

MITHRIL RESOURCES LIMITED

[ACN 099 883 922]

1 FOR 1 RIGHTS ISSUE OFFER DOCUMENT

1 FOR 1 PRO RATA NON-RENOUNCEABLE RIGHTS ISSUE AT AN ISSUE PRICE OF 0.5 CENTS (\$0.005) PER NEW SHARE TO RAISE A MINIMUM OF \$1.5 MILLION UP TO A MAXIMUM OF APPROXIMATELY \$2.45 MILLION (BEFORE COSTS).

THE OFFER IN THIS OFFER DOCUMENT IS NOT UNDERWRITTEN

This is an important document and requires your immediate attention. It should be read in its entirety.

IMPORTANT NOTICES

This Offer Document is dated 1 April 2020. Capitalised terms in these important notices have the meaning given to them in this Offer Document.

The Offer is being made without a prospectus in accordance with section 708AA Corporations Act. This Offer Document does not contain all of the information which a prospective investor may require to make an informed investment decision. The information in this Offer Document does not constitute financial product advice and does not take into account your investment objectives, financial situation or particular needs.

This Offer Document is important and should be read in its entirety before deciding to participate in the rights issue. This Offer Document is not a prospectus under the Corporations Act and has not been lodged with ASIC.

By returning an Entitlement and Acceptance Form or otherwise paying for New Shares through BPAY in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge you have read this Offer Document and you have acted in accordance with and agree to the terms of the Offer set out in detail in this Offer Document.

No overseas offering

This Offer Document and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Offer Document does not constitute an offer to ineligible shareholders.

No action has been taken to register or qualify the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction outside Australia or New Zealand.

The distribution of this Offer Document (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of this Offer Document, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the Offer of New Shares is being made in reliance on the

Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Offer Document has not been registered, filed with or approved by a New Zealand regulatory authority. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The offer of securities to the MTH shareholders in New Zealand is made in compliance with relevant Australian laws.

No representations

No person is authorised to give any information or to make any representation in connection with the Offer not contained in this Offer Document. Any information or representation in connection with the rights issue not contained in this Offer Document may not be relied upon as having been authorised by MTH or any of its officers.

Risks

Investors should consider that an investment in the New Shares and MTH generally is speculative.

Refer to section 3 of this Offer Document for a summary of general and specific risk factors that may affect MTH.

SUMMARY OF THE OFFER

Capitalised terms in this summary of the Offer have the meaning given to them in this Offer Document.

KEY INVESTMENT DETAILS

New Share issue price (each 1 New Share will be issued)	0.5 cents (\$0.005)
Ratio	1 New Share for every share held at the Record Date (1:1 basis)
Existing MTH shares on issue	490,389,211
Minimum number of New Shares to be issued under the Offer	300,000,000
Minimum amount raised under the Offer (before costs)	\$1.5 million
Maximum number of New Shares to be issued under the Offer	490,389,211
Maximum amount raised under the Offer (before costs)	Approximately \$2.45 million

Funds raised by the Offer are proposed to be applied as follows as the minimum and maximum raising amounts:

USE:	Minimum (\$1.5 million)	Maximum (\$2.45 million)*
Expenditure on the Copalquin Project	\$1,050,000	\$2,000,000
Expenditure on existing projects	\$250,000	\$250,000
Additional working capital, costs of the Offer	\$200,000	\$200,000
TOTAL	\$1,500,000	\$2,450,000

** Subject to rounding.*

The above table is indicative only and is subject to change, however as shown in the above table it is the intention of the Company as at the date of this Offer Document to deploy funds raising above the minimum raising amount for exploration on the Copalquin Project. The Company reserves the right to deploy funds raised under the Rights Issue other than as set out above at the discretion of the Board so as to reflect the priorities of the Company at the time of deployment.

CAPITAL STRUCTURE

The capital structure of the Company following completion of the Offer is dependent upon the number of New Shares issued under the Offer.

The below table shows the impact of the Offer if the minimum amount of \$1.5 million is achieved:

	Number	%
Existing shares	490,389,211	62.05%
New Shares offered under the Offer	300,000,000	37.95%
Total shares	790,389,211	100%

Full subscription of the Offer will result in the Company doubling its existing share capital as described below:

	Number	%
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Existing shares	490,389,211	50%
New Shares offered under the Offer	490,389,211	50%
Total shares	980,778,422	100%

The actual impact of the Offer on the existing capital structure of the Company will not be known until such time as the Company closes the Offer and completes the issue of any Shortfall.

The Company proposes issuing the New Shares prior to, or simultaneously with, completion of the Transaction (although completion of the Transaction is not a condition of issue of New Shares), however the Company proposes to issue the New Shares under the Offer only if it:

- (a) is satisfied that all conditions to the Transaction other than the capital raising condition are satisfied; and
- (b) has obtained subscriptions under the Offer and binding and irrevocable commitments for any Shortfall Shares which, in aggregate, represent a subscription amount of not less than \$1.5 million.

The Company may, however, issue New Shares under the Offer prior to the issue of Shortfall Shares so as to comply with the timetable requirements for entitlement issues under the ASX Listing Rules.

The below tables sets out the proposed capital structure of the Company:

- following subscriptions under the Offer equalling \$1.5 million (being the minimum raising amount); or
- following full subscription of the Offer of approximately \$2.45 million (being the maximum raising amount),

and the completion of the Transaction in combination. The collective number of consideration shares to be issued to the Sun Vendors will be equal to 40% of the issued ordinary share capital of the Company following issue of shares under the Offer, issue of shares under the Transaction and assuming the issue of 30,000,000 shares to CMC:

Minimum raising amount

	Number	% ²
Existing shares	490,389,211	35.87%
New Shares offered under the Offer	300,000,000	29.94%
Consideration shares under the Transaction	546,926,140 ³	40.00%
Shares to CMC (defined in this Offer Document) ¹	30,000,000	2.19%
Total shares	1,367,315,351	100%

Maximum raising amount

	Number	% ²
Existing shares	490,389,211	29.11%
New Shares offered under the Offer	490,389,211	29.11%
Consideration shares under the Transaction	673,852,281 ³	40.00%
Shares to CMC (defined in this Offer Document) ¹	30,000,000	1.78%

Total shares	1,684,630,703	100%
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Notes to tables:

- (1) 10,000,000 shares to be issued to CMC at completion of the Transaction, further 20,000,000 shares may be issued under the terms of the Option. The above tables show the capital structure if all 30,000,000 shares are issued to CMC.
- (2) Percentages are subject to rounding.
- (3) The actual capital structure is dependent upon the total number of shares issued under the Offer and, as a result, the number of consideration shares to be issued to the Sun Vendors under the Transaction. The Sun vendors have agreed to the voluntary escrow of approximately 97% of the fully paid ordinary shares in the Company to be issued to the Sun vendors at completion of the Transaction. Further details are set out in the announcement of the Company released to ASX on 17 February 2020.

No convertible securities are being issued under this Offer Document. Details of the convertible securities currently, or proposed to be, on issue in the Company are set out in detail in section 2.5.

RISKS

Section 3 of this Offer Document contains a summary of some of the key risks associated with an investment in MTH. Those risks include risks specific to the business of MTH:

- Risks associated with the Offer;
- Risks associated with mining exploration activities and operational risks; and
- General risks including environmental risks, and risks associated with governmental policy and market conditions.

You should read section 3 of this Offer Document carefully before deciding to apply for New Shares.

KEY DATES

Announcement of Offer notice	1 April 2020
Ex-Date	3 April 2020
Record Date	6 April 2020
Offer Document dispatched and Offer opens	9 April 2020
Anticipated date for General Meeting to approve revised Transaction	13 May 2020
Closing Date	14 May 2020
MTH notifies ASX of undersubscriptions	19 May 2020
Issue date	21 May 2020

The dates above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, MTH reserves the right to amend this indicative timetable by making an announcement to ASX. In particular MTH reserves the right to extend the Closing Date or withdraw the offer without notice by making an announcement to ASX. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares under the Offer.

1. INTRODUCTION

Mithril Resources Limited ("**MTH**" or "**the Company**") is making a non-renounceable pro-rata offer to its eligible shareholders of 1 new share ("**New Share**") for every share held at the Record Date (1:1 basis) at an issue price of 0.5 cents (\$0.005) per New Share to raise up to approximately \$2.45 million before costs ("**the Offer**").

The minimum raising amount \$1.5 million and the maximum is approximately \$2.45 million.

The Offer is being made under section 708AA of the Corporations Act. This Offer Document is not a prospectus and does not contain all of the information that would ordinarily be contained in a prospectus.

Shareholders should be aware that investment in New Shares and in MTH generally involve risks, which may be higher than or different to risks associated with investments in other companies. Some of the key risks are set out in section 3 of this Offer Document. Investors should consider investment in MTH speculative.

If you are in doubt what to do or whether to accept the Offer and subscribe for New Shares you should consult your stockbroker, accountant, solicitor or other professional adviser without delay.

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

The Company makes announcements to ASX from time to time which can be obtained from the Company's announcements page on the ASX website www.asx.com.au, search code "MTH".

2. DETAILS OF OFFER

2.1 The Offer

The Offer is made to registered holders of MTH shares on the Record Date whose address in MTH's register of members is in Australia and New Zealand on the basis of one (1) New Share for every share held at the Record Date (1:1 basis) by the eligible shareholders.

The Record Date is 6 April 2020. The Closing Date is 14 May 2020 (which may be extended without notice by announcement released to ASX). Other dates are set out in the timetable below.

The Offer is non-renounceable and rights to entitlements are not able to be traded or transferred and, accordingly, there is no ability to trade rights on ASX.

The issue of New Shares under the Offer is conditional upon:

- (a) MTH being satisfied that all conditions to the Transaction other than the capital raising condition are satisfied; and
- (b) MTH having obtained for subscriptions to the Offer and binding and irrevocable commitments for any Shortfall Shares which, in aggregate, represent a subscription sum of not less than \$1.5 million.

The Company may, however, issue New Shares under the Offer prior to the issue of Shortfall Shares so as to comply with the timetable requirements for entitlement issues under the ASX Listing Rules.

The shares issued under the Offer will be fully paid ordinary shares in the capital of MTH ranking equally in all respects with the existing fully paid shares from the date of their issue.

The Offer is not underwritten.

2.2 Non-qualifying foreign shareholders

No offer is made to shareholders whose address in MTH's register of members is outside Australia and New Zealand as at the Record Date. Further details are set out in section 8.

MTH is of the view that it is unreasonable to make the Offer to shareholders outside of Australia and New Zealand having regard to:

- (a) the number of shareholders registered outside of Australia and New Zealand;
- (b) the number and value of securities to be offered to shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in overseas jurisdictions.

The Company is not required to make the Offer to non-qualifying foreign shareholders (shareholders with addresses on the company's register of members outside of Australia and New Zealand). A total of 6,368,585 shares (approximately 1.30% of existing issued shares) are held by sixteen (16) non-qualifying foreign shareholders in nine (9) different countries. These shares of the non-qualifying foreign shareholders are equivalent to entitlements to 6,368,585 New Shares (approximately \$31,850 at the 0.5 cent issue price). The New Shares that would otherwise have been offered to non-eligible shareholders will form part of the Shortfall.

2.3 Shortfall

Any part of your entitlement to New Shares not taken up will form part of the Shortfall. Such shares (**Shortfall Shares**) will, subject to demand from third-party investors, be issued at the same price and on the same terms as New Shares (i.e. 0.5 cents per Shortfall Share).

If you are an eligible shareholder and accept your entitlement to New Shares in full you may also apply for Shortfall Shares (subject to the restrictions set out below). To apply for Shortfall Shares please complete the relevant section of your Entitlement and Acceptable Form. Further details are set out in section 2.9

The issue of Shortfall Shares in response to applications for additional New Shares will depend on there being sufficient Shortfall Shares available after all valid acceptances of entitlements are fulfilled.

The allocation of Shortfall Shares will be at the discretion of the Board having regard to factors including the respective pro-rata entitlements of the subscribing shareholders as at the Record Date. The Board will endeavour, where possible, to allot Shortfall Shares (whether to eligible shareholders or third parties) to a spread of investors to mitigate control effects which may otherwise arise from issuing Shortfall Shares to a single or small number of investors. Furthermore, the Board will give priority to Shortfall applications made by eligible shareholders who hold less than marketable parcels (being less than \$500) to enable those shareholders to increase their holdings to a marketable parcel.

For the avoidance of doubt the Company may seek to place the Shortfall with professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act who are invited to subscribe for Shortfall Shares.

No shareholder or investor will be allocated Shortfall Shares if that would result in the relevant interest of the shareholder (and its associates) exceeding 20% of the issued capital of the Company.

The ASX Listing Rules do not permit Directors and related parties of the Company to apply for or receive Shortfall Shares. The Company will, as part of seeking required shareholder approvals for the Transaction (as varied), seek shareholder approval for Adrien Wing and Stephen Layton (and/or their nominee(s)) to have the right, but not the obligation, to subscribe for up to 20,000,000 Shortfall Shares each (maximum subscription of \$100,000 each). There is no guarantee a certain number of Shortfall Shares 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 Shortfall Shares will be applied for by either of them or, if applied for, will be issued to them.

The number of New Shares that you receive as a result of a Shortfall Share application (if any) will depend on the extent to which Eligible Shareholders accept their entitlements to the Offer, the extent to which Eligible Shareholders who accept their entitlement in full apply for Shortfall Shares and the discretion of the Board to accept or reject Shortfall Share applications in whole or in part. Shortfall Shares will not be issued to shareholders or others where to do so would involve a breach of the ASX Listing Rules, the Corporations Act or any other applicable law.

2.4 Transaction

The Company proposes issuing the New Shares under the Offer prior to the completion of the Company acquiring all of all the issued shares of Sun Minerals Pty Ltd (**Sun** or **Sun Minerals**), however the Company proposes to issue the New Shares under the Offer only if it:

- (a) is satisfied that all conditions to the Transaction other than the capital raising condition are satisfied; and
- (b) has obtained for subscriptions to the Offer and binding and irrevocable commitments for any Shortfall Shares which, in aggregate, represent a subscription sum of not less than \$1.5 million.

Acquisition by the Company of all the issued shares of Sun is referred to herein as the **Transaction**. The Company entered into a share sale agreement (**SSA**) with Sun for the Transaction on 24 January 2020 which was subsequently varied on or about 31 March 2020.

Sun holds an exclusive option (**Option**) to earn up to a 100% interest in the high grade Copalquin Gold Silver Project (**Copalquin Project** or **Copalquin**) 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**).

Dudley Leitch is proposed to join the Board as a Director on and from completion of the Transaction. In addition, the Company has granted Sun the right to nominate an individual(s) to be appointed to a lead management role in Mithril in respect of the exploration of Copalquin. Those nominees are John Skeet and Hall Stewart, however the Company remains in negotiations with Mr Skeet and Mr Stewart regarding their respective roles with the Company following completion of the Transaction.

The terms of the Transaction were varied on or about 31 March 2020. The variations were deemed by both the Company and Sun to be necessary in the context of the volatility in equity capital markets caused by the Covid-19 pandemic. The key variations were:

- The Offer being varied such that the price per New Share being reduced from \$0.01 (1 cent) to \$0.005 (0.5 cents), the maximum raising amount being reduced from approximately \$4.9 million to approximately \$2.45 million and the amount to be raised under the Offer for the Transaction to proceed being set at \$1.5 million rather than the maximum amount under the Offer.
- The consideration shares to be issued to the Sun Vendors collectively being equal to 40% of the share capital of the Company following issue of the New Shares under the Offer, the consideration shares to the Sun Vendors and assuming the issue of 30,000,000 shares to CMC. This reflects the percentage interest the Sun Vendors would have collectively held under the Transaction as previously constituted, however the changes to the maximum and minimum Offer amounts necessitates flexibility in the number of consideration shares to be issued, and the timing of the issue of those shares, to the Sun Vendors to reflect the relevant percentage interest as described above.
- The market capitalisation milestone for conversion of performance rights being reduced from \$50 million to \$40 million. The Company will seek shareholder approval to issue performance rights to those parties and in the amounts as approved by shareholders on 12 February 2020 with the varied milestone. The terms of performance rights otherwise remain the same. The Company has agreed with those recipients of performance rights on 17 February 2020 that the performance rights they currently hold will lapse upon issue of the performance rights for which shareholder approval is being sought.
- 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. Refer to Annexure C for a summary of the key terms of the Option.

After consultation with the ASX, due to the changes in the Offer terms the Company considers that it is necessary to re-seek approval from its shareholders for the revised Transaction (noting that the original terms of the Transaction were overwhelmingly approved at a shareholder meeting held on 12 February 2020).

Further details will be set out in the notice of meeting of the Company to be released to ASX to seek shareholder approvals for the Transaction as varied. As noted above, the Offer will not proceed unless the Company is satisfied that all conditions of the Transaction other than the capital raising condition have been satisfied, which includes the Company obtaining required shareholder approvals. Accordingly, the closing date of the Offer will not occur before the date of the general meeting at which the revised Transaction terms are approved.

A summary of each of the SSA (**Annexure A**), Copalquin Project (**Annexure B**) and Option (**Annexure C**) as set out in the notice of meeting are annexed to this Offer Document.

The Offer is not conditional upon completion of the Transaction however the subscription for not less than \$1.5 million of New Shares under the Offer is a condition precedent of the completion of the Transaction. As noted above, the Company does not intend to issue New Shares until it is satisfied that all conditions precedent to the Transaction other than the capital raising condition are satisfied and the Company has obtained subscriptions for all the New Shares under the Offer or binding commitments for all Shortfall Shares (if any).

In addition, the Company will not issue the New Shares unless it has received firm, irrevocable commitment for not less than \$1.5 million worth of New Shares (300,000,000 New Shares) under the Offer, including the Shortfall (if any). The Company may, however, issue New Shares under the Offer prior to the issue of Shortfall Shares so as to comply with the timetable requirements for entitlement issues under the ASX Listing Rules.

2.5 Capital Structure

SHARES

The capital structure of the Company following completion of the Offer is dependent upon the number of New Shares issued under the Offer.

The below table shows the impact of the Offer if the minimum amount of \$1.5 million is achieved:

	Number	%
Existing shares	490,389,211	62.05%
New Shares offered under the Offer	300,000,000	37.95%
Total shares	790,389,211	100%

Full subscription of the Offer will result in the Company doubling its existing share capital as described below:

	Number	%
Existing shares	490,389,211	50%
New Shares offered under the Offer	490,389,211	50%
Total shares	980,778,422	100%

The actual impact of the Offer on the existing capital structure of the Company will not be known until such time as the Company closes the Offer and issues any Shortfall.

The below tables sets out the proposed capital structure of the Company:

- following subscriptions under the Offer equalling \$1.5 million (being the minimum raising amount); or
- following full subscription of the Offer of approximately \$2.45 million (being the maximum raising amount),

and the completion of the Transaction in combination (although the Company notes that the Offer is not conditional upon completion of the Transaction and refers shareholders to Section 2.4 for further details):

Minimum raising amount

	Number	% ²
Existing shares	490,389,211	35.87%
New Shares offered under the Offer	300,000,000	29.94%
Consideration shares under the Transaction	546,926,140 ³	40.00%
Shares to CMC (defined in this Offer Document) ¹	30,000,000	2.19%
Total shares	1,367,315,351	100%

Maximum raising amount

	Number	% ²
Existing shares	490,389,211	29.11%
New Shares offered under the Offer	490,389,211	29.11%
Consideration shares under the Transaction	673,852,281 ³	40.00%
Shares to CMC (defined in this Offer Document) ¹	10,000,000	1.78%
Total shares	1,664,630,703	100%

Notes to tables:

- (1) 10,000,000 shares to be issued to CMC at completion of the Transaction, further 20,000,000 shares may be issued under the terms of the Option.
- (2) Percentages are subject to rounding.
- (3) The actual capital structure is dependent upon the total number of shares issued under the Offer and, as a result, the number of consideration shares to be issued to the Sun Vendors under the Transaction. The Sun vendors have agreed to the voluntary escrow of approximately 97% the fully paid ordinary shares in the Company to be issued to the Sun vendors at completion of the Transaction. Further details are set out in the announcement of the Company released to ASX on 17 February 2020.

CONVERTIBLE SECURITIES

No convertible securities are being issued under this Offer Document. Accordingly, the conduct of the Offer will not have any impact on the number of convertible securities on issue in the Company.

The convertible securities of the Company proposed to be on issue following completion of the Transaction are set out below. It is expressly noted that performance rights vest upon completion of the Transaction:

	Number of securities	Exercise Price / Applicable milestone(s)
Unlisted options	10,100,000	\$0.10 (10 cents)

Performance Rights	Up to 199,999,999 ¹	(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.
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Note to table:

The total number of performance rights includes:

- a. 50,000,000 performance rights to be issued to each of Adrien Wing and Stephen Layton (and/or their respective nominee(s)) (aggregate 100,000,000); and
- b. 99,999,999 performance rights proposed to be issued to the incoming director, management or consultants appointed in connection with the Transaction.

All performance rights will have terms as set out in the notice of general meeting of the Company as released to ASX on 10 January 2020 other than in respect of the market capitalisation milestone which has been varied by replacing "A\$50,000,000" with "A\$40,000,000".

As at the date of this Offer Document, the Company has 100,000,000 performance rights that were issued on 17 February 2020. These existing performance rights are proposed to lapse upon issue of the performance rights set out above to Adrien Wing and Stephen Layton (and/or their respective nominee(s)). For the avoidance of doubt Adrien Wing and Stephen Layton (and/or their respective nominee(s)) will each hold up to a maximum of 50,000,000 performance rights at completion of the Transaction.

2.6 Timetable

The indicative timetable for the conduct of the Offer is set out in the table below:

Lodgement of offer announcement and Appendix 3B	1 April 2020
Existing shares quoted 'ex' rights	3 April 2020
Record Date for determining Entitlements to participate in Offer (at 5.00 pm in Melbourne VIC)	6 April 2020
Dispatch of Offer Document and Entitlement & Acceptance Form	9 April 2020
Anticipated Date for General Meeting to approved revised Transaction	13 May 2020
Closing Date for acceptance of Offer and payment in full (at 5.00pm in Melbourne VIC)	14 May 2020
Company notifies ASX of under subscriptions	19 May 2020
Issue date. Deferred settlement trading ends	21 May 2020

The dates above are indicative only and subject to change. Subject to the Corporations Act and ASX Listing Rules, MTH reserves the right to amend this indicative timetable. In particular MTH reserves the right to extend the Closing Date or withdraw the offer without notice by making an ASX announcement. Any extension of the Closing Date will have a consequential effect on the anticipated date for the issue of New Shares.

2.7 Proposed Use of Funds

Funds raised by the Offer are proposed to be applied as follows as the minimum and maximum raising amounts:

USE:	Minimum (\$1.5 million)	Maximum (\$2.45 million)*
Expenditure on the Copalquin Project	\$1,050,000	\$2,000,000

Expenditure on existing projects	\$250,000	\$250,000
Additional working capital, costs of the Offer	\$200,000	\$200,000
TOTAL	\$1,500,000	\$2,450,000

** Subject to rounding.*

The above table is indicative only and is subject to change, however as shown in the above table it is the intention of the Company as at the date of this Offer Document to deploy funds raising above the minimum raising amount for exploration on the Copalquin Project. The Company reserves the right to deploy funds raised under the Rights Issue other than as set out above at the discretion of the Board so as to reflect the priorities of the Company at the relevant time.

2.8 Entitlements and Acceptances

Your entitlement is shown on the Entitlement and Acceptance Form accompanying this Offer Document. You may only accept the Offer by:

- (a) making payment by BPAY¹ in accordance with the instructions on your personalised Entitlement and Acceptance Form; or
- (b) returning a completed personalised Entitlement and Acceptance Form with a cheque in accordance with the instructions on the Form.

MTH will accept Entitlement and Acceptance Forms until 5.00 pm (in Melbourne VIC) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Corporations Act and the ASX Listing Rules.

2.9 Applying for Shortfall Shares

Details regarding the potential allocation of the Shortfall is set out in section 2.3.

In addition to being able to accept your pro rata entitlement as shown on the Entitlement and Acceptance Form, if you accept and pay the application monies for your entire pro rata entitlement you may also apply for Shortfall Shares in respect of entitlements that are not subscribed for in full under the Offer.

Instructions for applying for additional shares are set out in your Entitlement and Acceptance Form. Applications for Shortfall Shares must be received by 5.00 pm (in Melbourne, VIC) on the Closing Date or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Corporations Act and the ASX Listing Rules.

You may only make an application for Shortfall Shares if you accept your full entitlement to New Shares under the Offer. The ASX Listing Rules do not permit Directors and related parties of the Company to apply for or receive Shortfall Shares although approval will be sought for certain Directors to make applications for Shortfall Shares (refer section 2.3 and below).

As noted in section 2.3, the Company may seek to place the Shortfall with professional, sophisticated and other investors exempt from the disclosure requirements of Chapter 6D of the Corporations Act who are invited to subscribe for Shortfall Shares.

Shortfall Shares will only be issued if the entitlements under the offer are not taken up in full. If MTH receives applications for Shortfall Shares that would result in the Offer being oversubscribed, MTH will not accept any oversubscriptions and will scale back applications received for Shortfall Shares in the manner set out in clause 2.3. The Directors reserve the right to scale back applications for additional Shortfall Shares at their absolute discretion.

¹ ® Registered to Bpay Pty Ltd ABN 69 079 137 518

In the event of an application for Shortfall Shares not being accepted, including because of a scale back, the application monies received for an unsuccessful application for Shortfall Shares (or the applicable portion if the application is partly successful) will be refunded to the applicant, without interest, by way of a cheque being sent to the registered address of the application as soon as practicable.

No Shortfall Shares will be issued to an applicant if to do so would, to the extent of the knowledge of the Company, result in a breach of the Listing Rules of ASX or the restrictions on obtaining or increasing relevant interests of greater than 20% of the MTH's issued voting shares under Chapter 6 of the Corporations Act or would otherwise be contrary to the Corporations Act or the ASX Listing Rules.

As noted above, the Company will, as part of seeking required shareholder approvals for the Transaction as varied, seek shareholder approval for Adrien Wing and Stephen Layton (and/or their nominee(s)) to have the right, but not the obligation, subscribe for up to 20,000,000 Shortfall Shares each (maximum subscription of \$100,000 each). There is no guarantee a certain number of Shortfall Shares 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 Shortfall Shares will be applied for by, or issued to, either of them.

2.10 Paying by BPAY

If paying by BPAY, you should be aware that your financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. You may also have your own limit on the amount that can be paid via BPAY. It is your responsibility to check that the amount you wish to pay by BPAY does not exceed your limit. The Company and its share registry accept no responsibility for unsuccessful, delayed, incomplete BPAY payments.

If you have multiple holdings you will have multiple BPAY reference numbers. To ensure that you receive your entitlement in respect of each holding, you must use the customer reference number shown on each personalised Entitlement and Acceptance Form when paying for any Shares that you wish to accept your entitlement for in respect of that holding. Payments in excess of the amount payable for one holding will not be treated as payment for another holding, and the excess will be treated as an application for additional shares.

3. RISKS

The Company's activities, as in any business, are subject to risks which may impact the Company's future performance. The following is a summary of the more material matters to be considered and should be read in conjunction with any specific matters which have or may be referred to in the Company's ASX announcements. The summary below is not exhaustive, rather represents some of the major risk factors which you need to be aware of in evaluating the Company's business and the risks of increasing your investment in the Company.

3.1. Risks associated with the Offer

Value of New Shares and share market conditions

The market price of the Company's securities is subject to varied and unpredictable influences on the market for equities in general and with respect to resources stocks in particular. Market conditions may affect the value of the Company's securities regardless of the Company's performance. Lack of liquidity may also affect the value of the Company's securities. The trading price of New Shares may fall as well as rise.

In particular, the extent of the effects of Covid-19 is at this stage uncertain and evolving rapidly. The Covid-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the market price of the Company's securities.

Taxation consequences

The issue of New Shares and/or Shortfall Shares may have taxation consequences depending on the particular circumstances of the recipient. You should seek your own professional advice before applying for New Shares under the Offer and/or Shortfall Shares.

3.2. Specific Risks

Exploration risks

Mineral exploration, by its nature, is inherently uncertain. The concessions forming the Copalquin Project are at an early stage of the exploration process and mining and development such as that being proposed by the Company is a high risk undertaking. There can be no assurance that exploration of the concessions forming the Copalquin Project, or other tenements in which the Company holds an interest, will result in the discovery of one or more mineral deposits.

Furthermore, the discovery of a mineral deposit does not guarantee that the mining of that deposit would be economically viable. The size of the deposit, location, grade, access to infrastructure including equipment, development and operating costs, commodity prices and recovery rates are all key factors in determining commercial viability. Accordingly, there is a high risk the Company's expenditure of funds on its proposed exploration programs will not lead to the discovery and development of an economically viable resource. Such an outcome would be adverse to the Company's financial position and prospects and would potentially result in the Company scaling back its activities to conserve cash reserves and pay its creditors.

The Company notes that development of the Copalquin Project, and the increase in the interests of the Company under the Option in the mining concessions forming the Copalquin Project, will require capital in excess of the funds proposed to be raised under the Offer. The Company does not intend to proceed with further development of the Copalquin Project or exercise its rights under the Option to increase its interest in the mining concessions forming the Copalquin Project until after it has obtained and extensively analysed results from its planned exploration activities.

The Covid-19 pandemic may also give rise to issues, delays or restrictions in relation to land access, the extent of the effect of Covid-19 on land access is hard to predict at the current time given the situation remains uncertain and is evolving rapidly.

Title in concessions

Following completion of the Transaction, the Company will hold a 10% interest in the concessions forming the Copalquin Project. The Company would then need to expend significant capital to acquire the remaining interests in the concessions forming the Copalquin Project, which may include issuing securities to CMC. Whilst the Board has formed the view that the Copalquin Project presents a desirable opportunity to the Company, there is a risk that the Company may not be able to, or may choose not to, meet the expenditure requirements under the Option to acquire a greater interest in the concessions forming the Copalquin Project.

The activities, plans and strategies of the Company are dependent on the results of its exploration activities. Accordingly, such activities, plans and strategies are subject to change depending on the receipt and analysis of results of the planned exploration activities of the Company. No guarantee is given that the Company will acquire a certain percentage interest in the concessions forming the Copalquin Project.

Mine development

In the event the Company identifies an economically viable mineral deposit on the concessions forming the Copalquin Project or any other project in which it currently or in the future may hold an interest, its capacity to proceed to develop a mine in respect of that mineral deposit will be dependent upon a number of factors. These factors include obtaining approvals from all relevant authorities and parties (including the grant of an environmental authority to mine), seasonal weather issues, construction issues, cost overruns, plant and equipment availability, skilled consultants and labour availability, funding needs and other matters. These factors may create risks in respect of successful development of any project. The development of a mine may also be subject to arrangements between the Company and third parties.

Environmental

The proposed activities of the Company will likely be subject to various laws and regulations concerning the environment. Mining operations have inherent risks and liabilities associated with safety and damage to the environment and disposal of waste products occurring as a result of mining exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production cost, or result in a substantial liability being accrued against the Company.

Proceeding with a mining operation would be expected to create enhanced environmental risks, particularly with respect to environmental damage through construction activities, disposal of waste products and/or water contamination. Such occurrences could delay production or increase costs of operations.

Operations

Operations of the Company have historically and will following completion of the Transaction and for the foreseeable future thereafter predominantly comprise exploration activities. These activities may be adversely affected by a range of factors including lack of access to suitable personnel, lack of access to drill rigs or other equipment, mechanical failure or breakdowns, adverse weather, industrial accidents or disputes, shortages or increased costs of consumables, and other factors outside the Company's control. Such factors would detrimentally affect the Company's prospects and activities.

Third-party risks

The Company will likely be reliant on third parties for the furtherance of its exploration plans. This includes if the Company identifies a mineral deposit located on the concessions forming the Copalquin Project and determines to proceed to production, at which point the Company will likely be reliant on third parties domiciled in Mexico for the provision of relevant plant and equipment for production.

Such counterparties may include service contractors, consultants, supplier and landowners. There is a risk that counterparties may fail to perform their obligations under such agreements. This could lead to delays, increased costs, disputes and even litigation. All these factors could negatively affect the Company's operations and there can be no assurance that the Company would be successful in seeking remedies or enforcement of its rights through legal action.

In addition, the Company may need to negotiate with CMC if a mineral deposit is located on the concessions forming the Copalquin Project that the Company determines is viable and CMC retains an interest in the concessions forming the Copalquin Project at that time.

Additional capital requirements

The Company will in future require additional capital in excess of the Offer for its activities, including for the development of the Copalquin Project generally and in connection with acquiring a greater interest in the concessions forming the Copalquin Project pursuant to the Option. The Company may also incur unexpected costs in implementing its exploration plans, including engaging contractors.

There can be no guarantee that further financing will be available on commercially acceptable terms, or at all. Any additional financing through equity issues would be dependent upon the ability of the Company to raise funds in the securities market, which in turn is dependent on there being sufficient identifiable appetite from investors for equity in the Company. If successfully conducted, such issues would also be dilutive to the current equity holders in the Company. Furthermore, debt financing may not be available to support the scope and extent of the proposed activities of the Company.

Foreign jurisdiction risk

The Company will following completion of the Transaction have operations in jurisdictions other than Australia. The Company's ability to carry on its business in the normal course may be adversely affected by considerations associated with economic, social or political instability, changes in regulatory regimes including in respect of foreign ownership, government participation or working conditions, exchange rate fluctuations and/or changes to mining regulations. The Company will be reliant in part on employees and third-party advisors in these jurisdictions to ensure the Company is in compliance with its legal and regulatory obligations.

3.3. General Risks

Covid-19

The outbreak of Covid-19 is impacting global economic markets. The nature and extent of the effect of the outbreak on the performance of the Company remains unknown. The Company's share price may be adversely affected in the short to medium term by the economic uncertainty caused by Covid-19. Further, any

governmental or industry measures taken in response to Covid-19 may adversely impact the operations of the Company and are likely to be beyond the control of the Company.

The Directors are monitoring the situation closely and have considered the impact of Covid-19 on the Company's business and financial performance. However, the situation is continuing to evolve and the consequences are uncertain. In compliance with its continuous disclosure obligations, the Company will provide updates to the market as and when Covid-19 has a material impact on the Company and its business and finances.

Economic risks

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities. Furthermore, share market conditions may affect the value of the Company's securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- general economic outlook;
- interest rates and inflation rates;
- currency fluctuations;
- changes in investor sentiment toward particular market sectors;
- the demand for, and supply of, capital; and
- terrorism, instability or other hostilities causing political stability in Mexico and surrounding countries.

Trading Price of Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the New Shares. In addition, the price of shares is subject to varied and often unpredictable influences on the market for equities, including but not limited to, general economic conditions including the performance of the Australian dollar, the Euro and US dollars on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general, short-selling, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks, and hedging or arbitrage trading activity that may develop involving the shares of the Company.

A diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy may also create volatility in the Company's share price. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

Lack of liquidity may also affect the value of the Company's securities. The trading price of New Shares carry no guarantee with respect to payment of dividends, return of capital or their market value or price. No guarantee can be given that the Company's share price will be greater than the issue price.

In particular, the extent of the effects of Covid-19 is at this stage uncertain and evolving rapidly. The Covid-19 pandemic is having, and is expected to continue to have, a significant influence on the volatility of equity markets generally and may continue to impact and influence the market price of the Company's securities.

Unforeseen Risks

There may be other risks which the Directors and/or management of the Company are unaware which may impact upon the Company, its operations and/or the value and performance of the New Shares and the Company generally.

Reliance on key management

The responsibility of overseeing the day-to-day operations and the strategic management of the Company will depend substantially on its senior management and Directors, including following completion of the

Transaction. There can be no assurance there will be no detrimental impact on the performance of the Company or its growth potential if one or more senior manager or director cease their employment with the Company and suitable replacements are not identified and engaged in a timely manner.

Government Policy

Changes in government, financial policy, taxation and other laws in any local and/or international markets or regions, including changes in response to Covid-19, cannot be predicted and may affect the Company's ability to carry on its proposed activities, restrict the Company in achieving its objectives or may result in increased compliance costs or complexities in managing the Company's proposed operations and activities.

The Company is also subject to various regulatory requirements, including mining and accounting requirements. Changes to standards, policies, guidelines, interpretations or principles may affect the Company's ability to carry out its activities and/or achieve its objectives. The Company cannot control or predict changes to regulatory requirements, which may adversely affect the Company.

Transaction Risk

Completion of the Transaction is subject to risks which include not less than \$1.5 million being raised from Offer and/or placement of any Shortfall Shares. Although these are risks associated with completion of the Transaction, the completion of the Transaction is not a condition of the Offer however the Company proposes to issue the New Shares under the Offer only if it:

- (a) is satisfied that all conditions to the Transaction other than the capital raising condition are satisfied; and
- (b) has obtained for subscriptions to the Offer or binding and irrevocable commitments for any Shortfall Shares which, in aggregate, represent a subscription sum of not less than \$1.5 million.

3.4. Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above risk factors, and other not specifically referred to above, may materially affect the future financial performance of the Company and the value of its securities.

There may be other risks which the existing and proposed Directors are unaware which may impact the Company, its operations and/or valuation and performance of the Company's shares.

The New Shares therefore carry no guarantee with respect to the payment of dividends, returns of capital or market value. The Company does not expect to declare any dividends in the near-future.

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

4. EFFECT ON CONTROL OF THE COMPANY

4.1. Dilutive impact

The potential effect the issue of the shares under the Offer will have on control of the company is as follows:

- (a) if all eligible shareholders take up their entitlements to shares under the Offer then the Offer will not have a significant effect on the control of the Company as eligible shareholders will maintain their respective percentage shareholdings in the Company; or
- (b) to the extent that a shareholder does not or is not eligible to take up their entitlement under the Offer, that shareholder's percentage shareholding in the Company will be diluted; or
- (c) If an eligible shareholders takes up their entitlement for New Shares in full and applies for and receives Shortfall Shares then their percentage shareholding in the Company will increase.

No person will by acceptance of their entitlement become, nor will any person through acceptance of Shortfall Shares be permitted to, acquire a relevant interest in more than 20% of the issued voting shares of the Company under the Offer, and as a result the Offer will not have a material effect on control of the Company.

Shareholders who take up their full entitlement for New Shares under the Offer will not be diluted as a result of conduct of the Offer, however such shareholders will be diluted by the completion of the Transaction.

The completion of the Transaction will result in dilution of all shareholders of the Company irrespective of the number of New Shares and/or Shortfall Shares that they acquire under the Offer.

Minimum subscription

Examples of the dilutive effect on example shareholders of not taking up an entitlement to New Shares where:

- The Offer raises \$1.5 million (before costs); and
- The Offer is fully subscribed and the Transaction completes,

are set out in the table below:

Shareholder (example)	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (790,389,211 shares)	As % of total Shares on issue after the Offer and the Transaction (1,367,315,351 shares ²)
A	10,000,000	2.04%	10,000,000	10,000,000	1.27%	0.74%
B	20,000,000	4.08%	20,000,000	20,000,000	2.53%	1.48%
C	40,000,000	8.16%	40,000,000	40,000,000	5.06%	2.97%
D	60,000,000	12.24%	60,000,000	60,000,000	7.59%	4.45%
E	80,000,000	16.31%	80,000,000	80,000,000	10.12%	5.94%
F	100,000,000	20.39%	100,000,000	100,000,000	12.65%	7.42%

Notes to table:

- (1) All percentages are subject to rounding.
- (2) The total shares on issue after the Offer and the Transaction only includes 10,000,000 shares to be issued to CMC at completion of the Transaction. CMC may receive up to an additional 20,000,000 shares under the Option (excluding any election to receive the US\$10 million payment in shares). This table only includes the issue of 10,000,000 shares to CMC to reflect the dilution to shareholders at completion of the Transaction. The issue of additional shares to CMC as described above will result in shareholders being further diluted.

Maximum subscription

Examples of the dilutive effect on example shareholders of not taking up an entitlement to New Shares where:

- The Offer is fully subscribed only; and
- The Offer is fully subscribed and the Transaction completes,

are set out in the table below:

Shareholder (example)	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (980,778,422 shares)	As % of total Shares on issue after the Offer and the Transaction (1,664,630,703 shares ²)
A	10,000,000	2.04%	10,000,000	10,000,000	1.02%	0.59%

Shareholder (example)	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (980,778,422 shares)	As % of total Shares on issue after the Offer and the Transaction (1,664,630,703 shares ²)
B	20,000,000	4.08%	20,000,000	20,000,000	2.04%	1.19%
C	40,000,000	8.16%	40,000,000	40,000,000	4.08%	2.37%
D	60,000,000	12.24%	60,000,000	60,000,000	6.12%	3.56%
E	80,000,000	16.31%	80,000,000	80,000,000	8.16%	4.75%
F	100,000,000	20.39%	100,000,000	100,000,000	10.20%	5.94%

Notes to table:

- (1) All percentages are subject to rounding.
- (2) The total shares on issue after the Offer and the Transaction only includes 10,000,000 shares to be issued to CMC at completion of the Transaction. CMC may receive up to an additional 20,000,000 shares under the Option (excluding any election to receive the US\$10 million payment in shares). This table only includes the issue of 10,000,000 shares to CMC to reflect the dilution to shareholders at completion of the Transaction. The issue of additional shares to CMC as described above will result in shareholders being further diluted.

4.2. Director interests

The following tables sets out the direct and indirect interests of the existing and proposed Directors as at the date of this Offer Document. As noted above, Dudley Leitch is proposed to join the Board as a Director on and from completion of the Transaction and is therefore included in the below table.

Adrien Wing and Stephen Layton have indicated that their present intention as at the date of this Offer Document is to take up their entitlements in full.

Minimum subscription

The below table assumes existing and proposed Directors **take up** their entitlement under the Offer and the minimum subscription of \$1.5 million is achieved under the Offer:

Name	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement taken up	As % of total Shares on issue after the Offer (790,389,211 shares)	As % of total Shares on issue after the Offer and the Transaction (1,347,315,351 shares ²)
Adrien Wing	21,000,000	4.28%%	21,000,000	42,000,000	5.31%	3.12%
Stephen Layton	21,000,000	4.28%	21,000,000	42,000,000	5.31%	3.12%
David Hutton	4,213,180	0.86%	4,213,180	8,426,360	1.07%	0.63%
Dudley Leitch	Nil	Nil	Nil	Nil	Nil	5.46% ¹
TOTAL	46,213,180	16.31%	46,213,180	92,426,360	11.69%	12.33%

The below table assumes existing and proposed Directors **do not take up** their entitlement under the Offer and the minimum subscription of \$1.5 million is achieved under the Offer:

Name	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (790,389,211 shares)	As % of total Shares on issue after the Offer and the Transaction (1,347,315,351 shares ²)
Adrien Wing	21,000,000	4.28%%	21,000,000	21,000,000	2.66%	1.56%
Stephen Layton	21,000,000	4.28%	21,000,000	21,000,000	2.66%	1.56%
David Hutton	4,213,180	0.86%	4,213,180	4,213,180	0.53%	0.31%
Dudley Leitch	Nil	Nil	Nil	Nil	Nil	5.46% ¹
TOTAL	46,213,180	16.31%	46,213,180	46,213,180	5.85%	8.89%

Maximum subscription

The below table assumes existing and proposed Directors **take up** their entitlement under the Offer and the maximum subscription of \$2.45 million is achieved under the Offer:

Name	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement taken up	As % of total Shares on issue after the Offer (980,778,422 shares)	As % of total Shares on issue after the Offer and the Transaction (1,664,630,703 shares ²)
Adrien Wing	21,000,000	4.28%%	21,000,000	42,000,000	4.28%	2.52%
Stephen Layton	21,000,000	4.28%	21,000,000	42,000,000	4.28%	2.52%
David Hutton	4,213,180	0.86%	4,213,180	8,426,360	0.86%	0.51%
Dudley Leitch	Nil	Nil	Nil	Nil	Nil	5.45% ¹
TOTAL	46,213,180	16.31%	46,213,180	92,426,360	9.42%	11%

The below table assumes existing and proposed Directors **do not take up** their entitlement under the Offer and the maximum subscription of \$2.45 million is achieved under the Offer:

Name	Holding at the Record Date	% at the Record Date*	1 for 1 entitlement under the Offer	Holding if entitlement not taken up	As % of total Shares on issue after the Offer (980,778,422 shares)	As % of total Shares on issue after the Offer and the Transaction (1,664,630,703 shares ²)
Adrien Wing	21,000,000	4.28%%	21,000,000	21,000,000	2.14%	1.26%
Stephen Layton	21,000,000	4.28%	21,000,000	21,000,000	2.14%	1.26%
David Hutton	4,213,180	0.86%	4,213,180	4,213,180	0.43%	0.25%
Dudley Leitch	Nil	Nil	Nil	Nil	Nil	5.45% ¹
TOTAL	46,213,180	16.31%	46,213,180	46,213,180	4.71%	8.22%

Notes to all tables:

- (1) Dudley Leitch is proposed to receive between a minimum of 73,630,337 MTH shares up to a maximum of 90,717,862 MTH shares as a vendor of Sun upon completion of the Transaction.
- (2) The total shares on issue after the Offer and the Transaction only includes 10,000,000 shares to be issued to CMC at completion of the Transaction. CMC may receive up to an additional 20,000,000 shares under the Option (excluding any election to receive the US\$10 million payment in shares). These tables only include the issue of 10,000,000 shares to CMC to reflect the dilution to shareholders at completion of the Transaction. The issue of additional shares to CMC as described above will result in shareholders being further diluted.

- (3) *Adrien Wing and Stephen Layton have indicated to the Company that their present intention as at the date of this Offer Document is to take up their entitlements in full.*
- (4) *As noted above, the Company will, as part of seeking required shareholder approvals for the Transaction as varied, seek shareholder approval for Adrien Wing and Stephen Layton (and/or their nominee(s)) to have the right, but not the obligation, subscribe for up to 20,000,000 Shortfall Shares each (maximum subscription of \$100,000 each). There is no guarantee a certain number of Shortfall Shares 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 Shortfall Shares will be issued to them, if any at all, and accordingly the above tables do not include any Shortfall Shares that may be subscribed for and issued to Adrien Wing and/or Stephen Layton (and/or their respective nominee(s)).*
- (5) *Percentages are subject to rounding.*

The interest in convertible securities of existing and proposed Directors are set out below:

- David Hutton holds an interest in 7,000,000 unlisted options with an exercise price of \$0.10 (10 cents) and expiry date of 21 October 2021;
- The existing and proposed Directors are proposed to acquire the following interests in performance rights:
 - Adrien Wing and Stephen Layton: 50,000,000 performance rights each (aggregate 100,000,00); and
 - Dudley Leitch: a minimum of 25,000,000 up to 33,333,333 performance rights which are proposed to be issued at the time of completion of the Transaction.

The issue of performance rights will be put to shareholders at a general meeting at which shareholder approvals in connection with the Transaction as varied will be sought. Performance rights have an initial vesting period that expires upon the completion of the Transaction, however the conversion of performance rights to ordinary shares remains conditional upon satisfaction of milestones. Full terms of the performance rights are set out in the notice of meeting of the Company released to ASX on 10 January 2020 with the exception that the market capitalisation milestone has been amended by replacing "A\$50,000,000" with "A\$40,000,000".

As at the date of this Offer Document, the Company has 100,000,000 performance rights that were issued on 17 February 2020. These existing performance rights are proposed to lapse upon issue of the performance rights to Adrien Wing and Stephen Layton (and/or their respective nominee(s)) as referred to above. For the avoidance of doubt Adrien Wing and Stephen Layton (and/or their respective nominee(s)) will each hold up to a maximum of 50,000,000 performance rights at completion of the Transaction.

5. FINANCIAL EFFECT OF THE OFFER

The financial effect of the Offer, assuming the minimum amount of \$1.5 million is raised under the Offer, will be that cash reserves (before costs) will increase by approximately \$1.5 million. The costs of the Offer at the maximum raising amount are anticipated to be approximately \$29,000.

The financial effect of the Offer, assuming the Offer is fully subscribed, will be that cash reserves (before costs) will increase by approximately \$2.45 million. The costs of the Offer at the maximum raising amount are anticipated to be approximately \$32,000.

As at the date of this Offer Document, the Company has cash on hand of approximately \$66,000. Funds raised under the Offer will increase the cash reserves of the Company as set out above. The Company has existing creditors of approximately \$33,000. Payments due to these creditors are within trading terms and are expected to be settled in the ordinary course of business.

Other than by increasing the cash reserves of the Company as set out above and increasing the equity of the Company by a commensurate amount, the Offer is not otherwise anticipated to impact the financial position of the Company.

6. ASX QUOTATION AND DEFERRED SETTLEMENT TRADING

Application will be made to ASX for the official quotation of the New Shares to be issued under the Offer. If permission is not granted by the ASX for the official quotation of the New Shares to be issued under the Offer, MTH will repay, as soon as practicable, without interest, all application monies received pursuant to the Offer.

Trading of the shares will, subject to ASX approval, occur on or about the date specified in section 2.6.

ASX and its officers take no responsibility for the contents of this Offer Document. The fact that ASX may admit the New Shares to official quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares offered under this Offer Document.

7. TAXATION IMPLICATIONS

The Directors do not consider it appropriate to give shareholders advice regarding the taxation consequences of subscribing for New Shares under the Offer. MTH, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders. As a result, shareholders should consult their professional tax adviser in connection with subscribing for New Shares under the Offer.

8. OVERSEAS SHAREHOLDERS

8.1. New Zealand

The Offer to New Zealand shareholders of the Company is being made pursuant to the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Offer Document has not been registered, filed with or approved by a New Zealand regulatory authority. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain. The offer of securities to the MTH shareholders in New Zealand is made in compliance with relevant Australian laws.

8.2. Other countries

No offer is made to shareholders resident outside Australia and New Zealand. Details of the number of shares and entitlement to New Shares of holders in these other countries are set out in section 2.2.

MTH is of the view that it is unreasonable to make the Offer to shareholders outside of Australia and New Zealand having regard to:

- (a) the number of shareholders registered outside of Australia and New Zealand;
- (b) the number and value of securities to be offered to shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in overseas jurisdictions.

The Company is not required to make the Offer to non-qualifying foreign shareholders (shareholders with addresses on the company's register of members outside of Australia and New Zealand). New Shares that would otherwise have been offered to non-eligible shareholders will form part of the Shortfall.

Shareholders including custodians and nominees in eligible countries who hold shares for persons who are residents of other (non-eligible) countries are responsible for ensuring that the laws of the relevant other country or countries are complied with if accepting on behalf of another person. This Offer Document and the accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Offer Document. The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and persons who come into possession of this Offer Document should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. Return of a duly completed Entitlement and Acceptance Form or payment

will be taken by MTH to constitute a representation that there has been no breach of such requirements. The New Shares offered under this Offer Document have not been, and will not be, registered under the United States Securities Act of 1933 and should not be offered or sold within the USA. Any person accessing the electronic version of this Offer Document for the purpose of investing in the Company must only access it from within Australia and New Zealand.

9. GENERAL

The Entitlement and Acceptance Form does not need to be signed by the applicant. If an Entitlement and Acceptance Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

The amount payable on acceptance or application will be deemed not to have been received until the Company is in receipt of cleared funds. Payments in cash will not be accepted. The company may reject an acceptance or application where payment of the applicable amount is not received or a cheque is not honoured, or without prejudice to its rights, issue shares in response to the acceptance or application and recover the outstanding amount from the recipient.

The Offer and any contract under it are governed by the applicable law of South Australia.

The information in this Offer Document does not constitute financial product advice. This Offer Document does not take into account the investment objectives, financial situation, tax position and particular needs of individual investors. Investors should obtain their own independent advice and consider the appropriateness of the Offer of shares pursuant to this Offer Document, and risks associated with investing in the Company, having regard to their own objectives, financial situation, tax position and needs.

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

The Company seeks and engages in discussions on an ongoing basis in respect of potential opportunities for the establishment of new and the expansion of existing activities and business development opportunities. While the Company continues to seek and negotiate potential commercial opportunities in this respect, there is no certainty that any arrangement(s) will be finalised on particular terms, at a specific time, or at all. The Company will make further announcements in respect of any such discussions or negotiations in accordance with its disclosure obligations as developments occur. You can obtain the Company's announcements from the ASX website www.asx.com.au under the code "MTH".

10. PRIVACY

MTH and its share registry collect information about provided on an Entitlement and Acceptance Form for the purposes of processing the acceptances and applications and to administer security holdings in MTH.

By submitting an Entitlement and Acceptance Form, you agree that MTH and its share registry may use the information provided by an applicant on the Entitlement and Acceptance Form for the purposes in this privacy disclosure statement and may disclose it for those purposes to the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, MTH may not be able to act on or process your acceptance or application.

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

11. ENQUIRIES

Enquiries concerning the Entitlement and Acceptance Form or how to accept your entitlement or apply for additional shares can be obtained by contacting Computershare Investor Services Pty Ltd by telephone on 1300 556 161 (within Australia) or +61 3 9415 4000 (outside Australia).

A handwritten signature in black ink, appearing to read 'David Hutton', with a stylized, cursive script.

David Hutton
Managing Director
1 April 2020

ANNEXURE A

SUMMARY OF SSA

The below summary of the SSA incorporates those variations as described on page 8 of the Offer Document:

1. Conditions

As at the date of this Offer Document the 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 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)).
- (e) **Mithril Approvals:** Mithril obtaining all necessary regulatory and other approvals or waivers required to complete the Transaction.
- (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 completing the Rights Issue (being the Offer under the Offer Document) and raising not less than \$1.5 million.
- (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 SSA.

All Conditions must be satisfied by 15 July 2020 (which may be extended by written agreement between Mithril and Sun Minerals).

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 SSA by written notice to the other parties, provided

that a party may not terminate the SSA 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 of 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 assuming the issue of 30,000,000 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). Sun Minerals has nominated Dudley Leitch for this position and his proposed appointment was approved by shareholders at the general meeting held on 12 February 2020.

In addition, the Company has granted Sun Minerals to nominate an individual(s) to be appointed to a lead management role in Mithril in respect of the exploration of Copalquin. Those nominees are John Skeet and Hall Stewart, however the Company remains in negotiations with Mr Skeet and Mr Stewart regarding their respective roles with the Company following completion of the Transaction.

3. Warranties

The parties SSA contain 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 SSA contains clauses typical for binding agreements of this nature including provisions with respect to confidentiality and the law of Victoria, Australia governing the SSA.

ANNEXURE B

SUMMARY OF COPALQUIN PROJECT

The below summary of the Copalquin Project is as provided for in the notice of meeting of the Company released to ASX on 10 January 2020:

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 Sauzal Mine (now depleted), First Majestic Silver's San Dimas mine, Fresnillo's San Julian and La Cienega mines and the now closed Ocampo mine.

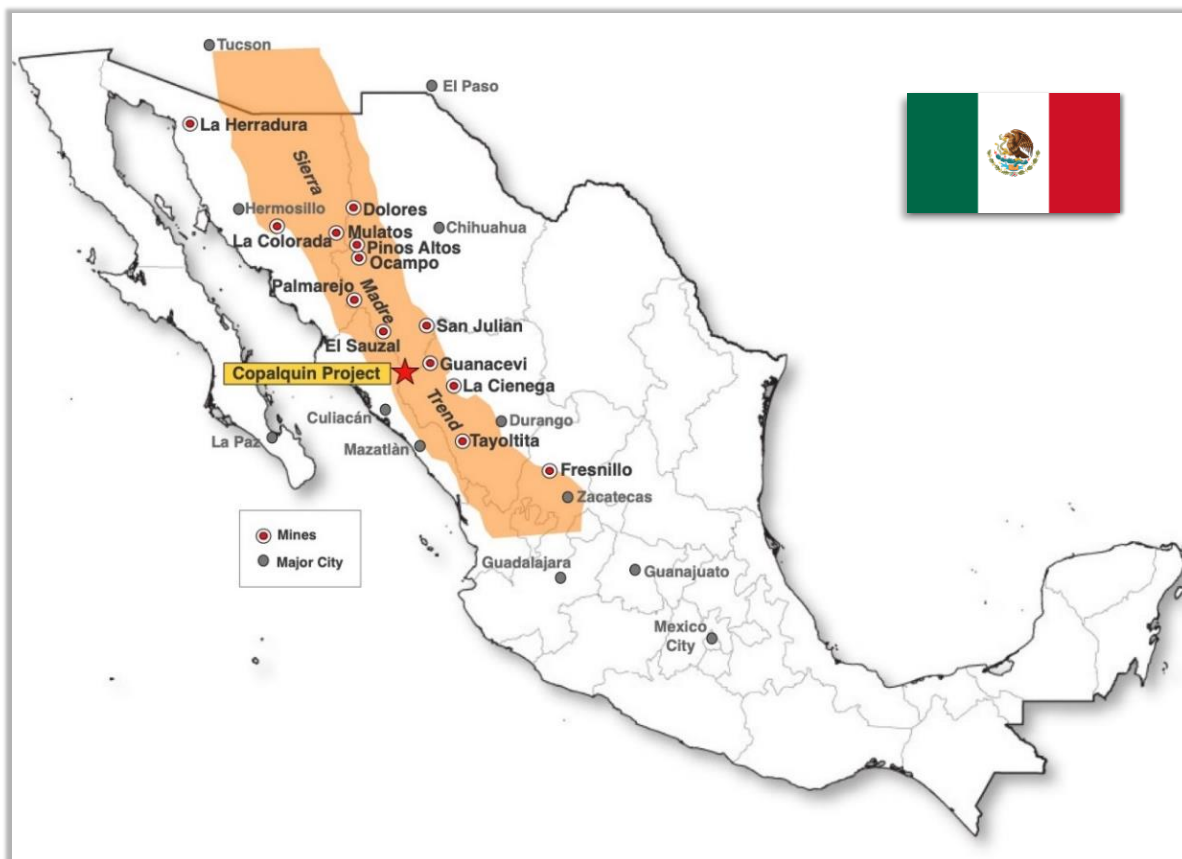


Figure 1: Copalquin Project location and surrounding major mines

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.

ANNEXURE C

SUMMARY OF OPTION

The below summary of the Copalquin Project is as provided for in the notice of meeting of the Company released to ASX on 10 January 2020, incorporating amendments as described on page 8 of the Offer Document:

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.