



MITHRIL

RESOURCES LTD

ASX RELEASE

15 December 2010

MITHRIL \$12M PLACEMENT OVERSUBSCRIBED

- **Heavily sought-after placement raises \$12 million through the issue of 100 million new shares at \$0.12 per share**
- **Lion Selection Group welcomed as a new investor**
- **Substantial shareholders Acorn Capital and Minotaur Resources Investments participate**
- **Funds to scale-up and accelerate discovery and test new targets across the extensively mineralised Huckitta Project in the Northern Territory**

Base metals explorer Mithril Resources Ltd (MTH:ASX) is pleased to advise it has completed a \$12 million capital raising through the placement of 100 million new shares at \$0.12 per share. The funds will primarily be used to accelerate exploration and discovery at the Company's Huckitta Project in the Northern Territory, which is highly prospective for copper, nickel and gold. At the conclusion of the placement Mithril will have more than \$14 million in net cash.

The placement is managed by Blackwood Capital Ltd and received strong support from leading Australian resource focussed institutional investors including Lion Selection Group and Acorn Capital. The capital raising was also supported by substantial shareholder Minotaur Resources Investments and the Directors of the Company.

Mithril Resources Managing Director Graham Ascough said the capital raising would enable the Company to accelerate and scale-up its exploration efforts at Huckitta with a strong focus on early drill testing of priority targets. "Mithril is focused on delivering a high tonnage, near surface resource at Huckitta and the support we have received from investors will enhance our ability to meet this objective," Mr Ascough said.

Mithril's 2011 exploration program will focus on expanding the potentially large-scale Basil copper-cobalt discovery and on identifying higher copper grades at the Manuel, Basil and Polly prospects. Drill testing of the Baldrick, Gertrude and Hammerhead nickel targets is also planned. Regional activities will focus on advancing a number of high quality targets such as the recently identified Tibbs gold prospect (up to 13.9 g/t gold in surface rock chips) to a drill test decision as quickly as possible. The Company will also continue to generate regional targets through VTEM surveys, field work on high priority VTEM targets and mapping and sampling programs across a number of prospective areas.

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

Tranche 1: Comprising 17,882,325 ordinary shares to raise \$2,145,879.

Tranche 2: Comprising 82,117,675 ordinary shares to raise \$9,854,121. The issue of shares allocated in tranche 2, including those shares subscribed for by Directors of the Company will be subject to shareholder approval at a general meeting. The notice of meeting will be dispatched to shareholders shortly containing further details.

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

Class of Securities:	Fully Paid Ordinary Shares
Number to be issued:	100,000,000
Principal Terms of the Securities:	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.
Issue Price:	\$0.12 per share
Purpose of the Issue:	Issued to raise funds for exploration and working capital purposes.
Shareholder Approval:	<u>Tranche 1</u> The Company will not seek shareholder approval prior to the issue of 17,882,325 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). <u>Tranche 2</u> The Company will seek shareholder approval at a general meeting to be held in or around February 2011.
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.

Mithril Resources Ltd is an Australian exploration company focused on the discovery and development of base metal deposits primarily nickel and copper. Mithril is a frontier explorer with a small but highly experienced team based in Adelaide. Combining advanced technology with a proven field-based approach ensures the bulk of the company's expenses go directly into the ground. This is yielding excellent results and Mithril's recent discovery of the Basil Copper Prospect at its Huckitta Project has the potential to deliver a large tonnage, near surface deposit.

Mithril Resources Ltd

Graham Ascough

admin@mithrilresources.com.au

08 8378 8200

Michels Warren

Richard Sproull 0418 585 517

Kristy Macfarlane 0402 557 527

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.