



# **MITHRIL**

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## **RESOURCES LTD**

11 September 2009

Dear Eligible Shareholder,

**PROSPECTUS FOR THE OFFER OF ONE ATTACHING OPTION FOR EVERY TWO SHARES ISSUED OR TO BE ISSUED TO ELIGIBLE SHAREHOLDERS  
CLOSING DATE: 18 SEPTEMBER 2009 (5.00 PM ADELAIDE TIME)**

On 5 August 2009 Mithril Resources Limited (“**the Company**”) announced a new issue of 50 million ordinary shares in two tranches at \$0.12 per share with a 1 for 2 attaching listed option to raise \$6 million before expenses. The Company also advised that in order for the options to be freely transferable, the options would be issued pursuant to a Prospectus.

The directors of the Company are pleased to provide you, as an ‘eligible shareholder’ (as defined in section 2.2 of the Prospectus) with the enclosed Prospectus for the offer of attaching options. You are eligible to apply for one option for every two shares issued to you in the first tranche or to be issued to you in the second tranche (subject to the provisos set out in the Prospectus). Please note that the offer of the attaching options under the Prospectus is subject to shareholders approving the issue of the second tranche shares and the options at the general meeting of the Company scheduled for 21 September 2009 (or at any adjournment of that meeting and in any event on or before 31 October 2009).

To take up your entitlement, please complete and return the Application Form in the Prospectus so that it is received by the Company’s share registry, Computershare Investor Services Pty Limited, by 5.00 pm (Adelaide time) on Friday 18 September 2009.

Yours sincerely,

A handwritten signature in black ink that reads 'J. B. Roberts'.

**JOHN ROBERTS  
CHAIRMAN**

Encl.



**MITHRIL**  
**RESOURCES LTD**

**PROSPECTUS**

**for the Offer of one Attaching Option for every two Shares  
issued or to be issued to Eligible Shareholders**

**IMPORTANT INFORMATION**

This is an important document that should be read in its entirety.  
If you do not understand it, you should consult your professional advisers  
without delay.



## **IMPORTANT INFORMATION**

This Prospectus is dated 10 September 2009.

A copy of this Prospectus was lodged with ASIC on 10 September 2009. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the contents of this Prospectus.

No Attaching Options will be granted on the basis of this Prospectus later than 13 months after the date of this Prospectus. Application will be made to ASX within seven days after the date of this Prospectus for admission of the Attaching Options offered by this Prospectus to Official Quotation.

Applications for Attaching Options can only be made on an original Application Form.

In making statements in this Prospectus, regard has been had to the fact that the Company is a 'disclosing entity' as defined in the Corporations Act and that certain matters may reasonably be expected to be known by investors and professional advisers whom potential investors may consult.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Attaching Options in any jurisdiction where, or to any person to whom, it would be unlawful to make such an offer.

Applicants should read this document in its entirety and, if in any doubt, consult with their professional advisers before deciding whether to accept the Offer.

The information provided in this Prospectus is not financial product advice and has been prepared without taking into account the investment objectives, financial situation and particular needs of individual investors. It is important that investors read this Prospectus in its entirety before deciding to invest. In considering the Company's prospects investors should consider the risk factors that could affect the Company's performance. Investors should carefully consider these factors in the light of their personal circumstances (including financial and taxation issues) and seek professional guidance from their stockbroker, solicitor, accountant or other professional financial adviser before deciding whether to invest. Some risk factors that investors should consider are outlined in section 4 of this Prospectus.

The Attaching Options offered under this Prospectus carry no guarantee with respect to return on capital investment or the future value of the Attaching Options.

Revenues and expenditures disclosed in this Prospectus are recognised exclusive of the amount of GST unless otherwise disclosed.

Certain words and terms used in this Prospectus have defined meanings which are set out in section 8 of this Prospectus.

### **Privacy Statement**

The Company collects information about each Applicant provided on an Application Form for the purposes of processing Application Forms and, if the Applicant is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided on the Application Form for the purposes set out in this privacy disclosure statement and

may disclose it for those purposes to the Company's share registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

The Corporations Act requires the Company to include information about the security holder (including name, address and details of securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a security holder of the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

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## TIMETABLE

Event	Date
Prospectus lodged with ASIC	10 September 2009
Opening Date of the Offer and Appendix 3B lodged with ASX	11 September 2009
Prospectus despatched to Eligible Shareholders	11 September 2009
Closing Date of the Offer (5.00 pm Adelaide time)	18 September 2009
General Meeting of Shareholders	21 September 2009
Proposed date for the allotment of Attaching Options	28 September 2009
Proposed date for despatch of holding statements for Attaching Options	1 October 2009
Proposed date for quotation of Attaching Options	2 October 2009

This timetable is indicative only and the Company reserves the right to vary it at any time without prior notice subject to the Listing Rules and the Corporations Act.

## **SECTION 1: CORPORATE DIRECTORY**

### **Directors**

Mr John Roberts (Non-Executive Chairman)  
Mr Graham Ascough (Managing Director)  
Mr Richard Bonython (Non-Executive Director)  
Mr Derek Carter (Non-Executive Director)  
Mr Donald Stephens (Non-Executive Director)

### **Company Secretary**

Mr Donald Stephens

### **Registered Office**

c/- HLB Mann Judd (SA) Pty Limited  
82 Fullarton Road  
Norwood SA 5067

### **Contact Details**

Mithril Resources Limited  
60 King William Road  
Goodwood SA 5034  
Website: [www.mithrilresources.com.au](http://www.mithrilresources.com.au)  
Email: [admin@mithrilresources.com.au](mailto:admin@mithrilresources.com.au)

### **Auditors**

Grant Thornton  
South Australian Partnership  
Chartered Accountants  
67 Greenhill Road  
Wayville SA 5034

### **Legal Advisers to the Company**

O'Loughlins Lawyers  
Level 2  
99 Frome Street  
Adelaide SA 5000

### **Share Registrar**

Computershare Investor Services Pty Limited  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

### **ASX Code**

MTH

## SECTION 2: DETAILS OF THE OFFER

### 2.1 Background and Conditions Precedent

On 5 August 2009, the Company announced a placement of 50 million Shares and 25 million Attaching Options in two tranches at an issue price of \$0.12 per Share.

The first tranche of 10.05 million Shares (**First Tranche**) were issued on 13 August 2009.

The Company has given notice to Shareholders of a general meeting to be held on or about 21 September 2009 at which Shareholder approval will be sought for the purpose of Listing Rule 7.1 and for all other purposes for the allotment and issue of:

- (a) the second tranche of 39.95 million Shares (**Second Tranche**); and
- (b) 25 million Attaching Options.

The Offer under this Prospectus and the grant of Attaching Options pursuant to this Prospectus are subject to each of the following conditions being satisfied:

- (a) Shareholders approving the allotment and issue of the Second Tranche; and
- (b) Shareholders approving the allotment and issue of 25 million Attaching Options,

at the general meeting referred to above.

If these conditions are not satisfied on or before 31 October 2009, the Offer will not proceed and no Attaching Options will be allotted and issued pursuant to this Prospectus.

### 2.2 The Offer

By this Prospectus, the Company is making an offer of Attaching Options to:

- (a) each entity which:
  - (i) has been issued First Tranche Shares; and
  - (ii) has agreed to subscribe for Second Tranche Shares

(provided that if such entity accepts the offer in respect of Attaching Options, those Attaching Options in respect of both the issued First Tranche Shares and the second Tranche Shares to be issued will only be granted to that entity following the issue of the relevant Second Tranche Shares to that entity after it has paid to the Company in cleared funds the subscription price for those Second Tranche Shares); and

- (b) each entity which has not been issued First Tranche Shares but has agreed to subscribe for Second Tranche Shares (provided that if such entity accepts the offer in respect of Attaching Options, those Attaching Options will only be granted to that entity following the issue of the relevant Second Tranche Shares to that entity after it has paid to the Company in cleared funds the subscription price for those Second Tranche Shares),

(each such entity being an **Eligible Shareholder**) on the basis of one Attaching Option for every two Shares issued or to be issued to that Eligible Shareholder as referred to in (a) and (b) above.

The Attaching Options are being issued free of charge to Eligible Shareholders. The

Attaching Options will be exercisable at \$0.12 each on or before the date being two years after the date of grant.

As the Attaching Options are being issued for no consideration, no funds will be raised under the Offer. If all of the Attaching Options issued under the Offer are exercised the Company will receive \$3 million. It is currently intended that any funds raised by the exercise of the Attaching Options will be used to fund ongoing exploration operations and to augment the Company's general working capital.

The maximum number of Attaching Options to be issued pursuant to the Offer is 25 million Attaching Options.

### **2.3 Opening and Closing Dates**

The Offer will open for receipt of Applications immediately following the despatch of this Prospectus to Eligible Shareholders.

The Closing Date for the Offer is anticipated to be 5.00 pm (Adelaide time) on 18 September 2009. This date may be varied by the Company without prior notice subject to the Listing Rules and the Corporations Act.

### **2.4 How to take up your Entitlement**

You are entitled to one Attaching Option for every two Shares issued to you in the First Tranche and/or to be issued to you in the Second Tranche (subject to the provisos set out in section 2.2 of this Prospectus).

To subscribe for the Attaching Options offered to you, please complete the accompanying Application Form according to the instructions on the Application Form.

Completed Application Forms must be sent to the Company's share registry, Computershare Investor Services Pty Limited, so that they reach the registry by no later than 5.00 pm Adelaide time on 18 September 2009.

Acceptances will not be valid if they are received after the Closing Date.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe the Application Form is final.

### **2.5 Ranking**

The terms and conditions which attach to the Attaching Options are set out in section 5.1 of this Prospectus. Any Shares issued on the exercise of the Attaching Options will rank equally with the existing Shares on issue. The rights attaching to Shares are referred to in section 5.2 of this Prospectus.

### **2.6 Allotment and Allocation**

Subject to section 2.7 of this Prospectus, the Attaching Options will be allotted and granted to each Applicant as soon as practicable after whichever last occurs of:

- (a) Shareholders passing the resolutions at the general meeting referred to in section 2.1 of this Prospectus; and
- (b) that Applicant having paid in cleared funds the subscription amount for that

## Applicant's Second Tranche Shares.

Subject to the above, holding statements in relation to the Attaching Options are expected to be despatched on 1 October 2009.

It is the responsibility of Applicants to determine their allocation prior to trading in the Attaching Options. Applicants who sell any of those Attaching Options before they receive their holding statements will do so at their own risk.

### 2.7 **ASX Quotation**

The Company will apply to ASX within seven days after the date of this Prospectus for admission to Official Quotation of the Attaching Options issued under this Prospectus.

If ASX does not grant permission for Official Quotation of the Attaching Options within three months after the date of this Prospectus, or such longer period as is permitted by the Corporations Act, none of the Attaching Options will be allotted and granted (unless ASIC grants to the Company an exemption permitting the allotment and grant).

The fact that ASX may admit the Attaching Options to Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Attaching Options issued under this Prospectus.

### 2.8 **CHESS**

The Company participates in CHESS. CHESS is operated by ASTC (a wholly owned subsidiary of ASX) in accordance with the Listing Rules and the ASTC Settlement Rules.

Under CHESS, Eligible Shareholders will receive a statement of their holding of Attaching Options.

If you are broker sponsored, ASTC will send you a CHESS statement. The CHESS statement will set out the number of Attaching Options granted under this Prospectus, and provide details of your holder identification number, and the participant identification number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be despatched by the Company's share registry, Computershare Investor Services Pty Limited, and will contain the number of Attaching Options granted to you under this Prospectus and your security holder reference number.

CHESS statements and Issuer Sponsored statements will routinely be sent out to holders of Attaching Options at the end of any calendar month during which the balance of their holdings change. Holders may request a statement at any other time, however a charge may be payable for additional statements.

### 2.9 **Taxation**

Investors should seek and rely on their own taxation advice regarding an investment in the Company as the taxation consequences will depend on the investor's particular circumstances.

### 2.10 **Withdrawal of Prospectus**

The Directors may at any time decide to withdraw this Prospectus.

## 2.11 **Enquiries**

If you have any questions regarding the Offer, or any of the documents referred to in this Prospectus, please contact the Company by telephone on (08) 8378 8200.

## SECTION 3: PURPOSE AND EFFECT OF THE OFFER

### 3.1 Purpose of the Offer

The primary purpose of the Offer is to comply with the Company's undertaking pursuant to the Placement Confirmation Letter between Blackwood Capital Limited (as agent for the Company) and proposed places in respect of the placement referred to in section 2.1 of this Prospectus.

As the Attaching Options are being issued for no consideration, no funds will be raised under the Offer. If all of the Attaching Options issued under the Offer are exercised the Company will receive \$3 million. It is currently intended that any funds raised by the exercise of the Attaching Options will be used to fund ongoing exploration operations and to augment the Company's general working capital.

### 3.2 Effect of the Offer

The principal effect of the Offer will be to increase the number of Options on issue at the date of this Prospectus to 38,679,250 Options comprising:

- (a) 13,679,250 Current Options as at the date of this Prospectus; and
- (b) 25 million Attaching Options,

disregarding fractions and assuming that all Attaching Options are issued under the Offer and that none of the Current Options are exercised prior to the grant of the Attaching Options.

Following completion of the Offer and after paying the expenses of the Offer, the working capital of the Company will be reduced by approximately \$29,880.

### 3.3 Effect on Capital Structure

Disregarding fractions, assuming all Attaching Options are issued under the Offer and that none of the Current Options are exercised prior to the grant of the Attaching Options, the effect of the Offer on the capital structure of the Company will be as follows:

#### Shares

	Number
Current Shares on issue (including First Tranche Shares)	77,668,750
Second Tranche Shares to be issued	39,950,000
Shares issued under the Offer	Nil
<b>Total Shares on issue after completion of the Offer</b>	<b>117,618,750</b>

#### Options

	Number
Current Options	13,679,250
Attaching Options granted under the Offer	25,000,000
<b>Total Options on issue after completion of the Offer</b>	<b>38,679,250</b>

## **SECTION 4: RISKS**

The Attaching Options offered under this Prospectus should be considered speculative because of the nature of the business activities of the Company. While the Directors recommend the Offer, potential investors should consider whether the Attaching Options offered are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below. This list is not exhaustive and potential investors should read this Prospectus in its entirety and, if in any doubt, consult their professional adviser before deciding whether to participate in the Offer.

### **4.1 Economic and Government Risks**

#### **(a) Share Market**

Share market conditions may affect listed securities regardless of operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) movements in, or outlook on, interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity prices;
- (v) changes in investor sentiment towards particular market sectors; and
- (vi) the demand for, and supply of, capital.

Investors should recognise that if the Attaching Options are listed on ASX, the price of the Attaching Options may fall as well as rise. Many factors will affect the price of the Attaching Options including local and international stock markets, movements in commodity prices, interest rates, economic conditions and investor sentiment generally.

#### **(b) Economic Factors**

Factors such as inflation, currency fluctuation, interest rates, supply and demand and industrial disruption have an impact on operating costs, commodity prices and stock market processes. The Company's future possible revenues and share price and option price can be affected by these factors which are beyond the control of the Company and its Directors.

#### **(c) Government**

Changes in government, monetary policies, taxation and other laws can have a significant influence on the outlook for companies and the returns to investors.

#### **(d) Commodity Prices**

Commodity prices are influenced by physical and investment demand for those commodities. Fluctuations in commodity prices may influence individual projects in which the Company has an interest.

## 4.2 **Business Risks**

A significant risk for the Company is that the proposed exploration programmes will not result in exploration success. Mineral exploration by its nature is a high risk endeavour and consequently there can be no assurance that exploration of the Company's project areas, or any other projects that may be acquired in the future, will result in discovery of an economic mineral deposit. Should a discovery be made, there is no guarantee that it will be commercially viable. While the Directors will make every effort to reduce these risks, through their experience in the exploration and mining industry, the fact remains that a commercially viable mineral discovery is very much the exception rather than the rule and success can never be guaranteed.

Mineral exploration, project development and mining by their nature contain elements of significant risk. The success of these activities is dependent on many factors such as:

- (a) the discovery and / or acquisition of economically recoverable ore reserves;
- (b) successful conclusions to bankable feasibility studies;
- (c) access to adequate capital for project development;
- (d) design and construction of efficient mining and processing facilities within capital expenditure budgets;
- (e) securing and maintaining title to tenements;
- (f) obtaining consents and approvals necessary for the conduct of exploration and mining;
- (g) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees; and
- (h) other risks detailed in this section.

Adverse weather conditions over a prolonged period can adversely affect exploration and mining operations and the timing of revenues. Whether or not income will result from development of the tenements depends on the successful establishment of mining operations. Factors including costs, actual mineralisation, consistency and reliability of ore grades and commodity prices affect successful project development and mining operations.

## 4.3 **Native Title Claims and Indigenous Lands**

The Directors are aware of a number of native title claims which wholly or partially cover the Company's exploration project areas. Those claims may impact upon planning and implementation of future exploration programmes. The potential also exists for further native title claims to be lodged over any existing or future tenement area. Native title claims have the potential to cause significant delays to exploration.

As the Directors are not presently in a position to assess in detail the impact of native title on the Company's planned operations, they consider the potential for native title claims to be lodged over the areas containing exploration projects to be a risk to investment.

## 4.4 **Aboriginal Significant Sites**

Commonwealth and State legislation obliges the Company to identify and protect sites of significance to Aboriginal custom and tradition. Some sites of significance have been

identified within the Company's tenements and further sites may be identified within the area of the Company's tenements. It is therefore possible that one or more sites of significance will exist in an area which the Company considers to be prospective. The Company's policy is to carry out clearance surveys prior to conducting exploration which would cause a disturbance to the land surface.

#### 4.5 **Environmental Risks**

Mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. The use and disposal of chemicals in the mining industry is under constant legislative scrutiny and regulation. Exploration work will be carried out in a way that causes minimum impact on the environment. Consistent with this, it may be necessary in some cases to undertake baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and, as far as possible, minimised.

While the Company is not aware of any endangered species of fauna and flora within any of its project areas no baseline environmental studies have been undertaken to date, and discovery of such could prevent further work in certain areas.

#### 4.6 **No Valuation**

No formal valuation has been completed of the exploration projects or the Shares of the Company. The Company makes no representation as to the value of the exploration assets. It is recommended that intending investors and their advisers should make their own assessment as to the value of the exploration projects.

#### 4.7 **Further Risks Specific to the Company**

The current and future operations of the Company, including exploration, appraisal and possible production activities may be affected by a range of factors, including:

- (a) geological conditions;
- (b) alterations to programmes and budgets;
- (c) unanticipated operational and technical difficulties encountered in geophysical surveys, drilling and production activities;
- (d) mechanical failure of operating plant and equipment, adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (e) unavailability of qualified personnel or equipment to undertake surveys and other geological and geophysical investigations including drilling;
- (f) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment;
- (g) prevention or restriction of access by reason of political unrest, outbreak of hostilities, and inability to obtain consents or approvals (including clearance of work programs pursuant to access agreements entered into with native title claimants); and
- (h) uninsured losses and liabilities.

## SECTION 5: RIGHTS AND LIABILITIES ATTACHING TO ATTACHING OPTIONS AND TO UNDERLYING SHARES

### 5.1 Terms and Conditions of Attaching Options

The Attaching Options will be granted on the following terms and conditions:

- (a) 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.
- (b) Options are exercisable by notice in writing to the Board delivered to the registered office of the Company and payment of the exercise price of \$0.12 per option in cleared funds.
- (c) The Company will apply to ASX for official quotation of the options.
- (d) The Company will make application for official quotation on ASX of new shares allotted on exercise of the options. Those shares will participate equally in all respects with existing issued ordinary shares, and in particular new shares allotted on exercise of the options will qualify for dividends declared after the date of their allotment.
- (e) 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.
- (f) 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.
- (g) 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.
- (h) 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 stockmarket of ASX during the five trading days immediately preceding the ex rights date or ex entitlements 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.

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.

## 5.2 **Shares**

The Shares issued on the exercise of the Attaching Options (and Current Options) will rank equally with the existing Shares on issue.

The rights and liabilities attaching to Shares are set out in the Company's Constitution and are regulated by the Corporations Act, the general law, the Listing Rules and the ASTC Settlement Rules.

The following is a summary of the rights and liabilities attaching to Shares:

### (a) **General Meetings**

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Company's Constitution, the Corporations Act or the Listing Rules.

### (b) **Voting**

Subject to any rights or restrictions for the time being attached to any class or classes of Shares whether by the terms of their issue, the Constitution, the Corporations Act or the Listing Rules, at a general meeting of the Company every holder of fully paid ordinary Shares present in person or by a representative has one vote on a show of hands and every such holder present in person or by a representative, proxy or attorney has one vote per Share on a poll. A person who holds an ordinary Share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total issue price of the Share. A member is not entitled to vote unless all calls and other sums presently payable by the member in respect of Shares in the Company have been paid. Where there are two or more joint holders of the Share and more than one of them is present at a meeting and tenders a vote in respect of the Share (whether in person or by proxy or attorney), the Company will count only the vote cast by the member whose name appears before the other(s) in the Company's register of members.

### (c) **Issues of Further Shares**

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Company's Constitution, the Listing Rules, the Corporations Act and any rights for the time being attached to the shares in special classes of shares.

### (d) **Variation of Rights**

At present, the Company has on issue one class of Shares only, namely ordinary Shares. The rights attached to the Shares in any class may be altered only by special resolution passed at a separate meeting of the holders of the issued Shares of the

affected class, or with the written consent of the holders of at least three quarters of the issued Shares of the affected class.

(e) **Transfer of Securities**

Subject to the Company's Constitution, the Corporations Act, the ASTC Settlement Rules and the Listing Rules, securities are freely transferable.

The securities may be transferred by a proper transfer effected in accordance with ASTC Settlement Rules, by any other method of transferring or dealing introduced by ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by the Directors that is permitted by the Corporations Act. The Company may decline to register a transfer of securities in the circumstances described in the Company's Constitution and where permitted to do so under the Listing Rules. If the Company declines to register a transfer, the Company must, within five business days after the transfer is lodged with the Company, give the lodging party written notice of the refusal and the reasons for refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASTC Settlement Rules.

(f) **Partly Paid Shares**

The Directors may, subject to compliance with the Company's Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which amounts are or may become payable at a future time(s) in satisfaction of all or part of the unpaid issue price.

(g) **Dividends**

The Company in general meeting may declare a dividend if the Directors have recommended a dividend, and a dividend shall not exceed the amount recommended by the Directors. The Directors may authorise the payment to the members of such interim dividends as appear to the Directors to be justified by the Company's profits and for that purpose may declare such interim dividends.

Subject to the rights of members entitled to Shares with special rights as to dividend (if any), all dividends in respect of shares (including ordinary shares) are to be declared and paid proportionately to the amount paid up or credited as paid up on the Shares.

(h) **Winding Up**

Subject to the rights of holders of Shares with special rights in a winding up, if the Company is wound up, members (including holders of ordinary Shares) will be entitled to participate in any surplus assets of the Company in proportion to the Shares held by them respectively irrespective of the amount paid up or credited as paid up on the Shares.

(i) **Directors**

The Company's Constitution states that the minimum number of directors is three.

(j) **Powers of the Board**

The Directors have power to manage the business of the Company and may exercise that power to the exclusion of the members, except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Company's Constitution.

(k) **Alteration of Constitution**

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting.

(l) **Listing Rules**

Despite anything in the Constitution, no act may be done that is prohibited by the Listing Rules, and authority is given for acts required to be done by the Listing Rules.

## SECTION 6: ADDITIONAL INFORMATION

### 6.1 Material Contracts

The Company has not entered into any material contracts prior to the date of this Prospectus other than those previously announced to ASX.

### 6.2 Litigation

There is no litigation, arbitration or proceedings pending against or involving the Company as at the date of this Prospectus.

### 6.3 ASIC Class Order relief

As a result of ASIC Class Order 00/843, this Prospectus is not subject to the minimum seven day disclosure period ordinarily required under the Corporations Act.

### 6.4 Share trading history

The highest and lowest market sales price of the Company's Shares on ASX during the three months immediately preceding the date of lodgment of this Prospectus with ASIC, and the respective dates of those sales and the last sale on the Business Day immediately preceding the date of lodgment of this Prospectus with ASIC, were:

	Date	Price
Highest	9 September 2009	\$0.25
Lowest	3, 9, 13, 14 and 15 July 2009	\$0.12
Latest	9 September 2009	\$0.25

### 6.5 Interests of Directors

Except as disclosed in this Prospectus, no Director has, or had, within two years before lodgment of this Prospectus with ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any Director:

- (a) to induce him to become, or to qualify him as, a Director; or
- (b) for services rendered by him in connection with the formation or promotion of the Company or the Offer.

The direct and indirect interests of the Directors in the securities of the Company as at the date of this Prospectus are as follows:

Director	Shares		Current Options	
	Direct	Indirect	Direct	Indirect
Mr John Roberts	1,412,500	647,500	Nil	312,500
Mr Graham Ascough	Nil	600,000	Nil	1,750,000
Mr Derek Carter	Nil	1,200,000	Nil	Nil
Mr Richard Bonython	20,000	1,860,000	Nil	250,000
Mr Donald Stephens	400,000	Nil	Nil	Nil

In addition to the above, on 25 June 2009 the Company announced the grant of 2,300,000 options to Directors, subject to shareholder approval. If shareholder approval is obtained, 600,000 options will be granted to Mr Graham Ascough (and/or his nominee), 500,000 options will be granted to Mr John Roberts (and/or his nominee), 400,000 options will be granted to Mr Derek Carter (and/or his nominee), 400,000 options will be granted to Mr Richard Bonython (and/or his nominee) and 400,000 options will be granted to Mr Donald Stephens (and/or his nominee).

#### 6.6 Interests of Experts and Advisers

Except as disclosed in this Prospectus, no person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus holds at the date of this Prospectus, or has held at any time during the last two years prior to the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or with the Offer; or
- (c) the Offer,

nor has anyone paid, or agreed to pay, any amount or given, or agreed to give, any benefit to any such person in connection with the promotion or formation of the Company or with the Offer.

O'Loughlins Lawyers has acted as solicitors to the Company providing general advice to the Company and assisting in the preparation of this Prospectus. The Company estimates it will pay O'Loughlins Lawyers a fee of up to \$10,000 for these services. During the two year period preceding the lodgment of this Prospectus with ASIC, O'Loughlins Lawyers has received \$126,646.50 from the Company for the provision of legal services.

#### 6.7 Consents

Each of the parties referred to below:

- (a) does not make, or purport to make, any statement in this Prospectus, nor is any statement in this Prospectus based on any statement by any of those parties (unless expressly stated to the contrary in this section);
- (b) has had no involvement in the preparation of this Prospectus (unless expressly stated to the contrary in this section);
- (c) has not authorised or caused the issue of this Prospectus; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no

responsibility for any part of the Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this section.

O'Loughlins Lawyers has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as the Legal Advisers to the Company in the form and context in which it is named.

Computershare Investor Services Pty Limited has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as Share Registrar in the form and context in which it is named.

Grant Thornton South Australian Partnership has given, and at the date hereof has not withdrawn, its written consent to be named in this Prospectus as Auditors in the form and context in which it is named.

Copies of the consents referred to above are available for inspection, without charge, at the registered office of the Company during office hours.

There are other persons referred to in this Prospectus who have not made statements included in this Prospectus (including by incorporation by reference) nor are there any statements made in this Prospectus on the basis of any statements made by these persons. These persons did not consent to being named in this Prospectus and did not authorise or cause the issue of this Prospectus.

## 6.8 **Continuous Disclosure and Documents Available for Inspection**

The Company is a 'disclosing entity' for the purposes of section 111AC of the Corporations Act. As such it is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of the securities of the Company.

ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, an ASIC office.

The Attaching Options are options to acquire Shares that are in the same class as the Shares of the Company that are and have been quoted on the stockmarket of ASX at all times in the three months before the date of this Prospectus.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it, during the application period for this Prospectus:

- (a) the annual financial report for the financial period of the Company ended 30 June 2008 (being the last annual financial report lodged with ASIC in relation to the Company before the issue of this Prospectus);
- (b) the half year financial report for the half year financial period of the Company ended 31 December 2008 (being the last half year financial report lodged with ASIC after the lodgment of the annual financial report referred to in paragraph (a) above and before the lodgment of this Prospectus with ASIC); and

- (c) all continuous disclosure notices given by the Company after the lodgment of the annual financial report referred to in paragraph (a) above and before the lodgment of this Prospectus with ASIC being:

Date	Description
4 September 2009	Drilling commences at Blackadder
28 August 2009	Disclosure Notice and Appendix 3B Exercise of Options
19 August 2009	Notice of General Meeting/Proxy Form
18 August 2009	Section 708A Notice
14 August 2009	Segue Acquires Remaining 50% of the Iron Rights at Pardoo
14 August 2009	Change in Substantial Holder Notice 14 August 2009
14 August 2009	Becoming a substantial holder
13 August 2009	Appendix 3B
11 August 2009	Huckitta Exploration Update 11 August 2009
5 August 2009	Placement to Raise \$6.0 Million
3 August 2009	Trading Halt
28 July 2009	28 July 2009 Investor Update
27 July 2009	June 2009 Quarterly Activities and Cash Flow Report
16 July 2009	Huckitta Exploration Update 16 July 2009
2 July 2009	FRS: WA Nickel and Gold Project reverts to 100% FerrAus
2 July 2009	Silver swan North JV Royalty
29 June 2009	Section 708A Notice
25 June 2009	Proposed Offer of Unlisted Options and Appendix 3B
25 June 2009	Appendix 3Y – Change in Director’s Interest Notice (x3)
24 June 2009	Form 604
24 June 2009	Disclosure Notice and App 3B – Exercise of Options
22 June 2009	Appendix 3B
19 June 2009	Sydney Investor Presentation
16 June 2009	Investor Update Presentation 16 June 2009
16 June 2009	EGM Notification of Resolutions 2009
12 June 2009	MTH Exploration Update
12 June 2009	New Exploration Project
20 May 2009	Change in Substantial Holding for MII
15 May 2009	Notice of General Meeting/Proxy Form
14 May 2009	Section 708A Notice
11 May 2009	Change in substantial holding
8 May 2009	Appendix 3B

<b>Date</b>	<b>Description</b>
5 May 2009	2009 SAREIC Presentation by G Ascough 5 May
5 May 2009	Placement to Raise \$1.6 million
29 April 2009	March 2009 Quarterly Activities and Cash Flow Report
14 April 2009	Change in substantial holding for MII
31 March 2009	Investor Update
17 March 2009	Cash Sale of Tenements
13 March 2009	Half Year Accounts
17 February 2009	Cash Sale of Tenements
30 January 2009	Quarterly Activities and Cash Flow Report
15 December 2008	Huckitta Update
12 December 2008	Appendix 3B
8 December 2008	Expiry of Share Options
1 December 2008	SA Explorers Conference Presentation
18 November 2008	AGM Notification of Resolutions 2008
18 November 2008	Mithril AGM Presentation
18 November 2008	Board Changes
18 November 2008	2008 AGM Chairman's Address
17 November 2008	Huckitta Ni-Cu Mineralisation Identified
30 October 2008	September 2008 Quarterly Report
29 October 2008	Huckitta – New JV
23 October 2008	Mithril Australian Nickel Conference
17 October 2008	Notice of Annual General Meeting
2 October 2008	ALM: New Joint Venture EL25346 (Northern Territory)
2 October 2008	Northern Territory Government Drill Funding
30 September 2008	Expiry of Options
30 September 2008	Huckitta Project Update

If you require any further information in relation to the Company, it is recommended that you should take advantage of the ability to inspect or obtain copies of disclosures made by the Company as referred to above.

#### 6.9 Expenses of the Offer

The estimated expenses connected with the Offer, which are payable by the Company, are as follows:

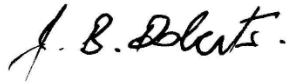
ASIC lodgment fee	\$2,010
ASX fees	\$15,350
Legal fees	\$10,000

Printing, postage and other	\$2,520
<b>Total</b>	<b>\$29,880</b>

## **SECTION 7: DIRECTORS' CONSENTS**

Each Director of Mithril Resources Limited has consented to the lodgment of this Prospectus with ASIC and has not withdrawn that consent prior to lodgment of this Prospectus.

Dated 10 September 2009

A handwritten signature in black ink, appearing to read "J. B. Roberts".

**John Roberts**  
Chairman  
Mithril Resources Limited

## SECTION 8: DEFINITIONS

**A\$ or \$** means an Australian dollar unless otherwise stated.

**Adelaide time** means the time in Adelaide, South Australia.

**Applicant** means a person who applies for Attaching Options under a valid Application Form.

**Application Form** means the Entitlement and Acceptance Form to be used to apply for Attaching Options under the Offer that is referred to in, and accompanied by, a paper copy of this Prospectus.

**ASIC** means Australian Securities and Investments Commission.

**ASTC** means ASX Settlement and Transfer Corporation Pty Limited ACN 008 504 532.

**ASTC Settlement Rules** means the operating rules of the ASTC and, to the extent that they are applicable, the operating rules of ASX and the operating rules of Australian Clearing House Pty Limited ACN 001 314 503.

**ASX** means ASX Limited ACN 008 624 691, including its subsidiaries and controlled entities.

**Attaching Options** means the Options to be granted under the Offer pursuant to this Prospectus.

**Board** means the board of directors of the Company as constituted from time to time, unless the context indicates otherwise.

**Business Day** has the meaning given to that expression in the Listing Rules.

**CHESS** means ASX Clearing House Electronic Subregistry System.

**Closing Date** means 5.00 pm (Adelaide time) on 18 September 2009 being the last date by which completed Application Forms will be accepted for the Offer or such other date as the Directors may determine, subject to the Listing Rules and the Corporations Act.

**Company** means Mithril Resources Limited ACN 099 883 922.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Current Options** means the 13,679,250 Options on issue in the Company as at the date of this Prospectus.

**Directors** means the directors of the Company in office at the date of this Prospectus.

**Eligible Shareholder** has the meaning in section 2.2 of this Prospectus.

**Entitlement** means the number of Attaching Options offered to each Eligible Shareholder under this Prospectus.

**GST** means goods and services tax.

**Listing Rules** means the official listing rules of ASX.

**Offer** means the offer of Attaching Options pursuant to this Prospectus to Eligible Shareholders as detailed in section 2.2 of this Prospectus.

**Offer Period** means the period commencing on the Opening Date and ending on the Closing Date.

**Official Quotation** means official quotation by ASX in accordance with the Listing Rules.

**Opening Date** means 11 September 2009.

**Option** means an option to subscribe for one Share in the Company and includes an Attaching Option.

**Optionholder** means a holder of an Option.

**Prospectus** means the prospectus constituted by this document.

**Share** means one fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

# APPLICATION FORM

## AND GUIDE TO THE APPLICATION FORM

Mithril Resources Limited  
ACN 099 883 922

Broker's number

- INSTRUCTIONS FOR A TO H ARE SET OUT ON THE REVERSE SIDE OF THIS FORM
- PLEASE USE BLOCK LETTERS

**A WRITE YOUR NAME** – refer to the guide (reverse side) for correct forms of registrable title(s)

**C Tax File Number(s) or exemption category**

Title                                      Given Names/Company Name                                      Surname/ACN

### **B JOINT APPLICATION**

Title                                      Joint Application Account Designation

Title                                      Joint Application Account Designation

email address is:

### **D POSTAL AND EMAIL ADDRESS**

Address

Suburb/Town

State

Postcode

### **E CONTACT DETAILS**

Contact Name

Telephone (Work)

Telephone (Home)

### **F CHESS DETAILS**

PID

HIN

### **G NUMBER OF OPTIONS**

I/We apply for                      Options

**H** This Application Form does not need to be signed. By lodging this Application Form the Applicant hereby:

- applies for the number of Options in the Application Form or such lesser number as may be allocated by the Directors as determined by the Directors;
- agrees to be bound by the terms and conditions set out in the Prospectus;
- authorises the Directors to complete or amend this Application Form where necessary to correct any errors or omissions; and
- (if this Application Form is a paper copy of an electronic Application Form) acknowledges having received personally an electronic version of the Prospectus, or a copy of it, accompanied by or attached to the Application Form or a copy of the Application Form or a direct derivative of the Application Form, before applying for Options.

#### **Important Notice**

This Application Form relates to a Prospectus dated 10 September 2009 pursuant to which Mithril Resources Limited invites eligible shareholders to subscribe for a total of 25 million attaching Options. The Prospectus expires on the date which is 13 months after the date of this Prospectus. The Prospectus contains detailed information about Mithril Resources Limited and it is advisable to read the Prospectus before completing this Application Form.

If you have received this Prospectus electronically please ensure that you have received the entire Prospectus accompanied by the Application Form or a copy of the Application Form or a direct derivation of the Application Form. If you have not, please telephone the Company on (08) 8378 8200 and the Company will send to you for free, either a hard copy or a further electronic copy of the Prospectus or both. Any person who passes on to another person the Application Form must at the same time and by the same means give the other person a complete and unaltered copy of the Prospectus.

# APPLICATION FORM

Please complete all relevant sections of the Application Form using BLOCK LETTERS. Please post or deliver to Mithril Resources Limited the completed Application Form to one of the addresses listed below. If you have any questions on how to complete this Application Form please telephone Mithril Resources Limited on (08) 8378 8200. Applications for the Options offered by this Prospectus can only be accepted on the Application Form which is included in the Prospectus or on a copy of or direct derivation of the Application Form which is included in the Prospectus.

**By mail:**

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

**By delivery:**

Computershare Investor Services Pty Ltd  
Level 5  
115 Grenfell Street  
Adelaide SA 5000

Application Forms must be received by no later than 5.00pm (Adelaide time) on the Closing Date or as otherwise advised by Mithril Resources Limited. If you have received this Prospectus electronically via the internet please ensure that you have received the entire Prospectus accompanied by the Application Form. If you have not please telephone the Company on (08) 8378 8200 and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus, or both.

- A** Write your FULL NAME in Box A. This must be either your own name or the name of a company. You should refer to the bottom of this page for the correct forms which can be registered. Applications using the incorrect forms may be rejected. If your Application Form is not completed correctly it may still be accepted by Mithril Resources Limited. Any decision as to whether to accept your form as valid, and how to constitute, amend or complete it, shall be final.
- B** If you are applying as JOINT APPLICANTS, complete Boxes A and B. You should refer to the bottom of this page for instructions on the correct form of name. Up to three Joint Applicants may register.
- C** Enter your TAX FILE NUMBER (TFN) or exemption category beside your name. Where applicable, please enter the TFN for each Joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- D** Enter your POSTAL AND EMAIL ADDRESS for all correspondence. All communications to you from Mithril Resources Limited's share registry, Computershare Investor Services Pty Ltd (shareholding statement, annual/interim reports, correspondence etc) will be mailed to the person(s) and address as shown. For Joint Applications, only one address can be entered.
- E** Please let us know your TELEPHONE NUMBER(S) and contact name in case we need to contact you in relation to your Application Form.
- F** Mithril Resources Limited participates in the ASX CHESS System. If you are participating in this system, you may complete this section. If you are not a participant in the CHESS System do not complete this box. It will not affect your application.
- G** Insert the number of options for which you are applying calculated in accordance with section 2.4 of the Prospectus.
- H** The Application Form does not need to be signed.

## CORRECT FORMS OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Mithril Resources Limited. At least one full given name and the surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below.

**Type of Applicant**

Trusts

Deceased Estates

Partnerships

Clubs/Unincorporated Bodies

Superannuation Funds

**Correct Form of Registrable Title**

Mr John David Smith (John David Smith A/c)

Mr Michael Peter Smith (Est John David Smith A/c)

Mr John David Smith and Mr Michael Peter Smith

Mr John David Smith (ABC Tennis Association A/c)

John Smith Pty Ltd (Super Fund A/c)

**Incorrect Form of Registrable Title**

John Smith Family Trust

John Smith (deceased)

John Smith and Son

Smith Investment Club or

ABC Tennis Association

John Smith Superannuation Fund