



28th April 2008

QUARTERLY REPORT – PERIOD to 31 MARCH 2008

AMAZON BAY IRONSANDS, PNG

Summary

During the quarter UTS Geophysics Pty Ltd commenced a large aeromagnetic survey program covering EL1396 and likely iron sands mineralization and potential hardrock precious metals targets. This 4562 km survey utilizing a PAC 750 single engine turbine fixed wing aircraft has the objective of scoping out the extent of the iron sands systems within and beyond the known mineralisation. The survey is scheduled for completion by the end of April and at time of this release 75% of the survey has been completed.

Ground surveys, sampling and metallurgical testwork have been conducted during the quarter and are ongoing.

The initial metallurgical testwork is indicating that the likely commercialization route for the Amazon Bay iron sands will be through the production of pig iron.

MIL has a 25% interest in the project and is earning up to a 90% interest by completion of a work program.

The key aspects of the Amazon Bay iron sands project include:

- iron sands are a steelmaking feedstock showing strong growth in demand especially from Chinese steel mills;
- previous exploration work reported that the project may contain (non JORC compliant measurements) up to 445 million tonnes of iron sands to approximately 9 metres deep of +10% magnetics;
- MIL expects to add value through a work program aimed at better defining the likely resource target; metallurgical work to establish the most effective process flowsheet and completing initial feasibility studies.

Airborne Geophysical Survey

UTS Geophysics of Perth mobilized to PNG on April 23rd and commenced a low level airborne magnetic survey on April 25th. At the time of this release the survey is 75% completed.

This 4562 line kilometer survey utilizes a PAC 750 single engine turbine fixed wing aircraft which will be collecting data at a maximum height of 60m above terrain. The traverse spacing varies between 200m and 800m throughout the survey and covers the known mineralization around Magarida / Deba villages including several offshore lines, Amazon Bay west , Sandbank Bay and several hardrock precious metals targets.

The objective of the survey is to test the extent of the ironsands exploration target beyond the known mineralisation reported by AOG of 445 million tonnes of ironsands containing greater than 10% Fe (non-JORC Code compliant measurement). Air photo interpretation indicates that there are numerous additional strandlines that comprise targets for increasing the extent of the known mineralisation. Additionally several trial offshore lines are being flown to examine the potential of large scale deposition of ironsands offshore.

The airborne geophysical data will be collated and interpreted throughout May / June including the definition of any new expanded ironsands targets and hardrock prospects.

Evaluation of Possible Process Routes

Titan Mines has continued evaluating a number of process routes for the development of the Amazon Bay ironsands. This work is ongoing as the results from the metallurgical testwork become available.

Metallurgical Testwork

A metallurgical testwork program at Metcon Laboratories, Sydney has been undertaken. The initial results suggest that the most likely process route to be economical will be production of pig iron and related by-products rather than an ironsand concentrate.

Further testwork is being undertaken.

MAGNESIUM TECHNOLOGY

Possible joint venture or license opportunities for the MIL Magnesium Process Technology were pursued during the quarter. These discussions are ongoing.

MAGNESITE RESOURCES

MIL is continuing discussions with 3rd parties on it's Mt Hutton magnesite deposit in South Australia.

OTHER RESOURCE INVESTMENTS

A number of possible other resource investments were reviewed during the quarter but no commitments made.

CASH POSITION

The cash position at 31 March 2008 was \$4.6 million. For further information:

Pat Elliott

Chairman and Managing Director
Magnesium International Limited

Tel: +61 (0) 2 9252 1505

Mobile: +61 (0) 488 755655

James Beecher

Company Secretary and Director
Level 6 210 George Street
Sydney NSW 2000

Tel: +61 (0) 2 9252 1505

Fax: +61 (0) 2 9252 1507

Mobile: +61 (0) 411 013200

MIL Resources web site: www.mgil.com.au

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-08

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	(147)	(348)
(b) development	-	-
(c) production	-	-
(d) administration	(214)	(737)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	97	293
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	(264)	(792)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	(224)	(664)
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	11
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(224)	(653)
1.13 Total operating and investing cash flows (carried forward)	(488)	(1,445)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc.	-	4,885
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)	-	-
Net financing cash flows	-	4,885
Net increase (decrease) in cash held	(488)	3,440
1.20 Cash at beginning of quarter/year to date	5,062	1,134
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	4,574	4,574
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	92	238
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	470	
4.2 Development	Nil	
Total	470	

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		424	462
Deposits at call		-	-
Bank overdraft		-	-
Other - bank bills		4,150	4,600
Total: cash at end of quarter (item 1.22)		4,574	5,062

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	144,698,641	144,698,641	
7.4 Changes during quarter			
(a) Increases through issues	15,000,000	15,000,000	\$0.067
(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		52,829,111	52,829,111	\$0.10	31/05/2012
7.8A Issued during Quarter		7,500,000	7,500,000	\$0.10	31/05/2012
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	-		
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

1 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.

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

Signature:

Company Secretary

Date:

28/04/2008

Print name:

James Beecher