



MITHRIL

RESOURCES LTD

ANNOUNCEMENT TO AUSTRALIAN SECURITIES EXCHANGE

5 August 2009

Placement to raise \$6.0 million Oversubscribed

Mithril Resources Limited ('MTH' or 'the Company') is pleased to announce an equity raising to fund its exploration projects and to provide working capital. The new issue of 50 million ordinary shares at \$0.12 per share with a 1 for 2 attaching listed option will raise \$6 million before expenses.

The placement is managed by Blackwood Capital Limited and the Directors of the Company are encouraged by the strong level of interest received from international and Australian institutional investors for the offer which is oversubscribed. The Company feels that this underlines the strength of its project portfolio and in particular the potential of the Huckitta Nickel Project which continues to generate on-going positive results.

As previously reported, a recently completed ground electromagnetic (EM) survey has delineated a conductive anomaly in the vicinity of the Blackadder Prospect where rock chip sampling returned values up to 3.8% nickel, 9.8% copper and 1700ppb platinum+palladium+gold. A number of conductive responses were also delineated in the vicinity of the Baldrick Prospect where rock chips returned values of up to 2.3% nickel and 2.4% copper. Preliminary results from the recently completed helicopter-borne geophysical survey utilising the Geotech Versatile Time-domain Electromagnetic (VTEM) system have identified a number of additional targets. Drill testing of these targets will commence in late August 2009.

The raising will be made pursuant to sections 708 and 713 of the Corporations Act 2001 and will be completed in two tranches.

Tranche 1

Comprising 10,050,000 ordinary shares to raise \$1,206,000.

Tranche 2

Comprising 39,950,000 ordinary shares and 25,000,000 attaching options to raise \$4,794,000. The issue of shares and options allocated in tranche 2 will be subject to shareholder approval at a general meeting. The notice of meeting will be dispatched to shareholders shortly. In order for the options to be freely transferable, the Company will issue a Prospectus to share places for the attaching options. Mithril will use its best endeavours to list the attaching options.

In accordance with Listing Rule 3.10.3, the Company provides the following details of the placement shares and options:

Class of Securities: a) Fully Paid Ordinary Shares
b) Listed Options

Number to be issued: a) 50,000,000
b) 25,000,000

Principal Terms of the Securities:

a) The shares will carry standard rights applicable to quoted ordinary shares in the Company and will, from the date of issue, rank equally with fully paid quoted ordinary shares currently on issue.

b) The options will have an Exercise Price of \$0.12 with an exercise period expiring two years after the date of grant. The options will be quoted.

Issue Price: a) \$0.12 per share
b) Attaching options to placement shares issued on a 1 for 2 basis.

Purpose of the Issue: Issued to raise funds for exploration and working capital purposes.

Shareholder Approval:

Tranche 1

The Company will not seek shareholder approval prior to the issue of 10,050,000 placement shares, as approval for this issue is not required by the Listing Rules. The Company intends to subsequently seek approval of this issue at a general meeting pursuant to Listing Rule 7.4 (subsequent approval of issue of securities).

Tranche 2

The Company will seek shareholder approval at a general meeting to be held in or around September 2009.

Issue to Class:

The issue is not being made to a class of security holders.

As the issue of placement shares will be to sophisticated and/or professional investors, it will not require disclosure under the Corporations Act 2001. In order for the options to be freely transferable, the Company will issue a Prospectus to share places for the attaching options.

Yours faithfully



**DONALD STEPHENS
MITHRIL RESOURCES LTD
COMPANY SECRETARY**

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For more information on the company visit www.mithrilresources.com.au

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr G Ascough, who is a full-time employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Mr G Ascough has more than five years experience which is relevant to the style of mineralisation and type of deposit 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 Exploration Results, Mineral Resources and Ore Reserves". Mr G Ascough consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.