

MITHRIL RESOURCES LIMITED
ACN 099 883 922

NOTICE OF EXTRAORDINARY GENERAL MEETING
EXPLANATORY STATEMENT
PROXY FORM

Date of Meeting

15 May 2019

Time of Meeting

9.30 am (Adelaide time)

Place of Meeting

Pioneer Room
Mercure Grosvenor Hotel Adelaide
125 North Terrace
ADELAIDE SA 5000



MITHRIL

RESOURCES LTD

A Message to Shareholders

Dear Fellow Shareholders,

This General Meeting is about control of your Board and the future direction of your Company

- **A minority group of associated shareholders is trying to remove more than 60 years of combined exploration, project evaluation and corporate experience from the Mithril Board**
- **The requisitioning shareholders (both of which are companies) are relative newcomers to the Register, and they intend to remove the Independent Directors and have their directors take-up Mithril board positions**
- **The intentions of the proposed replacement directors have not been disclosed**
- **If successful, the replacement directors will have control of your Board and can set an alternate direction for your Company**
- **The requisitioning shareholders have called the meeting without consulting the existing board**
- **Dealing with the matter is a costly distraction to the Company at the time it is about to commence field work on its exciting and wholly owned Billy Hills Zinc Project in WA; a project that represents a significant growth opportunity for Mithril and its shareholders**

Ensure that your Company remains focused on advancing its core Billy Hills Zinc Project and on pursuing growth through exploration and discovery.

Vote against resolutions 1 through 5 at the forthcoming General Meeting.

Thank you for your consideration.

A handwritten signature in black ink, appearing to read 'G. Ascough', written in a cursive style.

Graham Ascough
Chairman

A handwritten signature in black ink, appearing to read 'Donald Stephens', written in a cursive style.

Donald Stephens
Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

MITHRIL RESOURCES LIMITED ACN 099 883 922

Notice is hereby given that an Extraordinary General Meeting of Shareholders of Mithril Resources Limited (**Company**) will be held at 9.30 am (Adelaide time) on 15 May 2019 in the Pioneer Room, Mercure Grosvenor Hotel Adelaide, 125 North Terrace, Adelaide, South Australia.

Ordinary Business

Resolutions 1 to 5 (Appointment and Removal of Directors) are included in this Notice of Extraordinary General Meeting following a requisition for general meeting of shareholders received by the Company on 19 March 2019 under section 249D of the Corporations Act from two members holding at least 5% of the votes which may be cast at the general meeting (**Requisition Notice**).

Resolution 1: Appointment of Mr Adrien Wing as a Director

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

‘That Mr Adrien Wing, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.’

Resolution 2: Appointment of Mr Stephen Layton as a Director

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

‘That Mr Stephen Layton, having consented to act, be appointed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.’

Resolution 3: Removal of Mr Graham Ascough as a Director

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

‘That in accordance with section 203D of the Corporations Act 2001 (Cth) Mr Graham Ascough be removed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.’

Resolution 4: Removal of Mr Donald Stephens as a Director

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

‘That in accordance with section 203D of the Corporations Act 2001 (Cth) Mr Donald Stephens be removed as a director of the Company with effect from the end of the General Meeting of the Company at which this resolution is passed.’

Resolution 5: Removal of Other Directors

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

‘That any Director appointed by the Board of the Company pursuant to section 9.1 of the Company’s Constitution between 19 March 2019 and the earlier of:

(a) *the date on which the requisitioning shareholders all withdraw their intention to move this resolution; or*

(b) *the end of the General Meeting of the Company at which this resolution is passed,*

other than Mr Adrien Wing or Mr Stephen Layton, be removed as a Director of the Company in accordance with section 203D of the Corporations Act 2001 (Cth) with immediate effect.'

DATED 4 APRIL 2019

**BY ORDER OF THE BOARD
MITHRIL RESOURCES LIMITED**

A handwritten signature in dark ink, appearing to read 'Donald Stephens', is written over a faint, light-colored circular stamp or watermark.

**DONALD STEPHENS
COMPANY SECRETARY**

NOTES:

1. Explanatory Statement

The Explanatory Statement accompanying this Notice of Extraordinary General Meeting is incorporated in and comprises part of this Notice of Extraordinary General Meeting and should be read in conjunction with this Notice of Extraordinary General Meeting.

Shareholders are specifically referred to the Glossary in the Explanatory Statement which contains definitions of capitalised terms used in both this Notice of Extraordinary General Meeting and the Explanatory Statement.

2. Proxies

A Shareholder entitled to attend this Meeting and vote is entitled to appoint a proxy to attend and vote for the Shareholder at the Meeting. A proxy need not be a Shareholder. If the Shareholder is entitled to cast two or more votes at the Meeting, the Shareholder may appoint two proxies and may specify the proportion or number of votes which each proxy is appointed to exercise. A form of proxy accompanies this Notice.

To record a valid vote, a Shareholder will need to take the following steps:

- 2.1 cast the Shareholder's vote online by visiting www.investorvote.com.au and entering the Shareholder's Control Number, SRN/HIN and PIN, which are shown on the first page of the enclosed proxy form; or
- 2.2 complete and lodge the manual proxy form at the share registry of the Company, Computershare Investor Services Pty Limited:
 - (a) by post at the following address:

Computershare Investor Services Pty Limited
GPO Box 242
MELBOURNE VIC 3001
 - OR
 - (b) by facsimile on 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia); or
- 2.3 for Intermediary Online subscribers only (custodians), cast the Shareholder's vote online by visiting www.intermediaryonline.com,

so that it is received no later than 9.30 am (Adelaide time) on 13 May 2019.

The chair intends to vote undirected proxies **against** each item of business. In exceptional circumstances, the chair may change his or her voting intention on any Resolution, in which case an ASX announcement will be made.

3. 'Snap Shot' Time

The Company may specify a time, not more than 48 hours before the Meeting, at which a 'snap-shot' of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Meeting. The Directors have determined that all Shares of the Company that are quoted on ASX as at 7.00 pm (Adelaide time) on 13 May 2019 shall, for the purposes of determining voting entitlements at the Meeting, be taken to be held by the persons registered as holding the Shares at that time.

4. Corporate Representative

Any corporate Shareholder who has appointed a person to act as its corporate representative at the Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company and/or share registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

EXPLANATORY STATEMENT

This Explanatory Statement forms part of a Notice convening an Extraordinary General Meeting of Shareholders of Mithril Resources Limited to be held on 15 May 2019. This Explanatory Statement is to assist Shareholders in understanding the background to and the legal and other implications of the Notice and the reasons for the Resolutions proposed. Both documents should be read in their entirety and in conjunction with each other.

REASONS FOR HOLDING THIS EXTRAORDINARY GENERAL MEETING

Why has this Extraordinary General Meeting been called?

This Extraordinary General Meeting has been requested pursuant to section 249D of the Corporations Act by two members (**Requisitionists**) holding at least 5% of the votes that may be cast at a general meeting of the Company.

About the Requisition Notice

The Requisition Notice requested a general meeting to propose Resolutions 1 to 5 (Appointment and Removal of Directors) to appoint two new Directors, and to remove two current Directors and any Director appointed by the Board since 19 March 2019.

In accordance with the requirements in the Corporations Act, the Company has convened the Meeting to allow Shareholders to vote on the proposed resolutions.

Statement to Shareholders from Mr Graham Ascough and Mr Donald Stephens

Mr Graham Ascough and Mr Donald Stephens have exercised their right under section 203D of the Corporations Act to provide Shareholders with a statement in relation to the proposed resolutions. A copy of the statement from Mr Ascough and Mr Stephens is attached to this Notice of Extraordinary General Meeting.

No Statement to Shareholders from the Requisitionists

The Requisitionists are entitled pursuant to section 249P of the Corporations Act to have the Company distribute with this Notice of Extraordinary General Meeting a statement about the resolutions proposed by them. The Requisitionists have not provided any such statement. The Requisitionists have not at any time provided any reasons or justifications for the changes sought by them in Resolutions 1 to 5.

The Board is not in a position to speculate as to what the Requisitionists hope to achieve as a result of Resolutions 1 to 5. The Board has no knowledge of what their plans for the Company are, or how they may differ from the current plans of the Company. This information is relevant to Shareholders in deciding how they should exercise their vote. In the absence of the Requisitionists confirming to the Company their reasons for proposing Resolutions 1 to 5, the Company cannot be certain of their motivations.

RESOLUTION 1: APPOINTMENT OF MR ADRIEN WING AS A DIRECTOR

Mr Wing has consented to act as a director of the Company. Mr Wing is the sole director of Northern Star Nominees Pty Ltd (**Northern Star**), being one of the Requisitionists. As at the date of this Notice, Northern Star held 18,170,847 Shares, being 4.3% of total Shares on issue as at the date of this Notice.

The Company has not received any other information concerning Mr Wing's credentials and experience, or his plans for the Company. The Board is therefore unable to comment on the suitability of Mr Wing to act as a director of the Company, nor the skills he would bring to the Board.

Resolution 1 is an ordinary resolution.

The Directors of the Company are unanimously **against** the appointment of Mr Wing as a Director of the Company.

The chair of the Meeting intends to vote undirected proxies **against** Resolution 1.

RESOLUTION 2: APPOINTMENT OF MR STEPHEN LAYTON AS A DIRECTOR

Mr Layton has consented to act as a director of the Company. Mr Layton is the sole director and shareholder of Bodie Investments Pty Ltd (**Bodie Investments**), being one of the Requisitionists. As at the date of this Notice, Bodie Investments held 18,170,847 Shares, being 4.3% of total Shares on issue as at the date of this Notice.

The Company has not received any other information concerning Mr Layton's credentials and experience, or his plans for the Company. The Board is therefore unable to comment on the suitability of Mr Layton to act as a director of the Company, nor the skills he would bring to the Board.

Resolution 2 is an ordinary resolution.

The Directors of the Company are unanimously **against** the appointment of Mr Layton as a Director of the Company.

The chair of the Meeting intends to vote undirected proxies **against** Resolution 2.

RESOLUTION 3: REMOVAL OF MR GRAHAM ASCOUGH AS A DIRECTOR

Mr Ascough has been a director of the Company since 9 October 2006, and is currently the Chairman of the Board. Mr Ascough has an interest in 7,042,323 Shares.

A resume for Mr Ascough follows:

Graham Ascough, BSc, PGeo (Chairman, Non-Executive Director)

Mr Ascough is a senior resources executive with more than 30 years of industry experience evaluating mineral projects and resources in Australia and overseas. He has had broad industry involvement ranging from playing a leading role in setting the strategic direction for significant country-wide exploration programs to working directly with mining and exploration companies.

Mr Ascough is a geophysicist by training and was the Managing Director of the Company from October 2006 until June 2012. Prior to joining the Company in 2006, Mr Ascough was the Australian Manager of Nickel and PGM Exploration at the major Canadian resources house, Falconbridge Ltd (acquired by Xstrata Plc in 2006).

Mr Ascough is also Non-Executive Chairman of ASX listed Musgrave Minerals Ltd, PNX Metals Ltd and Sunstone Metals Ltd. He is a member of the Australian Institute of Mining and Metallurgy and is a Professional Geoscientist of Ontario, Canada.

Resolution 3 is an ordinary resolution.

The Directors of the Company, unanimously and with Mr Ascough refraining, are **against** the removal of Mr Ascough as a Director of the Company.

The chair of the Meeting intends to vote undirected proxies **against** Resolution 3.

RESOLUTION 4: REMOVAL OF MR DONALD STEPHENS AS A DIRECTOR

Mr Stephens has been a director of the Company since 26 April 2002 and is currently the Chairman of the Company's Audit Committee. Mr Stephens has an interest in 5,506,321 Shares.

A resume for Mr Stephens follows:

Donald Stephens BA (Acc), FCA

Donald Stephens is a Chartered Accountant and corporate adviser with over 30 years' experience in the accounting industry, including 14 years as a partner of HLB Mann Judd (SA), a firm of Chartered Accountants. He is a director of Petratherm Ltd and Gooroo Ventures Ltd, and is company secretary to Highfield Resources Ltd, Petratherm Ltd and Gooroo Ventures Ltd. In the last three years he has been a Director of Papyrus Australia Limited, Crest Minerals Ltd and Reproductive Health Science Ltd.

He holds other public company secretarial positions and directorships with private companies and provides corporate advisory services to a wide range of organisations. He is also the Company's company secretary and is a member of the Company's audit committee.

Resolution 4 is an ordinary resolution.

The Directors of the Company, unanimously and with Mr Stephens refraining, are **against** the removal of Mr Stephens as a Director of the Company.

The chair of the Meeting intends to vote undirected proxies **against** Resolution 4.

RESOLUTION 5: REMOVAL OF OTHER DIRECTORS

Resolution 5 seeks to remove any Director appointed by the Board of the Company pursuant to section 9.1 of the Company's Constitution between 19 March 2019 and the earlier of:

- (a) the date on which the Requisitionists both withdraw their intention to move Resolution 5; or
- (b) the end of the General Meeting of the Company at which Resolution 5 is passed,

other than Mr Adrien Wing or Mr Stephen Layton.

The Board of the Company has not appointed any Director pursuant to section 9.1 of the Company's Constitution between 19 March 2019 and the date of this Notice of Extraordinary General Meeting, and has no intention of appointing any Director pursuant to section 9.1 of the Company's Constitution before the end of the Meeting.

Resolution 5 is an ordinary resolution.

If notwithstanding its current intention, the Board of the Company appoints a Director or Directors pursuant to section 9.1 of the Company's Constitution between the date of this Notice of Extraordinary General Meeting and before the end of the Meeting, the Directors of the Company, unanimously and with that Director or those Directors so appointed refraining, are **against** the removal of that Director or those Directors as a Director or Directors of the Company.

The chair of the Meeting intends to vote undirected proxies **against** Resolution 5.

GLOSSARY

In this Explanatory Statement and Notice of Extraordinary General Meeting the following expressions have the following meanings unless stated otherwise or unless the context otherwise requires:

ASX means ASX Limited ACN 008 624 691;

Board means the board of directors of the Company;

Company means Mithril Resources Limited ACN 099 883 922;

Corporations Act means *Corporations Act 2001* (Cth);

Director means a director of the Company;

Meeting means the meeting of shareholders convened by the Notice;

Notice means the notice of extraordinary general meeting to which this Explanatory Statement is attached;

Share means a fully paid ordinary share in the capital of the Company; and

Shareholder means the holder of a Share.

STATEMENT BY DIRECTORS MR GRAHAM ASCOUGH AND MR DONALD STEPHENS

On 19 March 2019, Mithril received a notice under Section 249D of the Corporations Act (**249D Notice**) executed by Bodie Investments Pty Ltd (**Bodie**) and Northern Star Nominees Pty Ltd (**Northern Star**) requesting that Mithril call and arrange to hold a general meeting to consider:

- the appointment of Mr Adrien Wing as a director,
- the appointment of Mr Stephen Layton as a director,
- the removal of Mr Graham Ascoug as a director,
- the removal of Mr Donald Stephens as a director, and
- the removal of any director appointed by the Board pursuant to section 9.1 of the Company's Constitution between 19 March 2019 and the earlier of the date on which the requisitioning shareholders all withdraw their intention to move this resolution or the end of the general meeting of Mithril at which this resolution is passed, other than Mr Wing or Mr Layton.

Mr Stephen Layton is the sole director and shareholder of Bodie. Mr Adrien Wing is the sole director of Northern Star (please note that Northern Star Nominees Pty Ltd is not related to the ASX listed Northern Star Resources Limited).

Together Northern Star and Bodie hold approximately 8.6% of Mithril's issued capital, and they were introduced to the share register during the last capital raising which closed less than three months prior to the issue of the 249D Notice.

On lodgement of the 249D Notice, Bodie and Northern Star became associates and as such were most likely required to lodge a substantial shareholder notice (Form 603). To date no disclosure has been made in regard to the relationship between Bodie and Northern Star, or of any relationship they may have with other shareholders in Mithril. If the nomination of Mr Layton and Mr Wing is successful, your Company would have a non-independent and potentially conflicted Board.

The intentions of requisitioning shareholders are unclear given they did not consult with the existing board members prior to lodgement of the 249D Notice. Your Board has not received any reason for the proposed changes and the requisitioning shareholders have not disclosed their intentions for the future of your Company.

Of specific concern is the future of the Company's exciting new Billy Hills Zinc Project, and the continued engagement of David Hutton as your Managing Director.

Billy Hills is an advanced exploration opportunity generated by the Company in a proven mining district that has seen considerable historic production of zinc, lead and silver. We are sharply focused on advancing the project through the initial phase of exploration towards discovery.

Considerable time and effort has been spent in securing agreements with key stakeholders, including Traditional Owners, to facilitate access for exploration and commencement of drilling. In addition, multiple exploration targets have been prioritised for follow-up and commencement of fieldwork is imminent.

Dealing with the 249D Notice is an unnecessary and costly distraction which has taken the focus away from our core business of making new discoveries.

As long serving non-executive directors our experience is well known to most shareholders. Donald has been on the Board of Mithril since its listing in 2002 and recently stood for reelection by shareholders on 14 November 2018, where he received strong support for his re-appointment. He is a Chartered Accountant specializing in ASX listed entities and is also the Company Secretary of Mithril.

Graham is a geophysicist, a member of the AusIMM and a Professional Geoscientist of Ontario with 30 years of experience in mineral exploration and project evaluation. He has been a director of Mithril since 2006 and has been Chairman since 2012. He has stood for re-election many times as required under the Company's constitution and has always received strong support from shareholders.

Both have a strong track record of raising funds in capital markets and have lead project acquisitions and divestments for various companies along with other corporate activities.

Your independent directors will ensure that the Company remains focused on advancing its priority project and maximizing in ground expenditure by keeping our overheads low. We are dedicated to growing the Company for the benefit of all shareholders and not just a select few.

We believe the 249D notice is an opportunistic play by associated parties to take control of your Company. We strongly recommend that you vote against Resolutions 1 through 5 at the forthcoming meeting.

Once again we thank you for your consideration.

Graham Ascough
Chairman

Donald Stephens
Director



MITHRIL
RESOURCES LTD
ACN 099 883 922

Lodge your vote:



Online:
www.investorvote.com.au



By Mail:
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 551 161
(outside Australia) +61 3 9415 4000

Proxy Form



Vote online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

Your access information that you will need to vote:

Control Number: 182548

SRN/HIN:

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

For your vote to be effective it must be received by 9:30am (Adelaide time) Monday 13 May 2019

How to Vote on Items of Business

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

Appointment of Proxy

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

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

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

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

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

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

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

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

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form →**

☐

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

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

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

☐

the Chairman
of the Meeting OR



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

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Extraordinary General Meeting of Mithril Resources Limited to be held at Mercure Grosvenor Hotel Adelaide, Pioneer Room, 125 North Terrace, ADELAIDE SA 5000 on Wednesday, 15 May 2019 at 9:30am (Adelaide time) and at any adjournment or postponement of that meeting.

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

STEP 2 Items of Business



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

VOTE AGAINST

The Directors of Mithril Resources Limited recommend that shareholders **VOTE AGAINST** the resolutions set out in the Notice of Extraordinary General Meeting

ORDINARY BUSINESS

	For	Against	Abstain
1. Appointment of Mr Adrien Wing as a Director	☐	☐	☐
2. Appointment of Mr Stephen Layton as a Director	☐	☐	☐
3. Removal of Mr Graham Ascough as a Director	☐	☐	☐
4. Removal of Mr Donald Stephens as a Director	☐	☐	☐
5. Removal of Other Directors	☐	☐	☐

SIGN

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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact
Name

Contact
Daytime
Telephone

Date / /
