

29 April 2009

ASX ANNOUNCEMENT

QUARTERLY REPORT – PERIOD TO 31 MARCH 2009

SUMMARY

- Metallurgical testwork conducted on Amazon Bay ironsand samples taken from Barracouta and Threadfin prospects
- Preliminary airborne magnetics interpretation on the Poi porphyry gold copper prospect defines large radiometric anomaly coincident with historical anomalous geochemistry
- Field work commences at Poi
- Epithermal gold project Golden Peak community recommends grant of ELA
- Ironsands prospect Amazon South community recommends grant of ELA
- Mining and exploration opportunities offered to MIL were reviewed whilst discussions continued with interested parties on MIL's magnesite interests.

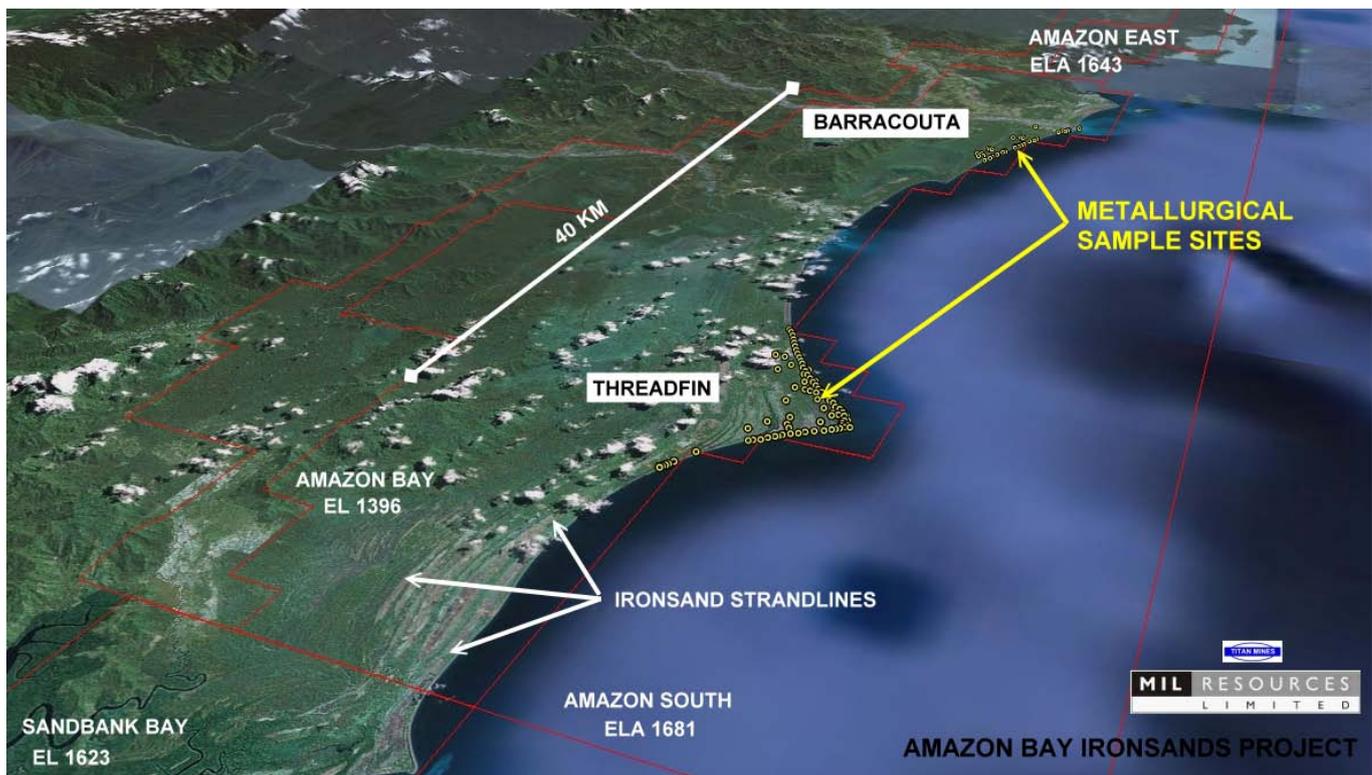


Figure 1. Amazon Bay Ironsands Project showing metallurgical sample sites

AMAZON BAY IRONSANDS, PNG

During the quarter, preliminary metallurgical testwork commenced at Metcon Laboratories, Sydney on composite samples from over 200 representative testpit and auger drill samples collected from Amazon Bay.

The samples were taken over the magnetic “hotspots” of Threadfin and Barracouta prospects representing 15km of ironsand development at Threadfin and 8km of coastal ironsands at Barracouta. The entire Amazon Bay ironsands system spans over 200km of coastal plain (Figures 1 and 2).

Each of the composite samples was first screened at 1mm with 1 to 2kg riffled out for a second pre-screen at 425 micron. This then underwent dry magnetic separation on a rotating magnetic drum separator. The magnetic fractions were riffle sampled and pulverised and sent to Spectrolabs, Geraldton for assay.

The non-magnetics were then upgraded in a Knelson concentrator, with this fraction sent to Ammtec, Perth for assay of gold, platinum and palladium.

The results from Metcon, Spectrolabs and Ammtec are pending at the date of this report.

At ELA 1682 - Amazon South (Figure 2) several Mining Warden meetings were conducted resulting in the local communities recommending the granting of the ELA to Titan Mines. This EL covering 956 sq km offshore, will add significant exploration potential to the Amazon Bay project.

Additionally, meetings were held with iron investors and potential ironsand off-takers with discussions still underway.



FIGURE 2 – Amazon Bay Ironsands Project showing tenements and magnetic hotspots Threadfin and Barracouta

TITAN METALS, PNG

POI – Gold Copper Porphyry

Preliminary interpretation of the airborne magnetics at the Poi porphyry gold copper prospect defined a large radiometric anomaly coincident with historical anomalous geochemistry. This anomaly measuring over 10km in strike length defines the Imudat Intrusive Complex which occurs as a well defined alkali syenite ridge with massive sulphide mineralisation and alluvial gold draining the system (Fig 3). Poi has been previously sampled by AOG, CRA and BHP where BHP obtained samples which assayed from 1.8% to 7.4% Cu; AOG 0.4% g/t Au, 1.2% Cu and 11g/t Ag and CRA 2.1g/t Au, 1.0 % Pb and 32 g/t Ag.

Arctan Geophysical Services were engaged to conduct a detailed interpretation of the airborne magnetic survey over the Poi and Domara prospects. This work will further enhance the gold-copper targets identified to date and also provide a focus for detailed ground work in the next quarter.

Initial field work commenced at Poi with stream, float and rock samples collected in drainages peripheral to the intrusive body. Gold panning activities were observed at the southern end of the syenite in the Morti and Imudat drainages (Fig 3) however no records of production or grade exist.

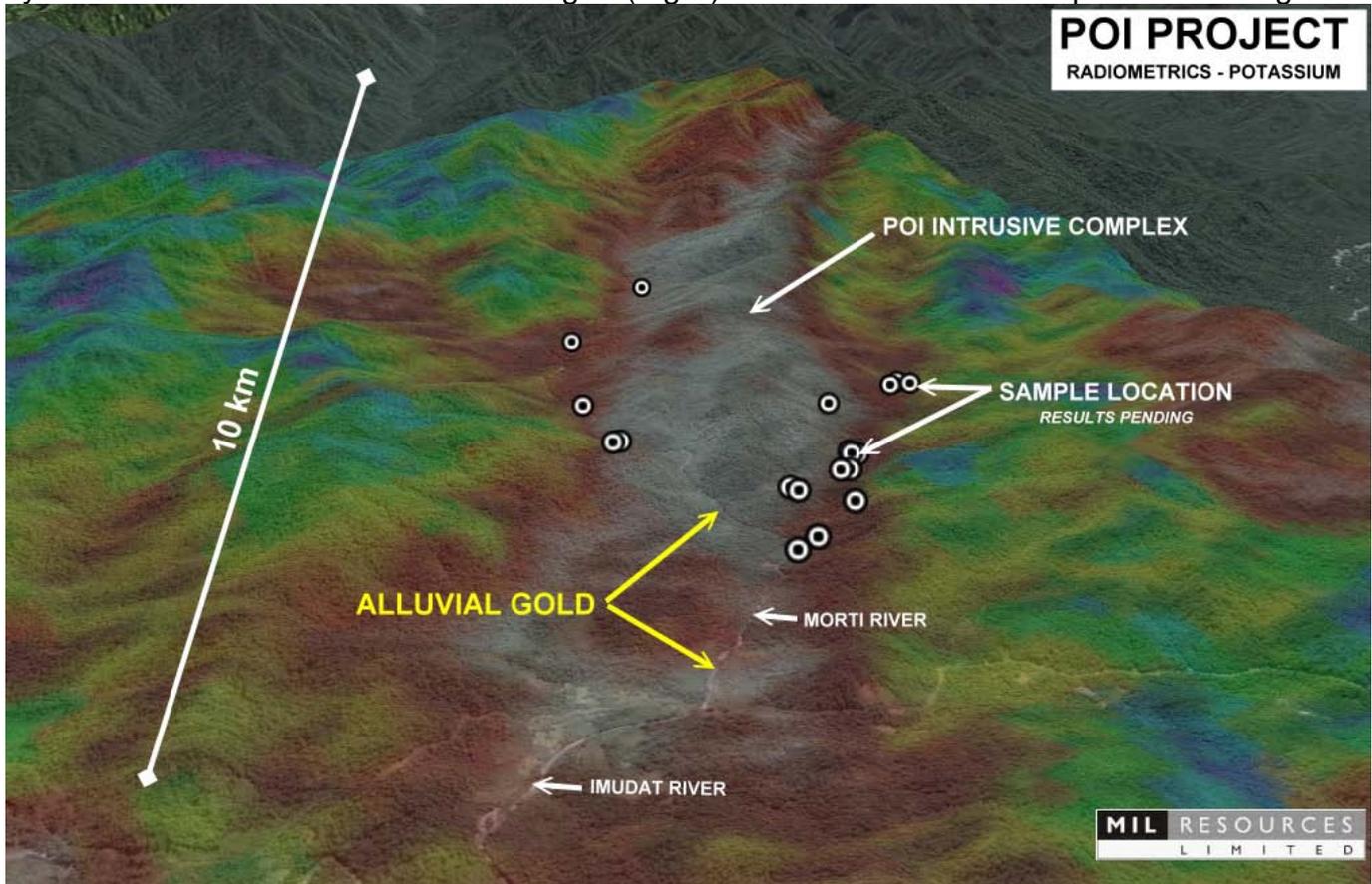


Figure 3 – Poi gold copper porphyry showing the preliminary radiometric geophysical anomaly striking over 10km in length and sample locations.

GOLDEN PEAK

A Mining Warden's meeting was held at the Golden Peak gold prospect where the community recommended the grant of ELA 1625. Golden Peak, located 40km east of Port Moresby, is an epithermal gold prospect where veining and alteration occurs over a zone of approximately 2km by 800m hosted by a calc-alkaline diorite stock. Previous work has been conducted by CRA (1984-85) and Elders Resources (1989). : Trench samples taken by Elders within the target area returned gold assays as follows:

- from 1.03 g/t Au to 43 g/t including 15m of 5.5g/t Au that included 2m of 43g/t

- 6m of 2.8 g/t Au

No drilling has been conducted on the property to date.

CASH POSITION

The cash position at 31 March 2009 was \$2.6 million.

OTHER

During the Quarter, MIL operated a booth at the PDAC Conference in Toronto, Canada. Several new exploration and mining opportunities were offered to MIL and these currently remain under evaluation.

Discussions are underway with parties reviewing the Mt Hutton magnesite deposits and the MIL-Dow magnesium process technology.

ABOUT MIL RESOURCES LIMITED

MIL Resources Limited is an ASX listed resource company whose interests include:

- Amazon Bay, PNG magnetite ironsand project - MIL is in the process of earning up to a 90% interest by funding exploration and evaluation programmes. Work to date has been focused on airborne magnetics, expanding the known deposit, reconnaissance sampling, metallurgy and processing studies.
- Titan Metals Limited – MIL has a 50% interest and is funding the initial \$700,000 in exploration. Titan Metals has a portfolio of 2 ELs and 6 ELAs in PNG prospective for gold, copper, molybdenum and nickel.
- MIL-Dow magnesium process technology - licensing discussions are underway.
- Mt Hutton, S.A. magnesite deposits – MIL is evaluating options for the sale or joint venture.

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 mineral resource under the JORC Code.

The information contained in this report that relates to Exploration Results or Mineral Resources or Ore Reserves is based on information compiled by John Haggman who is a Member of the Australian Institute of Geoscientists. Mr Haggman is a Director 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 "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Haggman 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 CONTACT:

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Appendix 5B

Rule 5.3

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001

MIL Resources Limited

ABN 23 003 669 163

Quarter ended ("current quarter")

31-Mar-09

Consolidated statement of cash flows	Current quarter \$A'000	Year to date 9 Months \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(28)	(179)
(b) development	-	-
(c) production	-	-
(d) administration	(130)	(430)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	11	103
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(147)	(506)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(172)	(667)
(c) other fixed assets	(3)	(3)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	20	31
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(155)	(639)
1.13 Total operating and investing cash flows (carried forward)	(302)	(1,145)
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 (provide details if material)	-	83
Net financing cash flows	-	83
Net increase (decrease) in cash held	(302)	(1,062)
1.20 Cash at beginning of quarter/year to date	2,889	3,649
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	2,587	2,587
Payments to directors of the entity and associates of the directors		
Payments to related entities of the entity and associates of the related entities		
1.23 Aggregate amount of payments to the parties included in item 1.2	73	108
1.24 Aggregate amount of loans to the parties included in item 1.10	-	-
1.25 Explanation necessary for an understanding of the transactions		
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	Available \$A'000	Used \$A'000
3.1 Loan facilities	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil
Estimated cash outflows for next quarter		
4.1 Exploration and evaluation, plus work expenditure program	45	
4.2 Development	Nil	
Total	45	

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		187	175
Deposits at call		-	-
Bank overdraft		-	-
Other - bank bills		2,400	2,714
Total: cash at end of quarter (item 1.22)		2,587	2,889

Changes in interests in mining tenements

Tenement reference	Nature of interest	Interest at start of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, lapsed or reduced	No changes		
6.2 Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security
7.1 Preference securities	None	None	
7.2 Changes during quarter	None	None	
7.3 Ordinary securities	159,698,641	159,698,641	
7.4 Changes during quarter			
(a) Increases through issues	-	-	
(b) Decreases through returns of capital, buy-backs	-	-	
Ordinary shares at end of quarter	159,698,641	159,698,641	
7.5 Convertible debt securities			
7.6 Changes during quarter			
(a) Increases through issues			
(b) Decreases through securities matured, converted			
Convertible Debt Securities at end of quarter	None	None	

Description	Conversion factor	Total Number	Number Quoted	Exercise price	Expiry Date
7.7A Listed options		60,329,111	60,329,111	\$0.10	31/05/2012
7.8A Issued during Quarter		-	-		
7.9A Exercised during quarter		-	-		
7.10A Expired during quarter		-	-		
Listed Options at end of quarter		60,329,111	60,329,111	\$0.10	31/05/2012
7.7B Unlisted options					
Directors Options	1 share for 1 option	450,000	-	\$1.38	30/06/2011
31 May 2010 Options	1 share for 1 option	190,200	-	\$1.20	31/05/2010
30 June 2011 Options	1 share for 1 option	1,200,000	-	Various	30/06/2011
30 June 2011 Options	1 share for 1 option	100,000	-	\$1.16	30/06/2011
31 October 2012 Options	1 share for 1 option	150,000	-	\$2.00	31/10/2012
7.8B Issued during quarter		2,090,200	-		
		None			
7.9B Expired during quarter		None			
7.1B Exercised during quarter		None			
Unlisted Options at end of quarter		2,090,200	Nil		
7.11 Debentures		None	None		
7.12 Unsecured notes		None	None		

Compliance statement

- 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.
- This statement does give a true and fair view of the matters disclosed.

Signature:

Company Secretary

Date:

29/04/2009

Print name:

James Beecher