

MITHRIL RESOURCES LIMITED

ACN 099 883 922

NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

**1 for 2 non-renounceable, pro-rata entitlement offer at an offer price of
\$0.007 (0.7 cents) per share to raise up to approximately \$1,104,802**

The Entitlement Offer opens on 11 November 2014. The Entitlement Offer closes at 5:00 pm
Adelaide time on 25 November 2014 (unless extended).

Important Notice

This Offer Booklet is an important document that should be read in its entirety.

This Offer Booklet is not a prospectus or other disclosure document under the Corporations Act and it does not contain all of the information an investor would find in a prospectus or other disclosure document, or which may be required to make an informed decision regarding or about the rights attaching to the New Shares offered by this Offer Booklet.

If you do not understand the contents of this Offer Booklet, you should consult your financial or other professional adviser.

Any investment in Mithril Resources Limited should be considered speculative.

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IMPORTANT INFORMATION

This Offer Booklet is dated 30 October 2014.

Capitalised terms in this Offer Booklet are defined in Section 6 (Definitions).

This Offer Booklet is issued pursuant to section 708AA of the Corporations Act for the offer of New Shares without disclosure to investors under Part 6D.2 of the Corporations Act. This Offer Booklet was lodged with the ASX on 30 October 2014. ASX does not take any responsibility for the contents of this Offer Booklet.

This Offer Booklet does not contain all of the information which a prospective investor may require to make an informed investment decision or which would otherwise be required under Australian law or any other law to be disclosed in a prospectus.

Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to the ASX and consult their professional advisers before deciding whether to apply for New Shares. Announcements made by the Company to the ASX are available from the ASX website <http://www.asx.com.au> or from the Company's website <http://www.mithrilresources.com.au>

The information in this Offer Booklet does not constitute a securities recommendation or financial product advice.

Offering Restrictions

No action has been taken to register or qualify the New Shares or the Entitlement Offer, or otherwise to permit an offering of the New Shares in any jurisdiction other than Australia or New Zealand or to a person that is not an Eligible Shareholder.

The Company has determined, having regard to the requirements and costs of compliance with the securities offering laws of other jurisdictions, that it will not make offers to Ineligible Shareholders.

This Offer Booklet and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer in any place in which, or to any person whom, it would not be lawful to make such an offer. The distribution of this Offer Booklet and accompanying Entitlement and Acceptance Form may be restricted by law and persons who come into possession of this Offer Booklet and accompanying Entitlement and Acceptance Form should seek advice and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

Information publicly available

As noted above, information about the Company is publicly available and can be obtained from ASIC and ASX (including its website: www.asx.com.au). The contents of any website screen, ASIC or ASX filing by the Company are not incorporated into this Offer Booklet and do not constitute part of the Entitlement Offer. Regardless, this Offer Booklet is intended to be read in conjunction with the publicly available information in relation to the Company which has been lodged with ASX. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest in New Shares or the Company. Some of the risk factors that should be considered by potential investors are outlined in Section 4 of this Offer Booklet.

Disclaimer

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

ASX and ASIC do not take any responsibility for the contents of this Offer Booklet.

Entire agreement

The terms contained in this Offer Booklet and the accompanying Entitlement and Acceptance Form constitute the entire agreement between the Company and you as to the Entitlement Offer and your participation in the

Entitlement Offer to the exclusion of all prior representations, understandings and agreements between the Company and you.

Governing law

This Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the laws applicable in South Australia, Australia. Each Applicant for New Shares submits to the non-exclusive jurisdiction of the Courts of South Australia, Australia.

Privacy

If you complete an Application for New Shares, you will be providing personal information to the Company (directly or via the Share Registry). The Company will collect, hold and will use that information to assess your Application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies (including the Australian Taxation Office), authorised securities brokers, print service providers, mail houses and the Share Registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or the Share Registry if you wish to do so at the relevant contact numbers set out in this Offer Booklet.

The collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules and Procedures.

You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

LETTER FROM THE CHAIRMAN

30 October 2014

Dear Shareholder

On behalf of the board of directors of Mithril Resources Limited (**Mithril Resources** or the **Company**), I would like to invite you to participate in the 1 for 2 non-renounceable pro-rata entitlement offer of ordinary shares (**New Shares**) at an offer price of \$0.007 (0.7 cents) per New Share (**Offer Price**) to raise gross proceeds of up to approximately \$1,104,802 (**Entitlement Offer**).

The Entitlement Offer closes at 5:00 pm Adelaide time on 25 November 2014 (**Closing Date**). If you would like to participate, you need to ensure that either:

- your completed personalised Entitlement and Acceptance Form and Application Monies are received by Computershare Investor Services Pty Limited; or
- you have paid your Application Monies via BPAY[®],

in line with the instructions that are set out on the personalised Entitlement and Acceptance Form and in this Offer Booklet, by 5:00 pm Adelaide time on 25 November 2014.

If you are an Eligible Shareholder, you may do any one of the following (**Options**):

- take up all of your Entitlement;
- take up all of your Entitlement and also apply for Additional New Shares in excess of your Entitlement;
- take up part of your Entitlement, in which case your shareholding in the Company will be diluted by the extent to which you do not take up your full Entitlement; or
- do nothing and allow your Entitlement to lapse. If you do nothing your percentage holding in the Company will be diluted.

Further details on how to submit your Application and your Options are set out in this Offer Booklet. You should consult your stockbroker, accountant or other independent professional adviser to evaluate whether or not to participate in the Entitlement Offer.

I encourage you to carefully read this Offer Booklet.

Should you require further assistance, please contact Mithril Resources on (08) 8378 8200 at any time from 9:00 am to 5:00 pm Adelaide time Monday to Friday.

For further information on your Entitlement, please contact your professional adviser or Mithril Resources' share registry, Computershare Investor Services Pty Limited on 1300 556 161 from 8:30 am to 5:00 pm Adelaide time Monday to Friday.

On behalf of the Company, I thank you for your continued support of Mithril Resources.

Yours faithfully



Graham Ascough
Non-Executive Chairman

SECTION 1 – KEY INFORMATION

1.1 Key details of Equity Raising

Offer Price per New Share	\$0.007 (0.7 cents)
Entitlement under the Entitlement Offer	1 New Share for every 2 Existing Shares held as at the Record Date
Total number of Shares on issue immediately before the Entitlement Offer	315,657,750
Options currently on issue	19,385,000*
Number of New Shares offered under the Entitlement Offer	157,828,875
Amount raised under the Entitlement Offer	\$1,104,802 (before costs)**
Total number of Shares on issue immediately after completion of the Entitlement Offer	473,486,625***

**The Options have exercise prices of between \$0.015 and \$0.30 (inclusive). The Board considers it reasonable to assume that none of the Options will be exercised before the Record Date given the Company's share price as at close of trading on 29 October 2014 of \$0.009.*

***Assuming the Offer is fully subscribed.*

****Assuming the Offer is fully subscribed and none of the Options currently on issue in the Company are exercised before the Record date.*

1.2 Indicative Timetable

The following are key dates relating to the Entitlement Offer that you need to be aware of:

Activity	Date
Announcement of Entitlement Offer and Appendix 3B lodged with ASX	27 October 2014
Offer Booklet lodged with ASX	30 October 2014
Shareholder notice despatched	31 October 2014
Shares trade on an 'ex' Entitlement basis	3 November 2014
Record Date for eligibility to participate in the Entitlement Offer	6 November 2014 at 7:00 pm Adelaide time
Offer Booklet and Entitlement and Acceptance Form despatched to Shareholders	11 November 2014
Opening Date for the Entitlement Offer	11 November 2014

Activity	Date
Last day to extend the Closing Date for the Entitlement Offer	20 November 2014
Closing Date for the Entitlement Offer	25 November 2014 at 5:00 pm Adelaide time
Securities quoted on a deferred settlement basis	26 November 2014
Notify ASX of under subscriptions	28 November 2014
Allotment of New Shares issued under the Entitlement Offer and deferred settlement trading ends	2 December 2014
Normal ASX trading for New Shares commences	3 December 2014
Despatch of new holding statements for New Shares issued under the Entitlement Offer	5 December 2014

The above dates are indicative only and may change without notice. The Directors reserve the right to amend this indicative timetable at any time (subject to the Corporations Act and the Listing Rules), to extend the Closing Date, to accept late Entitlement and Acceptance Forms either generally or in particular cases, to close the Entitlement Offer early or to cancel the Entitlement Offer without prior notice in their absolute discretion. The commencement of quotation of the New Shares is subject to confirmation from the ASX.

1.3 Use of funds

The Company is undertaking the Entitlement Offer for the primary purpose of:

- (a) drilling of new electromagnetic conductors at the Stark copper-nickel prospect (Nanadie Well Project) in Western Australia;
- (b) ongoing target generation activities; and
- (c) providing working capital to the Company generally.

For further information, please see Section 2.3.

2 DETAILS OF THE ENTITLEMENT OFFER

2.1 Overview of the Entitlement Offer

Mithril Resources is undertaking a non-renounceable 1 for 2 pro-rata Entitlement Offer.

If you are an Eligible Shareholder you may apply for 1 New Share for every 2 Existing Shares held at 7:00 pm Adelaide time on 6 November 2014 (**Record Date**). This is called your **Entitlement**.

On Application, the Applicant must pay the Offer Price of \$0.007 (0.7 cents) for each New Share the Applicant wishes to apply for in full.

Assuming that the Entitlement Offer is fully subscribed, on completion of the Entitlement Offer the Company will:

- (a) issue 157,828,875 New Shares; and
- (b) have raised \$1,104,802 (before costs).

Where the determination of an Entitlement results in a fraction of a New Share, such a fraction will be rounded up to the nearest whole New Share.

Eligible Shareholders will be sent the Offer Booklet and a personalised Entitlement and Acceptance Form.

Eligible Shareholders are invited to subscribe for all or part of their Entitlement under the Entitlement Offer and may also apply for Additional New Shares. To the extent that Shareholders do not participate in the Entitlement Offer, their percentage shareholding in the Company will be diluted.

2.2 Purpose of the Equity Raising

Mithril Resources' cash position at the end of September 2014 was \$1.112 million. Assuming that the Offer is fully subscribed, the Entitlement Offer will provide the Company with additional funds of \$1,104,802 (before costs).

On this basis, on completion of the Entitlement Offer (before costs), the Company will have approximately \$2,216,802 in cash (made up of \$1,104,802 raised under the Entitlement Offer and \$1.112 million cash balances at 30 September 2014 (before expenses incurred from 1 October 2014 to the date of this Offer Booklet)).

2.3 Use of funds

As noted in Section 1, the Company is undertaking the Entitlement Offer for the primary purpose of:

- (a) drilling of new electromagnetic conductors at the Stark copper-nickel prospect in Western Australia;
- (b) ongoing target generation activities; and
- (c) providing working capital to the Company generally.

The funds raised under the Entitlement Offer, combined with those noted in Section 2.2 will be allocated as set out in the table below:

Item	Anticipated funds required (\$)*
Drilling of new electromagnetic conductors at the Stark copper-nickel prospect in Western Australia (<i>including assays, downhole EM surveying, site preparation and rehabilitation, geological salaries, and provision for follow-up drilling at Stark</i>)	\$550,000
Ongoing target generation activities (<i>including assays and geological salaries</i>)	\$100,000
Working capital	\$350,000

*Anticipated funds required are statements of current intentions at the date of this Offer Booklet. As with any budget, intervening events and new circumstances have the potential to affect the ultimate way funds will be applied. The Board reserves the right to alter the way funds are applied in these circumstances.

2.4 New Shares

The Offer Price is payable in full by Eligible Shareholders on acceptance of the Entitlement Offer.

The Directors may at any time decide to withdraw this Offer Booklet and the Entitlement Offer made under it, in which case the Company will return all Application Monies (without interest) as soon as practicable.

(a) Rank

The New Shares will be fully paid ordinary shares and will rank equally in all respects from the date of allotment with the Existing Shares.

(b) Issue

New Shares taken up under the Entitlement Offer are expected to be allotted on 2 December 2014 (subject to any changes in the timetable set out in Section 1, at the discretion of the Directors, having regard to the Corporations Act and Listing Rules).

It is the responsibility of Applicants to determine their allocation prior to trading in New Shares. Applicants who sell New Shares before they receive their new holding statements following the issue of New Shares to them will do so at their own risk.

(c) ASX quotation of New Shares

The Company will apply to ASX for official quotation of the New Shares. If ASX does not grant permission for official quotation of the New Shares, all Application Monies will be returned, without interest, as soon as practicable.

2.5 Entitlements

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form accompanying this Offer Booklet.

Eligible Shareholders may accept all, all and Additional New Shares, part or none of their Entitlement.

If Eligible Shareholders choose not to accept any of their Entitlements, then they are not required to do anything.

To the extent that Shareholders do not participate in the Entitlement Offer, their shareholdings in the Company will be diluted by that portion, assuming that the Offer is fully subscribed.

Detailed instructions on how to accept all or part of your Entitlement are set out in Section 3.

2.6 Additional New Shares

Eligible Shareholders who apply for their full Entitlement, may also apply for Additional New Shares. Applicants for Additional New Shares (**Additional Subscribers**) will be allocated Additional New Shares from any Shortfall, which comprise New Shares equivalent to the number not taken up by Eligible Shareholders together with any New Shares that would have been offered to Ineligible Shareholders if they had been eligible to participate in the Entitlement Offer (the **Shortfall**).

Please note that Additional New Shares will only be allocated to you if there are sufficient New Shares available in the Shortfall, subject to any scale-back that the Company may apply (in its absolute discretion). If you apply for Additional New Shares there is no guarantee you will be allocated any. If you apply for Additional New Shares and are not allocated any or less than the number you applied for, the Application Monies in relation to those Additional New Shares will be returned to you, without interest, as soon as practicable.

2.7 Shortfall

If any Shortfall remains after the Closing Date, the Directors reserve the right to place any Shortfall with:

- (a) Additional Subscribers in accordance with Section 2.6; or
- (b) any other parties selected by the Directors.

Pursuant to Listing Rule 7.2 (exception 3), any allocation of the Shortfall to persons will not count towards the Company's 15% threshold under Listing Rule 7.1, provided that the Company makes the issue within three months after the close of the Entitlement Offer and the issue price is not less than the price at which the Shares were offered under the Entitlement Offer. The Directors reserve the right to issue the Shortfall at their discretion.

2.8 Persons with more than one holding

If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form, and you will have separate Entitlements for each separate holding.

If you have more than one shareholding of Shares and consequently receive more than one Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those shareholdings, only use the unique reference number specific to that shareholding as set out on the applicable Entitlement and Acceptance Form. Do not use the same reference number for more than one of your shareholdings as this can result in your Application Monies being applied to your Entitlement in respect of only one of your shareholdings (with the result that any application in respect of your remaining shareholdings will not be recognised as valid).

2.9 Opening and Closing dates

The Entitlement Offer will open for receipt of acceptances on 11 November 2014.

The Closing Date and time for acceptances and payments under the Entitlement Offer is 25 November 2014 at 5:00 pm Adelaide time, subject to the Directors varying these dates (in accordance with the Corporations Act and the Listing Rules). The Company must receive your Entitlement and Acceptance Form and payment before the Closing Date otherwise the Entitlement Offer as it applies to you as an Eligible Shareholder will lapse. Further details on the timetable for the Entitlement Offer are set out in Section 1 of this Offer Booklet.

2.10 Market Prices for Shares on ASX

The lowest and highest market prices of the Shares of the Company on ASX during the 3 months immediately preceding the date of this Offer Booklet were \$0.006 (0.6 cents) and \$0.013 (1.3 cents) respectively.

The closing average price for Shares on the ASX over the 30 trading days preceding the date of announcement of the Entitlement Offer was \$0.00997. The Issue Price therefore represents a discount of approximately 30% to the 30 day closing average price for Shares.

2.11 Application Monies

Pending the allotment of the New Shares or return of Application Monies, the Application Monies will be held in trust for Applicants. No interest will be paid on any Application Monies received or refunded.

2.12 Foreign Shareholders

The New Shares being offered under this Offer Booklet are being offered to Eligible Shareholders only and will not be offered to shareholders resident outside of Australia or New Zealand.

The Company has determined that it is not economically viable and it is unreasonable for it to make offers to Shareholders resident outside of Australia or New Zealand, having regard to the amount seeking to be raised under the Entitlement Offer and the substantial costs involved in complying with the legal and regulatory requirements in those jurisdictions.

In compliance with Listing Rule 7.7, the Company will send each Ineligible Shareholder details of this Entitlement Offer and advise them that the Company will not offer New Shares to them.

New Shares to which any Ineligible Shareholder would otherwise be entitled will form part of the Shortfall.

2.13 Regular Reporting and disclosure

The Company is a disclosing entity for the purposes of the Corporations Act and as such is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the market.

In particular, the Company has an obligation (subject to certain limited exceptions) to notify ASX once it is, or becomes, aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Company's securities. All announcements made by the Company are available from the ASX website asx.com.au or the Company's website <http://www.mithrilresources.com.au>

2.14 No rights trading

This Entitlement Offer is made on a non-renounceable basis. Eligible Shareholders who are registered as at the Record Date may not renounce, sell, transfer or deal with all or any part of their Entitlement to the New Shares which they do not wish to accept.

If you do not take up your Entitlement by the Closing Date, the Entitlement Offer will lapse, your shareholding in the Company will be diluted and any Shortfall will be dealt with in accordance with Section 5 of this Offer Booklet.

2.15 Enquiries

If you have any questions concerning your Entitlement or this Offer Booklet, please contact your professional adviser or the Share Registry, Computershare Investor Services Pty Limited on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia), from 8:30 am to 5:00 pm Adelaide time, Monday to Friday.

3 REQUIRED ACTIONS

3.1 Eligible Shareholders

If you are an Eligible Shareholder you may (**Options**):

- (a) take up all of your Entitlement (**Option 1**);
- (b) take up all of your Entitlement and subscribe for Additional New Shares (**Option 2**);
- (c) take up part of your Entitlement (**Option 3**); or
- (d) decline to exercise your Entitlement and do nothing (**Option 4**).

3.2 Acceptance

If you decide to take up all or part of your Entitlement or all of your Entitlement and subscribe for Additional New Shares (Options 1 to 3), please complete and return the Entitlement and Acceptance Form with the requisite Application Monies or pay your Application Monies via BPAY® by following the instructions set out in Section 3.4 and on the Entitlement and Acceptance Form.

The Company will treat you as applying for as many New Shares as your payment will pay for in full up to your full Entitlement and, in respect of amounts received by the Company in excess of your full Entitlement (**Excess Amount**), may treat your Application as applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-back the Company may determine to implement in its absolute discretion in respect of Additional New Shares.

Acceptance and full payment of \$0.007 (0.7 cents) per New Share that you wish to apply for must be received before 5:00 pm Adelaide time on 25 November 2014. Further instructions for completion and lodgement of acceptances are set out on the Entitlement and Acceptance Form, and in this Section 3.

3.3 Deadline for receiving acceptances

Eligible Shareholders should ensure that their Entitlement and Acceptance Form and Application Monies are mailed early to ensure they arrive at the postal address noted below by 5:00 pm Adelaide time on 25 November 2014 (or such other date as may be determined by the Directors in accordance with the Listing Rules and the Corporations Act).

3.4 Action Required

(a) **Option 1: All of your Entitlement**

If you wish to take up **all** of your Entitlement, use the BPAY® facility as outlined in the accompanying Entitlement and Acceptance Form or complete the Entitlement and Acceptance Form in accordance with the instructions set out on the Entitlement and Acceptance Form and send the Entitlement and Acceptance Form together with your cheque for the amount shown on the form so that it reaches the Share Registry by no later than 5.00 pm Adelaide time on 25 November 2014.

The mailing details for the Share Registry are as follows:

Computershare Investor Services Pty Limited
GPO Box 2987
Adelaide SA 5001

Cheques and drafts should be made payable to 'Mithril Resources Limited' and crossed 'Not Negotiable'.

Any Excess Amounts received by the Company may be treated as you applying for as many Additional New Shares as your Excess Amount will pay for in full, subject to any scale-back the Company may determine to implement in its absolute discretion in respect of Additional New Shares.

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares (only where the amount is \$1.00 or greater) will be refunded as soon as practicable following the close of the Entitlement Offer. No interest will be paid on any Application Monies received or refunded.

(b) **Option 2: All of your Entitlement and subscribe for Additional New Shares**

If you wish to take up all of your Entitlement and subscribe for Additional Shares, use the BPAY® facility as outlined in the accompanying Entitlement and Acceptance Form or complete the enclosed Entitlement and Acceptance Form in respect of your Entitlement and the Additional New Shares you wish to take up in accordance with the instructions set out on the Entitlement and Acceptance Form and send the completed Entitlement and Acceptance Form together with your cheque for the relevant amount (being the number of New Shares you wish to take up multiplied by \$0.007 (0.7 cents) per New Share) so that it reaches the Share Registry by no later than 5:00 pm Adelaide time on 25 November 2014.

(c) **Option 3: Part of your Entitlement**

If you wish to take up **part** of your Entitlement, use the BPAY® facility as outlined in the accompanying Entitlement and Acceptance Form or complete the enclosed Entitlement and Acceptance Form in respect of the New Shares you wish to take up in accordance with the instructions set out on the Entitlement and Acceptance Form and send the completed Entitlement and Acceptance Form together with your cheque for the relevant amount (being the number of New Shares you wish to take up multiplied by \$0.007 (0.7 cents) per New Share) so that it reaches the Share Registry by no later than 5:00 pm Adelaide time on 25 November 2014.

If you decide to not take up your full Entitlement, your percentage shareholding in the Company will be diluted by the portion of your Entitlement that you do not take up.

(d) **Option 4: None of your Entitlement**

If you do not wish to take up any of your Entitlement, you do not need to take any action and:

- (i) your Entitlement to the New Shares will lapse on the Closing Date; and
- (ii) the relevant number of New Shares with respect to your Entitlement will form part of the Shortfall which will be dealt with in the manner set out in Section 2.7 of this Offer Booklet.

As the Entitlement Offer is non-renounceable, you will not receive any payment for Entitlements you do not take up. If you decide not to participate in the Entitlement Offer, you will continue to beneficially own the same number of Shares; however your percentage shareholding in the Company will be diluted by the portion of your Entitlement that you do not take up.

3.5 Closing Date

The Closing Date for the Entitlement Offer is 5:00 pm Adelaide time on 25 November 2014, unless closed earlier or extended at the discretion of the Directors in accordance with the Listing Rules and Corporations Act.

3.6 Declarations and certifications

You must make your application for New Shares and Additional New Shares in accordance with this Offer Booklet and the personalised Entitlement and Acceptance Form. Mithril Resources reserves the right to reject applications not made in this way.

Mithril Resources also reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

Submitting an Application constitutes a binding offer to acquire New Shares (and if applicable, Additional New Shares) on the terms and subject to the conditions set out in this Offer Booklet and Entitlement and Acceptance Form and, once lodged, cannot be withdrawn.

You do not need to sign the personalised Entitlement and Acceptance Form for it to be considered binding.

An Application may still be treated as a valid Application for New Shares (and if applicable, Additional New Shares) even if it is not completed or submitted correctly. The Company's decision whether to treat an Application as valid and how to construe, amend, complete or submit the Application is final.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY®, you will be deemed to have acknowledged, represented and warranted:

- (a) that you are an Eligible Shareholder and have read and understood this Offer Booklet and the personalised Entitlement and Acceptance Form and that you acknowledge the matters, and make the warranties and representations and agreements, contained in this Offer Booklet and the personalised Entitlement and Acceptance Form;
- (b) that on behalf of yourself or each person on whose account you are acting that the law in your place of residence or where you have been given the Offer Booklet and Entitlement and Acceptance Form does not prohibit you from being given the Offer Booklet and Entitlement and Acceptance Form; and
- (c) that you:
 - (i) declare that you are eligible to participate in the Entitlement Offer;
 - (ii) offer to acquire the New Shares (and if applicable, Additional New Shares) on the terms and subject to the conditions set out in this Offer Booklet;
 - (iii) agree to be bound by the terms of this Offer Booklet and the provisions of the Company's constitution;
 - (iv) authorise the Company to register you as the holder of the New Shares allotted to you;
 - (v) declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
 - (vi) declare that you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the Entitlement and Acceptance Form;
 - (vii) acknowledge that once the Company receives the completed Entitlement and Acceptance Form, you may not withdraw it;

- (viii) agree to apply for, and be issued with up to, the number of New Shares (and Additional New Shares, including if because of the receipt by the Company of an Excess Amount from you) that you apply for at the Offer Price of \$0.007 (0.7 cents) per New Share;
- (ix) agree to be issued the number of New Shares that you apply for;
- (x) authorise the Company and its respective officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Share Registry, upon using the contact details set out in the Entitlement and Acceptance Form;
- (xi) agree that the allotment of New Shares (and Additional New Shares, if applicable) to you constitutes acceptance of your Application;
- (xii) acknowledge that the information contained in, or accompanying, the Offer Booklet is not investment or financial product advice or a recommendation that New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- (xiii) acknowledge that the New Shares have not, and will not be, registered under the securities laws in any jurisdiction and, accordingly, the New Shares may not be offered, sold or otherwise transferred in a jurisdiction outside Australia or New Zealand except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable securities laws;
- (xiv) agree to provide (and direct your nominee or custodian to provide) substantiation of your eligibility or of your holding of Shares upon request;
- (xv) declare that you are the current registered holder of Shares and are a resident of Australia or New Zealand and are not in the United States or a U.S. Person, or acting for the account or benefit of a U.S. Person;
- (xvi) agree that if in the future you decide to sell or otherwise transfer the New Shares (or Additional New Shares, if applicable), you will only do so outside the United States in a standard (regular way) brokered transaction on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or person that is a U.S. Person or that is acting for the account or benefit of a U.S. Person, in accordance with Regulation S under the U.S. Securities Act; and
- (xvii) have not, and will not, send any materials relating to the Entitlement Offer to any person in the United States or that is, or is acting for the account or benefit of, a U.S. Person.

4 RISK FACTORS

Prior to deciding whether to apply for New Shares under the Entitlement Offer, Eligible Shareholders should read this Offer Booklet in its entirety and review all announcements made by the Company to the ASX in order to gain an understanding of the Company, its activities, operations, financial position and prospects.

The risks included in this Section are key risks identified by the Board as being specific to the Company and its operations as at the date of this Offer Booklet and reasonably anticipated by the Board. It is important to note that the risks listed in this Section are not an exhaustive list of the risks relevant to the Company.

Shareholders are strongly encouraged to:

- (a) rely on their own knowledge of the Company;
- (b) refer to disclosures made by the Company to ASX; and
- (c) consult their professional advisers,

before deciding whether to apply for New Shares.

Announcements made by the Company to ASX are available from the ASX website www.asx.com.au or from the Company's website <http://www.mithrilresources.com.au>

The risks described in this Section may impact upon the Company's future performance, so the Company and its Directors have endeavoured (and will continue to do so) to take steps to safeguard the Company from, and to mitigate the Company's exposure to, these risks.

4.1 General 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:

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

Many factors will affect the price of the New Shares 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 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 price risk**

The demand for and price of commodities is highly dependent on a variety of factors, including, the level of forward selling by producers, costs of production, general economic conditions, inflation levels, interest rates and exchange rates.

These factors may adversely impact on the Company's ability to fund operations, exploration, evaluation and development activities.

(e) **Future capital needs and additional funding**

The future capital requirements of the Company will depend on many factors. There can be no guarantee that the Company will be able to raise additional capital to meet future funding requirements.

Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

4.2 Exploration and Development

The Company is an exploration company focusing on the discovery of economic copper, nickel and gold deposits. There is a significant risk for the Company that its proposed exploration programs will not result in success.

Prospective investors should understand that exploration, development and production are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic resource, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or in any other exploration interest the Company may subsequently acquire, will result in the discovery of an economically viable resource. Even if an apparently viable resource is identified, there is no guarantee that it can be profitably exploited.

4.3 Licences and permits

The Company's mining exploration activities are dependent upon the good standing of all required licences, concessions, leases, tenements, permits and regulatory consents. Maintaining tenements, obtaining renewals, or getting tenements granted often depends on the Company being successful in obtaining the required statutory approvals for its proposed activities and that the licences, concessions, leases, permits or consents it holds will be renewed as and when required. There is no assurance that such renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed in connection therewith.

4.4 Title of tenements

The Company's title to its mineral exploration interests in Western Australia and the Northern Territory are governed by the mining legislation of that State or Territory and are evidenced by the granting of licences or permits. Each licence or permit is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in these tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.

4.5 Insurance Risks

The Company intends to insure its operations in accordance with industry practice. However, in certain circumstances, the Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and where available the costs can be prohibitive.

4.6 Competition Risk

The industry in which the Company is involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

4.7 Environmental

The Company's projects are subject to both the relevant State and also Commonwealth laws and regulations relating to environmental matters. Should the Company proceed to development of one or more mines, it could be expected that such developments would have numerous environmental impacts which would require various statutory approvals to be put in place. There is no guarantee that such approvals would be granted. The Company intends to conduct its operations in an environmentally responsible manner and in accordance with relevant legislation. However, the Company is unable to predict the effect of future changes to environmental legislation or policy and the cost effect of such changes on its operations and financial position.

4.8 Native Title and Aboriginal Heritage

The *Native Title Act 1993* (Cth) recognises certain rights of indigenous Australians over land where those rights have not been extinguished. These rights, where they exist, may impact on the ability of the Company to carry out exploration or obtain production tenements. In applying for certain production tenements, the Company must observe the provisions of Native Title legislation (where applicable) and Aboriginal Heritage legislation which protects Aboriginal sites and objects of significance.

In certain circumstances the consent of registered Native Title claimants must be obtained prior to carrying out certain activities on land to which their claim relates. It is possible that the terms of registered Native Title agreements may restrict the Company's ability to gain access to its tenements and conduct exploration, development and mining operations, or that the conditions imposed by Native Title claimants on such consent may be on terms unacceptable to the Company.

4.9 Potential Acquisitions

As part of its business strategy, the Company may make acquisitions of or significant investments in companies, products, technologies or resource projects. Any such future transactions would be accompanied by the risks commonly encountered in making acquisitions of companies, products, technologies or resource projects.

4.10 Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

4.11 Reliance on key management

The responsibility of overseeing the day to day operations and strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of the key personnel leave the Company.

4.12 Risks associated with operations in foreign jurisdictions

If the Company acquires an investment in a foreign jurisdiction, it may be subject to the risks associated with operating in a country that will not have the same degree of political, financial and economic stability as enjoyed in Australia. Accordingly, it may be subject to various levels of political, economic and other risks and uncertainties, including, but not limited to, terrorism, hostage taking, military repression, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalisation, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange and repatriation and changing political conditions, currency controls and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from, a particular jurisdiction.

The Company's operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, foreign currency remittance, income taxes, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and safety issues.

Failure to comply strictly with applicable laws, regulations and local practices could result in loss, reduction or expropriation of entitlements, or the imposition of additional local or foreign parties as joint venture partners with carried or other interests.

The occurrence of these various factors and uncertainties cannot be accurately predicted and could have an adverse effect on the operations or profitability of the Company.

4.13 Investments may not be wholly owned

Resource investments (minerals and oil and gas) are often structured through joint ventures. There is a risk that development/production activity could be disrupted in situations where there is a disagreement on development/production programs or other issues between the Company and the other parties in such joint ventures. Should such disagreements occur, this may have a deleterious impact on the Company's operations and performance generally.

4.14 Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of New Shares offered under this Offer Booklet.

Therefore, New Shares to be issued pursuant to this Offer Booklet carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares pursuant to this Offer Booklet.

5 Additional Information

5.1 Effect of the Offer on control of the Company

The potential effect the Offer will have on the control of the Company is as follows:

- (a) if all Shareholders are Eligible Shareholders and take up their Entitlements under the Offer then the Entitlement Offer will have no effect on the control of the Company;
- (b) if not all Shareholders are Eligible Shareholders or do not take up their full Entitlements, the Shortfall will be allocated:
 - (i) to Eligible Shareholders who subscribe for Additional New Shares; and
 - (ii) to any other parties selected by the Directors.

The effect the placement of the Shortfall may have on control will depend entirely on any Additional Subscriptions by Shareholders;

- (c) if some Shareholders do not take up their Entitlements (whether because they are Ineligible Shareholders or otherwise), their equity in the Company will be diluted. The equity of Shareholders who only take up part of their Entitlement will also be diluted, but to a lesser extent;
- (d) the Options the Company currently has on issue are not expected to be exercised prior to the Record Date as the exercise price for these Options exceeds the Offer Price and the share price on 29 October 2014, of \$0.009 per Share at close of trade, therefore the Options are expected to have no effect on the Offer or the control of the Company;
- (e) based on the structure of the Entitlement Offer and the current level of holdings of substantial shareholders, the Entitlement Offer is not expected to have a material effect or consequence on the control of the Company.

The capital structure of the Company on completion of the Entitlement Offer will be as follows (assuming none of the Options currently on issue are exercised before the Record Date):

Total number of Shares on issue immediately before the Entitlement Offer	315,657,750
Options currently on issue	19,385,000*
Number of New Shares offered under the Entitlement Offer	157,828,875
Total number of Shares on issue immediately after completion of the Entitlement Offer	473,486,625**
Total amount to be raised from the Entitlement Offer	\$1,104,802 (before costs)***

**The Options have exercise prices of between \$0.015 and \$0.30 (inclusive). The Board considers it reasonable to assume that none of the Options will be exercised before the Record Date given the Company's share price as at close of trading on 29 October 2014 of \$0.009.*

***Assuming the Offer is fully subscribed and none of the Options currently on issue in the Company are exercised before the Record date.*

****Assuming the Offer is fully subscribed.*

5.2 CHESS

The Company participates in the CHESS operated by ASX Settlement Corporation (**ASX Settlement**), a wholly owned subsidiary of the ASX, in accordance with the Listing Rules and the ASX Settlement Operating Rules.

Under CHESS, the Company will not issue certificates to Applicants. Instead, Applicants will receive a statement of their holdings in the Company of New Shares. If the Applicant is broker sponsored, ASX Settlement will send them a CHESS statement.

The CHESS statement will set out the number of New Shares issued under this Offer Booklet, provide the details of a Shareholder's holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the New Shares.

If you are registered on the issuer sponsored sub-register, your statement will be dispatched by the Share Registry and will contain the number of New Shares issued to you under this Offer Booklet and your security reference number.

A CHESS statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time; however a charge may apply for additional statements.

5.3 Taxation Implications

Shareholders should be aware that there may be taxation implications in participating in the Entitlement Offer and subscribing for New Shares. The taxation consequences of participating in the Entitlement Offer and/or acquiring New Shares may vary depending on the individual circumstances of each Shareholder. Before making a decision on whether or not to participate in the Entitlement Offer, Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

Additional New Shares or Shortfall Shares	New Shares that make up the Shortfall.
Additional Subscriber	an Eligible Shareholder who subscribes for Additional New Shares under their Entitlement.
Additional Subscription	an Application made for Additional New Shares by Eligible Shareholders.
Applicant	a person who submits an Application.
Application	a validly completed Entitlement and Acceptance Form.
Application Monies	monies paid by Eligible Shareholders in respect of New Shares applied for.
ASIC	the Australian Securities and Investments Commission.
ASX	the Australian Securities Exchange or ASX Limited ACN 008 624 691.
ASX Settlement Operating Rules	the settlement rules of the securities clearing house which operates CHES.
Board	the board of Directors of the Company.
Business Day	a day on which trading takes place on the stock market of ASX.
CHES	Clearing House Electronic Subregister System.
Closing Date	the date on which the Entitlement Offer closes, being 5:00 pm Adelaide time on 25 November 2014, which may be varied by the Directors at their absolute discretion.
Company	Mithril Resources.
Corporations Act	the <i>Corporations Act 2001</i> (Cth).
Directors	the directors of the Company from time to time.
Dollars, A\$, AUD or A	Australian dollars unless otherwise stated.
Eligible Shareholder	a Shareholder with a registered address in Australia or New Zealand who is eligible to participate in the Entitlement Offer.
Entitlement	the entitlement to subscribe for New Shares pursuant to the Entitlement Offer.
Entitlement and Acceptance Form	the entitlement and acceptance form accompanying this Offer Booklet.
Entitlement Offer	the non-renounceable pro-rata rights issue of New Shares on the basis of 1 New Share for every 2 Existing Shares held at the Record Date.
Excess Amount	has the meaning given in Section 3.2 of this Offer Booklet.
Existing Share	a Share on issue as at the Record Date.

Excess Amount	any Application Monies received by the Company in excess of your full Entitlement, to be treated as an Application for Additional New Shares.
Ineligible Shareholder	a Shareholder who is not an Eligible Shareholder.
Listing Rules	the official Listing Rules of ASX.
Mithril Resources	Mithril Resources Limited ACN 099 883 922.
New Share	a Share offered under the Entitlement Offer.
Offer Booklet	this document.
Offer	the Entitlement Offer.
Offer Price	\$0.007 per New Share.
Official List	the Official List of ASX.
Opening Date	the date on which the Entitlement Offer opens, being 11 November 2014.
Option	an option to acquire a Share.
Quotation and Official Quotation	official quotation on ASX.
Record Date	7.00 pm Adelaide time on 6 November 2014.
Share	a fully paid ordinary share in the Company.
Share Register	the register of Shareholders maintained by the Share Registry.
Share Registry	Computershare Investor Services Pty Limited ABN 71 005 485 825.
Shareholder	a holder of Shares in the Company as at the Record Date.
Shortfall	the number of New Shares under the Entitlement Offer not applied for by Eligible Shareholders under their Entitlement or offered to Shareholders because they are Ineligible Shareholders.
Shortfall Shares or Additional New Shares	the New Shares which make up the Shortfall.
U.S Person	has the meaning given to that term in Regulation S under the US Securities Act.
U.S Securities Act	the United States Securities Act of 1933, as amended.

CORPORATE DIRECTORY

Directors

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

Company Secretary

Mr Donald Stephens

Registered Office

c/- HLB Mann Judd (SA) Pty Limited
169 Fullarton Road
DULWICH SA 5065

Contact Details

Mithril Resources Limited
58 King William Road
GOODWOOD SA 5034

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Website: www.mithrilresources.com.au

ASX Code

MTH

Auditors

Grant Thornton Audit Pty Ltd
Chartered Accountants
Level 1
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