

ASX ANNOUNCEMENT – MEDIA RELEASE

26 August 2008

MIL RESOURCES IDENTIFIES EXPLORATION TARGET ⁽¹⁾ OF 3 - 4 BILLION TONNES OF MAGNETITE IRONSANDS AT AMAZON BAY, PNG

HIGHLIGHTS

- Aeromagnetic survey identifies exploration target ⁽¹⁾ of 3 – 4 billion tonnes of magnetite ironsands at its Amazon Bay Project, PNG
- Target is based on a 3072 line km airborne geophysical survey flown at 200m and 400m line spacing and interpretation of magnetics, radiometrics, geology, geomorphology and previous drilling
- Surveyed area represents only a portion of the potential ironsands targets within surrounding ELAs
- Extensive highly magnetic “hotspot” targets at the newly discovered Barracouta and Threadfin anomalies, to be drill tested in September
- Previous work in the 1970’s, that delineated extensive areas of ironsands mineralization, did not test the “hotspot” anomalies of highest magnetic intensity
- Working towards defining and delineating a JORC compliant resource

MIL Resources Ltd (MIL) is pleased to announce that its recent airborne geophysical survey at Amazon Bay, PNG, has identified a preliminary exploration target of 3 – 4 billion tonnes of magnetite ironsands ⁽¹⁾. The 3072 line kilometre survey flown at 200 and 400 metre line spacing identified significant magnetic and radiometric anomalies which are coincident with major ironsand strandlines, depositional bodies and areas of historical drilling and metallurgical testwork.

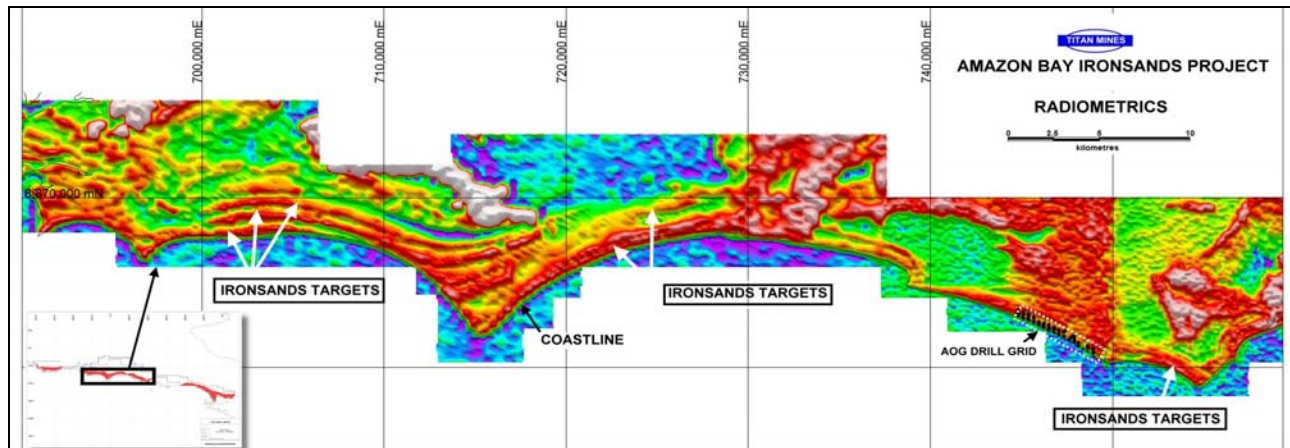


Figure 1. Amazon Bay – Airborne Geophysical Ironsand Targets - over 70km of strike within Project Area

In addition to the area covered by the aeromagnetic survey, there are potential iron sands occurrences on adjoining ELAs 1623 and 1643 also held by MIL's associated company, Titan Mines Ltd. These cover an area larger than the exploration target identified at Amazon Bay and are currently being assessed ⁽¹⁾.

The geophysical interpretation is based on magnetics and radiometrics which both show pronounced anomalies across the survey area (Fig 1).

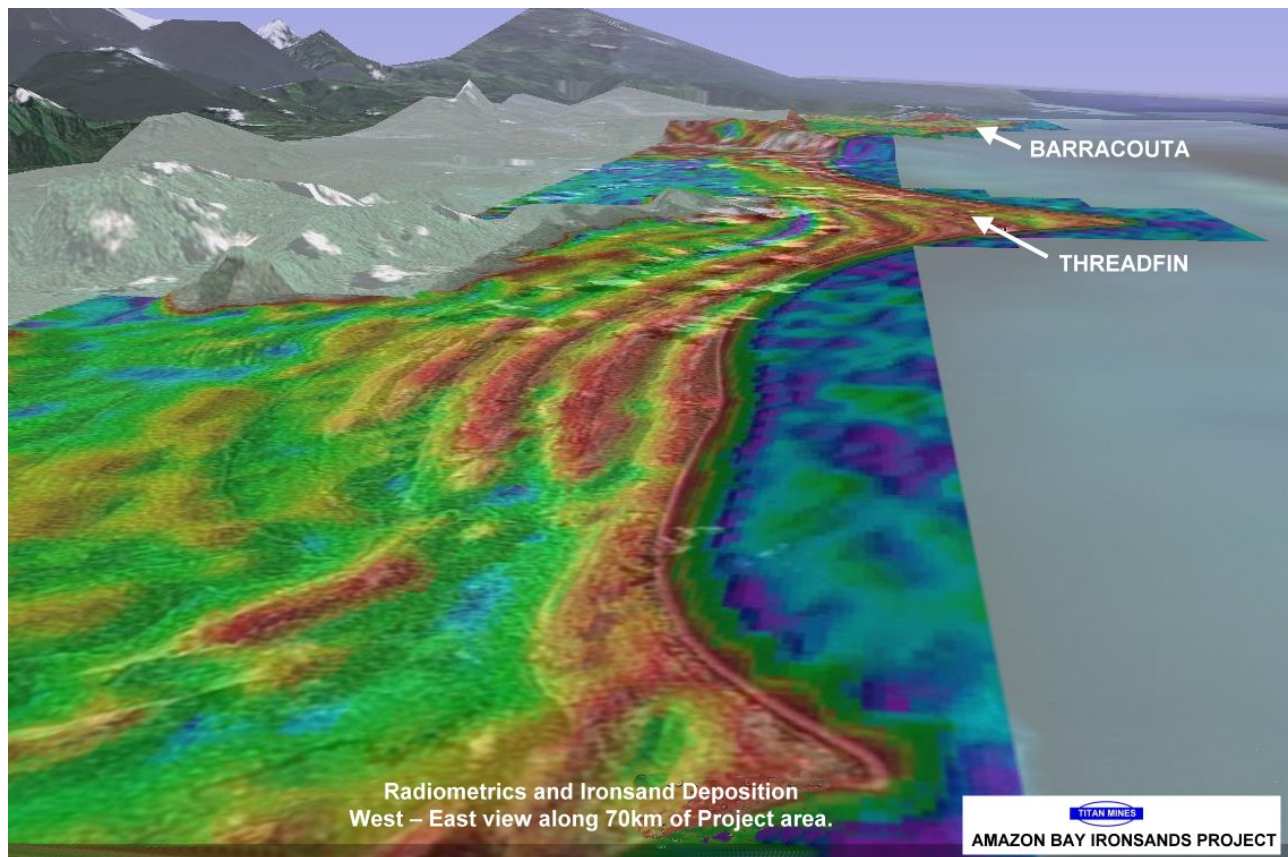


Figure 2
Amazon Bay – Radiometrics and Ironsand Deposition
West – East view along 70km of Project area.

The magnetics shows areas of large pronounced highly magnetic “hotspots” at the newly discovered Barracouta and Threadfin anomalies. AOG Minerals conducted a major drilling program in the early 1970's at the Deba prospect which adjoins the Barracouta anomaly. This work however did not include drilling at Barracouta, which the airborne magnetic data shows as the most intensely magnetic area. These yet untested areas of magnetic intensities will be the focus of a drilling and sampling campaign in September (Fig 2 and 3).

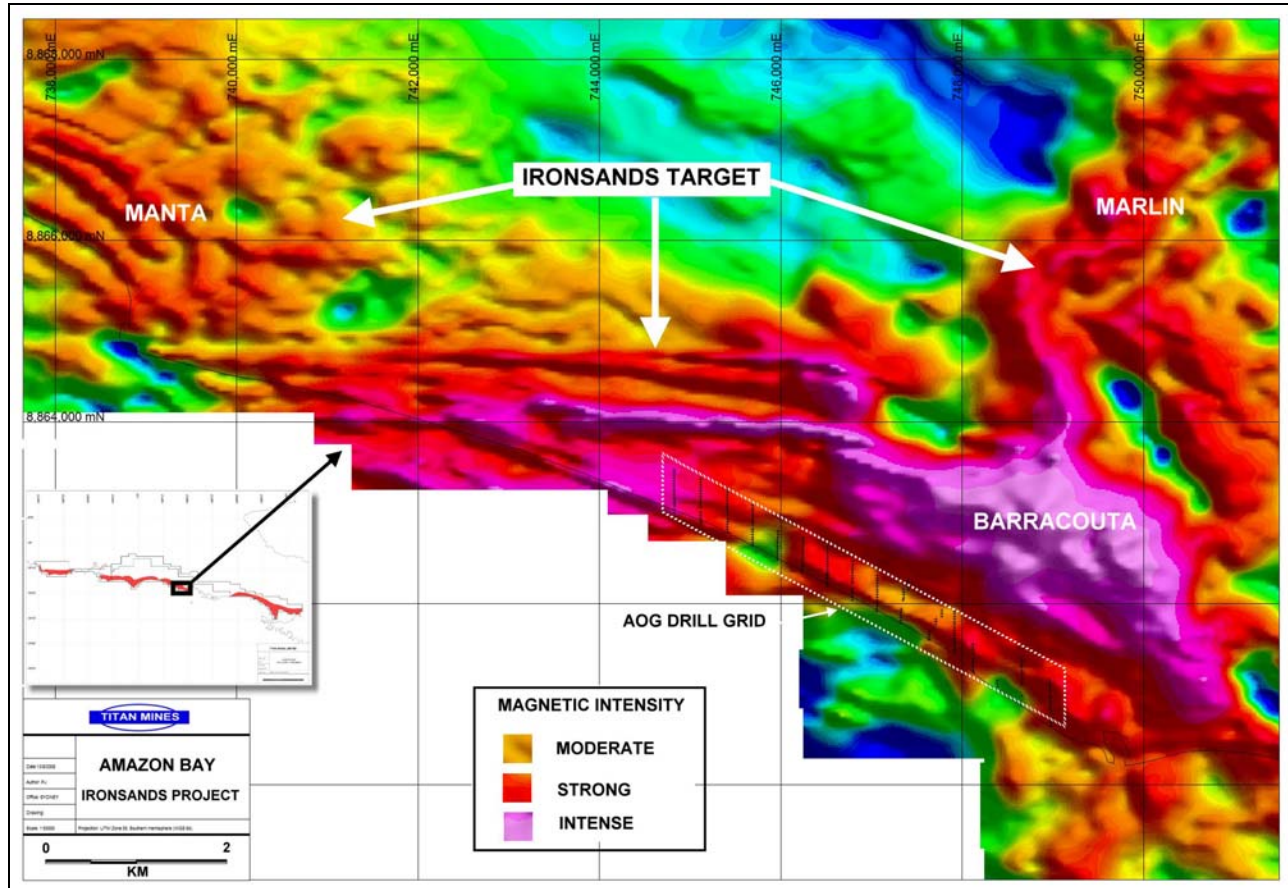


Fig 3

Barracouta “hotspot” magnetic anomaly.

Amazon Bay Ironsands

MIL Resources is entitled to progressively acquire up to a 90% interest in Titan Mines Ltd which owns the Amazon Bay ironsands project located in coastal south east PNG. Previous limited exploration work in the early 1970’s reported that the project may contain extensive significant ironsands targets to approximately 9 metres deep of 10% - 28% magnetics (refer to previous MIL announcements)⁽¹⁾. This work was not undertaken on the areas containing the greatest magnetic intensity. The project comprises EL 1396, ELA 1623 and ELA 1643 which total an area of 1999 square kilometers.

MIL considers the project to be highly prospective for both the advancement of its existing targets and for the discovery of additional ironsands mineralization. MIL continues to remain focused on its potential to be a major producer of ironsands concentrate for direct shipping or production of pig iron.

ABOUT MIL RESOURCES LIMITED

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

- Amazon Bay, PNG titaniferous magnetite 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, metallurgy and processing studies.
- Titan Metals Limited – MIL has acquired a 50% interest and is funding the initial \$700,000 in exploration. Titan Metals has a portfolio of ELAs in PNG prospective for gold, copper, molybdenum and nickel.
- MIL-Dow magnesium process technology - licensing discussions are underway; and
- Mt Hutton, S.A. magnesite deposits – MIL is evaluating options for the sale or joint venture.

(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:

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