

ASX ANNOUNCEMENT – MEDIA RELEASE

17 October 2008

MAJOR OFFSHORE MAGNETITE TARGETS IDENTIFIED AT AMAZON BAY

HIGHLIGHTS

- Major magnetite ironsands targets identified offshore Amazon Bay
- These targets further expand MIL's initial exploration target ⁽¹⁾ of 3 – 4 billion tonnes of magnetite ironsands identified from airborne geophysics
- Offshore targets to be explored under the recently lodged Amazon South ELA 1681 covering 956 km²
- Drilling and sampling activities ongoing at Amazon Bay

MIL Resources Ltd (MIL) is pleased to announce that further interpretation of its airborne geophysical survey at Amazon Bay, has identified significant additional magnetite ironsands targets located and striking offshore from the previously announced target of 3 – 4 billion tonnes of magnetite ironsands ⁽¹⁾.

These targets span approximately 45km across the Amazon Bay project area and are open in a southerly direction offshore (Fig 1). They will be explored under the recently lodged Amazon South ELA 1681 covering 956 km².

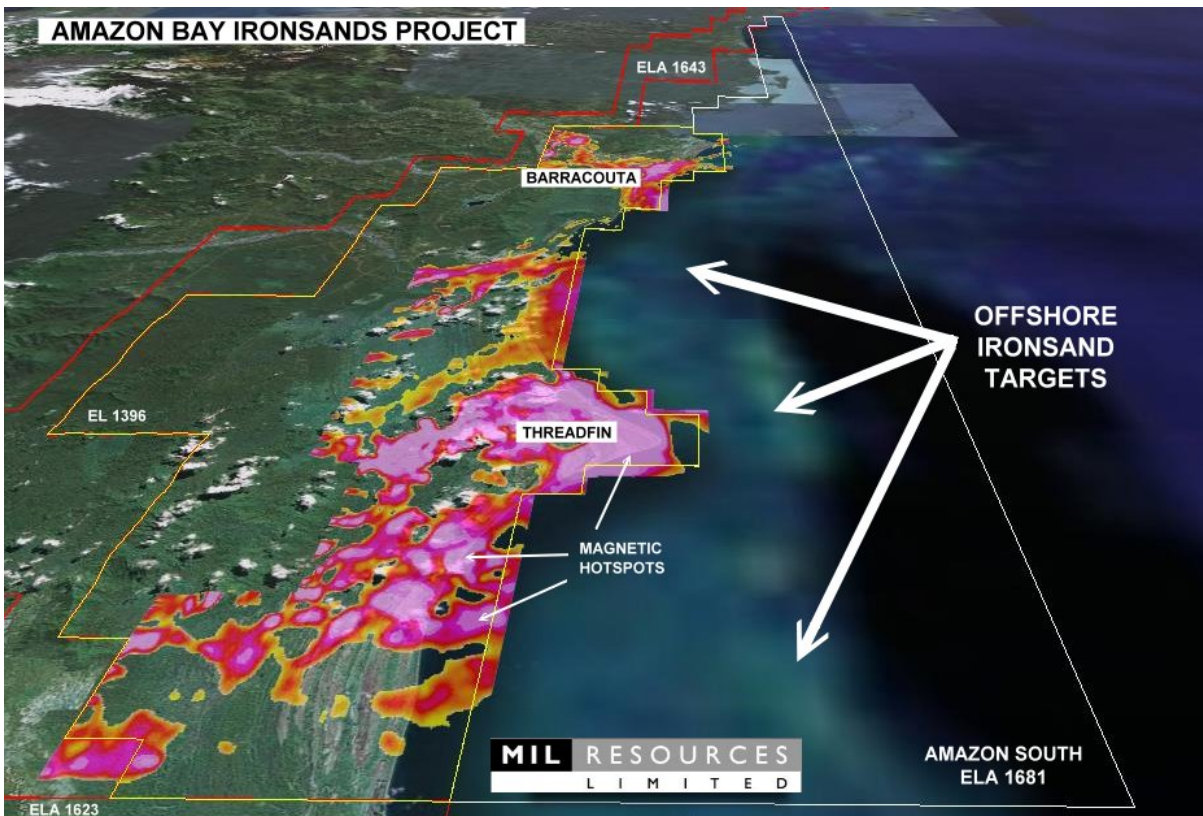


Figure 1 - Amazon South Offshore Ironsand Targets

In addition to these offshore targets, further potential iron sands targets occur on adjoining ELA's 1623 Sandbank Bay and 1643 Amazon East. In total MIL controls an area of 2955 km² of magnetite iron sand potential.

Present site activities include drilling, sampling and reconnaissance at the Barracouta prospect which is a major magnetic "hotspot" identified from the airborne magnetic survey. Barracouta is located adjacent to the old AOG drill grid where resource⁽¹⁾ drilling was carried out in the 1970's. AOG failed to identify the magnetic anomaly at Barracouta and to date this area remains untested. Bulk samples will be obtained from MIL's sampling work and sent to Metcon Laboratory, Sydney, where composite samples will be prepared for metallurgy, processing and marketing studies (Fig 2).

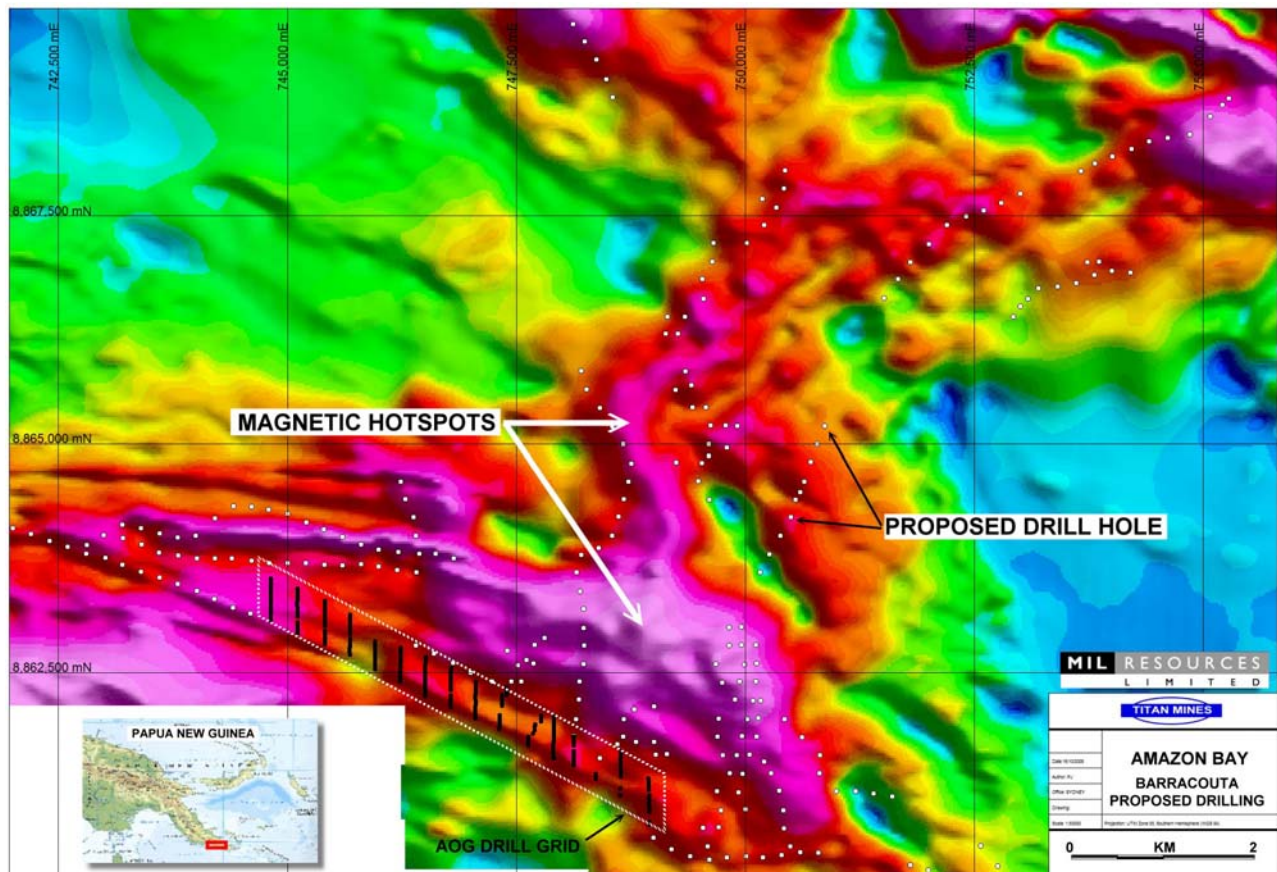


Figure 2
Barracouta Prospect - Proposed Drilling and Sampling Sites

Amazon Bay Ironsands

MIL Resources is entitled to progressively acquire up to a 90% interest in Titan Mines Ltd which owns the Amazon Bay iron sand project located in coastal south east PNG. MIL considers the project to be highly prospective for the production of iron sands concentrate for direct shipping or production of pig iron.

MIL's chairman and Managing Director Mr Pat Elliott said "The airborne magnetics has confirmed the potential endowment and significance of the Amazon Bay ironsands project and the identification of the offshore targets and lodging of ELA 1681 has further strengthened our position in the Amazon Bay region".

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 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.
- 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.

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