

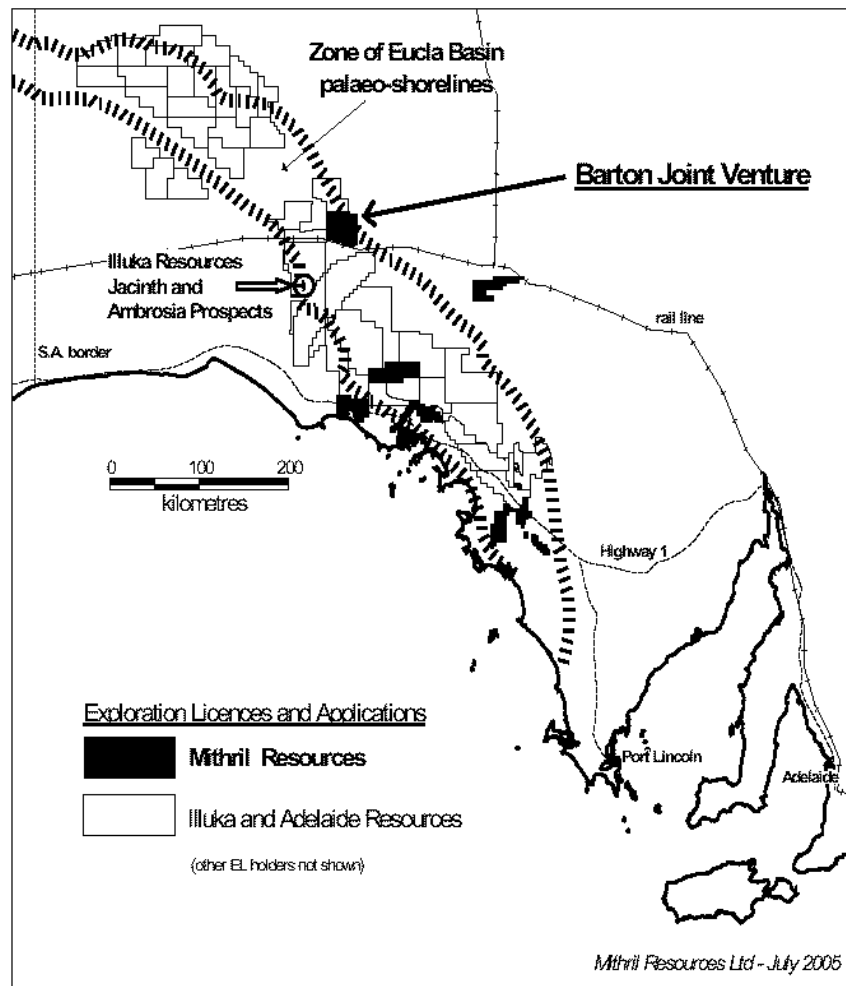
Mithril Resources Ltd
247 Greenhill Road, Dulwich 5065, South Australia
Tel: +61 8 8366 6066 Fax: +61 8 8366 6067
Website www.mithrilresources.com.au
Email admin@mithrilresources.com.au

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Image Resources NL to joint venture into Mithril's Mineral Sands in Eucla Basin

The Board of Directors of Mithril Resources Ltd is pleased to announce that Image Resources NL has entered into a joint venture to explore for mineral sands on Mithril's Barton Project.

The Barton Joint Venture area (ELA 2004/265) is located 50 kilometres to the northeast of the recently discovered zircon rich Jacinth and Ambrosia prospects. The joint venture



covers 992 square kilometres of the Barton Range Shoreline, is an older coastal barrier than that hosting Jacinth, which is situated on the Ooldea Range Shoreline. PIRSA's drilling (1993) demonstrated the mineral sands potential of the Barton Range Shoreline

identifying a heavy mineral concentrate comprised of 56% altered ilmenite, 17% zircon, 15% leucoxene, and 3% rutile (based on visual estimation for the -1 mm +38µm fraction) from a down hole depth of 16-22 metres down hole in LBR17 which is located in the joint venture area.

Image is required to spend \$300,000 to earn a 51% interest in the joint venture and may elect to increase its interest to 70% through an additional expenditure of \$200,000. Mithril was successful in its application for funding to assist with mineral sands exploration from the state governments PACE initiative, collaborative drilling programs. As the application is within the Maralinga Tjarutja Lands, exploration will commence on finalising heritage and land access agreements.

Mithril retains the rights to all other minerals in particularly nickel having identified several targets, which it will pursue in its own right as part of the ongoing alliance with BHP Billiton.

The drill results reported by Mithril insofar as they relate to ore or mineralization are based on information compiled by D R Miller (Member of the Australasian Institute of Mining and Metallurgy) who has a minimum of five years' experience in the field of activity being reported. It should not be assumed that the reported exploration results will result, with further exploration, in the definition of a Mineral Resource. Any exploration target sizes mentioned are conceptual in nature and do not imply that Mineral Resources have been, or will be, defined.

Please direct enquiries to:

David Miller
Managing Director
Mithril Resources Ltd

For more information on the company visit www.mithrilresources.com.au