

30 April 2010

## **ASX ANNOUNCEMENT**

### **QUARTERLY REPORT – PERIOD TO 31<sup>st</sup> MARCH 2010**

#### **SUMMARY**

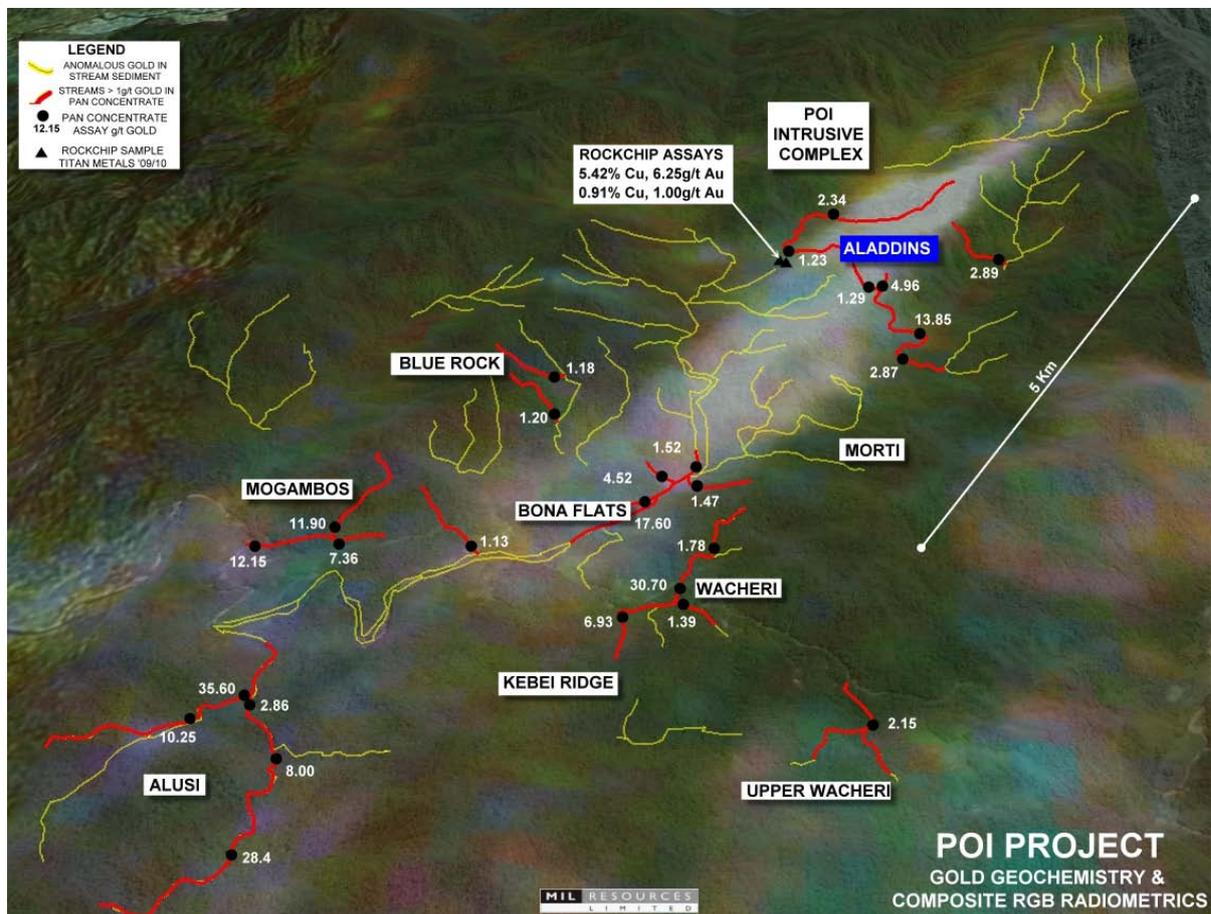
- High grade gold in pan concentrate results from Poi defined a new gold zone over an area of approximately 5 sq km within the previously defined intrusive complex.
- The new zone, Aladdins, is coincident with rock chip assays of 6.25 g/t Au and 5.42% Cu and an interpreted major cross cutting structural intersection approximately 2km long.
- Peak pan concentrate assays included:
  - 13.85 g/t Au
  - 4.96 g/t Au
  - 2.89 g/t Au
  - 2.87 g/t Au
  - 2.34 g/t Au
- Sampling to the north of Poi has increased the potential strike length of the system to over 11km which remains open to the north east.
- Results from the program highlight the potential for multiple targets throughout the Poi Intrusive Complex.
- A market report was received from CRU Strategies Ltd titled “The Potential Chinese Market for Titano-Magnetite Iron Ore” in respect of potential product from the Amazon Bay, PNG ironsands exploration target. CRU concluded that a realistic potential market in the short term in China for the Amazon Bay concentrate is 17 mtpa. The report confirms Amazon Bay’s potential of supplying a vanadium rich magnetite concentrate to the expanding Chinese market”
- Metallurgical testwork continued on improving the beneficiation of the Amazon Bay ironsands product.
- Work continued on the commercialisation of MIL’s magnesite interests in South Australia.
- Cash balance at the end of Quarter: \$3.3 million.

## POI GOLD PROJECT, PNG

During the quarter further results were received from the ongoing exploration program at the Poi Project, PNG which is 100% owned by Titan Metals Limited in which MIL is earning a 50% interest.

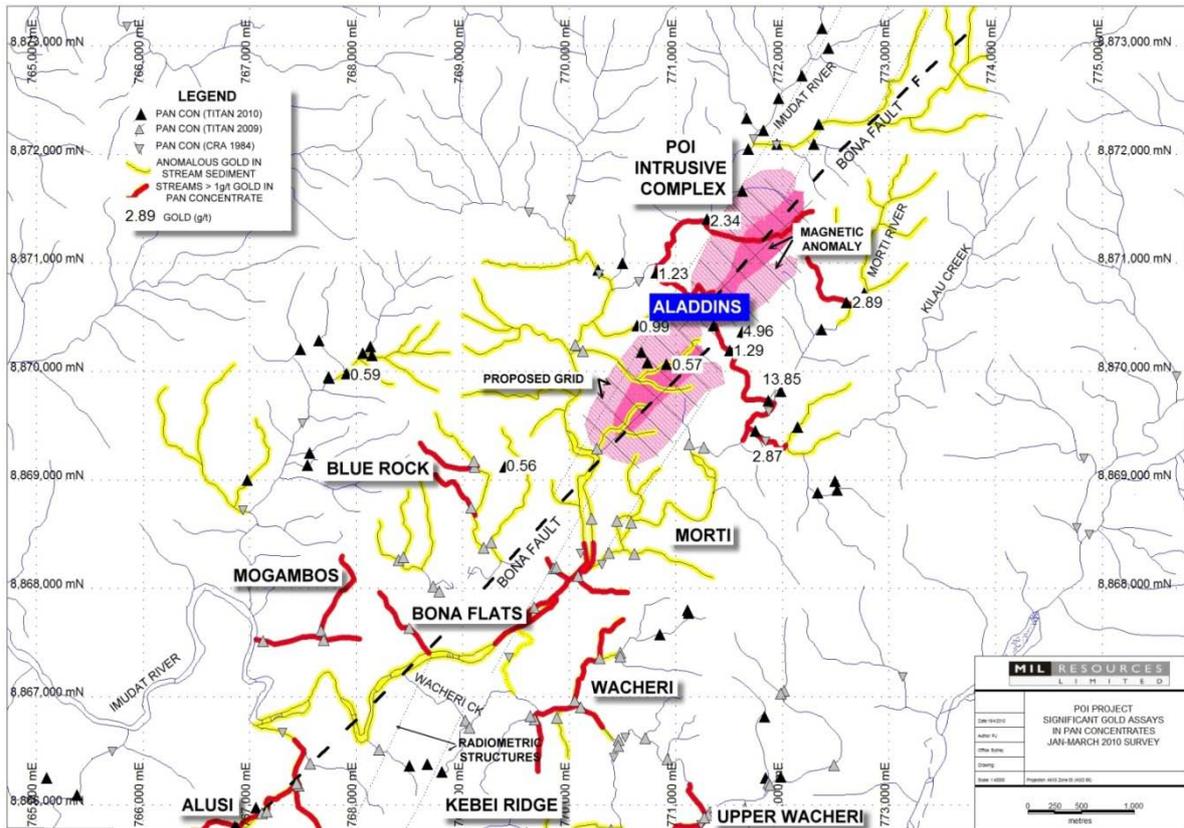
Reconnaissance stream sediment and rock chip sampling identified a new zone of anomalous pan concentrate results with peak assay values of 13.85 g/t Au. The Aladdins zone occurs within the Poi intrusive complex and an interpreted structural intersection which hosts rock chip assays of 6.25 g/t Au and 5.42% Cu (Titan survey 2009).

The program involved the collection of 61 pan concentrate and 33 rockchip samples mostly in the northern half and peripheral to the intrusive complex where work focused on closing off the system. Gold results in pan concentrates ranged from 0.005 to 13.85 g/t Au and in rockchips 0.005 to 1.0 g/t Au. Copper values in rockchips ranged from 0.003% to 0.9% Cu.



**FIGURE 1 – GOLD GEOCHEMISTRY AND RGB RADIOMETRICS AT POI**

Further work is ongoing and includes stream geochemistry, geological mapping, sampling and gridding leading up to ground geophysics and drilling. Results from the program highlight the continued strike of the Poi prospect to over 11km which remains open to the north east and the potential for multiple targets throughout the Poi Intrusive Complex.



**FIGURE 2 – SIGNIFICANT GOLD ASSAYS IN PAN CONCENTRATES**



**Aladdins - Altered & mineralized Intrusive  
Sample 437568 (2009 survey) – Assay: 6.25 g/t Au and 5.42% Cu**

## AMAZON BAY, PNG

Metallurgical consultants, Independent Metallurgical Operations (IMO) in Perth continued testwork on improving the beneficiation of the of the Amazon Bay iron sands product. This has been through electrostatic re-cleaning of rougher concentrates and reverse silica flotation trials. A conceptual flowsheet based on testwork to date has also been developed and is currently under review.

A study of detailed engineering and metallurgical cost estimates continued in conjunction with the development of the conceptual flowsheets.

Sampling continued on EL 1681 Amazon South where a series of offshore samples were collected and shipped to Metcon Laboratories, Sydney for preliminary testwork.

## OTHER

- Work continued on the commercialisation of MIL's magnesite interests in South Australia.
- Interest continues to be shown in MIL's PNG assets by several international mining groups.
- New exploration and mining opportunities offered to MIL are under evaluation.

## ABOUT MIL RESOURCES LIMITED

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

- Amazon Bay, PNG - a major iron sands exploration target of 3 – 4 billion tonnes of magnetite iron sands<sup>(1)</sup> based on previous exploration and an airborne magnetic survey flown by MIL in 2008. Work to date has been focused on expanding the known deposit, metallurgy and processing studies. MIL is in the process of earning up to a 90% interest by funding exploration and evaluation programmes.
- Titan Metals Limited – MIL has acquired a 50% interest in Titan Metals which has a portfolio of EL's and ELAs in PNG prospective for gold, copper, molybdenum and nickel. Current focus is on the Poi gold copper prospect which occurs as a well defined gold copper mineralized syenite ridge with alluvial gold draining the intrusive system. Geophysical modeling has defined an extensive radiometric anomaly striking over 11km long and 1.5km wide coincident with cross-cutting radiometric structures and magnetic anomalies. This setting is considered to be a favourable host to gold copper mineralized systems <sup>(1)</sup>.

(1) *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:**

Pat Elliott +61 (0)488 755 655

James Beecher +61 (0)411 013 200

John Haggman +61 (0)412 309 906

**Web: [www.mgil.com.au](http://www.mgil.com.au)**