

**MITHRIL RESOURCES LIMITED
CHAIRMAN'S ADDRESS**

**Delivered at the 2008 Annual General Meeting on
Tuesday, 18 November 2008 at the
Rendezvous Allegra Hotel, 55 Waymouth Street, Adelaide**

Ladies and Gentlemen:

Before addressing the Business of today's meeting I would like to comment as follows:

As I explained last year, Mithril's exploration strategy is to undertake technically sound evaluation of a queue of quality exploration projects and, in addition, seek more advanced nickel opportunities to add to its overall project portfolio. We believe that this strategy will ultimately be rewarded with success.

It is very pleasing to report that encouraging results have been forthcoming from this two pronged approach as follows:

- a) At the Huckitta Project in the Northern Territory, Mithril has drilled significant thicknesses of sulphide mineralisation with associated highly anomalous copper values. In addition and subsequent to the end of the year under review, the Company announced the discovery of a new, nickel-copper rich gossan (the iron oxide-rich surface expression of sulphide rich rocks) on the Harts Range Joint Venture within the Huckitta Project. Called the Blackadder Prospect, surface grab samples of this gossan have returned assay values as high as 3.8% nickel and 9.6% copper. The geological setting is favourable for nickel sulphide mineralisation and recent exploration has identified additional nickel/copper prospects which will be described in more detail later today by Graham Ascough, our Managing Director. This project is showing signs of possibly being an emerging nickel province.

Mithril has now had 12 month's access to its extensive Musgrave Province project in northern South Australia with encouraging early results. The Company has

identified a nickel sulphide target, a platinum-palladium prospect at Mt Alvey East, and a vanadium-magnetite prospect at Deering Hills. We believe these early results are an indication of the exploration potential of this largely unexplored province.

- b) In regard to our strategy of seeking to acquire more advanced nickel opportunities, Mithril has entered into a joint venture over the Pardoo Nickel Project in northern Western Australia. Pardoo contains a JORC-code compliant inferred mineral resource of 44.7 million tonnes averaging 0.3% nickel and 0.1% copper (sulphide mineralisation) which represents 130,000 tonnes of contained nickel. The project is considered to have significant exploration up-side and potential for higher grade zones. Pardoo offers two avenues for Mithril to evaluate:
- i. the potential for higher grade zones, and
 - ii. possible development of the low grade resource - a resource of similar grades is currently being developed in Finland. Called the Talvivaara nickel mine, this open-pit project will extract ore estimated to contain 0.27% nickel, 0.55% zinc, 0.1% copper and 0.02% cobalt. Graham Ascough will describe the metallurgical test work we are undertaking and the potential cobalt credits for the Pardoo resource.

The key to our exploration strategy is to maintain our project queue and at year end Mithril held interests in 40 granted exploration tenements and 32 exploration licence applications in South Australia, Western Australia and the Northern Territory – in other words the Company's project portfolio has been maintained. In total, \$4.5 million were expended on exploration activities managed by Mithril during the year of which \$2.2 million were reimbursed by joint venture partners.

The recent financial crisis has adversely effected capital markets – a condition likely to prevail for some considerable time. Mithril has responded by reducing operating costs and will concentrate on its three core projects (Huckitta, Pardoo and the Musgrave Project). In addition to seeking joint venture partners for our core projects we will seek to joint venture or dispose of our non-core projects as appropriate.

Along with other commodities the nickel price has fallen and short term demand has deteriorated. Going forward it appears that supply constraints will impact the market. These constraints will arise from mine closures, project deferrals and reduced exploration. Recent forecasts by industry commentators vary from US\$4 per pound to US\$7.50 per pound for 2009. We believe that good quality nickel sulphide projects will remain economically attractive.

In September 2008 Mr Gary Snow stepped down as a Director of Mithril and I would like to extend our sincere appreciation for his very valuable contribution to the Company during his tenure as a Director.

It is also with great regret that we have accepted Dr Peter Gower's resignation from the Board effective the close of this meeting. Peter was a founding Director of Mithril and brought extensive experience in exploration, nickel marketing and management to the Board. On your behalf and on behalf of the Directors I extend our very sincere thanks to Peter for his invaluable contribution.

Finally, I would like to record my sincere thanks to my fellow Directors for their support and sound advice and, on behalf of all of us, thank Graham Ascough and his small team for their great efforts during a difficult year. Particular thanks are also due to Jim McKinnon-Matthews (Chief Geologist) and his dedicated team for their continuing outstanding efforts.

John Roberts

Chairman