

MIL**RESOURCES****L I M I T E D**

27 August 2009

ASX RELEASE**ASX Code: MGK****NON-RENOUNCEABLE ENTITLEMENT OFFER OF SHARES
3 for 4 pro-rata Entitlement Offer**

The directors of MIL Resources Limited (the "Company") are pleased to announce a 3 for 4 non-renounceable entitlement offer (the "Entitlement Offer") at \$0.02 per share to raise \$1.9 million before costs. The Entitlement Offer has been underwritten by Venture Group Equities Pty Limited in respect of all entitlements of security holders with registered addresses in Australia and New Zealand. The Company's directors advise that each of them, and the entities they control, will be taking up their full entitlements to the Entitlement Offer. Two directors, Pat Elliott and Malcolm Richmond, have also agreed to sub-underwrite part of the issue.

The Company's shares will commence to trade ex-rights on Tuesday 1 September 2009 and the record date will be Monday 7 September 2009. The Entitlement Offer opens on Tuesday 8 September 2009 and acceptances will close at 5 pm (Sydney time) on 22 September 2009. The Entitlement Offer will be dispatched to shareholders on or about 8 September 2009. The offer price represents a discount of more than 40% to the share price of \$0.035 as at the close of trade on 26 August 2009.

The company intends to use the funds raised from the Entitlement Offer to advance the vanadium rich titanomagnetite Amazon Bay ironsands project, to progress the exploration programs on the priority hardrock projects in PNG, to investigate and potentially implement further investment opportunities in metals, minerals and resources and for expenses of the issue and general working capital. Titan Metals Ltd, in which the Company holds a 50% interest, has identified a number of significant gold and gold-copper targets at Poi, in south east PNG, where gold geochemistry is coincident with a large airborne magnetic – radiometric anomaly striking over 10km length. Titan Metals is presently working to define drill targets within this large system. This includes carrying out further work on the five gold prospects already identified at Poi. The geological, geochemical and geophysical characteristics at Poi is considered to be favorable for hosting large gold and gold copper systems typical of island arc settings such as PNG.

The Company holds a 25% interest in Titan Mines Ltd with a right to earn up to 90%. Recent sampling by Titan Mines on the Amazon Bay ironsands project returned highly encouraging values of up to 1.02% V₂O₅, 50.7% Fe and 20% TiO₂. Further metallurgical testwork is planned to determine the optimal process route for the treatment of the Amazon Bay vanadium rich titanomagnetite whilst advancing discussions with potential end users.

Indicative Timetable*

Event	Date
Announcement Date	Thursday 27 August 2009
Notice to Shareholders	Friday 28 August 2009
“Ex” date	Tuesday 1 September 2009
Record Date	Monday 7 September 2009
Company completes dispatch of Offer Document to Shareholders. Offer open date.	Tuesday 8 September 2009
Closing Date	5pm on Tuesday 22 September 2009
Securities quoted on a deferred settlement basis	Wednesday 23 September 2009
Shortfall Notification Date	Thursday 24 September 2009
Dispatch date. Deferred settlement trading ends.	Wednesday 30 September 2009

* Subject to change at the discretion of the Company, consistent with the ASX Listing Rules

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