



MITHRIL

RESOURCES LTD

MUSGRAVE MINERALS LTD UPDATE

November 29th, 2010

- **Integra Mining Ltd and Argonaut Resources Ltd join the Musgrave Minerals initiative to unlock mineral potential in South Australia's Musgrave Region**
- **Musgrave Minerals Ltd on schedule for IPO and admission to ASX official list before April 30, 2011**
- **Field activities underway to advance prospects and conceptual targets to a drill test decision prior to IPO and a number of compelling targets have been identified**

Adelaide-based base metals explorer Mithril Resources Ltd (MTH:ASX) is pleased to advise that Integra Mining Ltd (IGR: ASX) and Argonaut Resources Ltd (ARE:ASX) have agreed to vend in their exploration interests in the Musgrave Province of South Australia to the new entity Musgrave Minerals Ltd.

Mithril, Independence Group NL (IGO: ASX) and Goldsearch Limited (GSE: ASX) have created Musgrave Minerals Ltd as a dedicated vehicle to explore the highly prospective and under-explored Musgrave Province in South Australia (Figure 1).

Musgrave Minerals Ltd is on schedule to conduct an initial public offering of shares and seek admission to the official list of the Australian Securities Exchange (ASX) and quotation of its shares prior to April 30, 2011.

Under separate agreements with Musgrave Minerals Ltd, Argonaut and Integra will vend their respective interests in the South Australia Musgrave Province to become cornerstone investors in the new entity. This follows a recent decision by Barrick (PD) Australia Ltd to also vend its Musgrave exploration interests into Musgrave Minerals Ltd.

Musgrave Minerals Ltd will have the largest exploration land holding in the Musgrave region totalling more than 50,000km² and will hold a 100% interest in the majority of the tenements.

Mithril, Independence, Goldsearch and Integra have provided seed capital to the new entity to fund an initial phase of exploration that will focus on delineating new drill targets and advancing conceptual targets to a drill test decision ahead of the April 2011 IPO. The parties are also providing ongoing technical support to the new company.

Mithril Resources Managing Director Graham Ascough welcomed the involvement of Integra and Argonaut.

“The participation of six mining companies as cornerstone investors in the newly formed Musgrave Minerals Ltd sets a strong platform from which a successful exploration company will emerge,” Mr Ascough said.

“Musgrave Minerals will ensure that the unique prospectivity of the largely unexplored and highly prospective Musgrave region will have the focus and resourcing necessary to lead to new mineral discoveries in the most efficient and effective manner to the benefit of all stakeholders.”

Update on Exploration Activities in the Musgraves

Geological mapping and geochemical sampling has recently been completed on Musgrave EL's 3940, 3942 and 3955. Over 2000 rock chip, soil, stream sediment and auger samples have been taken over a number of targets, infilling previous surveys and testing new areas.

One of the many highlights from this work has been the identification of the Moorilyanna Copper Prospect on EL 3955. Mapping has revealed new mineralisation over an extensive area where the target remains untested. Surface rockchip samples have returned values of up to 4.9%Cu, 0.4gpt Au and 9.6gpt Ag. Further geological mapping and geochemical sampling programs have recently been completed.

An airborne geophysical survey utilising Geotech's VTEM system has been completed covering portions of ELs 3942 and 3955 and totalling approximately 300 km². The results have identified a number of high priority targets on both ELs which require ground verification as they are interpreted to potentially represent accumulations of sulphides associated with nickel and/or copper mineralisation.

The VTEM survey has also demonstrated the effectiveness of airborne geophysics in the Musgrave environment. Ground electromagnetic surveys are underway to further evaluate these high priority targets and to extend previously located geophysical, geological, and geochemical targets on ELs 3942 and 3955.

Further updates will be provided as results become available.

For more information contact:

*Graham Ascough
Managing Director
08 8378 8200*

*Richard Sproull/Kristy Macfarlane
Michels Warren
0418 585 517 / 0402 557 527*

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.

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.

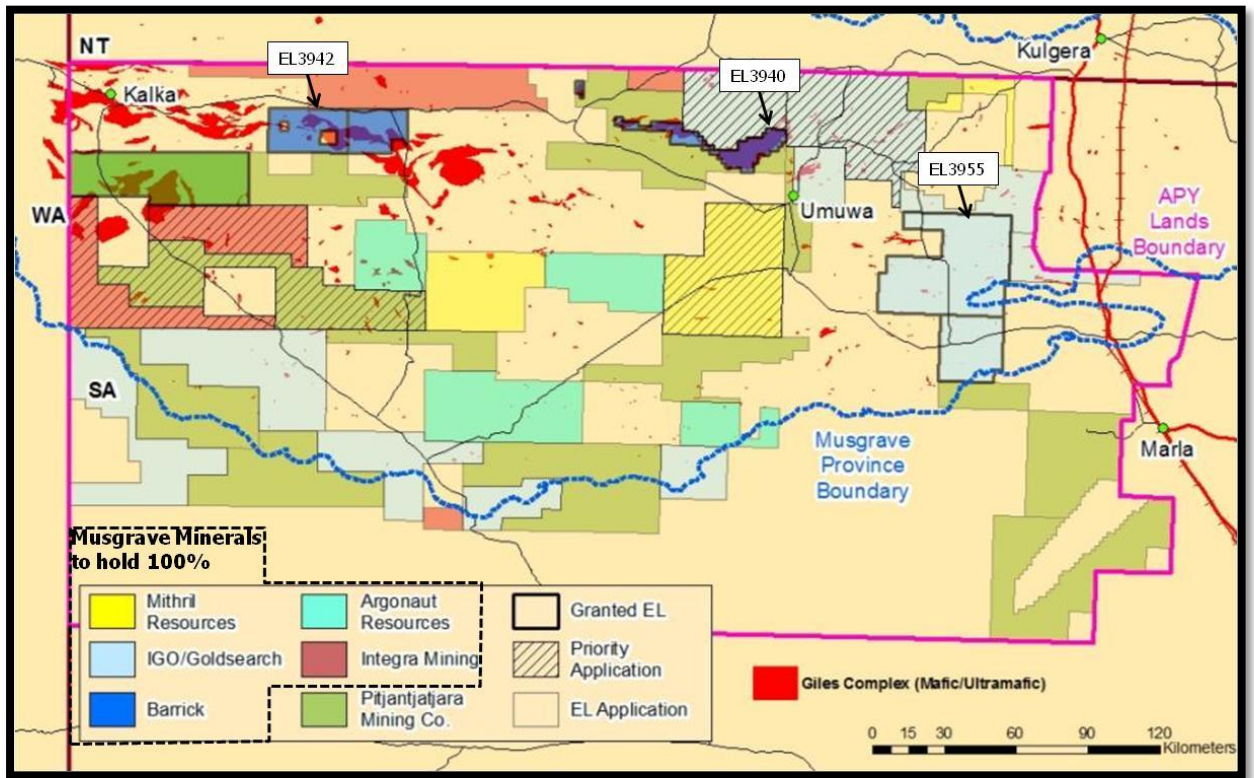


Figure 1: Musgrave Minerals Ltd's Tenement Position