



ATUI PORPHYRY COPPER SYSTEM CONFIRMED AND EXTENDED.

MIL Resources Limited (ASX: MGK) ('MIL' or 'the Company') is pleased to report that recent field exploration by MIL geologists at the Company's Atui Project in New Britain, PNG, has confirmed the significant size of the Atui porphyry system that was previously discovered by CRA⁽¹⁾, and extended the Cu core of one of the surface geochemical anomalies to 1000m by 300m. The porphyry system lies entirely within MIL's wholly owned EL 1642 and has had no previous drilling

Recent sampling by MIL and re-interpretation of data originally collected by CRA has identified;

- **Three copper soil anomalies (>150ppm) (Copper anomalies 1, 2 &3)**
- **Copper Anomaly 1 has a +400ppm Cu anomalous core measuring 1000m by 300m**
- **Large gold (>80ppb) and silver (>1ppm) soil anomalies peripheral to the copper anomalies**

MIL has contracted QED to conduct a diamond drill program at Atui and QED will inform MIL the schedule for rig mobilisation next week.

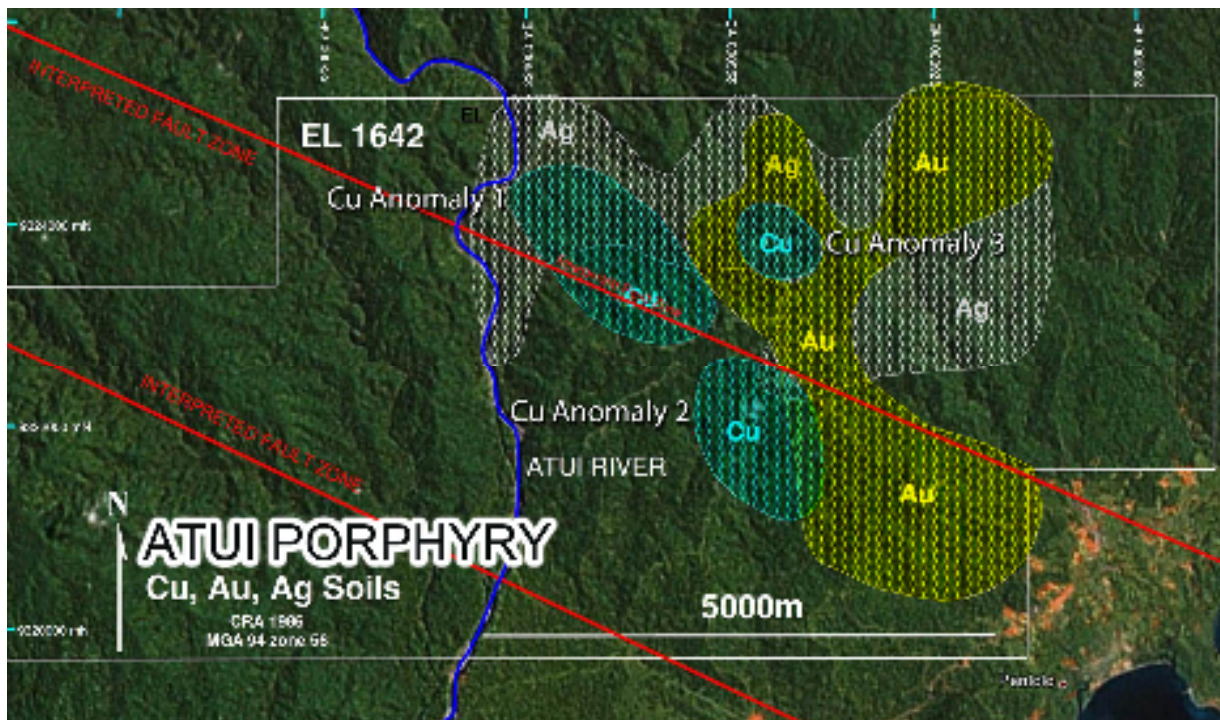


Figure 1 – Atui Cu Au Ag soil anomalies⁽⁴⁾

Assay results from recent reconnaissance rock chip sampling by MIL geologists along rivers cutting Cu Anomaly 1 have returned Cu values up to 0.58% and together with the existing soil data define a NW elongate shaped +400ppm Cu in soil and rock chip anomalous area measuring approximately 1,000m by 300m shown below in Figure 2.

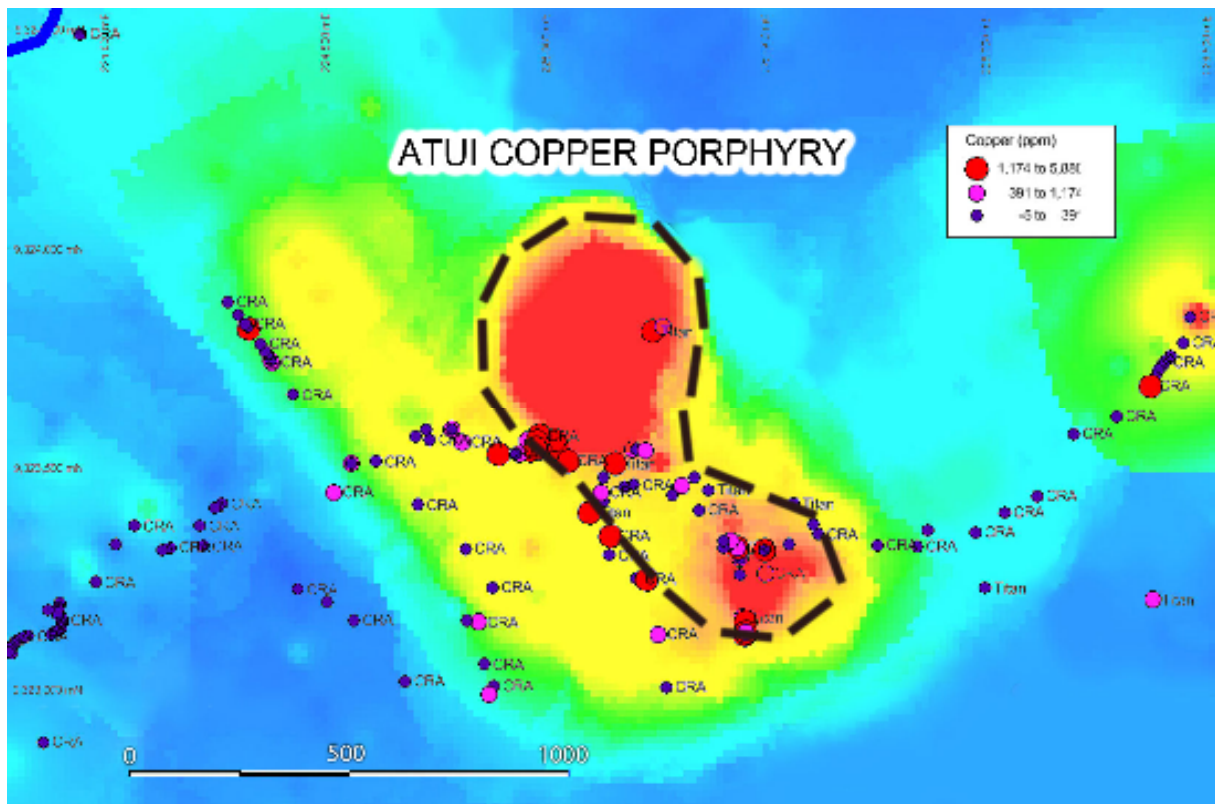


Figure 2; Cu Anomaly 1 combined copper in soil and copper rock chip anomalies. Samples labelled “CRA” were collected by CRA, while samples labelled “Titan” were collected by MIL’s wholly owned PNG subsidiary, Titan Metals Limited.

The individual soil and rock anomalies are depicted in the figures below and exhibit a zonation of silver-gold-lead, surrounding a core of +150ppm copper. A review of the data by independent geological consultant, Simon Meldrum, states that Atui presents a “coherent picture that is consistent with a deep seated porphyry Cu-Mo model with peripheral precious metal veins, where the porphyry alteration (potassic) is developed in a volcanic and plutonic rock suite above the causative porphyry source. Examples of this type of system include the Rio Blanco and Lara Porphyry systems in Peru, the Yandera Porphyries in PNG and the very large and strongly mineralised systems in south central Chile of which El Tenniente is the better example.”

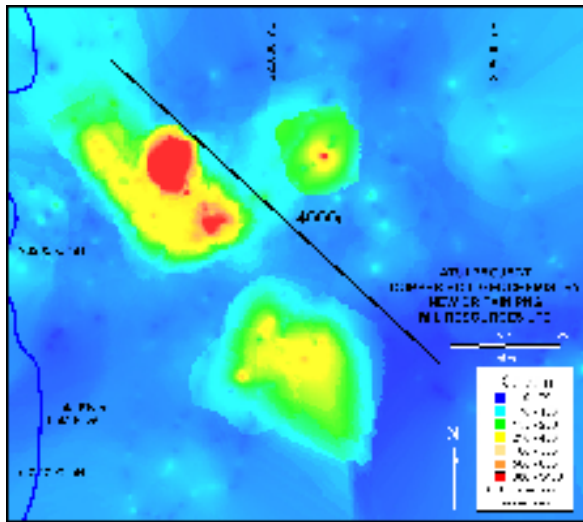


Figure 3 – Cu geochemical anomaly(4)

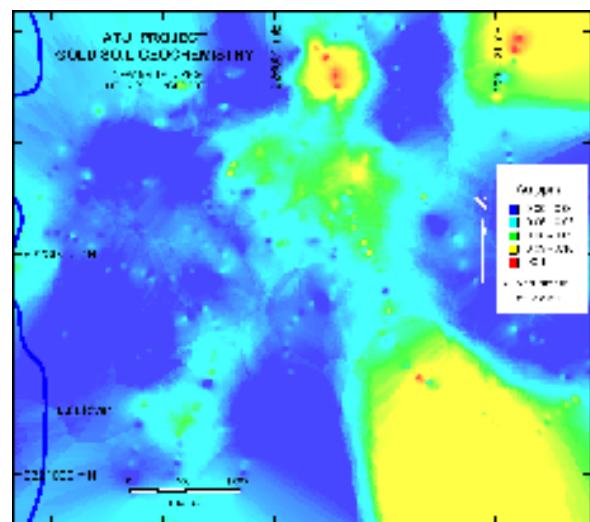


Figure – 4 Au geochemical anomaly(4)

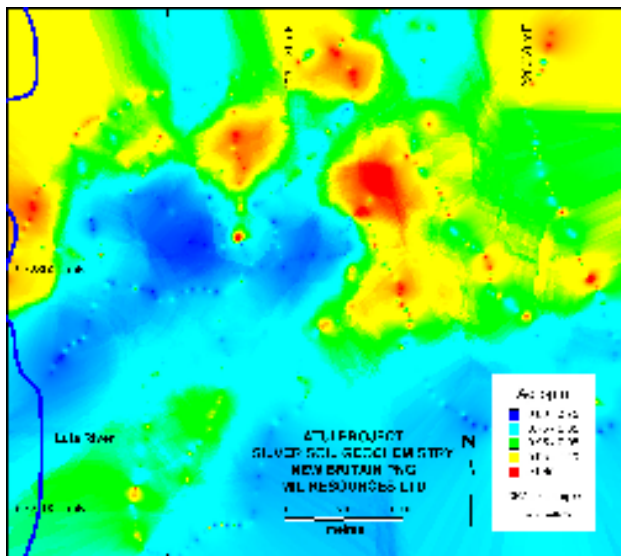


Figure 5 – Ag geochemical anomaly(4)

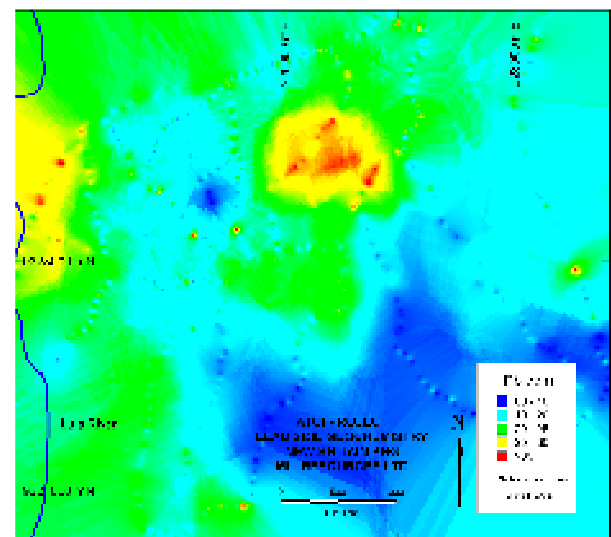


Figure 6 – Pb geochemical anomaly(4)



A summary of CRA's(1986) best gold and copper results from Atui are listed in the three tables below⁽¹⁾.

Company	Data_Type	Sample_ID	MGA_E	MGA_N	Cu_ppm
CRA	Rock outcrop	27321	225097.6	9323734	3700
CRA	Rock outcrop	27349	225097.6	9323734	3100
CRA	Rock outcrop	27317	225547.6	9323481	3000
CRA	Rock outcrop	27385	225162.6	9323677	2910

Table 1 - Significant Cu rock samples.

Company	Data_Type	Sample_ID	MGA_E	MGA_N	Cu_ppm
CRA	Soil Sample	29023	225466.6	9323235	1960
CRA	Soil Sample	29024	225463.6	9323188	1855
CRA	Soil Sample	7580	225586.6	9323262	1200
CRA	Soil Sample	29028	225516.6	9323424	810
CRA	Soil Sample	7573	225412.6	9323419	770
CRA	Soil Sample	29020	225428.6	9323371	765

Table 2 - Significant Cu soil samples

Company	Data_Type	Sample_ID	MGA_E	MGA_N	Au_ppm
CRA	Soil Sample	7848	227300.5	9321876	0.64
CRA	Soil Sample	28860	226457.5	9324772	0.22
CRA	Soil Sample	29062	228176.5	9324838	0.21
CRA	Soil Sample	28862	226372.6	9324843	0.2
CRA	Soil Sample	29064	228201.5	9324931	0.19
CRA	Soil Sample	28872	225602.6	9323718	0.18
CRA	Soil Sample	28854	226572.5	9324495	0.17
CRA	Soil Sample	7849	227341.5	9321848	0.15
CRA	Soil Sample	8039	228546.5	9322918	0.14

Table 3 - Significant Au soil samples(1)

In addition to Atui, an evaluation of existing data^(2,3) from MIL's two New Britain Licences has identified several anomalies. These include;

- **470g/t gold, 660g/t silver, 27.7% copper (ESSO – 8758)**
- **50g/t gold, 64g/t silver, 0.7% copper (ESSO – 39623)**
- **21g/t gold, 51g/t silver, 0.3% copper (ESSO – 39616)**
- **1690g/t silver (ESSO – 8755)**

The locations of the anomalous areas are shown on the image below and are scheduled to be followed up by MIL geologists in the coming months as an extension to the Atui exploration program.

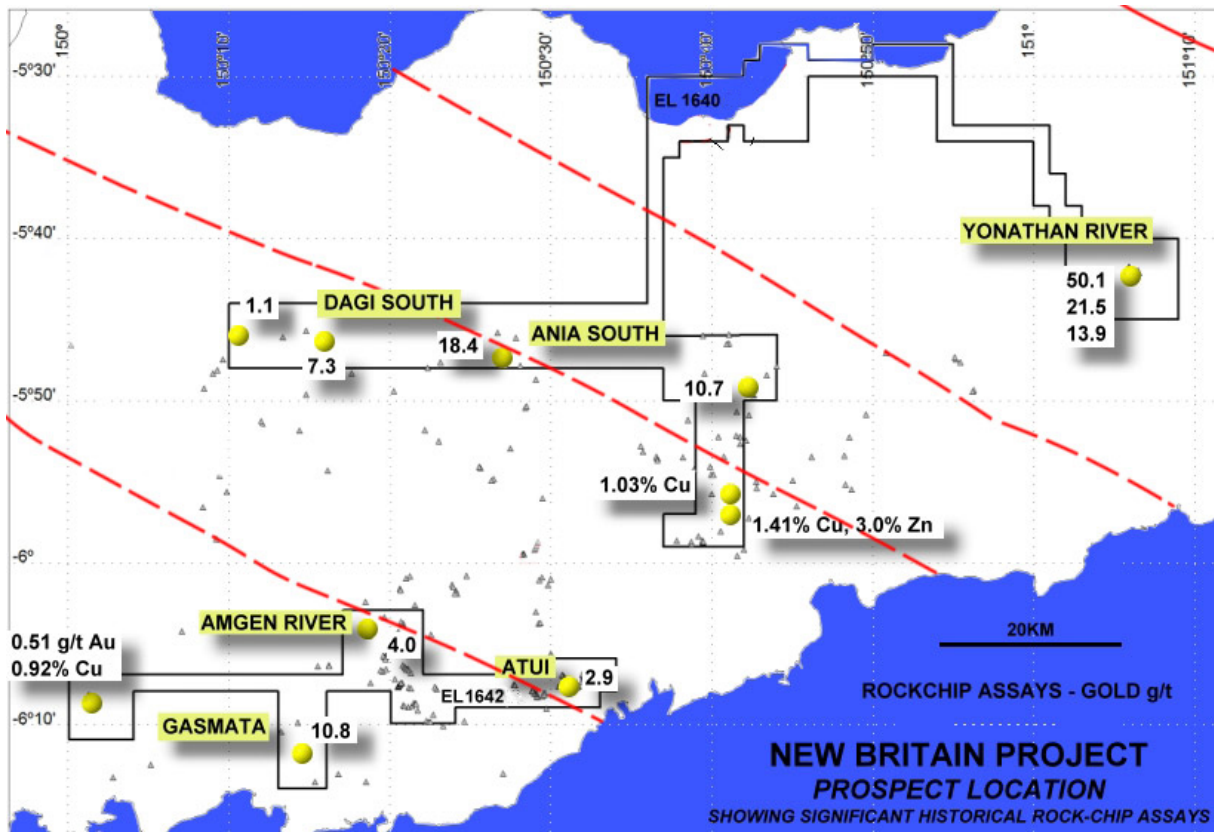


Figure 7 – MILs' New Britain tenements and significant Au rock samples (1, 2, & 3)

MIL Chairman Doug Halley said, "These latest results from Atui, which confirm the existence of what could be a major porphyry system, further strengthens the Company's belief that the Atui Project demonstrates significant potential. The independent review by Simon Meldrum outlining a porphyry Cu-Mo model with peripheral precious metal veins adds further value to our beliefs and as announced recently, following our review of historical data, Atui has been elevated in our key projects with drilling activities scheduled to commence shortly."



ABOUT MIL RESOURCES

MIL Resources Limited (ACN 003 669 163) is an ASX listed resource company whose interests include:

- Titan Metals Limited (100% MIL Resources) – Titan Metals controls five granted Exploration Licences and seven Exploration Licence Applications in Papua New Guinea. The Tenements host excellent potential for significant discoveries of gold, copper, nickel, and molybdenum deposits ⁽⁵⁾.
- Amazon Bay, PNG – is a major vanadium rich iron sand exploration targets of 3 - 4 billion tonnes of magnetite iron sand ⁽⁵⁾. MIL is in the process of earning up to a 90% interest by funding exploration and evaluation programs. Considerable farm-in interest has been shown in Amazon Bay project and MIL is advancing discussions with several selected investors.

(1) CRAE PTY LTD. Hughes, F., E. 1986. Final report on exploration, Atui PA 587, PNG.

(2) ESSO PNG INC. Tamu, W. 1984. Annual report on exploration, Okimpuna, PA 134, PA418, & PA502, PNG.

(3) ESSO PNG INC. Terrill, J., E. 1985. Final report, Ania PA505.

(4) Geochemical plots are created using the inverse distance weighting on historic (1) soil (\pm rock) data.

(5) To the extent that there is information included in the projects set out above any potential quantity and grade is conceptual in nature, there has been insufficient exploration to define a mineral resource under the JORC Code and it is uncertain if further exploration will result in the determination of a minerals resource under the JORC Code.

The information contained in this report that relates to Exploration Results or Minerals Resources or Ore Reserves is based on information compiled by Anthony Williamson who is a member of the Australian Institute of Geoscientists. Mr Williamson is Chief Executive Officer of MIL Resources Limited and has sufficient experience which is relevant to the style of mineral deposits under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australian Code for Reporting of Mineral Resources and Ore Reserves". Mr Williamson consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

FOR FURTHER INFORMATION PLEASE CONTACT:

Tony Williamson: Chief Executive Officer

Phone: (02) 8920 2300

Fax: (02) 8920 3400

Email: info@milresources.com.au

Web: www.milresources.com.au

Victoria Thomas, Six Degrees Investor Relations

Phone: (03) 9674 0347

Email: victoria.thomas@sdir.com.au