

MITHRIL RESOURCES LIMITED
ACN 099 883 922

NOTICE OF GENERAL MEETING
EXPLANATORY MEMORANDUM

Date of Meeting
21 September 2009

Time of Meeting
11.00 am (SA time)

Place of Meeting
60 King William Road
Goodwood South Australia 5034

**NOTICE OF GENERAL MEETING
MITHRIL RESOURCES LIMITED
ACN 099 883 922**

Notice is hereby given that a General Meeting of shareholders of Mithril Resources Limited will be held at 11.00 am (SA time) on 21 September 2009 at 60 King William Road, Goodwood, South Australia to consider

Resolution 1: Subsequent approval of the issue of 10,050,000 Initial Placement Shares

‘That for the purpose of ASX Listing Rule 7.4 and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of 10,050,000 ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 2: Issue of 39,950,000 GM Placement Shares

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of 39,950,000 ordinary shares on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

Resolution 3: Issue of 25,000,000 GM Placement Options

‘That for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval be and is hereby given to the allotment and issue by the Company of 25,000,000 options on the terms and conditions described in the Explanatory Memorandum which is attached to and forms part of this Notice.’

DATED 19 August 2009
By order of the Board



Donald Stephens
Company Secretary

NOTES:

1. **Definitions**

Words and expressions used in this Notice have the meanings ascribed to them therein.

2. **Voting Exclusion Statement**

2.1 **Resolution 1**

The Company will disregard any votes cast on Resolution 1 by persons who participated in the issue of Initial Placement Shares and associates of those persons.

2.2 **Resolutions 2 and 3**

The Company will disregard any votes cast on each of Resolution 2 and 3 by a person who is acting in the capacity of a holder or ordinary securities, if the resolution is passed and associates of that person.

2.3 **All Resolutions**

However the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

3. **Proxies**

A shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the shareholder at the Meeting. A proxy need not be a shareholder. If the shareholder is entitled to cast two or more votes at the Meeting the shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

4. **Voting Entitlement**

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of shareholders will be taken for the purposes of determining shareholder entitlements to vote at the Meeting. The Company (as convenor of the Meeting) has determined that a person's entitlement to vote at the Meeting will be the entitlement of that person set out in the register of shareholders as at 5.30 pm (SA time) on 19 September 2009. This means that any shareholder registered at 5.30 pm (SA time) on 19 September 2009 is entitled to attend and vote at the Meeting.

5. **Corporate Representative**

Any corporate shareholder who has appointed a person to act as its corporate representative at the Meeting is authorised to do so under section 190 of the *Corporations Act 2001* (Cth) authorising him or her to act as that company's representative. The authority may be sent to the Company and / or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY MEMORANDUM

This Explanatory Memorandum forms part of a Notice convening a General Meeting of shareholders of Mithril Resources Limited to be held on 21 September 2009. This Explanatory Memorandum is to assist shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

1. Background

On 5 August 2009, the Company announced a placement of 50 million ordinary shares (**Placement Shares**) and 25 million attaching options (**Placement Options**) in two tranches at an issue price of \$0.12 per share to raise \$6 million.

Vj g"Łtuv"ŧcpej g"qh"32Œ7"o kŧqp"Rręego gpv"Uj ctgu"***Initial Placement Shares**) were issued on 13 August 2009. The purpose of Resolution 1 is to obtain shareholder approval for the issue of the Initial Placement Shares for the purpose of ASX Listing Rule 7.4 and for all other purposes.

The second tranche of 39.95 million Placement Shares (**GM Placement Shares**) and 25 million Placement Options (**GM Placement Options**) will be issued to sophisticated investors, professional investors or both. The purpose of Resolutions 2 and 3 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes.

All resolutions are ordinary resolutions. They are separate resolutions and in no way dependent on each other.

2. Resolution 1: Subsequent approval of the issue of 10,050,000 Initial Placement Shares

ASX Listing Rule 7.1 provides, in summary, that a listed company may not issue equity securities in any 12 month period which exceeds 15% of the number of issued securities of the company held at the beginning of the 12 month period, except with the prior approval of shareholders of the company in general meeting, unless an exception in ASX Listing Rule 7.2 applies.

However, ASX Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval under ASX Listing Rule 7.1 is treated as having been made with shareholder approval for the purpose of ASX Listing Rule 7.1 if:

- the issue did not breach ASX Listing Rule 7.1; and
- holders of ordinary securities subsequently approve it.

The issue of the Initial Placement Shares did not result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of the Initial Placement Shares does not therefore depend upon shareholders passing Resolution 1. The purpose of Resolution 1 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.4 and for all other purposes. If shareholders approve the issue of the Initial Placement Shares for the purpose of ASX Listing Rule 7.4, the issue of the Initial Placement Shares will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the Initial Placement Shares for the purpose of ASX Listing Rule 7.4, the issue of the Initial Placement Shares will count towards the number of equity securities which the Company can issue in any 12 month period.

For the purpose of ASX Listing Rule 7.5 information regarding the Initial Placement Shares is provided as follows:

- 10,050,000 Initial Placement Shares have been allotted.
- The Initial Placement Shares have been issued at an issue price of \$0.12 each.
- The terms and conditions of the Initial Placement Shares are the same as the terms and conditions of already issued fully paid ordinary shares in the Company.
- The allottees of the Initial Placement Shares are applicants for Initial Placement Shares as determined by the Board.
- Funds raised from the issue of the Initial Placement Shares will be used to fund the Company's exploration projects and to provide working capital.

The Directors recommend that shareholders vote in favour of Resolution 1.

3. **Resolution 2: Issue of 39,950,000 GM Placement Shares**

A summary of ASX Listing Rule 7.1 is set out above.

The issue of the GM Placement Shares without shareholder approval will result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of the GM Placement Shares therefore depends upon shareholders passing Resolution 2. The purpose of Resolution 2 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes. If shareholders approve the issue of the GM Placement Shares for the purpose of ASX Listing Rule 7.1, the issue of the GM Placement Shares will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the GM Placement Shares for the purpose of ASX Listing Rule 7.1, the issue of the GM Placement Shares will not occur.

For the purpose of ASX Listing Rule 7.3 information regarding the GM Placement Shares is provided as follows:

- A maximum of 39,950,000 GM Placement Shares will be issued.
- If Resolution 2 is passed, the GM Placement Shares will be issued no later than three months after the date of the Meeting.
- The GM Placement Shares will be issued at an issue price of \$0.12 each.
- The allottees of the GM Placement Shares will be applicants for GM Placement Shares as determined by the Board.
- The terms and conditions of the GM Placement Shares are the same as the terms and conditions of already issued fully paid ordinary shares in the Company.
- Funds raised from the issue of the GM Placement Shares will be used to fund the Company's exploration projects and to provide working capital.
- All of the GM Placement Shares will be allotted on one date.

The Directors recommend that shareholders vote in favour of Resolution 2.

4. **Resolution 3: Issue of 25,000,000 GM Placement Options**

A summary of ASX Listing Rule 7.1 is set out above.

The issue of the GM Placement Options without shareholder approval will result in the Company breaching the 15% limit referred to in ASX Listing Rule 7.1. The issue of the GM Placement Options therefore depends upon shareholders passing Resolution 3. The purpose of Resolution 3 is to obtain shareholder approval for the purpose of ASX Listing Rule 7.1 and for all other purposes. If shareholders approve the issue of the GM Placement Options for the purpose of ASX Listing Rule 7.1, the issue of the GM Placement Options will not count towards determining the number of equity securities which the Company can issue in any 12 month period. However, if shareholders do not approve the issue of the GM Placement Options for the purpose of ASX Listing Rule 7.1, the issue of the GM Placement Options will not occur.

For the purpose of ASX Listing Rule 7.3 information regarding the GM Placement Options is provided as follows:

- A maximum of 25,000,000 GM Placement Options will be issued.
- If Resolution 3 is passed, the GM Placement Options will be issued no later than three months after the date of the Meeting.
- The GM Placement Options will be issued for no consideration.
- The allottees of the GM Placement Options will be applicants for GM Placement Options as determined by the Board.
- The terms and conditions of the GM Placement Options are set out in the schedule.
- No funds are being raised from the issue of the GM Placement Options as they are being issued for no consideration.
- All of the GM Placement Options will be allotted on one date.

The Directors recommend that shareholders vote in favour of Resolution 3.

5. **Glossary**

In this Explanatory Statement unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691;

ASX Listing Rules means the ASX Listing Rules of ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Directors means the directors of the Company;

Meeting means the meeting of shareholders convened by the Notice;

Mithril Resources Limited or **Company** means Mithril Resources Limited ACN 099 883 922; and

Notice means the notice of general meeting to which this Explanatory Memorandum is attached.

TERMS AND CONDITIONS OF OPTIONS

1. The options held by the optionholder are exercisable in whole or in part at any time during the period commencing on the date of grant and expiring on the date being two years after the date of grant (**Exercise Period**). Options not exercised before the expiry of the Exercise Period will lapse.
2. The Company and payment of the exercise price of \$0.12 per option in cleared funds.
3. The exercise price of the options shall be \$0.12 per option.
4. The exercise price of the options shall be \$0.12 per option.
5. Options may be transferred in the form commonly used for the transfer of options at any time until the expiry of the Exercise Period, subject to any restrictions that may be imposed by ASX.
6. An optionholder may only participate in new issues of securities to holders of ordinary shares in the Company if the option has been exercised and shares allotted in respect of the option before the record date for determining entitlements to the issue. The Company must give prior notice to the optionholder of any new issue before the record date for determining entitlements to the issue in accordance with the ASX Listing Rules.
7. If there is a bonus issue to the holders of ordinary shares in the capital of the Company, the number of ordinary shares over which the option is exercisable will be increased by the number of ordinary shares which the holder of the option would have received if the option had been exercised before the record date for the bonus issue.
8. If the Company makes a rights issue (other than a bonus issue), the exercise price of options on issue will be reduced according to the following formula:

$$A = O - \frac{E [P - (S + D)]}{(N + 1)}$$

Where:

A = the new exercise price of the option;

O = the old exercise price of the option;

E = the number of underlying ordinary shares into which one option is exercisable;

P = the average closing sale price per ordinary share (weighted by reference to volume) recorded on the exercise date (excluding special crossings and overnight sales and exchange traded option exercises);

S = the subscription price for a security under the pro rata issue;

D = the dividend due but not yet paid on existing underlying securities (except those to be issued under the pro rata issue); and

N = the number of securities with rights or entitlements that must be held to receive a right to one new security.

9. If, during the currency of the options the issued capital of the Company is reorganised, those options will be reorganised to the extent necessary to comply with ASX Listing Rules.

Intentionally Blank



MITHRIL RESOURCES LTD

000001 000 MTH
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:

(within Australia) 1300 556 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online or view the annual report, 24 hours a day, 7 days a week:

www.investorvote.com.au



Cast your proxy vote



Access the annual report



Review and update your securityholding

Your secure access information is:

Control Number: 999999

SRN/HIN: I9999999999

PIN: 99999



PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

For your vote to be effective it must be received by 11:00 am (Adelaide time) Saturday 19 September 2009

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.computershare.com.

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

GO ONLINE TO VOTE,
or turn over to complete the form



MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Mithril Resources Ltd hereby appoint

the Chairman of the meeting **OR**

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of Mithril Resources Limited to be held at 60 King William Road, Goodwood South Australia on Monday, 21 September 2009 at 11:00 am (ACST) and at any adjournment of that meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
1 Subsequent approval of the issue of 10,050,000 Initial Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Issue of 39,950,000 GM Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Issue of 25,000,000 GM Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name _____

Contact Daytime Telephone _____

Date ____/____/____

MT H

9 9 9 9 9 9 A

Computershare