related entities of the entity and associates of the related entities		Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2		99
1.24 Aggregate amount of loans to the parties included in item 1.10		-
1.25 Explanation necessary for an understanding of the transactions		
Directors' fees, wages and superannuation for the Quarter		
Non-cash financing and investing activities		
2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows		
Nil		

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated net cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation (Exploration of \$1,296,623 less JV contributions of \$680,648)	616
4.2 Development	-
Total	616

Reconciliation of cash

	Current quarter \$A'000	Previous quarter \$A'000
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		
5.1 Cash on hand and at bank	29	43
5.2 Deposits at call	3,566	4,000
5.3 Bank overdraft		
5.4 Other (provide details) - 30 and 60 day term deposits		
Total: cash at end of quarter (item 1.22)	3,595	4,043

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EL4047	Grant of ELA52/97 (Mithril may earn up to 75% interest).	0%	0%
	EL 3697 and 3794	Minotaur Exploration Ltd withdrew from JV (earning up to 75% interest in the Cu-Au rights)	100%	100%
	EL 3697	Toro Energy Ltd withdrew from JV (earning up to 75% interest in the uranium rights)	100%	100%
	EL 09/1401	Grant of ELA 09/1401 (Mithril may earn up to 70% interest).	0%	0%

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	47,393,000	47,393,000	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	250,000	250,000	Fully paid	Fully paid
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	500,000 350,000 100,000 500,000 50,000 30,000 750,000 750,000 50,000 100,000 500,000 75,000		<u>Exercise Price</u> 35 cents each 40 cents each 40 cents each 40 cents each 35 cents each 40 cents each 30.5 cents each 28 cents each 44 cents each 35 cents each 19.8 cents each 20 cents each	<u>Expiry Date</u> 25/02/2008 25/09/2008 26/11/2008 31/01/2010 16/05/2010 31/12/2010 15/05/2011 09/10/2011 09/10/2012 22/01/2012 02/12/2012 17/03/2013 24/03/2013
7.8 Issued during quarter	500,000 75,000		19.8 cents each 20 cents each	17/03/2013 24/03/2013

7.9	Exercised during quarter				
7.10	Cancelled during quarter	100,000		25 cents each	25/02/2008
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.



Sign here:.....
Company Secretary

Date: 29 Apr 2008

Print name: DONALD STEPHENS

Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.