

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

Notice is given that a General Meeting ("**Meeting**") of Mithril Resources Limited ("the **Company**" or "**Mithril**") will be held at Level 17, 500 Collins Street, Melbourne VIC 3000 on 13 May 2020 at 10:00am (Melbourne time).

IMPACTS OF COVID-19 ON THE MEETING

At the date of this Notice, due to restrictions applicable in Victoria as a result of COVID-19, it is not possible to convene the Meeting physically. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of this Notice, the Company intends to decide the outcome of voting on the resolutions in the Notice by proxy voting, submitted ahead of the Meeting, only.

Accordingly, the Company strongly encourages all shareholders to lodge a directed proxy vote prior to cut off date for proxy voting as set out in the Notice. To lodge your proxy, please follow the directions on your personalised proxy form which will be enclosed with the copy of the Notice, delivered to you by email or post (depending on your communication preferences).

The Company is happy to accept and answer questions prior to the close of proxy voting via email, such questions should be forwarded to the following email address admin@mithrilresources.com.au.

If the situation in relation to COVID-19 were to change in a way that materially affected the position above, the Company will provide a further update ahead of the Meeting.

Further details in respect of each of the resolutions proposed in this Notice of General Meeting ("**Notice**") are set out in the Explanatory Memorandum ("**Memorandum**") accompanying this Notice. Details of the resolutions contained in the Memorandum should be read together with, and form part of, this Notice.

GENERAL BUSINESS

Each of Resolutions 1 and 2 are required for the Transaction (as defined in the Memorandum) to proceed and are referred to in this Notice and the Memorandum as the **Acquisition Resolutions**.

The Acquisition Resolutions are interdependent and, if any of the Acquisition Resolutions are not passed, the Acquisition Resolution yet to be voted on by shareholders will be withdrawn and any Acquisition Resolution that has already been passed by shareholders will not be acted upon by the Company.

Resolutions 3A to 5 will be withdrawn if any of the Acquisition Resolutions are not passed, however the Acquisition Resolutions are not dependent upon Resolution 3A to 5 being passed by shareholders.

RESOLUTION 1: APPROVAL FOR ISSUE OF SHARES – SUN MINERALS VENDORS

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"That, subject to each of the other Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 673,852,281 fully paid ordinary shares to the vendors of Sun Minerals Pty Ltd (and/or their nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice."

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, this does not apply to a vote cast in favour of this resolution by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 2: APPROVAL FOR ISSUE OF SHARES – COMPANIA MINERA COPALQUIN S.A DE C.V.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to each of the other Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue 10,000,000 fully paid ordinary shares to Compania Minera Copalquin S.A de C.V. (and/or its nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) and any of their associates.

However, this does not apply to a vote cast in favour of this resolution by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 3A: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – STEPHEN LAYTON

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue 50,000,000 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to Mr Stephen Layton (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement and proxy voting prohibition for Resolution 3A is set out below.

RESOLUTION 3B: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS – ADRIEN WING

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue 50,000,000 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to Mr Adrien Wing (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement and proxy voting prohibition for Resolution 3B is set out below.

Voting Exclusion Statement – Resolutions 3A and 3B

The Company will disregard any votes cast in favour of Resolution 3A or 3B respectively by or on behalf of the person who is to receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) under Resolution 3A or 3B respectively and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 3A or 3B respectively by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

Proxy Voting Prohibition – Resolutions 3A and 3B

*Other than as set out below, a vote on Resolution 3A or 3B respectively must not be cast as proxy by a member of the key management personnel of the Company, details of whose remuneration are included in the 2019 Remuneration Report or a closely related party of such member (**Restricted Voter**).*

A Restricted Voter may cast a vote on Resolution 3A or 3B respectively as a proxy if either:

- the Restricted Voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this resolution; or
- the Restricted Voter is the chair and the written appointment of the chair as proxy:
 - does not specify the way the proxy is to vote on this resolution; and
 - expressly authorises the chair to exercise the proxy even though this resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

A Voting Prohibition for Resolutions 3A and 3B is set out below.

RESOLUTION 3C: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS - DUDLEY LEITCH

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1, Chapter 2E of the Corporations Act and for all other purposes, approval is given for the Company to issue up to 33,333,333 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to Dudley Leitch (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A Voting Exclusion Statement and Voting Prohibition for Resolution 3C is set out below.

Voting Prohibition – Resolutions 3A to 3C

In accordance with section 224 of the Corporations Act, a vote on Resolutions 3A to 3C (which seek shareholder approval for the purposes of Chapter 2E of the Corporations Act) must not be cast (in any capacity) by or on behalf of:

- *a related party of the Company to whom Resolution 3A to 3C separately would permit a financial benefit to be given; or*
- *an associate of such a related party.*

However, the above does not prevent the casting of a vote if:

- *it is cast by a person as proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and*
- *it is not cast on behalf of a related party or associate of a kind referred to above.*

RESOLUTION 3D: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS - HALL STEWART

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 33,333,333 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to Hall Stewart (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A Voting Exclusion Statement and Voting Prohibition for Resolution 3D is set out below.

RESOLUTION 3E: APPROVAL FOR ISSUE OF PERFORMANCE RIGHTS - JOHN SKEET

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 33,333,333 performance rights (each convertible to one fully paid ordinary share upon satisfaction of an applicable milestone prior to the expiry date) to John Skeet (and/or his nominee(s)) as described in the Memorandum which accompanied and formed part of this Notice.”

A Voting Exclusion Statement and Voting Prohibition for Resolution 3E is set out below.

Voting Exclusion Statement – Resolutions 3C to 3E

The Company will disregard any votes cast in favour of Resolutions 3C to 3E respectively by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) under Resolutions 3C to 3E respectively and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 3C to 3E respectively by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 4A: APPROVAL FOR DIRECTOR TO PARTICIPATE IN RIGHTS ISSUE SHORTFALL – ADRIEN WING

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the participation of Adrien Wing, a Director of the Company (or his nominee(s)), in the issue of shares from the rights issue shortfall (if any) by subscribing for up to 20,000,000 shares at an issue price of \$0.005 (0.5 cents) per share as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement and proxy voting prohibition for Resolution 4A is set out below.

RESOLUTION 4B: APPROVAL FOR DIRECTOR TO PARTICIPATE IN RIGHTS ISSUE SHORTFALL – STEPHEN LAYTON

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the participation of Stephen Layton, a Director of the Company (or his nominee(s)), in the issue of shares from the rights issue shortfall (if any) by subscribing for up to 20,000,000 shares at an issue price of \$0.005 (0.5 cents) per share as described in the Memorandum which accompanied and formed part of this Notice.”

A voting exclusion statement and proxy voting prohibition for Resolution 4B is set out below.

Voting Exclusion Statement – Resolutions 4A and 4B

The Company will disregard any votes cast in favour of Resolution 4A and 4B respectively by or on behalf of the person who is the receive the securities in question and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) under Resolution 4A and 4B respectively and any of their associates.

However, this does not apply to a vote cast in favour of Resolution 4A and 4B respectively by:

- *a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to the proxy or attorney to vote on the resolution in that way; or*
- *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the chair to vote on the resolution as the chair decides; or*
- *a holder acting solely as nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
 - *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and*
 - *the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

RESOLUTION 5: APPROVAL FOR ACQUISITION OF A RELEVANT INTEREST – THE COMPANY

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That, subject to the Acquisition Resolutions being passed, for the purposes of item 7 of section 611 of the Corporations Act 2001 (Cth) and for all other purposes, approval is given for the acquisition by the Company of a relevant interest of up to 40% in the issued voting shares of the Company as described in the Memorandum which accompanied and formed part of this Notice.”

Voting Prohibition

The Company will disregard any votes cast in favour of this resolution by or on behalf of the Company and/or the vendors of Sun Minerals Pty Ltd (and/or their nominee(s)) and any of their respective associates and the persons (if any) from whom the acquisition is to be made and their associated.

However, the Company need not disregard a vote cast on this Resolution if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form; or*
- *it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.*

Dated: 7 April 2020

By the order of the Board

A handwritten signature in black ink, appearing to read 'Adrien Wing', with a horizontal line drawn underneath it.

Adrien Wing
Director/Secretary

The accompanying Memorandum and the Proxy and Voting Instructions formed part of this Notice.

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- one proxy if the member is only entitled to one vote; and
- one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged with the Company's share registry not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

If you sign the proxy form and do not appoint a proxy, you will have appointed the Chair of the meeting as your proxy.

Proxy lodgement

- Proxies may be lodged using any of the following methods:

by post to:

Mithril Resources Ltd
C/- Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001

or

Online: www.investorvote.com.au

Proxies may also now be lodged electronically by casting votes online by following the prompts at www.investorvote.com.au. To use this facility, you will need your holder number (SRN or HIN), postcode and control number as shown on the proxy form. You will have been taken to have signed the proxy form if you lodge it in accordance with the instructions on the website.

or

by faxing a completed proxy form to 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia).

Custodian voting – for Intermediary Online subscribers (custodians) please visit www.intermediaryonline.com to submit your voting intentions.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7:00pm (Melbourne time) on 11 May 2020 are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.

How the Chair Will Vote Undirected Proxies

Subject to the restrictions set out below and in the Notice, The Chair of the meeting will vote undirected proxies in favour of all of the proposed resolutions.

Proxy Voting Restrictions on Resolutions 3A and 3B

The Remuneration Report identifies key management personnel for the year ended 30 June 2019. Their closely related parties are defined in the Corporations Act 2001 (Cth) and include specified family members, dependents and companies they control.

Directors of the Company who are key management personnel whose remuneration details are included in the 2019 Remuneration Report, any other key management personnel whose remuneration details are included in the 2019 Remuneration Report, or any of their closely related parties, will not be able to vote undirected proxies held by them on Resolutions 3A and/or 3B provided however that the chair may vote undirected proxies on Resolutions 3A and/or 3B on behalf of persons eligible to vote where expressly authorised to do so on the proxy form.

MITHRIL RESOURCES LIMITED
ACN 099 883 992
("the Company" or "Mithril")
GENERAL MEETING
EXPLANATORY MEMORANDUM

PURPOSE OF INFORMATION

This Explanatory Memorandum ("**Memorandum**") accompanies and forms part of the Company's Notice of General Meeting ("**Notice**") for the General Meeting ("**Meeting**") to be held at Level 17, 500 Collins Street, Melbourne VIC 3000 on 13 May 2020 at 10:00am (Melbourne time).

The Notice incorporates, and should be read together, with this Memorandum.

BUSINESS

OVERVIEW OF THE TRANSACTION

On 25 November 2019, the Company announced that it had entered into a binding but conditional Terms Sheet to acquire Sun Minerals Pty Ltd (**Sun Minerals**), an Australian proprietary company. The proposed acquisition by the Company of Sun Minerals is referred to in the Notice and this Memorandum as the **Transaction**.

On 24 January 2020, the Company announced it executed a binding but conditional Share Sale Agreement. The Share Sale Agreement is the formal documentation for the Transaction and replaces the Terms Sheet. The Company subsequently sought and obtained the approvals necessary for the Transaction at a general meeting held on 12 February 2020. On 1 April 2020, the Company announced that it had reached an agreement with Sun Minerals and the Sun Vendors to vary the terms of the Transaction and that an amended Share Sale Agreement reflecting the varied terms of the Transaction had been executed. An overview of the variations to the Transaction is set out below. The variations were deemed by both the Company and Sun Minerals to be necessary in the context of the volatility in equity capital markets caused by the Covid-19 pandemic however, a consequence of the variation is that the Company must re-seek certain shareholder approvals in order to pursue the Transaction.

A summary of the Share Sale Agreement as amended is set out in Annexure A.

Sun Minerals holds an exclusive option (**Option**) to earn up to a 100% interest in the high grade Copalquin Gold Silver Project (**Copalquin** or the **Copalquin Project**) located in the Sierra Madre Trend, Durango State, western Mexico. The mining concessions forming the Copalquin Project are held by Compania Minera Copalquin S.A de C.V., a Mexican domiciled entity (**CMC**).

Further details with respect to Sun Minerals, the Option, CMC and the Copalquin Project are set out in this Memorandum and in the announcement released to ASX on 25 November 2019.

The Transaction is subject to other conditions in addition to the Acquisition Resolutions being passed and accordingly no guarantee can be given that completion of the Transaction will occur even if shareholders pass all of the Acquisition Resolutions.

OVERVIEW OF VARIATIONS TO THE TRANSACTION

An overview of the variations to the Transaction agreed on 31 March 2020 is set out below:

- Capital raising: the terms of the Rights Issue (as defined on page 15) have been varied as follows:
 - the price per share under the Rights Issue being reduced from \$0.01 (1 cent) to \$0.005 (0.5 cents)

per share issued under the Rights Issue; and

- the raising amount under the Rights Issue has been varied from a set raising of \$4.9 million to a raising range of between a minimum of \$1.5 million up to a maximum of \$2.45 million; and
- the condition precedent of the Transaction with respect to the Rights Issue has been amended such that the Transaction will proceed if the Company raises the minimum amount of \$1.5 million from conduct of the Rights Issue.
- Consideration: as a result of the variation to the terms of the Rights Issue, Sun Minerals and the Sun Vendors have agreed to receive a number of fully paid ordinary shares collectively equal to 40% of the share capital of the Company following issue of shares under the Rights Issue (including shortfall, if any), and assuming the issue of 30,000,000 shares to CMC and the shares to the Sun Vendors. The minimum number of shares that may be issued to the Sun Vendors is 546,926,140 and the maximum is 673,852,281. The actual number of shares issued will not be known until completion of the Rights Issue including the issue of any shortfall, the consideration shares may therefore be issued in tranches.

The Company reserves the right, if the minimum raising of \$1.5 million has been achieved under the Rights Issue, to issue shares under the Rights Issue and proceed with completion of the Transaction even if the Company is in the process of placing the shortfall, if any. The Company will issue further consideration shares to the Sun Vendors if additional shares are issued from the shortfall under the Rights Issue.

As announced by the Company to ASX on 17 February 2020, approximately 97% of the shares issued to the Sun Vendors will be voluntarily escrowed for 24 months from completion of the Transaction. The Company will acquire a relevant interest in its own securities as a resolution of the voluntary escrow of shares issued to the Sun Vendors. Further details are set out throughout this Memorandum and in particular in Annexure D.

For the avoidance of doubt, shareholder approval for the Company to acquire a relevant interest in its own securities is not a condition of the Transaction. If shareholders do not approve Resolution 5 then the Company will not enter into voluntary escrow arrangements in respect of approximately 97% of the Consideration Shares issued to the Sun Vendors. The Company will, however, negotiate with the Sun Vendors to voluntarily escrow the maximum number of Consideration Shares possible without breaching the 20% limit contained in section 606 of the Corporations Act.

- Performance Rights: The terms of the Director/Management Performance Rights remain the same as those set out in the notice of meeting released to ASX on 10 January 2020, other than a reduction in the market capitalisation milestone for conversion from \$50,000,000 to \$40,000,000.

Full terms of the Director/Management Performance Rights as amended are set out in Annexure C.

The Company has agreed with Adrien Wing and Stephen Layton, the recipients of the performance rights that were issued on 17 February 2020, that those performance rights which they or their nominee hold will lapse upon issue of performance rights the subject of Resolutions 3A and 3B of the Notice.

- Earn-in Rights: The capacity of CMC to elect to receive the US\$10 million payment if the Company elects to exercise the right to acquire a 100% interest in Copalquin in shares has had the \$0.01 (1 cent) "floor" price removed. Accordingly, if CMC makes an election to receive the US\$10 million payment in shares, the price per share shall be a 10% discount to a VWAP calculated at the time of exercise.

PRIOR SHAREHOLDER MEETING

As noted above, on 12 February 2020, shareholders passed various resolutions with respect to the Transaction.

As the terms of the Transaction have been materially varied since that date, the Company seeks shareholder approval to issue the maximum number of consideration shares to the Sun Vendors and to issue shares to CMC in the context of the varied Transaction. These shareholder approvals are sought under Resolutions 1 and 2.

In addition, the Company is seeking shareholder approval for the issue of the Director/Management Performance Rights on the basis that one of the performance milestones has been varied. Other than with respect to the performance milestone, the recipients, number and terms of Director/Management Performance Rights have not changed. These shareholder approvals are sought under Resolutions 3A to 3E.

The Company is not seeking further shareholder approval for the election of Dudley Leitch as a director and will accordingly rely on the shareholder approval received on 12 February 2020 for his election.

SUMMARY OF RESOLUTIONS IN THE NOTICE

The Notice and this Memorandum have been prepared primarily for the purposes of seeking shareholder approvals required for the varied Transaction. If shareholders do not approve any of Resolutions 1 and 2 (being the **Acquisition Resolutions**) then the other Acquisition Resolution will be withdrawn and any Acquisition Resolution that had already been approved will not be acted upon by the Company.

Resolutions 3A to 5 will be withdrawn if any Acquisition Resolution(s) is not approved by shareholders, however the Acquisition Resolutions are not dependent on approval of any of Resolutions 3A to 5.

A summary of the Resolutions contained in the Notice is set out below:

- (a) **(Resolution 1):** The Company seeks shareholder approval for the issue of up to 673,852,281 fully paid ordinary shares to the shareholders of Sun Minerals (**Sun Vendors**) (and/or their respective nominee(s)) as consideration for the acquisition by the Company of all the issue share capital of Sun Minerals.

As noted above, the number of shares issued to the Sun Vendors is dependent on the funds raised and shares issued under the Rights Issue. The minimum number of securities that may be issued to the Sun Vendors is 546,926,140 fully paid ordinary shares and the maximum number of securities is 673,852,281 fully paid ordinary shares. Two indicative example of the capital structure of the Company at the minimum and maximum raising amounts under the Rights Issue are set out on page 15.

The issue of securities for which shareholder approval is sought under Resolution 1 is subject to and conditional upon successful completion of the Transaction.

- (b) **(Resolution 2):** The Company seeks shareholder approval for the issue of 10,000,000 fully paid ordinary shares to CMC (and/or its nominee(s)) in connection with the Option. Further details are set out in the summary of the Option in Annexure B to this Memorandum.

The issue of securities for which shareholder approval is sought under Resolution 2 is subject to and conditional upon successful completion of the Transaction. The Company may also in future issue further shares to CMC in connection with acquisition of further interests in the Copalquin Project pursuant to the Option. Further details are set out in the summary of the Option in Annexure B.

If further shares are issued to CMC pursuant to the Option, such shares shall be issued under the then existing placement capacity available to the Company under ASX Listing Rule 7.1 or the Company may seek further shareholder approval for the issue of further shares to CMC at a later date.

- (c) **(Resolution 3A to 3E):** The Company seeks shareholder approval for the issue of up to an aggregate of 199,999,999 Director/Management Performance Rights (defined below) to existing directors and the incoming director, management or consultants as described below. The full terms of the Director/Management Performance Rights are set out in Annexure C.

The vesting of Director/Management Performance Rights for which shareholder approval is sought under Resolutions 3A to 3E is subject to and conditional upon successful completion of the Transaction.

- (d) **(Resolutions 4A and 4B):** The Company seeks shareholder approval for each of Adrien Wing and Stephen Layton, each of whom is a director of the Company (or their respective nominee(s)) to have the right, but not the obligation, to subscribe for and receive up to 20,000,000 fully paid ordinary shares at \$0.005 (0.5 cents) per share (maximum subscription of \$100,000 each) from the shortfall of the Rights Issue (if any).
- (e) **(Resolution 5):** The Company seeks shareholder approval for it to acquire a relevant interest in up to 40% of the voting shares of itself as a result of the voluntary escrow of approximately 97% of the shares to be issued to the Sun Vendors at completion of the Transaction.

Further details with respect to the Resolutions are set out through this Memorandum and the Schedules.

SUN MINERALS OVERVIEW

Sun Minerals is an Australian entity incorporated in 2017 to hold the Option to acquire and explore Copalquin. Shares issued by the Company to the shareholders of Sun Minerals (**Sun Vendors**) at, and subject to completion of, the Transaction will account for 40% of the expanded share capital of the Company.

Sun Minerals holds the Option to earn up to 100% of Copalquin. A summary of the Option (as proposed to be amended to accommodate the Transaction) is set out in Annexure B.

The Sun Minerals Directors have personally invested A\$2.5M in cash and time into Sun Minerals over the past two years, and have relevant technical backgrounds, having over 50 years of combined Mexico operating experience. The Sun Minerals Directors also have significant experience and success with public companies and developing gold-silver projects in Australia and overseas.

Sun Mineral's Exploration Director (Hall Stewart) and Managing Director (John Skeet) both played key roles in the exploration and development of the Palmarejo Silver Gold Mine which is located north of Copalquin within the Sierra Madre Trend, which is owned and operated by North American mining company Coeur Mining Inc.

In December 2018, after 9 years of production, Coeur Mining Inc. reported Canadian National Instrument 43-101 (**NI43-101**) (Qualifying Foreign Estimate) compliant proven reserves of 108,000 oz Au and 6.376 million oz Ag and probable reserves of 585,000 oz Au and 43.788 million oz Ag, plus significant NI 43-101 (Qualifying Foreign Estimate) resources remaining at the Palmarejo complex.

ABOUT THE COPALQUIN GOLD-SILVER PROJECT

The Copalquin Gold Silver Project (6 mineral concessions – 7,005 Ha) covers the entire Copalquin Mining District within the gold-silver trend of the Sierra Madre Occidental mountain range in Durango State, western Mexico. The gold silver trend is host to numerous gold and silver deposits, with multiple producing mines including; Coeur Mining's Palmarejo, Agnico Eagles' Pinos Altos, Goldcorp's El Suazal Mine (now depleted), First Majestic Silver's San Dimas mine, Fresnillo's San Julian and La Cienega mines and the now closed Ocampomine.

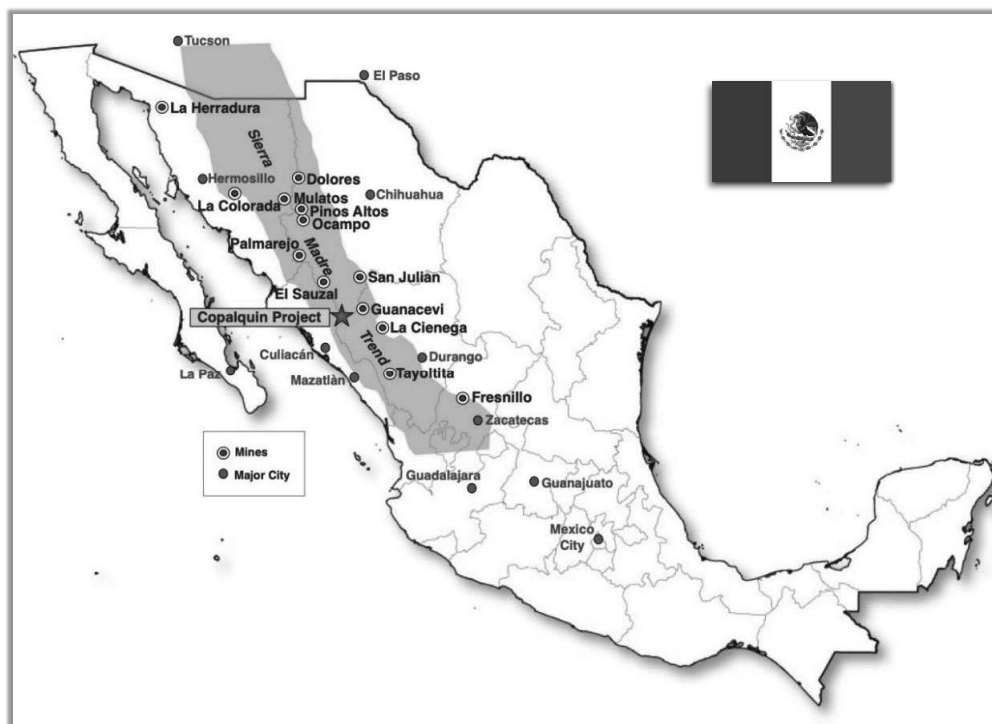


Figure 1: Copalquin Project location and surrounding major mines

Within the Copalquin Project boundaries there are 32 known historic gold and silver underground mines and surface workings plus historic drill intercepts. Mineralisation is typically associated with low-sulfidation epithermal veining and stockworks developed within an andesitic host rock sequence.

Data compilation, geological mapping and rock chip sampling undertaken by Sun Minerals over the past two years indicates that gold-silver mineralisation previously mined at Copalquin was of very high-grade

Historic drilling underneath and along strike from underground workings undertaken prior to Sun Minerals' involvement returned multiple high-grade intercepts including:

- 17.77m @ 45.16 g/t gold and 118.2 g/t silver from 30.98 metres in UC-03 (El Cometa Mine);
- 7.9m @ 6.54g/t gold and 140.g/t silver from 143.10 metres in UC-024 (El Refugio Mine);and
- 4.53m @ 28.99g/t gold and 2,350.3g/t silver from 138.00 metres in MP-07-101 (La Soledad Mine),

being the **Exploration Results**.

It should be noted that these intercepts are historic and not compliant with current JORC Code 2012. The following cautionary statement applies to the above Exploration Results:

- **The Exploration Results set out above have not been reported in accordance with the JORC Code 2012;**
- **A Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;**
- **It is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;**
- **Nothing has come to the attention of the Company or the Competent Person that causes it to question**

the accuracy or reliability of the historical Exploration Results; but

- **The Company has not independently validated the Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those Exploration Results.**

The announcement of the Company released to ASX on 25 November 2019 included Table 1 of the JORC Code 2012 completed for the purposes of an assessment of the reliability of the Exploration Results by reference to the criteria in Table 1. The Company is not aware of any new information or data that materially affects the information included in the announcement of the Company released to ASX on 25 November 2019 but reiterates that it has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012.

Sun Minerals has advised the Company that it believes that the historic drilling at Copalquin was not carried out in a systematic manner with previous campaigns hindered by logistical difficulties and overly concentrated in areas where the first favourable intercepts were encountered.

Sun Minerals has obtained all statutory permits required to undertake a systematic drilling program at Copalquin and, upon satisfactory completion of the Transaction, a 4,500-metre diamond drilling program is planned to be undertaken.

The aim of the proposed drilling is to better understand the geological controls on mineralisation and demonstrate the potential for mineralisation beyond the limits of existing mined areas.

Importantly, Sun Minerals has strong “in-country” operating experience and has developed strong working relationships with local landowners, stakeholders, and contractors.

Further details regarding the Copalquin Project and the exploration plans for the Copalquin Project are set out in the announcement of the Transaction released by the Company on 25 November 2019.

Statements regarding the Copalquin Project are made on the basis of information and representations provided by Sun Minerals and its directors and officers, publicly available information, the preliminary due diligence enquiries of the Company and the information compiled by the competent person as set out in the announcement of the Company released to ASX on 25 November 2019.

As noted above, the Transaction remains subject to a number of conditions as set out in Annexure A.

ABOUT MEXICO

Mexico has a mining history extending almost 500 years and is among the world's largest metal producers. Mexico is the largest producer of silver in the world and a top global producer of gold, copper, zinc, amongst other minerals.

With its long mining tradition, Mexico has a largely favourable environment for the industry. The geological potential remains strong. The country's terrain is one of the most tectonically active and complex in the world. Orogenesis has pushed up mountain chains all across Mexico, including the Sierra Madre Oriental, Sierra Madre Occidental and Sierra Madre del Sur. These three regions have formed some of the key metallogenic areas. Gold and silver mineralisation is commonly linked to the two belts of hydrothermal veins and gaps that stretch out underneath both sides of the Sierra Madre Occidental.

Mexico contains outstanding geological potential for mining, which contributes to making Mexico the world's fourth-largest recipient of foreign direct investment (FDI) for mining and the second destination of such FDI in Latin America. The majority of this FDI is directed to mining gold, copper, zinc, and uranium. According to the Mexican Mining Chamber (Cámara Minera de México or CAMIMEX), Mexico leads the world's production of silver. Mexico was the ninth-largest producer of gold and seventh-largest producer of copper in 2018.

CONSIDERATION AND SUN VENDORS

The consideration payable by the Company for the purchase of all the issued share capital of Sun Minerals from the Sun Vendors comprises an aggregate of between 546,926,140 fully paid ordinary shares and 673,852,281 fully paid ordinary shares (**Consideration Shares**), which accounts for 40% of the expanded share capital of the Company following completion of the Transaction, issue of the shares under the Rights Issue and assuming the issue of 30,000,000 shares to CMC under the Option. The number of Consideration Shares to be issued is dependent upon the funds raised and shares issued under the Rights Issue and will not be known until such time as the Rights Issue has been finalised (including the issue of shares from the shortfall, if any).

The indicative capital structure of the Company at both the minimum and maximum raising amounts under the Rights Issue are set out on page 16 of this Memorandum.

Shareholder approval for issue of the maximum number of Consideration Shares to the Sun Vendors is sought under Resolution 1. Other than Dudley Leitch (who is proposed to be appointed as a Director on and from completion of the Transaction (refer below)) all the other Sun Vendors are unrelated to the Company.

As announced by the Company to ASX on 17 February 2020, approximately 97% of the Consideration Shares issued to the Sun Vendors will be voluntarily escrowed for 24 months from completion of the Transaction. The Company will acquire a relevant interest in its own securities as a result of the voluntary escrow of these Consideration Shares. Further details are set out throughout this Memorandum and in particular in Annexure D.

For the avoidance of doubt, shareholder approval for the Company to acquire a relevant interest in its own securities is not a condition of the Transaction.

If shareholders do not approve Resolution 5 then the Company will not enter into voluntary escrow arrangements in respect of approximately 97% of the Consideration Shares issued to the Sun Vendors. The Company will, however, negotiate with the Sun Vendors to voluntarily escrow the maximum number of Consideration Shares possible without breaching the 20% limit contained in section 606 of the Corporations Act.

BOARD AND MANAGEMENT CHANGES

Subject to and upon completion of the Transaction, Sun Minerals shall also have the right to nominate an individual to be appointed as a Director (Executive Chairman) of the Company (subject to receipt of a valid consent to act and shareholder approval (if required)) and to nominate an individual to be appointed to a lead management role in the Company in respect of exploration of the Copalquin Project.

Sun Minerals has indicated that it intends to nominate Dudley Leitch as the Executive Chairman of the Company on and from completion of the Transaction. A biography for Dudley Leitch is set out below:

Dudley Leitch has over 40 years (10 years in Mexico) developing projects and running ASX mining/exploration companies with projects in Australia, Mexico and the USA. Dudley Leitch has previously been a director or managing director of Perseverance Corporation, Mogul Mining, Valdora Minerals, King Minerals and Bolnisi Gold.

Shareholder approval for the appointment of Dudley Leitch was obtained at the general meeting of shareholders held on 12 February 2020.

CAPITAL RAISING

As a condition of the Transaction, the Company proposes conducting a capital raising by way of an entitlement issue to existing shareholders on a record date to be determined of one (1) new fully paid ordinary Mithril share for every one (1) existing fully paid ordinary shares in the Company held at an issue price of \$0.005 (0.5 cents) per share to raise a minimum of \$1.5 million through the issue of 300,000,000 shares up to a maximum of approximately \$2.45 million (before costs) (**Rights Issue**).

Funds raised are proposed to fund exploration of the existing Company projects and the Copalquin Project and otherwise to meet working capital requirements. An indicative use of funds at both the minimum and maximum raising amounts under the Rights Issue is set out below table:

Use of Funds	Amount (AUD)	
	Minimum raising	Maximum raising
Expenditure on Copalquin	\$1,050,000	\$2,000,000
Expenditure on existing projects	\$250,000	\$250,000
Additional working capital, raise fees	\$200,000	\$200,000
Total	\$1,500,000	\$2,450,000

Funds raised above the minimum under the Rights Issue are intended to be used for expenditure on Copalquin.

As noted above, the Company is seeking shareholder approval for Adrien Wing and Stephen Layton (and/or their respective nominee(s)) to each have the right, but not the obligation, to subscribe for up to 20,000,000 shares (maximum subscription of \$100,000 each) from the shortfall of the Rights Issue (if any). Details of the shortfall allocation policy were set out in the Offer Document for the Rights Issue that was released as an announcement to ASX on 1 April 2020.

The Company will release further details regarding the Rights Issue when available.

DIRECTOR/MANAGEMENT PERFORMANCE RIGHTS

Subject to completion of the Transaction, which will necessarily require shareholder approvals, Mithril intends to issue up to 199,999,999 performance rights convertible to fully paid ordinary shares to a combination of existing directors and the proposed incoming director, management and/or consultants described in this Memorandum (**Director/Management Performance Rights**).

The terms of the Director/Management Performance Rights are set out in full in Annexure C. Approval for the issue of the Director/Management Performance Rights is sought under Resolutions 3A to 3E. Details of proposed recipients of Director/Management Performance Rights are set out in pages 20 to 24 of this Memorandum.

Director/Management Performance Rights vest upon completion of the Transaction and, subject to vesting having occurred, convert to fully paid ordinary shares upon satisfaction of an Applicable Milestone (as described and defined in Annexure C).

PRO-FORMA CAPITAL STRUCTURE

The indicative capital structure of Mithril following completion of the Transaction at both the minimum and maximum raising amounts under the Rights Issue are set out below:

Minimum raising amount

	Number of shares	% of total
Existing fully paid ordinary shares	490,389,211	35.87%
Consideration Shares	546,926,140	40.00%
Shares under the Rights Issue	300,000,000	21.94%
Shares to CMC (refer Annexure B)	30,000,000 *	2.19%
Total	1,367,315,351	100%

Maximum raising amount

	Number of shares	% of total
Existing fully paid ordinary shares	490,389,211	29.11%
Consideration Shares	673,852,281	40.00%
Shares under the Rights Issue	490,389,211	29.11%
Shares to CMC (refer Annexure B)	30,000,000 *	1.78%
Total	1,684,630,703	100%

* includes 10,000,000 shares the subject of Resolution 2 and 20,000,000 shares that may be issued under the terms of the Option (refer to Annexure B for a summary of the terms of the Option).

The actual numbers of shares on issue and percentages they represent in the share capital of the Company is dependent upon the funds raised and shares issued under the Rights Issue (including Shortfall, if any) and, as a result, the number of Consideration Shares issued to the Sun Vendors under the Transaction.

Convertible Securities (or rights to securities)

	Number of securities	Exercise Price / Applicable milestone(s)
Unlisted options	10,100,000	\$0.10 (10 cents)
Director/Management Performance Rights	Up to 199,999,999	(i) determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or (ii) Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded.

DETAILS OF RESOLUTIONS

Resolution 1 – issue of shares to Sun Vendors

Resolution 1 seeks shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of up to the maximum number of Consideration Shares (being 673,852,281 Consideration Shares) to the Sun Vendors (and/or their nominee(s)). Each of the Sun Vendors is unrelated to the Company other than Dudley Leitch, who is a related party of the Company under section 228(6) of the Corporations Act.

As announced by the Company to ASX on 17 February 2020, approximately 97% of the shares issued to the Sun Vendors will be voluntarily escrowed for 24 months from completion of the Transaction. The Company will acquire a relevant interest in its own securities as a resolution of the voluntary escrow of shares issued to the Sun Vendors. Further details are set out throughout this Memorandum and in particular in Annexure D.

For the avoidance of doubt, shareholder approval for the Company to acquire a relevant interest in its own securities is not a condition of the Transaction.

ASX Listing Rules

Dudley Leitch is only a related party of the Company due to Sun nominating him to join the board of the Company on and from completion of the Transaction. Accordingly and due to the operation of ASX Listing Rule 10.12 Exception 12, as Dudley Leitch is only becoming a related party of the Company due to the Transaction shareholder approval to issue him his respective proportion of the Consideration Shares for the purposes of Chapter 10 of the ASX Listing Rules is not required.

The Company therefore seeks shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Consideration Shares to the Sun Vendors.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued share capital at the commencement of that 12-month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

If shareholders pass Resolution 1 then, subject to the other Acquisition Resolutions passing, the Company will be able to proceed with the Transaction and issue the Consideration Shares. The approval will also increase the Company's ongoing capacity to issue equity securities without shareholder approval under ASX Listing Rule 7.1. If shareholders do not pass Resolution 1 then the Consideration Shares will not be issued and the Transaction will not proceed.

ASX Listing Rule 7.3 requires that the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must contain the following information:

- (a) The Consideration Shares are proposed to be issued to the Sun Vendors.
- (b) The maximum number of securities to be issued under the approval sought through this Resolution is 673,852,281 Consideration Shares and the minimum number is 546,926,140. The actual number of securities to be issued is dependent on the funds raised and number of shares issued under the Rights Issue. Indicative examples of the capital structure of the Company at the minimum and maximum numbers are set out on page 16.

- (c) The Company proposes issuing the shares the subject of Resolution 1 following satisfaction of all of the conditions precedent to the Transaction and in any event no later than 3 months after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC). If the Consideration Shares are not issued within 3 months after the date of the Meeting (or such other date as applicable) then the Company may at its discretion seek further shareholder approval to issue the Consideration Shares. The Consideration Shares may be issued in tranches, at completion of the Rights Issue and upon placement of shortfall from the Rights Issue (if any).
- (d) The shares will be issued for no cash consideration. The shares are to be issued in lieu of cash as consideration for the acquisition by the Company of all the issued capital of Sun Minerals.
- (e) Consideration Shares are proposed to be issued pursuant to the amended Share Sale Agreement executed by the Company, Sun Minerals and the Sun Vendors, a summary of which is set out in Annexure A.
- (f) A voting exclusion is contained in the Notice accompanying this Memorandum.
- (g) The directors recommend that shareholders vote in favour of Resolution 1.

Corporations Act – Chapter 2E

As an individual nominated by Sun Minerals to join the Board of the Company as a director, Dudley Leitch is considered a related party of the Company in accordance with section 228(6) of the Corporations Act.

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members (shareholders). The issue of Consideration Shares to Dudley Leitch constitutes the giving of a financial benefit as defined under section 229 of the Corporations Act.

Section 210 of the Corporations Act provide an exception to the requirement to obtain shareholder approval for the giving of a financial benefit to a related party where the benefit is given on terms that would be reasonable if the company and the related party were dealing on arms' length or on terms less favourable to the related party than terms that would be reasonable if the company and the related party were dealing on arms' length terms.

The existing Directors of the Company have formed the view that the terms of the Transaction are reasonable, or less favourable to Dudley Leitch than terms that would be reasonable in circumstances if the Company and each of the respective parties were dealing on arms' length terms.

The existing Directors of the Company have formed this view having regard to the following:

- Dudley Leitch is not related to the Company other than by application of section 228(6) of the Corporations Act which arose solely due to Sun Minerals nominating him to join the Board of the Company as a director on and from completion of the Transaction.
- The parties were free from any undue influence, control or pressure and each has had the opportunity to seek and obtain independent advice with respect to the Transaction.
- The terms of the Transaction are a result of prolonged, robust negotiations between the Company and Sun Minerals.

- Dudley Leitch has not been, and will not prior to completion of the Transaction be, involved in any Board meetings of the Company or any internal discussions of the Company related to the Transaction.
- Dudley Leitch does not control Sun Minerals.
- Dudley Leitch is receiving Consideration Shares per share held in Sun Minerals in the same proportions as the other Sun Vendors, all of whom are unrelated to the Company.
- The entire Transaction is subject to and conditional upon receipt of shareholder approval.

Having regard to the above, the existing Directors of the Company consider the issue of Consideration Shares to Dudley Leitch is reasonable and on terms that would be (and in this case have been) offered to parties at arms' length from the Company having regard to the purpose of the issue and falls within the exception set out in section 210 of the Corporations Act.

Resolution 2 – issue of shares to CMC

Resolution 2 seeks shareholder approval for the issue of 10,000,000 fully paid ordinary shares to CMC (and/or its nominee(s)) at completion of the Transaction. CMC is not a related party of the Company. The shares are to be issued in connection with Sun Minerals acquiring an initial 10% interest in the Copalquin Project in accordance with the terms of the Option. Further details are set out in the summary of the Option in Annexure B.

ASX Listing Rules

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued share capital at the commencement of that 12-month period. One circumstance where an action or an issue is not taken into account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

If shareholders pass Resolution 2 then, subject to the other Acquisition Resolutions passing, the Company will be able to proceed with the Transaction and issue the 10,000,000 shares to CMC. The approval will also increase the Company's ongoing capacity to issue equity securities without shareholder approval under ASX Listing Rule 7. If shareholders do not pass Resolution 2 then the 10,000,000 shares to CMC will not be issued and the Transaction will not proceed.

ASX Listing Rule 7.3 requires that the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must contain the following information:

- (i) The fully paid ordinary shares are proposed to be issued to CMC.
- (ii) The maximum number of securities to be issued under the approval sought through this Resolution is 10,000,000 fully paid ordinary shares.
- (iii) The Company proposes issuing the shares the subject of Resolution 2 following satisfaction of all of the conditions precedent to the Transaction and in any event no later than 3 months after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC). If the shares are not issued within 3 months after the date of the Meeting (or such other date as applicable) then the Company may at its discretion seek further shareholder approval to issue the shares to CMC.

- (iv) The shares will be issued for no cash consideration. The shares are to be issued in connection with the acquisition by Sun Minerals of an initial 10% interest in the Copalquin Project pursuant to the Option.
- (v) Shares are proposed to be issued pursuant to the Option, a summary of which is set out in Annexure B.
- (vi) A voting exclusion is contained in the Notice accompanying this Memorandum.
- (vii) The directors recommend that shareholders vote in favour of Resolution 2.

Background to Resolutions 3A to 3E

Resolutions 3A to 3E seeks shareholder approval for the issue of up to an aggregate of 199,999,999 Director/Management Performance Rights to existing directors and incoming director, management and/or consultants (and/or their respective nominee(s)) as described below.

Terms of Director/Management Performance Rights are set out in full in Annexure C.

The proposed recipients of Performance Rights and the applicable milestone(s) are set out in the table below:

Resolution	Name of recipient*	Number of Director/Management Performance Rights	Applicable Milestone(s)
3A	Stephen Layton	50,000,000	(i) determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or
3B	Adrien Wing	50,000,000	
3C	Dudley Leitch	Up to 33,333,333	
3D	Hall Stewart	Up to 33,333,333	
3E	John Skeet	Up to 33,333,333	(ii) Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded.
Total		Up to 199,999,999	

** Director/Management Performance Rights may be issued to nominee(s) as advised to the Company*

It is proposed that the Company will issue a minimum of 25,000,000 up to a maximum of 33,333,333 Director/Management Performance Rights to each of Dudley Leitch, Hall Stewart and John Skeet (or their respective nominee(s)) under Resolutions 3C to 3E. If shareholders approve all of Resolutions 3C to 3E, an aggregate of between 75,000,000 and 99,999,999 Director/Management Performance Rights will be issued under Resolutions 3C to 3E collectively.

The Company may issue further securities other than as set out in the Notice (including performance rights with the same terms as the Director/Management Performance Rights) after the Meeting, although the Company has no present intention to do so. It is expressly noted that such issue of further securities (if any) will not be made under the shareholder approvals sought under the Notice and/or as approved at the Meeting.

If shareholders approve Resolutions 3A and 3B, it is proposed that Director/Management Performance Rights the subject of Resolutions 3A and 3B will be issued shortly after the Meeting. Performance rights issued on 17 February 2020 to Adrien Wing and Stephen Layton (or their nominee) will lapse upon issue of the Director/Management Performance Rights the subject of Resolutions 3A and 3B of the Notice.

Director/Management Performance Rights the subject of Resolutions 3C to 3E are proposed to be issued at, or immediately prior to, completion of the Transaction. The Company may, however, determine to issue Director/Management Performance Rights the subject of Resolutions 3C to 3E inclusive prior to completion of the Transaction (subject to the ASX Listing Rules).

ASX Listing Rules – Resolutions 3A and 3B

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. For the purpose of Listing Rule 10.11, a related party includes a director of the company, an entity over which a Director has control and an entity which ASX believes, or has reasonable grounds to believe, is likely to become a related party of the company in the future.

Shareholder approval is being sought under Listing Rule 10.11 for each of Resolutions 3A and 3B and as such approval is not required under ASX Listing Rule 7.1.

If shareholders pass Resolutions 3A and 3B then, subject to the Acquisition Resolutions passing, the Company will be able to issue the Director/Management Performance Rights as set out in Resolutions 3A and 3B subject to completion of the Transaction. If those Director/Management Performance Rights convert to ordinary shares, the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) will be increased. If shareholders do not pass Resolutions 3A and 3B then the Company will not be able to issue the Director/Management Performance Rights as set out in Resolutions 3A and 3B.

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include specific information which is set out below with respect to Resolutions 3A and 3B:

- (i) The proposed recipients and the maximum number of securities to be acquired by each person for whom approval under ASX Listing Rule 10.11 is sought under Resolutions 3A and 3B is set out in the table below:

Resolution	Name of recipient*	Number of Director/Management Performance Rights	Applicable Milestone(s)
3A	Stephen Layton	50,000,000	(i) determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or (ii) Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded
3B	Adrien Wing	50,000,000	
Total		100,000,000	

** Director/Management Performance Rights may be issued to nominee(s) as advised to the Company*

- (ii) Each of Stephen Layton and Adrien Wing are Directors of the Company and are therefore related parties for the purposes of ASX Listing Rule 10.11.1.
- (iii) The terms of Director/Management Performance Rights are set out in full in Annexure C.
- (iv) The Company proposes issuing the Director/Performance Rights the subject of Resolutions 3A and 3B shortly following the Meeting and in any event no later than 1 month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC). If the Director/Management Performance Rights the subject of Resolutions 3A and 3B are not issued within 1 month after the date of the Meeting (or such other date as applicable) then the Company may at its discretion seek further shareholder approval to issue such Director/Management Performance Rights.
- (v) No funds are payable for issue of the Director/Management Performance Rights, which are being issued as performance based incentives to the directors proposed to receive them. Director/Management Performance Rights convert to fully paid ordinary shares upon achievement of the applicable milestone.
- (vi) Details of the remuneration package of each of Stephen Layton and Adrien Wing are as set out below:
 - (i) Stephen Layton: \$4,000 per month as a director of the Company.
 - (ii) Adrien Wing: \$4,000 per month as a director of the Company and \$4,000 per month as the secretary of the Company (company secretary fees received via a corporate entity).
- (vii) Director/Management Performance Rights are proposed to be issued as reasonable remuneration to each of the proposed recipients and otherwise in connection with the binding terms sheet, a summary of which is set out in Annexure A.
- (viii) A voting exclusion for Resolutions 3A and 3B is contained in the Notice.

ASX Listing Rules – Resolutions 3C to 3E

As noted above, it is proposed that each of Dudley Leitch, Hall Stewart and John Skeet (or their respective nominee(s)) will be issued a minimum of 25,000,000 up to a maximum of 33,333,333 Director/Management Performance Rights under Resolutions 3C to 3E. Accordingly, if shareholders approve all of Resolutions 3C to 3E, an aggregate of between 75,000,000 and 100,000,000 Director/Management Performance Rights will be issued under Resolutions 3C to 3E collectively.

Dudley Leitch is a related party of the Company as a result of his nomination by Sun to be appointed as a Director of the Company on and from completion of the Transaction. Due to the operation of ASX Listing Rule 10.12 Exception 12, Dudley Leitch is only becoming a related party of the Company due to the Transaction and therefore shareholder approval for the purposes of Chapter 10 of the ASX Listing Rules is not required.

The Company therefore seeks shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Director/Management Performance Rights to Dudley Leitch, Hall Stewart and John Skeet (or their respective nominee(s)) as described above. It is proposed that Director/Management Performance Rights the subject of Resolutions 3C to 3E will be issued at, or immediately prior to, completion of the Transaction. The Company may, however, determine to issue Director/Management Performance Rights the subject of Resolutions 3C to 3E (or any of them) prior to completion of the Transaction (subject to the ASX Listing Rules).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12-month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the company's issued share capital at the commencement of that 12-month period. One circumstance where an action or an issue is not taken into

account in the calculation of the 15% threshold is where the issue has the prior approval of shareholders at a general meeting.

If shareholders pass Resolutions 3C to 3E then, subject to the Acquisition Resolutions passing, the Company will be able to issue the Director/Management Performance Rights as set out in Resolutions 3C to 3E subject to completion of the Transaction. If those Director/Management Performance Rights convert to ordinary shares, the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A) will be increased. If shareholders do not pass Resolutions 3C to 3E then the Company will not be able to issue the Director/Management Performance Rights as set out in Resolutions 3C to 3E.

ASX Listing Rule 7.3 requires that the meeting document concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 7.1 must contain the following information:

- (a) The Director/Management Performance Rights are proposed to be issued to the incoming director, management and/or consultants as set out in the table below:

Resolution	Name of recipient*	Number of Director/Management Performance Rights (minimum)	Number of Director/Management Performance Rights (maximum)	Applicable Milestone(s)
3C	Dudley Leitch	25,000,000	33,333,333	(i) determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or (ii) Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded.
3D	Hall Stewart	25,000,000	33,333,333	
3E	John Skeet	25,000,000	33,333,333	
	Total	75,000,000	99,999,999	

** Director/Management Performance Rights may be issued to nominee(s) as advised to the Company*

- (b) The maximum number of securities to be issued under the approvals sought through Resolutions 3C to 3E is 99,999,999 Director/Management Performance Rights as set out in the table above.
- (c) The Company proposes issuing the Director/Performance Rights the subject of Resolutions 3C to 3E following satisfaction of all of the conditions precedent to the Transaction (subject to change) and in any event no later than 3 months after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC). If the Director/Management Performance Rights are not issued within 3 months after the date of the Meeting (or such other date as applicable) then the Company may at its discretion seek further shareholder approval to issue the Director/Management Performance Rights.

- (d) No funds are payable for issue of the Director/Management Performance Rights, which are being issued as performance based incentives. Director/Management Performance Rights convert to fully paid ordinary shares upon achievement of the applicable milestone.
- (e) Director/Management Performance Rights are proposed to be issued as reasonable remuneration to the incoming director, management and consultants and otherwise in connection with the binding terms sheet, a summary of which is set out in Annexure A.
- (f) A voting exclusion is contained in the Notice accompanying this Memorandum.
- (g) The directors recommend that shareholders vote in favour of Resolution 3C to 3E.

Corporations Act – Chapter 2E

Under Chapter 2E of the Corporations Act, a public company cannot give a “financial benefit” to a “related party” unless one of the exceptions to the section apply or shareholders have in a general meeting approved the giving of that financial benefit to the related party.

Each of the proposed recipients of Director/Management Performance Rights under Resolutions 3A to 3C are related parties of the Company as defined under the Corporations Act and the issue of the Director/Management Performance Rights constitute the giving of a financial benefit. The Board (with each Director who is proposed to receive Director/Management Performance Rights not participating in or being present during consideration of the proposed issue of Director/Management Performance Rights to them) considers the issue of Director/Management Performance Rights to be reasonable remuneration and therefore within the exception in Section 211 of the Corporations Act. Notwithstanding this position, the Board has determined to seek shareholder approval for the purposes of Chapter 2E of the Corporations Act to provide shareholders the opportunity to cast their vote with the benefit of the further information set out below in this Memorandum.

Recipients of Director/Management Performance Rights

The proposed related party recipients of Director/Management Performance Rights and the maximum number of be received by each is set out in the table below:

Recipient*	Number of Director/Management Performance Rights	Applicable Milestone(s)
Stephen Layton	50,000,000	(iii) determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or (iv) Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded
Adrien Wing	50,000,000	
Dudley Leitch	33,333,333 (maximum)	
Total	133,333,333(maximum)	

**may also be issued a nominee of the above recipient(s) as advised to the Company.*

Stephen Layton and Adrien Wing are current Directors of the Company and Dudley Leitch is proposed to be appointed as a Director upon and subject to completion of the Transaction.

Nature of the financial benefit

Each of the above named related parties will have a relevant interest and a financial benefit in the number of Director/Management Performance Rights set out against their name in the above table.

Full terms of the Director/Management Performance Rights are set out in Annexure C.

The Director/Management Performance Rights are proposed to be issued to incentivise the proposed recipients in connection with their respective involvement in the development of the current and proposed projects of the Company. The Board believes that limiting the cash remuneration of its management and retaining cash reserves for the purposes of advancing its exploration activities and projects is an effective strategy to incentivise its Board and management and aligning their interests with shareholders of the Company.

The proposed number of Director/Management Performance Rights to be issued was determined having regard to the post-Transaction management structure of the Company and the desire to provide balanced incentives to the parties most likely to influence the future success of the Company and its projects.

Valuation

The Board has sought advice in respect of the methods for valuing the Director/Management Performance Rights. That advice, which considered the market applicable milestones only, indicated a value of **\$0.003 (0.3 cents)** per Director/Management Performance Right. This advice was provided on the basis of a grant date share price of \$0.005 (0.5 cents), being the share price on 31 March 2020, being the valuation date.

It is expressly noted that the advice did not take into account 'non-market conditions', namely the completion of the Transaction and the achievement of an inferred JORC resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project – both of which were assumed to have occurred for the purposes of the indicative value of the Director/Management Performance Rights referred to above. The Board understands that a market based valuation will not account for the probability of these commercial milestones, the probability of which are inherently difficult to predict and, in the view of the Board, the non-market conditions add considerable uncertainty to the Director/Management Performance Rights and would result in a lower valuation if they were able to be considered.

With respect to the market capitalisation applicable milestone, the below tables below demonstrates the market capitalisation of the Company having regard to the, the price at which shares are proposed to be issued under the Rights Issue (\$0.005) (which is also the share price on the valuation date) and the price at which the shares of the Company would need to trade to achieve the market capitalisation applicable milestone).

It is noted the below tables only account for 10,000,000 shares being issued to CMC, being the number to be issued at completion of the Transaction:

MINIMUM RAISING AMOUNT

Deemed price	\$0.005 (0.5 cent)	\$0.0297 (2.97 cents)
Market capitalisation (1,347,315,351 multiplied by the deemed price)	\$6,736,576	Approx. 40,000,000

MAXIMUM RAISING AMOUNT

Deemed price	\$0.005 (0.5 cent)	\$0.0241 (2.41 cents)
Market capitalisation (1,664,630,703 multiplied by the deemed price)	\$8,323,153	Approx. 40,000,000

The figures in the above tables is subject to rounding.

On the basis of the assumptions set out above, and having regarding for the market capitalisation milestone terms, the share price of the Company would need to maintain a minimum price as set out in the tables above for 20 consecutive trading days in order for the relevant Director/Management Performance Rights to vest. That price is significantly higher than the current share price as at the date of the Notice and the price at which shares are proposed to be issued under the Rights Issue.

Director (and proposed Director) remuneration

As set out on page 22:

- Stephen Layton receives \$4,000 per month as a director of the Company.
- Adrien Wing receives \$4,000 per month as a director of the Company and \$4,000 per month as the secretary of the Company (company secretary fees received via a corporate entity).

The remuneration to be received by Dudley Leitch following his appointment as a Director of the Company has yet to be determined and will be subject to negotiation between the Company and Dudley Leitch. It is noted, however, that such remuneration payable to Dudley Leitch shall not exceed \$10,000 per month for at least the first six (6) months following completion of the Transaction.

Related party's existing interest

The existing interests, interests following completion of the Transaction and interests following conversion of Director/Management Performance Rights of each of the related parties proposed to receive Director/Management Performance Rights at both the minimum and maximum capital raising amounts under the Rights Issue are set out in the table below:

Minimum raising

Recipient	Existing Shares	%	Post-Transaction Shares	Post-Transaction %	Post-conversion Shares	Post-conversion %
Stephen Layton	21,000,000	4.28%	42,000,000	3.12%	92,000,000	5.95%
Adrien Wing	21,000,000	4.28%	42,000,000	3.12%	92,000,000	5.95%
Dudley Leitch	Nil	0%	73,630,337	5.46%	106,963,670	6.91%
Total	42,000,000	9.56%	157,630,337	11.70%	290,963,670	18.81%

Maximum raising

Recipient	Existing Shares	%	Post-Transaction Shares	Post-Transaction %	Post-conversion Shares	Post-conversion %
Stephen Layton	21,000,000	4.28%	42,000,000	2.25%	92,000,000	4.93%
Adrien Wing	21,000,000	4.28%	42,000,000	2.25%	92,000,000	4.93%
Dudley Leitch	Nil	0%	90,717,862	5.45%	124,051,195	6.66%
Total	42,000,000	9.56%	174,717,862	9.95%	308,051,195	16.52%

All percentages are subject to rounding.

The above tables assume that Adrien Wing and Stephen Layton will subscribe for their full entitlement in shares under the Rights Issue (refer column titled “post-Transaction interest”), however it is noted for the benefit of shareholders that no commitment has been made by either or both of Adrien Wing and/or Stephen Layton to subscribe for their full entitlement under the Rights Issue. The above table also assumes that only 10,000,000 shares are issued to CMC, being the number of shares to be issued upon completion of the Transaction. The above tables also do not take into account any shares subscribed for by and issued to either or both of Adrien Wing and/or Stephen Layton from the shortfall of the Rights Issue.

Dilutive effect of the issue of Director/Management Performance Rights

The issue of Director/Management Performance Rights will not result in the dilution of the shareholders of the Company prior to the conversion of such Director/Management Performance Rights to fully paid ordinary shares (which is subject to vesting and satisfaction of an applicable milestone).

The potential dilutive impact of the conversion of Director/Management Performance Rights at both the minimum and maximum raising amounts of the Rights Issue is set out in the table below. The table assumes that the example shareholder subscribes for their full entitlement under the Rights Issue. If a shareholder does not subscribe for their full entitlement then their interest in the shares in the Company will be diluted by completion of the Rights Issue:

Minimum raising

Example Shareholder Post-Transaction Shares	Post-Transaction %	Post-conversion %
10,000,000	0.74%	0.65%
20,000,000	1.48%	1.29%
40,000,000	2.97%	2.59%
60,000,000	4.45%	3.88%
80,000,000	5.94%	5.17%
100,000,000	7.42%	6.46%

Maximum raising

Example Shareholder Post-Transaction Shares	Post-Transaction %	Post-conversion %
10,000,000	0.60%	0.54%
20,000,000	1.20%	1.07%
40,000,000	2.40%	2.15%
60,000,000	3.60%	3.22%
80,000,000	4.81%	4.29%
100,000,000	6.01%	5.36%

All percentages are subject to rounding.

Director recommendations

The Directors do not make any recommendation with respect to the issue of Director/Management Performance Rights to Stephen Layton and Adrien Wing, as such recommendation regarding the remuneration of the Directors of the Company may be a conflict of interest (as set out in ASIC guidance set out on page 25 of ASIC Regulatory Guide 76).

All Directors recommend shareholders vote in favour of Resolution 3C and the issue of Director/Management Performance Rights to Dudley Leitch on the basis the proposed issue has a nexus to the Transaction which Dudley Leitch helped facilitate and is reasonable in the context of the relevant vesting condition and applicable milestone(s) to the Director/Management Performance Rights.

Background to Resolutions 4A to 4B

Resolutions 4A and 4B seek shareholder approval for Adrien Wing and Stephen Layton, each of whom is a director of the Company (and/or their nominee(s)) to have the right, but not the obligation, to subscribe for shares from the shortfall of the Rights Issue (if any).

Details of the proposed subscribers, the maximum number of shares under the shortfall they may subscribe for and the maximum subscription amount are set out in the table below:

#	Subscriber *	Maximum shares	Max subscription
4A	Adrien Wing	20,000,000	\$100,000
4B	Stephen Layton	20,000,000	\$100,000
	Total	40,000,000	\$200,000

**may be issued to a nominee(s) of a subscriber*

The approvals sought under Resolutions 4A and 4B will only have effect if Adrien Wing and/or Stephen Layton (and/or their respective nominee(s)) subscribe for and receive shares from the shortfall of the Rights Issue.

There is no guarantee that a certain number of shares from the shortfall of the Rights Issue will be available to and subscribed for by either or both of Adrien Wing and Stephen Layton (and/or their respective nominee(s)) and there is no guarantee a certain number of shares will be issued to them, or any at all.

Details of the shortfall allocation policy were set out in the Offer Document for the Rights Issue that was released as an announcement to ASX on 1 April 2020.

ASX Listing Rules – Resolutions 4A and 4B

ASX Listing Rule 10.11 requires a company to obtain shareholder approval by ordinary resolution prior to the issue of securities to a related party of the company. For the purpose of Listing Rule 10.11, a related party includes a director of the company, an entity over which a Director has control and an entity which ASX believes, or has reasonable grounds to believe, is likely to become a related party of the company in the future.

Shareholder approval is being sought under Listing Rule 10.11 for each of Resolutions 4A and 4B and as such approval is not required under ASX Listing Rule 7.1.

If shareholders pass Resolutions 4A and 4B and the Acquisition Resolutions, each of Adrien Wing and Stephen Layton (and/or their nominee(s)) will have the right, but not the obligation, to subscribe for and receive shares from the shortfall of the Rights Issue. The issue of shares from the shortfall will increase the Company's capacity to issue equity securities under ASX Listing Rule 7.1 (and, subject to the relevant shareholder approval being held at the time, ASX Listing Rule 7.1A). It is noted, however, that even if shareholders approve Resolutions 4A and/or 4B there is no guarantee that a certain number of shares from the shortfall of the Rights Issue will be available to and subscribed for by either or both of Adrien Wing and Stephen Layton (and/or their respective nominee(s)) and there is no guarantee a certain number of shares will be issued to them, or any at all.

If shareholders do not pass Resolutions 4A and 4B then Adrien Wing and/or Stephen Layton will not be able to subscribe for shares from the shortfall of the Rights Issue (if any).

ASX Listing Rule 10.13 requires the meeting documents concerning a proposed resolution to approve an issue of securities in accordance with ASX Listing Rule 10.11 must include specific information which is set out below with respect to Resolutions 4A and 4B:

- (a) Details of the proposed subscribers, the maximum number of shares under the shortfall they may subscribe for and the maximum subscription amount are set out in the table below:

#	Subscriber *	Maximum shares	Max subscription
4A	Adrien Wing	20,000,000	\$100,000
4B	Stephen Layton	20,000,000	\$100,000
	Total	40,000,000	\$200,000

**may be issued to a nominee(s) of a subscriber*

The approvals sought under Resolutions 4A and 4B will only have effect if Adrien Wing and/or Stephen Layton (and/or their respective nominee(s)) subscribe for and receive shares from the shortfall of the Rights Issue.

There is no guarantee that a certain number of shares from the shortfall of the Rights Issue will be available to and subscribed for by either or both of Adrien Wing and Stephen Layton (and/or their respective nominee(s)) and there is no guarantee a certain number of shares will be issued to them, or any at all.

- (b) Each of Adrien Wing and Stephen Layton are Directors of the Company and are therefore related parties for the purposes of ASX Listing Rule 10.11.1.
- (c) Shares issued from the shortfall of the Rights Issue will, upon issue, have the same terms as and rank equally with the other fully paid ordinary shares on issue in the Company.
- (d) The Company proposes issuing the shares from the shortfall of the Rights Issue the subject of Resolutions 4A and 4B shortly following the Meeting and in any event no later than 1 month after the date of the Meeting (or such later date as may be permitted by an ASX waiver of the Listing Rules, the Corporations Act and/or ASIC).
- (e) Shares from the shortfall of the Rights Issue will be issued at an issue price of \$0.005 (0.5 cents) each.
- (f) A maximum of \$200,000 would be raised from the issue of the maximum number of shares under Resolutions 4A and 4B collectively (\$100,000 per Resolution). Funds raised (if any) will be applied in accordance with the use of funds for the Rights Issue as described on page 15 of this Memorandum.
- (g) Details of the remuneration package of each of Stephen Layton and Adrien Wing are as set out below:
 - (i) Stephen Layton: \$4,000 per month as a director of the Company.
 - (ii) Adrien Wing: \$4,000 per month as a director of the Company and \$4,000 per month as the secretary of the Company (company secretary fees received via a corporate entity).
- (h) A voting exclusion for Resolutions 4A and 4B is contained in the Notice.

Corporations Act – Chapter 2E

Section 208 of the Corporations Act provides that a public company must not, subject to certain exceptions, give a financial benefit to a related party without approval of the company's members. Section 228 of the Corporations Act defines a "related party" for the purposes of Chapter 2E to include:

- directors of the public company (section 228(2)(a)); and
- an entity controlled by directors of the public company (section 228(4)).

Each of Adrien Wing and Stephen Layton are Directors of the Company and are therefore related parties and the right to subscribe for shares from the shortfall of the Rights Issue constitutes the giving of a financial benefit.

Section 210 of the Corporations Act provides an exception to the requirement to obtain shareholder approval for giving a financial benefit to a related party where the financial benefit is on terms that would be reasonable if the company and the related party were dealing at arm's length.

The Company considers the proposed issue of shares from the shortfall of the Rights Issue for which shareholder approval is sought under Resolutions 4A and 4B is on arms' length terms. This view was formed on the basis that the shares from the shortfall of the Rights Issue are, if subscribed for by Adrien Wing and/or Stephen Layton (and/or their nominee(s)), proposed to be issued on the same terms as unrelated shareholders and third-parties who subscribe for shares from the shortfall of the Rights Issue.

Each of Adrien Wing and Stephen Layton were not present during any discussion and/or determination of the proposal to put the grant of the right to subscribe for shares from the shortfall of the Rights Issue to shareholders for approval.

If Resolutions 4A and 4B are passed, each of Adrien Wing and Stephen Layton will have the right, but not the obligation, to subscribe for up to 20,000,000 shares (maximum subscription of \$100,000 each) from the shortfall of the Rights Issue (if any).

Resolution 5 – the Company acquiring a relevant interest in its own securities

As announced by the Company to ASX on 17 February 2020, approximately 97% of the Consideration Shares issued to the Sun Vendors will be voluntarily escrowed for 24 months from completion of the Transaction. The Company will acquire a relevant interest in its own securities as a resolution of the voluntary escrow of Consideration Shares issued to the Sun Vendors.

Further details are set out throughout this Memorandum and in particular in Annexure D.

Resolution 5 seeks shareholder approval for the Company to acquire a relevant interest in up to 40% of its own voting shares arising from the voluntary escrow of approximately 97% of the Consideration Shares. The Company anticipates the percentage of the voting shares of the Company represented by the Consideration Shares that are proposed to be subject to voluntary escrow will be approximately 40%, rounding up.

For the avoidance of doubt, shareholder approval for the Company to acquire a relevant interest in its own securities is not a condition of the Transaction.

If shareholders do not approve Resolution 5 then the Company will not enter into voluntary escrow arrangements in respect of approximately 97% of the shares issued to the Sun Vendors. The Company will, however, negotiate with the Sun Vendors to voluntarily escrow the maximum number of Consideration Shares possible without breaching the 20% limit contained in section 606 of the Corporations Act.

In addition, the Consideration Shares proposed to be subject to voluntary escrow will only be issued if, amongst other matters, the Acquisition Resolutions are passed and accordingly this Resolution 5 will not be acted upon by the Company if any of the Acquisition Resolutions are not passed by shareholders.

Note: unless otherwise specified, all monetary amounts are in Australia dollars.

ANNEXURE A

SUMMARY OF TRANSACTION DOCUMENTATION

Mithril has entered into a binding Share Sale Agreement with Sun Minerals and the Sun Vendors setting out the terms of the Transaction. A summary of key terms of the Share Sale Agreement and the Transaction is set out below:

1. Conditions

Completion of the Transaction is conditional upon each of the following being satisfied or waived (each being a **Condition**):

- (a) **Concessions:** The concessions forming Copalquin being in good standing and none of these concessions being withdrawn or revoked by the relevant statutory bodies.
- (b) **Validity of Option:** Sun Minerals providing evidence to the reasonable satisfaction of Mithril that:
 - (i) The terms of the Option are as described by Sun Minerals to Mithril;
 - (ii) The Option is and remains in full force and effect as at completion and Sun Minerals is in compliance with the terms of the Option at completion of the Transaction; and
 - (iii) Sun Minerals has done all things necessary to ensure that the Option continues to be in full force and effect following completion of the Transaction, including obtaining the consent of CMC to the change of control in Sun Minerals occasioned by the Transaction (as applicable).
- (c) **Variation of Option:** Execution by required parties of documentation to the reasonable satisfaction of Mithril to give effect to variation of the terms of the Option including to the extent necessary to accommodate the earn-in structure and other variations to the Option as required by Mithril acting reasonably.
- (d) **Mithril Approvals:** Mithril obtaining all necessary regulatory and other approvals or waivers required to complete the Transaction.
- (e) **Mithril Shareholder Approvals:** Mithril obtaining all necessary shareholder approvals required for the completion of the Transaction, including without limitation shareholder approval to:
 - (i) issue the Consideration Shares in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth).
 - (ii) Issue 10 million shares to CMC (or its nominee(s)).
 - (iii) appoint the board nominee of Sun Minerals as a new Director of Mithril, with effect on and from completion of the Transaction.
 - (iv) grant any additional items which may be agreed by the parties in writing or as required by any regulatory body (including ASIC and/or ASX).

- (f) **Sun Minerals Approvals:** Sun Minerals obtaining all necessary shareholder, regulatory and other approvals or waivers required to complete the Transaction.
- (g) **Capital Raising:** Mithril raising not less than \$1.5 million under the Rights Issue.
- (h) **Material Adverse Event:** There being no material adverse change or event occurring prior to the date of completion of the Transaction, including without limitation a change in Sun Minerals, the Option and/or the concessions forming Copalquin which adversely affects the rights or interests proposed to be acquired by Mithril under the Terms Sheet.

All Conditions must be satisfied on or before 5 Business Days after completion of the Rights Issue (which may be extended by written agreement between Mithril and Sun Minerals). As announced on 20 December 2019, the Company has satisfactorily completed its due diligence investigations in respect of the Transaction.

The parties will act in good faith and provide reasonable assistance to each other as necessary to seek to enter into formal documentation required and satisfy the Conditions and complete the Transaction as expediently as possible. Unless otherwise agreed by the parties, where a Condition is not satisfied (or waived) by its required date then either Mithril or Sun Minerals may terminate the Terms Sheet by written notice to the other parties, provided that a party may not terminate the Terms Sheet under this paragraph (and must agree to reasonable extensions of the timeframes for satisfaction of the relevant Condition/s) where that party's actions or inactions are the substantive cause of the non-satisfaction of the relevant Condition/s.

2. Purchase Price

The consideration payable by Mithril for the purchase of all the issued share capital of Sun Minerals comprises an aggregate total of between a minimum of 546,926,140 up to a maximum 673,852,281 fully paid ordinary Mithril shares (being the Consideration Shares), which will account for 40% of the expanded share capital of Mithril following completion of the Transaction (including the Rights Issue and the issue of 30 million shares to CMC).

Subject to and upon completion of the Transaction, Sun Minerals shall also have the right to nominate an individual to be appointed as a Director (Executive Chairman) of Mithril (subject to receipt of a valid consent to act and, if required, shareholder approval) and to nominate an individual to be appointed to a lead management role in Mithril in respect of the exploration of Copalquin.

3. Warranties

The Share Sale Agreement contains warranties that are customary to a transaction of this nature and are underpinned by indemnities, including:

- (a) warranties from each of the Sun Vendors regarding title, standing and ownership of the shares they hold in Sun Minerals, including that such shares are free from encumbrances;
- (b) warranties from all parties regarding their respective capacity to enter into and complete the formal documentation and the Transaction;

- (c) warranties from key Sun Vendors identified by Mithril with respect to Copalquin, the Option, the business and financial position of Sun Minerals and such other warranties typical for a transaction of this nature; and
- (d) warranties from Mithril to Sun Minerals with respect to the business and financial position of Mithril and such other warranties typical for a transaction of this nature.

4. Maintaining the status quo

Pending completion of the Transaction, Sun Minerals agrees (amongst other things) to manage, operate and conduct Sun Minerals' business with all due care in accordance with normal practice and in compliance with all applicable laws and use its best endeavours to maintain the value of the Sun Minerals' business and assets. Sun Minerals also agrees not to enter into any material contract or incur any material liability, declare any dividends or vary its capital structure without the prior written consent of Mithril.

5. Other

Otherwise, the Share Sale Agreement contains clauses typical for binding agreements of this nature including provisions with respect to confidentiality and the law of Victoria, Australia governing the Share Sale Agreement.

ANNEXURE B

SUMMARY OF THE OPTION

A summary of the Option held by Sun Minerals (or its subsidiary) is set out below. The summary includes variations that are anticipated to be required to be made to the Option to accommodate the Transaction.

References in this summary to “Sun Minerals” includes any subsidiary of Sun Minerals who holds the rights under the Option.

The below summary has been prepared on the basis of information provided by Sun Minerals to Mithril.

Upon completion of the Transaction, Mithril will (indirectly through its ownership of Sun Minerals) acquire an Option to earn up to a 100% interest in the concessions forming Copalquin as set out below:

- (a) At completion of the Transaction, Mithril shall pay US\$200,000 and issue 10 million fully paid Mithril shares to CMC, upon which Sun Minerals will hold a 10% interest in the concessions forming Copalquin.
- (b) If, on or before 7 August 2023, Sun Minerals:
 - (i) incurs expenditure of US\$4 million on Copalquin, and procures the issue of 10 million fully paid Mithril shares to CMC (and/or its nominee), Sun Minerals will hold a 25% interest in the concessions forming Copalquin; and
 - (ii) incurs further expenditure of US\$4 million (aggregate expenditure of US\$8 million) on Copalquin, and procures the issue of 10 million fully paid Mithril shares to CMC (and/or its nominee), Sun Minerals will hold a 50% interest in the concessions forming Copalquin.

The interest of CMC in the concessions forming Copalquin shall be free-carried until the earlier of Sun Minerals completing the acquisition of 100% of the concessions forming Copalquin or Sun Minerals electing to withdraw from the concessions forming Copalquin.

- (c) At any time on or before 7 August 2023, Sun Minerals may make a cash payment of US\$10 million to CMC (and/or its nominee) to acquire the remaining interests then held by CMC. CMC may, subject to necessary shareholder approvals and other authorisations (including regulatory consents and/or approvals), elect to receive the US\$10 million (in whole or in part) through the issue of fully paid Mithril shares at a deemed issue price per share of a 10% discount for the then 20-day VWAP of fully paid Mithril shares on ASX, ending on the trading day immediately before any such election and Sun Minerals will procure that Mithril issues those fully paid Mithril shares (subject to any required approvals and authorisations) as soon as reasonably practicable.

Following payment of the US\$10 million (in cash, fully paid Mithril shares or a combination of both) Mithril will (either itself or via Sun Minerals) hold a 100% interest in the concessions forming Copalquin.

The variation to the documentation underpinning the Option to accommodate the Transaction and the earn-in structure set out above forms a condition of completion of the Transaction.

Further details of the other terms of the Option are set out below:

- (a) Sun Minerals is required to make bi-annual payments to the vendors of US\$150,000 during the term of the earn-in as a means to preserve the option.

- (b) Failure to pay all mining duties and other payments due under the Option following acquisition of a 50% interest in the concessions forming Copalquin will be a breach of the Option and require surrender of the interest held by Sun Minerals in the concessions forming Copalquin.
- (c) Upon Sun Minerals acquiring a 100% interest in the concessions forming Copalquin, it grants to CMC a right to receive a royalty of the net smelter returns of 2.5%, calculated and paid for all the sales of minerals and products of the concessions (**NSR**). Sun Minerals may exercise a right to reduce the NSR to 1% by paying CMC US\$4.5 million at any time prior to 6 August 2022. During the term of the royalty until production commences Sun Minerals is required to make bi-annual payments of US\$75,000 to CMC. This payment is not required to be made if Sun Minerals exercises its right to reduce the NSR.

ANNEXURE C

TERMS OF DIRECTOR/MANAGEMENT PERFORMANCE RIGHTS

Reference in this Annexure C to a "Performance Right" is to a Director/Management Performance Right.

- (a) Subject to (b), a Performance Right is a right to receive a fully paid ordinary share in the capital of the Company (**Share**) subject to satisfaction of an Applicable Milestone (refer (b) below).
- (b) Performance Rights shall vest upon completion by the company of the acquisition of all the issued capital of Sun Minerals Pty Ltd. Unvested Performance Rights are not convertible to Shares upon satisfaction of an Applicable Milestone prior to vesting. Performance Rights that are unvested as at the date that is 3 months after the Meeting shall immediately lapse. Performance Rights shall be deemed to immediately vest upon a change of control set out in (l) of these terms.
- (c) Subject to (b), a Performance Right shall convert to a Share upon and subject to either:
 - a. determination by a geological consultant of an Inferred JORC Resource of 5.443Mt at a combined AuEq grade of not less than 4g/t for 700koz Au (or AuEq) on the Copalquin Project; or
 - b. Mithril achieving a market capitalisation equal to or greater than A\$40,000,000 for a period of 20 consecutive trading days on which the securities of the Company traded.

each being an **Applicable Milestone**.

- (d) A Performance Right for which an Applicable Milestone has not been satisfied lapses on the date which is four (4) years from vesting of that Performance Right (**Lapse Date**).
- (e) A Performance Right does not entitle the holder to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company.
- (f) A Performance Right does not entitle the holder to any dividends.
- (g) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.
- (h) A Performance Right is not transferable unless otherwise determined by the Board or a delegate of the Board.
- (i) A Performance Right does not lapse upon the termination or resignation of the holder.
- (j) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.
- (k) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right into a Share in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.
- (l) Subject to compliance with applicable law (including the ASX Listing Rules as they apply to the Company), Performance Rights shall immediately convert to Shares upon a Change of Control occurring.

Change of Control means:

- a. a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in over 50% of the Company's issued shares;
 - b. the sale of all or substantially all of the assets of the Company;
 - c. a court approves under section 411(4)(b) of the Corporations Act, a proposed compromise arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or
 - d. in any other case, a person obtains voting power in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring the voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.
- (m) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (n) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.
- (o) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.
- (p) Subject to paragraph (q) below, a Performance Right will convert into a Share upon the achievement of an Applicable Milestone to that Performance Right prior to the Lapse Date. An Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.
- (q) In the event an Applicable Milestone is satisfied prior to the Lapse Date, Performance Rights held by a Holder will convert into an equal number of Shares.
- (r) If an Applicable Milestone for a Performance Right is not achieved by the Lapse Date, all Performance Rights will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.
- (s) The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.
- (t) The conversion of Performance Rights is subject to compliance at all times with the ASX Listing Rules if the Company is listed on ASX at the relevant time and the Corporations Act.

ANNEXURE D

INFORMATION WITH RESPECT TO ACQUISITION OF A RELEVANT INTEREST

Relevant interest – voluntary escrow

As announced by the Company to ASX on 17 February 2020, approximately 97% of the Consideration Shares issued to the Sun Vendors are proposed to be voluntarily escrowed for 24 months from completion of the Transaction.

For the purposes of this Annexure D the Consideration Shares proposed to be subject to voluntary escrowed are referred to as the **Escrowed Shares**. The actual number of Escrowed Shares, and accordingly the percentage of the voting shares of the Company represented by the Escrowed Shares, will not be known until completion of the Transaction. The Company anticipates, however, that the Escrowed Shares will represent approximately 40% (rounding up) of the issued voting shares of the Company at completion of the Transaction.

The Company is deemed under the Corporations Act to have a relevant interest in any securities that are subject to disposal restrictions (escrow). Accordingly, the Company will be deemed to have a relevant interest in the Escrowed Shares subject to voluntary escrow for a period of 24 months from completion of the Transaction.

The relevant interest of the Company in its own securities arises with respect to the imposition of disposal restrictions only and, subject to compliance with the relevant terms of the voluntary escrow arrangements, all other rights and benefits remain with the holder of the securities.

Noting the above, the Company is seeking shareholder approval pursuant to item 7 of section 611 of the Corporations Act to allow the Company to obtain a relevant interest in the Escrowed Shares arising from the voluntary escrow of such Escrowed Shares for 24 months from completion of the Transaction.

As noted above, the Escrowed Shares are anticipated to represent approximately 40% of the voting shares of the Company following completion of the Transaction, rounding up. If shareholders do not approve Resolution 5, the Company will negotiate with the Sun Vendors to voluntarily escrow the maximum number of Escrowed Shares possible without breaching the 20% limit contained in section 606 of the Corporations Act.

Agreement to voluntary escrow

The Company and Sun Vendors who will collectively hold the Escrowed Shares upon completion of the Transaction have agreed to voluntary escrow of these Escrowed Shares for a period of 24 months from completion of the Transaction. A holding lock preventing disposal for this period will be applied to the Escrowed Shares at the time of issue. A summary of the terms of the voluntary escrow agreement entered into by the Company and each of the Sun Vendors who hold Escrowed Shares to be subject to voluntary escrow is set out below.

Release of holding lock

Other than in respect of the specific circumstances set out below in terms of restriction on disposal, the voluntary escrow on the Escrowed Shares will end and the holding lock will be removed upon lapse of the relevant escrow period (subject to receipt of all required approvals to release the holding lock).

Corporations Act – deemed relevant interest

The Act provides that:

- (a) a person is taken to have a relevant interest in securities if the person, amongst other things, has power to dispose of, or control the exercise of power to dispose of, those securities;

- (b) a person's voting power is based on the number of voting shares that person (or their associates) has a relevant interest in, even if the person's relevant interest in voting shares is based on control over disposal of the shares (rather than control over voting rights attached to the shares; and
- (c) a body corporate may have a relevant interest in its own securities.

The voluntary escrow of Escrowed Shares will impose disposal restrictions. The Company will therefore be deemed to have acquired a relevant interest in Escrowed Shares that will be subject to voluntary escrow.

The voluntary escrow of the Escrowed Shares will result in the Company having a relevant interest in more than 20% of the then issued voting shares of the Company and therefore shareholder approval is required for the Company to obtain a relevant interest in its own securities.

The relevant interests arise in respect of direct or indirect disposal restrictions only, and while the holder is in compliance with the terms of the voluntary escrow all other benefits, including voting and dividend rights, remain with the holder.

No associate of the Company will acquire any relevant interest in issued voting shares of the Company as a result of the voluntary escrow. Following expiration of the escrow period applicable to the Escrowed Shares the Company will no longer have a relevant interest in the Escrowed Shares.

Terms of restriction on disposal

The disposal restrictions imposed on those shares subject to voluntary escrow are set out below:

- (a) Escrowed Shares will be subject to the holding lock until the earlier of 24 months from completion of the Transaction or the occurrence of one of the circumstances set out in (b) below; and
- (b) the holding lock on the Escrowed Shares will be released if one of the following occurs prior to the expiration of the applicable voluntary escrow period applicable:
 - (i) acceptance of a bona fide takeover bid made under Chapter 6 of the Act in respect of the Escrowed Shares; or
 - (ii) the transfer or cancellation of the Escrowed Shares as part of a scheme relating to the Company under part 5.1 of the Act; or
 - (iii) the transfer is required by applicable law, including a court order.

The disposal restrictions only affect disposal and all other rights and benefits remain with the holder.

Calculation of relevant interest

As noted above, the Escrowed Shares are anticipated by the Company represent approximately 40% of the voting shares of the Company following completion of the Transaction, rounding up.

The Company has no relevant interest in its own securities as at the date of the Meeting. The relevant interest of the Company in its own voting shares will increase to approximately 40% as a result of the voluntary escrow of the Escrowed Shares at completion of the Transaction.

The relevant interest held by the Company will reduce to zero upon expiration of the voluntary escrow period in respect of the Escrowed Shares, subject to the escrow of any further shares.

As at the date of this Notice, the Company is not aware of any proposed future escrow arrangements other than those in respect of the Escrowed Shares.

The two tables below show the number of Escrowed Shares and the percentage relevant interest to be acquired by the Company as a result of the voluntary escrow of the Escrowed Shares at each of the minimum and maximum raising amounts under the Rights Issue, each being at completion of the Transaction:

Minimum raising amount under Rights Issue

	Number (% of total)
Consideration Shares	546,926,140 (40.59%)
Escrowed Shares	533,672,679 (39.61%)
Total shares in which the Company has a relevant interest	533,672,679 (39.61%)
Total shares *	1,347,315,351 (100%)

Includes minimum number of shares under the Rights Issue and the Transaction and 10,000,000 shares to be issued to CMC.

Maximum raising amount under Rights Issue

	Number (% of total)
Consideration Shares	673,852,281 (40.47%)
Escrowed Shares	657,523,066 (39.50%)
Total shares in which the Company has a relevant interest	657,523,066 (39.50%)
Total shares *	1,664,630,703 (100%)

Includes minimum number of shares under the Rights Issue and the Transaction and 10,000,000 shares to be issued to CMC.

The actual number of Consideration Shares issued, and therefore the number of Escrowed Shares issued, will not be known until after completion once the Company has closed the Rights Issue. Accordingly, the above tables are indicative only. The Company will release materials to ASX upon the acquisition of a relevant interest in the Escrowed Shares as required by the substantial holding disclosure requirements of the Corporations Act.

As noted above, following expiration of the escrow imposed on the Escrowed Shares, the Company will no longer have a relevant interest in the Escrowed Shares.

The relevant interest of the Company in its own securities will be reduced upon the issue of any further ordinary shares and/or conversion of any existing and/or future convertible securities to fully paid ordinary shares (unless such shares are also subject to disposal restrictions (escrow)).

Purpose of voluntary escrow

The purpose of the voluntary escrow of the Escrowed Shares is to align the interests of those Sun Vendors who hold Escrowed Shares with all shareholders of the Company and to demonstrate a commitment on behalf of those Sun Vendors who hold Escrowed Shares to the business and operations of the Company following completion of the Transaction.

Mandatory ASX escrow

The Company does not expect that ASX will impose any mandatory escrow on the Consideration Shares, including the Escrowed Shares. Accordingly, the only escrow expected to be in effect as at completion of the Transaction in relation to the Consideration Shares (including the Escrowed Shares) is as described in this Schedule D.

This position is subject to the discretion of ASX to impose mandatory escrow on shares of the Company (including the Escrowed Shares). The Company will not have a relevant interest in any shares upon which ASX imposes mandatory escrow due to the operation of ASIC Class Order 13/520 and, accordingly, its relevant interest in its own shares will not increase as a result of any escrow imposed by ASX.

Need assistance?



Phone:
1300 850 505 (within Australia)
+61 3 9415 4000 (outside Australia)



Online:
www.investorcentre.com/contact



YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **10:00am (AEST)** Monday 11 May 2020.

Proxy Form

How to Vote on Items of Business

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

APPOINTMENT OF PROXY

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

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

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

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

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

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

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

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

ATTENDING THE MEETING

At the date of this Notice, due to restrictions applicable in Victoria as a result of COVID-19, it is not possible to convene the Meeting physically. While the COVID-19 situation remains volatile and uncertain, based on the best information available to the Board at the time of this Notice, the Company intends to decide the outcome of voting on the resolutions in the Notice by proxy voting, submitted ahead of the Meeting, only. Please see the accompanying Notice of General Meeting for more information.

Lodge your Proxy Form:

XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia



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

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

Proxy Form

Please mark ☒ to indicate your directions

Step 1 Appoint a Proxy to Vote on Your Behalf

XX

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

☐ the Chairman of the Meeting **OR**

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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the General Meeting of Mithril Resources Ltd to be held at Level 17, 500 Collins Street, Melbourne VIC 3000 on Wednesday, 13 May 2020 at 10:00am (AEST) and at any adjournment or postponement of that meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Items 3A and 3B (except where I/we have indicated a different voting intention in step 2) even though Items 3A and 3B are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Items 3A and 3B by marking the appropriate box in step 2.

Step 2 Items of Business

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

		For	Against	Abstain			For	Against	Abstain
1	Approval for issue of shares - Sun Minerals Vendors	☐	☐	☐	4A	Approval for Director to participate in rights issue shortfall - Adrien Wing	☐	☐	☐
2	Approval for issue of shares - Compania Minera Copalquin S.A de C.V	☐	☐	☐	4B	Approval for Director to participate in rights issue shortfall - Stephen Layton	☐	☐	☐
3A	Approval for issue of Performance Rights - Stephen Layton	☐	☐	☐	5	Approval for acquisition of a relevant interest - The Company	☐	☐	☐
3B	Approval for issue of Performance Rights - Adrien Wing	☐	☐	☐					
3C	Approval for issue of Performance Rights - Dudley Leitch	☐	☐	☐					
3D	Approval for issue of Performance Rights - Hall Stewart	☐	☐	☐					
3E	Approval for issue of Performance Rights - John Skeet	☐	☐	☐					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made

Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director & Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

/ /

Date

Update your communication details (Optional)

Mobile Number

Email Address

By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

MTH

2 6 2 8 0 9 A



Computershare

