

QUARTERLY ANNUAL REPORT 2009

**FOR THE PERIOD
ENDING
31 MARCH 2009**

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MITHRIL RESOURCES LTD



HIGHLIGHTS

HUCKITTA PROJECT

- Geological mapping identifies additional nickel-copper-platinum group element ('PGE') prospects.
- Mithril expands its tenement holdings by lodging two exploration licence applications – one of which covers the recently identified Flasheart and Hale River copper-gold prospects (grab samples up to 13% copper and 3g/t gold).

MUSGRAVES PROJECT

- A new rare earth element ('REE') prospect is identified on the Barrick Musgrave JV with values up to 9.3% REE.

CORPORATE

- The company improves its cash position through the cash sale of its mineral sands interests to Iluka Resources.



MITHRIL
RESOURCES LTD

INTRODUCTION

During the quarter the Company continued to conserve its cash position and adopted an economy budget approach. Low cost, but effective exploration activities were conducted on core projects with emphasis on the Huckitta and Musgrave regions. After a strategic review of its exploration interests a decision was made to divest non-core projects. During the quarter Mithril completed the sale of its mineral sands interests to Iluka (Eucla Basin) Pty Limited ('Iluka'), a wholly owned subsidiary of Iluka Resources Limited (ASX:ILU) for consideration of \$550,000 cash. The terms of the transaction were released to the market on 17th February 2009. Further and significant cutbacks were made on administrative and tenement commitments and at the end of the reporting period the company's cash position was \$1.51M. The Company is now planning a capital raising to improve its cash position and advance exploration activities on its Huckitta Project.

EXPLORATION ACTIVITIES



Figure 1: Project Location Map - Mithril's projects in blue

HUCKITTA PROJECT

The Company's Huckitta Project is located 150km northeast of Alice Springs and is comprised of a number of wholly owned tenements along with various joint venture interests (Figure 2). During the reporting period the Company applied for two additional Exploration Licenses in the region; ELA27178 (Lizzie Bore) and ELA27243 (Mallee Bore). Recent work by the NTGS has identified significant copper – gold in rockchips (to 13% Cu, 2.9g/t Au) at what is now known as the Hale River Prospect on ELA27178 (Figure 2). Reconnaissance field mapping by Mithril in this area during the reporting period identified similar mineralisation approximately 1km along strike to the east (rockchip samples to 3.8%Cu, 11.5g/t Ag) at the Flashheart Prospect (Figure 2). The Company's exploration land holding in the area now totals 5914 km².

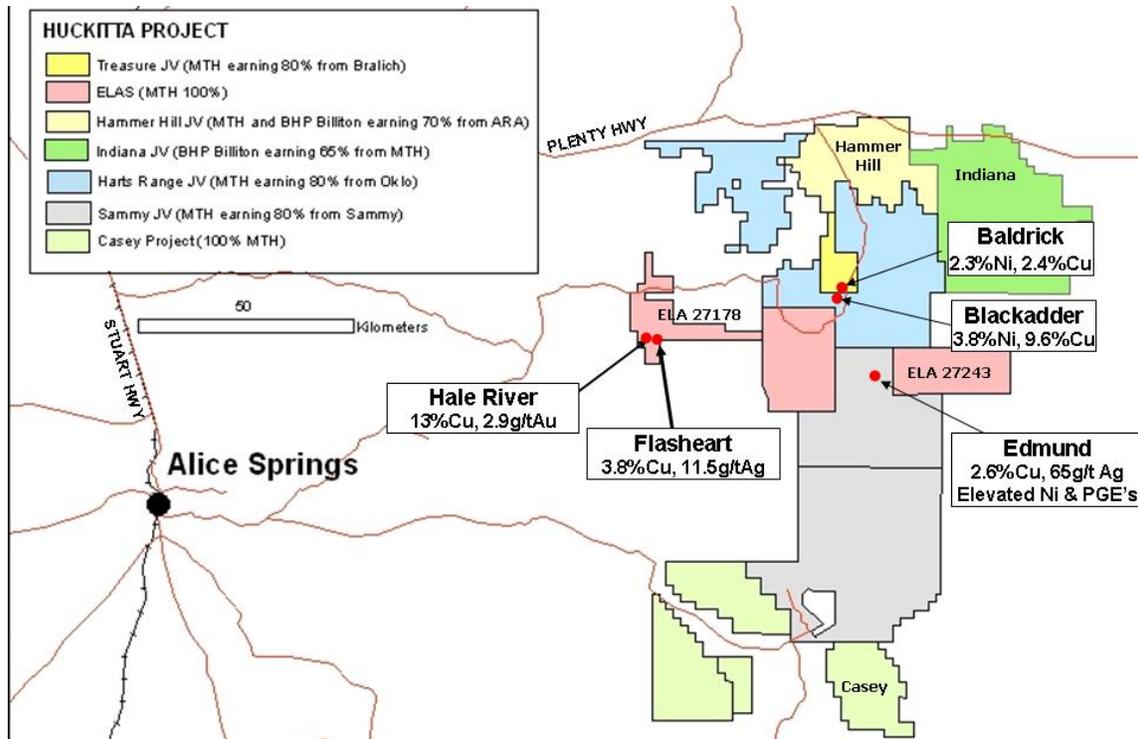


Figure 2: Huckitta Project Tenements

**HARTS RANGE (OKLO) JV (Northern Territory)
EL25451, EL25453
Mithril earning 80% from Oklo Uranium Ltd**

A detailed ground magnetic survey was completed in the vicinity of the Blackadder Prospect on EL25453 and over the nearby Baldrick Prospect. The survey defined a number of magnetic anomalies proximal to existing mineralisation under thin sand cover that are close analogies to the magnetic signature of the mineralised Baldrick and Blackadder intrusions (Figures 3 and 4). In addition to further geological mapping, a ground electromagnetic survey is planned for the next quarter over the Blackadder Prospect designed to define drill targets.

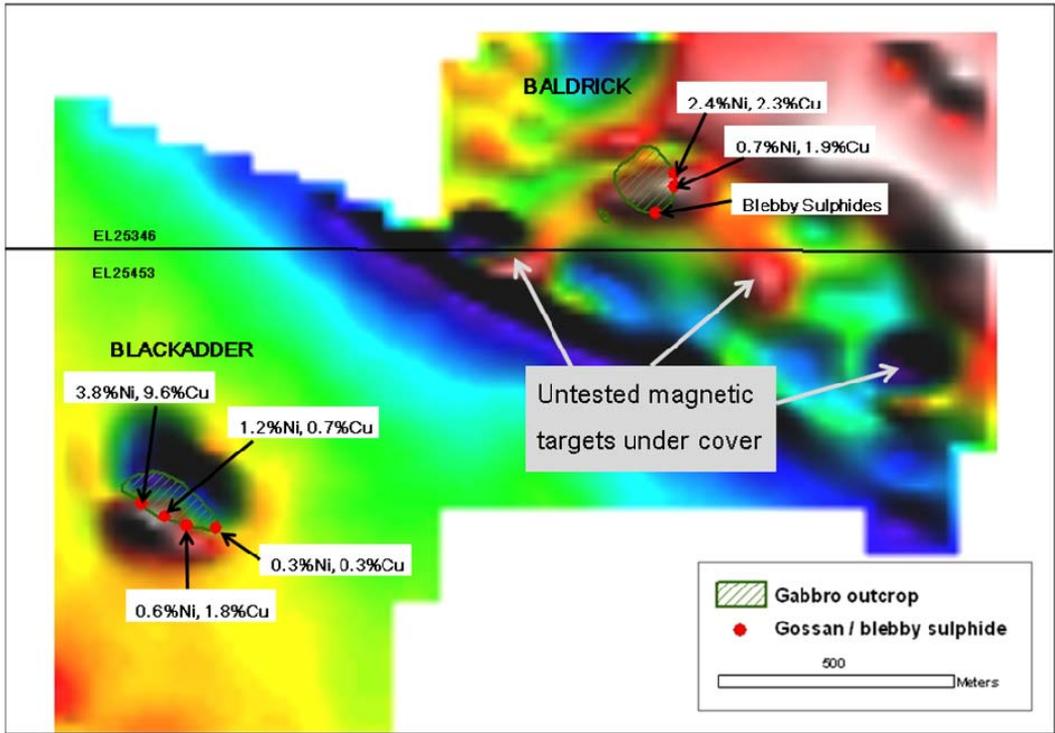


Figure 3: Detailed TMI (magnetic) image of Blackadder and Baldrick Prospects showing new targets under cover

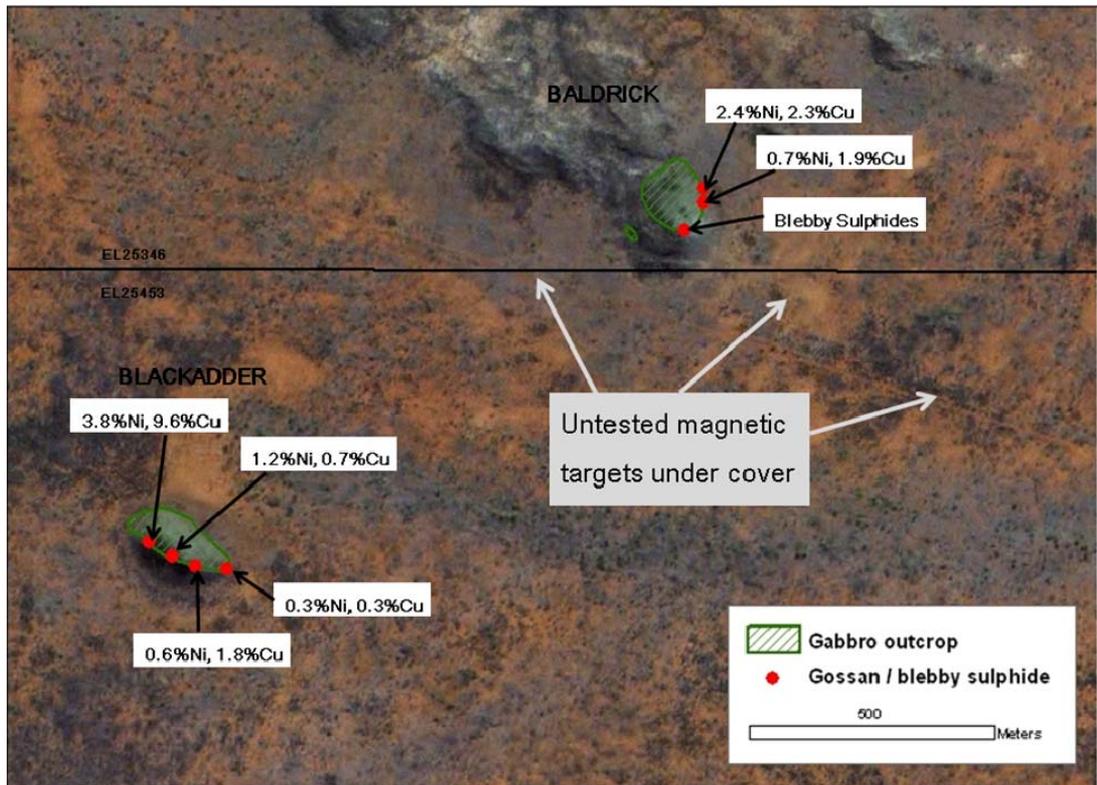


Figure 4: Satellite image of Blackadder and Baldrick Prospects showing extent of shallow sand and soil cover

TREASURE JV (Northern Territory)
EL25346
Mithril earning 80% from Bralich Holdings Pty Ltd

A detailed ground magnetic survey was completed covering part of EL25346 and including the nickel-copper mineralised Baldrick intrusion. This survey identified a number of magnetic anomalies under thin sand cover, proximal to existing mineralisation that are close analogies to the magnetic signatures of the mineralised Baldrick and Blackadder intrusions (Figures 3 and 4). Further geological mapping on the Baldrick intrusion also identified blebby sulphide mineralisation with sulphide blebs to 2cm (Figure 5). Significantly, the mineral assemblage of these “blebs” is pyrrhotite, chalcopyrite and the nickel bearing sulphide pentlandite.

In the next quarter a ground electromagnetic survey is planned over the Baldrick Prospect along with further geological mapping ahead of drilling.

Geological mapping elsewhere on Mithril’s Huckitta Project identified a number of other favourable gabbroic bodies further enhancing the area as highly prospective for Ni-Cu-PGE deposits.



Figure 5: Sulphide “Blebs” from Baldrick Prospect

SAMMY JV (Northern Territory)
EL25643, EL25653
Mithril earning 80% from Cazaly Resources Ltd

Further geological mapping on the Sammy JV tenements identified a new prospect area called Percy (Figure 6) where a number of poorly exposed and weathered gabbroic bodies were found to be anomalous in nickel, copper and PGE’s. Rockchip assay results from these intrusions have returned up to 615ppm Ni, 572ppm Cu, 1620ppmCr and 97ppb Pt+Pd+Au which is consistent in composition with the mineralised gabbroic bodies at the Blackadder and Baldrick Prospects. The contacts of these bodies, which are the favourable position for the potential accumulation nickel sulphide mineralisation are not exposed.

Further geological mapping and prospecting is planned during the next quarter.

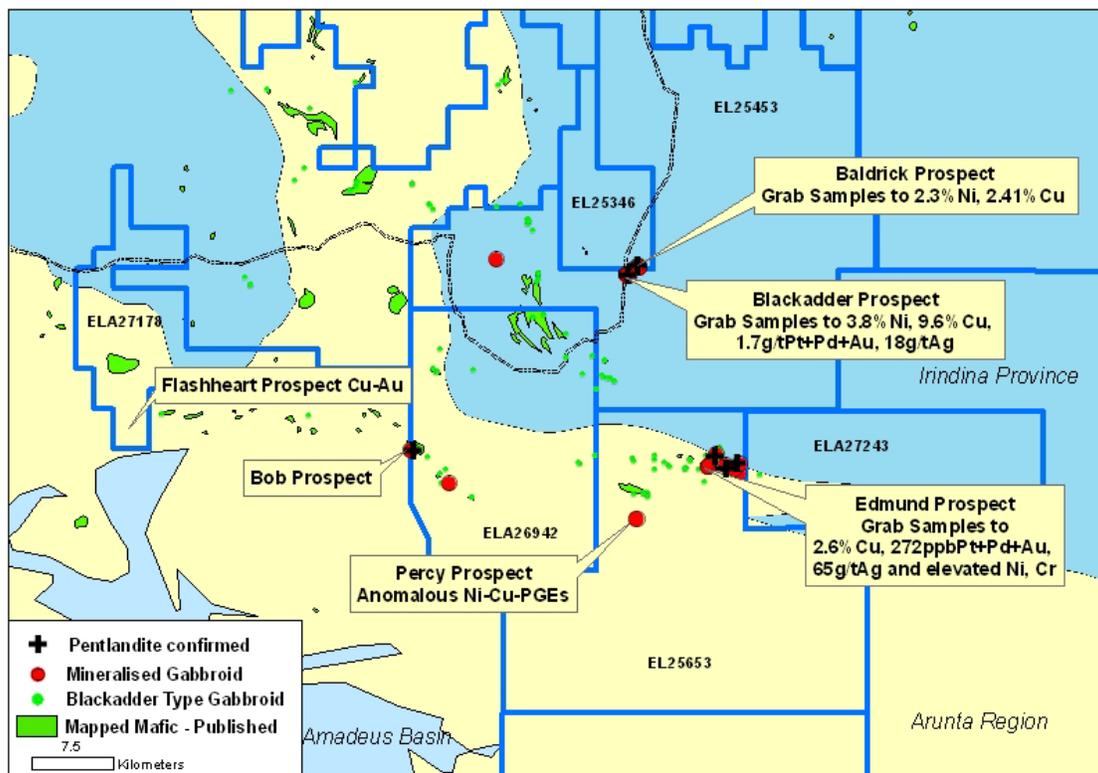


Figure 6: Location of prospects on Huckitta Project

HAMMER HILL (Northern Territory)

EL10136, EL26520, EL9725

Mithril and BHP Billiton earning up to 70% from Arafura Resources Ltd

A rotary air blast (RAB) drilling program is planned to commence in mid May 2009 targeting magnetic bodies interpreted to be ultramafic intrusives under thin sand cover. The program will be funded by BHP Billiton and will determine the prospectivity of the bodies for nickel – copper sulphide mineralisation.

INDIANA (Northern Territory)

EL24194, EL24427, EL24739

BHP Billiton earning 65% from Mithril Resources Ltd

EL24194 was reduced by 50% to comply with statutory requirements. There was no significant exploration activity to report for the quarter.

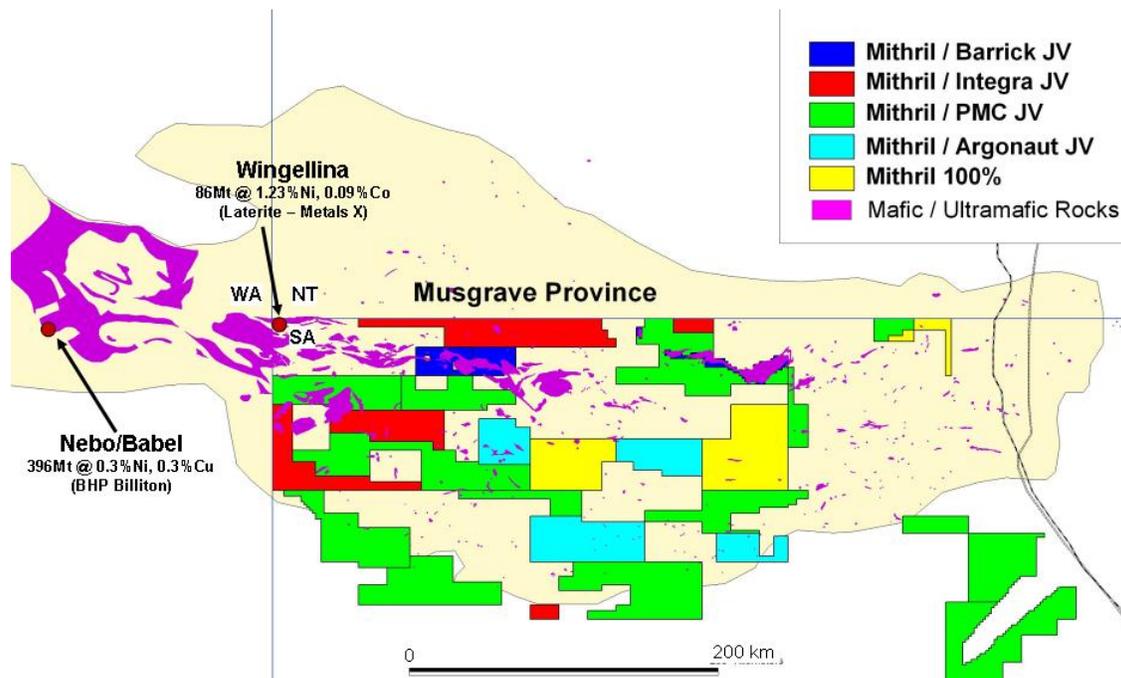


Figure 7: Mithril's tenement position - Musgrave Project

MUSGRAVE BARRICK JV (South Australia)

EL3939, EL3940, EL3941, EL3942

Mithril earning up to 80% in tenements held by Barrick (PD) Australia Ltd

During a compilation and review of all available data for the project an untested rare-earth-element ('REE') prospect was identified on EL3942. A rockchip sample collected by Primary Industry and Resources SA (PIRSA) during a previous mapping program returned an assay of 9.3% REE, 1.04% uranium, 0.79% thorium and 29 grams per tonne silver. Subsequent to the end of the reporting period a short field visit to the area confirmed the presence of REE bearing pegmatite dykes with a composite rockchip sample along one of these dykes returning up to 2% REE and 0.13% thorium. The highly anomalous uranium and silver values PIRSA reported were not repeated. The pegmatite dykes are numerous and cross cut the basement rocktypes. Other than the geological mapping by PIRSA there is no record of any exploration activity or drilling in the vicinity of the prospect. Further work is being planned to evaluate the potential of this prospect and this work program will be subject to consultations with, and the agreement of, Anangu Pitjantjatjara Yankunytjatjara.

Subsequent to the end of the reporting period Barrick (PD) Australia Limited ('Barrick') and Mithril agreed to amend the Musgrave Joint Venture Letter Agreement to remove Barrick's claw-back rights in regard to PGE mineralisation. In consideration Mithril agreed to include Exploration Licence Applications 2008/154, 2008/155 and 2008/156 in the Joint Venture once the initial earn-in phase is complete.

MUSGRAVE INTEGRA JV (South Australia)
ELA 297/97, ELA364/97, ELA380/97, ELA468/97, ELA605/97
Mithril earning up to 80% in tenements held by Integra Mining NL

Desktop studies were completed over the entire tenement holding to identify and prioritise exploration targets. The compilation highlighted the potential for significant volumes of Giles Complex rocktypes which are prospective for Ni-Cu-PGE mineralisation occurring under thin cover on ELAs 364/1997 and 380/1997. In addition the potential for Cu-Au mineralisation associated with interpreted Kulgera granites on ELAs 364/1997, 380/1997 and 468/1997 was also highlighted.

MUSGRAVE PMC JV (South Australia)
EL4047, ELAs 53/97 to ELA63/97
Mithril earning up to 75% in tenements from PMC Pty Ltd

Analysis of aeromagnetic images and aerial photography continued over the entire tenement package identifying and prioritising targets for follow-up. Highlights include the presence of significant volumes of mapped and interpreted Giles Complex rocks prospective for Ni-Cu-PGE sulphides on many of the tenements. In addition Cu-Au targets were also identified on a number of tenements associated with the Kulgera granitic intrusions.

TALIA HILL JV (South Australia)
EL3817
100% Mithril

BHP Billiton withdrew from the Talia Hill Joint Venture effective February 6th, 2009. No further work was completed on the project during the reporting period.

PARDOO PROJECT (Western Australia)
EL45/1866, EL45/2572, P45/2573, P45/2146, ELA 45/3383 (Application), P45/2738

No field work was completed during the reporting period.

Tenement activity during the quarter included an application for an exploration licence (E45/3383) and a prospecting licence (P45/2738) which covers small areas adjacent to the project. In addition, an application for amalgamating P45/2573 into E45/1866 was submitted.

SILVER SWAN NORTH JV (Western Australia)
ML27/262, ML27/263, ML27/264, ML27/265, ML27345
51% BHP Billiton and Mithril (5.1%), 49% FerrAus Limited

As reported last quarter the Stage One Commitment of the Silver Swan North Farm-in and Joint Venture Agreement has been completed. As such Mithril and BHP Billiton have earned an initial interest of 51% from FerrAus Limited.

A decision was made by the Parties not to enter the Stage 2 earn-in and as such joint venture interests are 49% FerrAus and 51% BHP Billiton/Mithril. The parties must fund any future exploration pro-rata or dilute. Mithril's interest is 5.1% and is free carried by BHP Billiton until such time when BHP Billiton's and Mithril's combined interest is at least 61%. At that time Mithril's interest will become a 10% participating interest with BHP Billiton holding 51%.

The next phase of exploration will consist of further ground electromagnetic surveys over priority targets and is scheduled to commence in late April 2009.

OTHER PROJECTS

There was no significant expenditure or exploration activity to report on the following projects during the quarter:

DOMINION JV (South Australia)
EL3554, EL3270, EL3300, EL4014, EL3435
(Mithril earning 75% from Dominion Mining Limited)

MUSGRAVE ARGONAUT JV (South Australia)
ELA321/97, ELA143/97, ELA144/97, ELA186/97
(Mithril earning 51% from Kelaray Limited)

TANAMI JV (Northern Territory)
EL22924, EL24454
(Mithril earning 80% from Tanami Exploration NL)

COOPER (South Australia)
EL3105 (Mithril 100%)

ANDREW YOUNG (Northern Territory)
ELA25431 and ELA22504 (Mithril 100%)

JUNCTION JV (Northern Territory)
EL24253 (Mega Uranium Limited earning 80%)

CASEY (Northern Territory)
EL24646, EL25711, EL25887 and EL25888 (Mithril 100%)

CEDUNA PROJECT (South Australia)
EL3697 and EL3794

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 mineralisation 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-09

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	(268)	(2,226)
1.3 Dividends received	(129)	(443)
1.4 Interest and other items of a similar nature received	14	72
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other - Joint Venture repayments	62	784
1.7 Other	1	59
Net Operating Cash Flows	(320)	(1,754)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	-	-
	-	-
	-	(4)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	550	550
	-	-
	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net Investing cash flows	550	546
1.13 Total operating and investing cash flows (carried forward)	230	(1,208)

1.13 Total operating and investing cash flows (brought forward)	230	(1,208)
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)	-	(23)
Net financing cash flows	0	(23)
Net increase (decrease) in cash held	230	(1,231)
1.20 Cash at beginning of quarter / year to date	1,321	2,782
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	1,551	1,551
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		89
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 \$474,000 M less JV contributions of \$276,000)	198
4.2 Development	-
4.3 Administration	84
Total	282

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	22	20
5.2 Deposits at call	1,529	1,301
5.3 Bank overdraft		
5.4 Other (provide details) - 30 and 60 day term deposits		
Total: cash at end of quarter (item 1.22)	1,551	1,321

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	EL3746 ELA26/2003 ELA265/2004 ELA303/2008	Sold to Iluka (Eucla) Basin Pty Ltd, effective 11 February 2009.	100%	0%
6.2 Interests in mining tenements acquired or increased	EL3817 PL45/2738	BHP withdrawal from Talia Hill, effective 6 February 2009. Prospecting Licence Application on 23 February 2009. Acquired under the Pardoo JV.	100% 0%	100% 0%

6.2 Interests in mining tenements acquired or increased *continued*

EL45/3383	Exploration Licence Application on 23 February 2009. Acquired under the Pardoo JV.	0%	0%
ELA27178	Exploration Licence Application on 25 February 2009 (Lizzie Creek).	0%	0%
ELA27243	Exploration Licence Application on 23 March 2009 (Mallee Bore).	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				
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>			<u>Exercise Price</u>	<u>Expiry Date</u>
	100,000		40 cents each	31/01/2010
	500,000		40 cents each	16/05/2010
	50,000		35 cents each	31/12/2010
	30,000		40 cents each	15/05/2011
	750,000		30.5 cents each	09/10/2011
	750,000		28 cents each	09/10/2012
	50,000		44 cents each	22/01/2012
	100,000		35 cents each	02/12/2012
	500,000		19.8 cents each	17/03/2013
	75,000		20 cents each	24/03/2013
	50,000		19 cents each	30/04/2013
	350,000		15 cents each	11/12/2013
7.8 Issued during quarter				

7.9	Exercised during quarter				
7.10	Cancelled during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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 2009

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.