

ASX RELEASE – 1st April 2020

MITHRIL RESOURCES LIMITED – Pro-Rata Non-Renounceable Rights Issue

NOTICE UNDER SECTION 708AA(2)(F) OF THE CORPORATIONS ACT 2001 (CTH)

This notice is given by Mithril Resources Limited [ACN 099 883 922] (ASX:MTH) (**MTH** or the **Company**) under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (**Act**).

MTH will be conducting a pro-rata non-renounceable rights issue to allow Eligible Shareholders (defined below) to apply for one share (**New Share**) for every ordinary share held at an issue price of \$0.005 (0.5 cents) per New Share to raise approximately \$2.45 million before costs (**Offer**). The Offer is only made to holders of ordinary shares in the Company who have a registered address in Australia or New Zealand as at 7:00pm (Melbourne time) on 6 April 2020 (**Record Date**) (**Eligible Shareholders**).

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.

The Offer will not be underwritten. In the event that, following the close of the Offer, a shortfall of shares remains (**Shortfall Shares**), the Directors will seek to place Shortfall Shares at their discretion with persons interested in subscribing for Shortfall Shares. 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 Share 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.

No Eligible 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 gives notice under section 708AA(2)(f) of the *Corporations Act 2001* (Cth) (the **Act**) as follows:

- (a) the New Shares will be offered for issue without disclosure to investors under Part 6D.2 of the Act;
- (b) this notice is being given under section 708AA(2)(f) of the Act;

- (c) as at the date of this notice, MTH has complied with:
- (i) the provisions of Chapter 2M of the Act as they apply to MTH; and
 - (ii) section 674 of the Act; and
- (d) as at the date of this notice, there is no excluded information of the type referred to in sections 708AA(8) and 708AA(9) of the Act;
- (e) the potential effect of the Offer on the control of MTH (based on the issued share capital of MTH as at the date of this notice):
- (i) if all shareholders take up their entitlements under the Offer, the Offer will have no effect on the control of the Company;
 - (ii) any Eligible Shareholder not taking up their entitlement in full will have their interest in the Company diluted;
 - (iii) the proportional interests of shareholders with a registered address outside Australia and New Zealand will be diluted because such shareholders are not entitled to participate in the Offer; and
 - (iv) an Eligible Shareholder who take up their entitlement in full and subscribes for and receives Shortfall Shares will increase their interest in the Company. Any Shortfall Shares taken up by investors who are not existing shareholders will dilute the interests of all shareholders in the Company.

The Offer will not result in any Eligible Shareholder who participates in the Offer and/or Eligible Shareholder or investor who subscribe for and receive Shortfall Shares from contravening the takeover provisions of the Act.

It is further noted that the conduct of the Transaction will result in the dilution of the holdings of all shareholders, including Eligible Shareholders who take up their entitlement in full.

Released with the authority of the Board.

Regards,



Adrien Wing

Non-Executive Director and Company Secretary
Mithril Resources Limited