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EL 2876

NUNDROO

FIRST ANNUAL AND FINAL REPORT FOR THE PERIOD 6/12/2001 TO 5/12/2002

Submitted by

Minotaur Resources Ltd
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Nundroo (EL2876)

Annual Report for the Year Ending 6th December 2002

12/12/02

P. W. Reid

SUMMARY

- Nundroo is a large Tenement covering 1340 km2, approximately 150 WNW of Ceduna. This region covers the southern portion of the Fowler Suture zone, a Thompson Nickel Belt analogue.

- In November 2002, Nundroo was transferred to Mithril Resources as part of a successful nickel float.

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1.0 INTRODUCTION

Nundroo is a large tenement covering 1340 km2, approximately 150 WNW of Ceduna (Fig1). This region covers the southern free hold portion (i.e. amenable to rapid exploration) of the Fowler Suture zone, a Thompson Nickel Belt analogue. A targeted program of RAB drilling and ground EM is proposed to identify targets.

Tenement	Area	Date Granted	Date Expiry	Minimum Expenditure
EL 2876	1340 km^2	6/12/01	5/12/02	$164,000

Table 1 Nundroo Tenement Summary

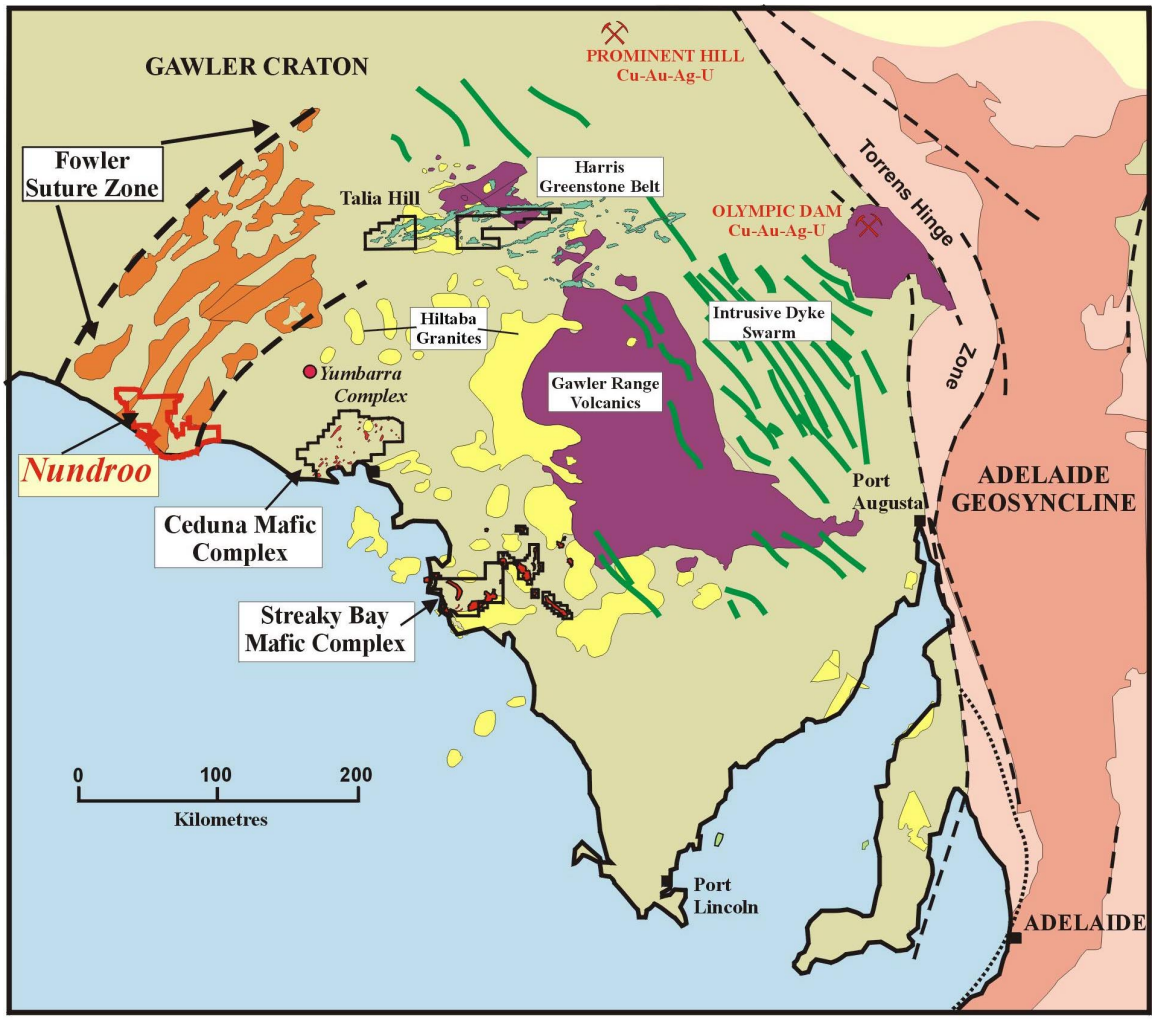

Figure 1 Nundroo (EL 2876) Locality Plan and Mithril Resources South Australian Nickel Exploration Licences.

2.0 GEOLOGICAL MODEL - FOWLER SUTURE ZONE

The western margin of the Gawler Craton has been destroyed by voluminous, dense and magnetic intrusives. The intensely magnetic domains are separated by complex anastomosing shears, which comprise the Fowler Suture Zone (Fig 2). The magnetic domains within the Fowler suture zone consist of cumulus gabbro-diorite and tonalite. Much less evolved, primitive gabbro and altered chromite bearing olivine rich ultramafic has also been intersected in drill core. The mafic and ultramafic intrusions have exploited the weak crust during continental plate collision and development of the Fowler Suture zone have potential for nickel mineralisation.

The region has many structural and lithological similarities to the Thompson Nickel Belt in Canada. Here the key factors are believed to be the shattered crust and rapid passage of ultramafic magma from the mantle to the ancient sea floor. Ore precipitation was promoted through ingestion by the magmas of sulphur-rich sediments.

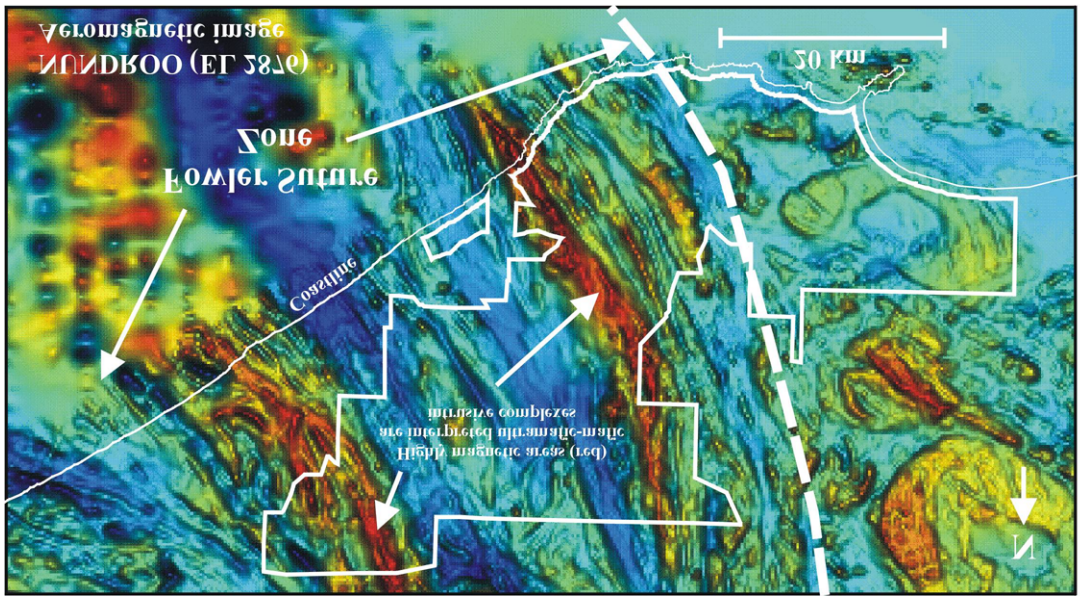

Figure 2 Aeromagnetic Image of the Fowler Suture Zone at Nundroo.

3.0 PREVIOUS WORK

BHP Minerals Ltd 30/8/93 – 29/8/95 Env 8917
Searched for Ni Sulphide, PGE, Cr, and Au mineralisation within the Fowler Belt. Following a review of detailed aeromagnetic data over the belt 10 targets, interpreted to represent ultramafic bodies were selected for follow up with ground EM to test for conductors to Ni – sulphide mineralisation. No basement conductors were identified, however, the geological concept that ultramafic rocks were present with the belt remained untested. Five RC drill holes targeted interpreted ultramafic lithologies. No ultramafic rocks were intersected. Basement comprised granite, granite gneiss, meta-sediment, diorite and quartz-magnetite-garnet rocks.

Abador Holdings **18/3/97 – 17/3/98** **Env 9427**
Limited reconnaissance style drilling along existing tracks. Drill holes intersected granitoid and rare mafic units. No anomalous geochemistry.

Equinox Resources NL **23/11/93 – 22/11/98** **Env 9140**
Targeted the Fowler Shear Zone for Au and Au-Cu mineralisation associated with shear zones active around the time or following the emplacement of the Hiltaba Granite Suite. Regional calcrete sampling failed to detect any significant anomalies. This is due to a thick sequence of Plio-Pliestocene calcarenite (Bridgewater Formation) masking the bedrock response.

4.0 SUMMARY OF OPERATIONS

Work initially comprised compilation and review of previous drill hole and geochemical data along with processing of magnetic and gravity data. Target areas where identified for follow-up reconnaissance RAB drilling, and orientation moving loop EM to test the areas suitability for airborne EM surveying. This work was put on hold, as Nundroo was included in a transfer deal to Mithril Resources during the second half of the reporting period.

Mithril Resources successfully floated on the Australian Stock Exchange on the 18th November 2002. Mithril has a strategic alliance with BHP Billiton to search for world class Ni-Cu-PGE deposits. Mithril is currently reviewing the tenement.

5.0 ANNUAL EXPENDITURE ENDING 6/12/02

Exploration Item	**Cost**
Salaries	21,306
Fees, licences	5,129
Field Expenses	759
Geophysical Consultants	22100
Geological Consultants	11,444
Maps, Data, Computing	5136
Admin Overheads (10%)	6578
Total	**72,352**