

MITHRIL RESOURCES LIMITED
ACN 099 883 922

CLEANSING PROSPECTUS

For the offer of up to 1,000 Shares in the capital of the Company at an issue price of \$0.10 per Share to raise up to \$100 (before expenses) (**Cleansing Offer**).

This Prospectus also contains Secondary Offers, which are detailed further in Section 1.3 of this Prospectus.

This Prospectus has been prepared primarily for the purpose of section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Securities being offered under this Prospectus or any other matter, then you should consult your professional advisers without delay.

The Securities offered by this Prospectus should be considered as highly speculative.

IMPORTANT NOTICE

This Prospectus is dated 15 May 2024 and was lodged with the ASIC on that date. The ASIC, ASX and their respective officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

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

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares offered by this Prospectus should be considered as highly speculative.

Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form.

Although the Company's securities are currently suspended from ASX, the Company continues to be subject to the continuous disclosure regime provided for under the Corporations Act. This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus and is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

Representations contained in this Prospectus are made taking into account that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters are publicly available information or may reasonably be expected to be known to investors and professional advisers whom prospective investors may consult.

No Investment Advice

The information contained in this Prospectus is not financial product advice or investment advice and does not take into account your financial or investment objectives, financial situation or particular needs (including financial or taxation issues). You should seek professional advice from your accountant, financial adviser, stockbroker, lawyer or other professional adviser before deciding to subscribe for Securities under this Prospectus to determine whether it meets your objectives, financial situation and needs.

Suspension from ASX and Reinstatement and ASX Update

The Shares of the Company have been in suspension since 17 November 2023 and remain suspended as at the date of this Prospectus.

The Company is confident that it will be able to satisfy ASX that it has sufficient funding and level of activities to warrant the reinstatement to trading of its securities shortly after the lodgement of this Prospectus.

The Company is proactively working with ASX to achieve its reinstatement, however until such time as the Company is able to demonstrate to ASX that the Company's operations and financial condition warrant quotation on ASX, the Shares will remain suspended from trading and there will be no readily available liquid market for Shares.

Although the Company's securities are currently suspended the Company continues to be a disclosing entity for the purposes of the Corporations Act.

Forward-looking statements

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involve risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties,

assumptions and other important factors, many of which are beyond the control of the Company, the Directors and the Company's management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward-looking statements are subject to various risk factors that could cause our actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 4.

Applicants outside Australia

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any of these restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue in this Prospectus.

Continuous disclosure obligations

The Company is a "disclosing entity" (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an

initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Please refer to Section 5.2 for further details.

Electronic Prospectus

A copy of this Prospectus can be downloaded from the website of the Company at www.mithrilresources.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. You may obtain a hard copy of this Prospectus free of charge by contacting the Company by phone on +61 3 9692 7222 during office hours or by emailing the Company at info@mithrilresources.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

Company Website

No documents or other information available on the Company's website is incorporated into this Prospectus by reference.

Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will apply to participate in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Electronic sub-registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with statements (similar to a bank account statement) that set out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Electronic sub-registers also mean ownership of securities can be transferred without having to rely upon paper documentation. Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

Photographs and Diagrams

Photographs used in this Prospectus which do not have descriptions are for illustration only and should not be interpreted to mean that any person shown endorses the Prospectus or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale.

Definitions and Time

Unless the contrary intention appears or the context otherwise requires, words and phrases contained in this Prospectus have

the same meaning and interpretation as given in the Corporations Act and capitalised terms have the meaning given in the Glossary in Section 7.

All references to time in this Prospectus are references to Australian Eastern Standard Time.

Privacy statement

If you complete an Application Form, you will be providing personal information to the Company. The Company collects, holds and will use that information to assess your Application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, including bidders for your securities in the context of takeovers, regulatory bodies including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the share registry.

You can access, correct and update the personal information that we hold about you. If you wish to do so, please contact the share registry at the relevant contact number set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Application for Shares, the Company may not be able to accept or process your Application.

Enquiries

If you are in any doubt as to how to deal with any of the matters raised in this Prospectus, you should consult with your broker or legal, financial or other professional adviser without delay. Should you have any questions about the Offer or how to accept the Offer please call the Company Secretary on +61 3 9692 7222.

CORPORATE DIRECTORY

Directors

Mr John Skeet
Managing Director

Mr Craig Sharpe
Non-Executive Chair

Mr Garry Thomas
Non-Executive Director

Mr Stephen Layton
Non-Executive Director

Company Secretary

Ms Claire Newstead-Sinclair

Share Registry*

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000
Telephone: +61 8 8236 2300
Facsimile: +61 3 9473 2408

Registered Office

Level 4, 100 Albert Road
SOUTH MELBOURNE VIC 3205
Telephone: +61 3 9692 7222

Email: info@mithrilresources.com.au
Website: www.mithrilresources.com.au

ASX Code

MTH

Lawyers

Steinepreis Paganin
Level 6, 99 William Street
Melbourne VIC 3000

Auditors*

Nexia Melbourne Audit Pty Ltd
Level 35, 600 Bourke Street
MELBOURNE VIC 3000

* These entities have not been involved in the preparation of this Prospectus and have not consented to being named in this Prospectus. Their names are included for information purposes only.

TABLE OF CONTENTS

1.	DETAILS OF THE OFFERS	1
2.	PURPOSE AND EFFECT OF THE OFFERS	12
3.	RIGHTS AND LIABILITIES ATTACHING TO SHARES	14
4.	RISK FACTORS	17
5.	ADDITIONAL INFORMATION	25
6.	DIRECTORS' AUTHORISATION	32
7.	GLOSSARY	33

1. DETAILS OF THE OFFERS

1.1 Indicative Timetable

Action	Date
Lodgement of Prospectus with the ASIC and ASX	15 May 2024
Opening Date of the Offers*	15 May 2024
Closing Date*	5:00pm AEST on 16 May 2024
Quotation of Options on the ASX**	21 May 2024

*The Directors reserve the right to bring forward or extend the Closing Date at any time after the Opening Date without notice. As such, the date the Shares are expected to commence trading on ASX may vary with any change in the Closing Date.

**The issue and trading of the Options issued pursuant to this Prospectus may be deferred in the event the Company is unable to satisfy the ASX Listing Rules for the quotation of the Options.

1.2 Background to the Offers

Consolidation

At the Company's annual general meeting held on 22 April 2024 (**Meeting**), Shareholders approved a 100:1 consolidation of the capital of the Company.

All figures shown in this Section 1.2 and Section 1.3 are on a pre-consolidation basis to ensure consistency with the Company's prior announcements, unless otherwise stated. All figures shown in the remainder of this Prospectus are on a post-consolidation basis.

Placement

As announced on 2 January 2024 and 5 March 2024, the Company received firm commitments from sophisticated and professional investors to raise approximately \$4 million (before costs) through a combination of an issue of convertible notes and a share placement (**Capital Raising**).

The Company's Directors also provided firm commitments to subscribe for approximately 415,000,000 Shares in the Placement to raise \$415,000 (**Director Participation**).

The Company notes that on or around 10 May 2024, the Company's director, Mr John Skeet, and the Company entered into a convertible loan agreement whereby Mr Skeet agreed to advance his portion of the Director Participation, being \$250,000 (for up to 2,500,000 Shares post consolidation) on a convertible loan basis. Subject to the Company's securities being reinstated to Official Quotation, Mr Skeet will be issued with up to 2,500,000 Shares on a post consolidation basis under the Director Participation. If the Company's securities are not reinstated to Official Quotation, the Company will be required to repay the loan in cash with interest.

The Placement comprises the issue of up to 3,508,400,000 Shares (including the Director Participation) at an issue price of \$0.001 per Share to raise approximately \$3.5 million (before costs) (**Placement Shares**), together with one free attaching option for every two shares subscribed for and issued (being up to

1,754,200,000 Options), on the terms and conditions set out in Schedule 2 (**Placement Options**) (together, the **Placement**).

Convertible Note Raise

The Convertible Note Raise comprises the issue of up to 1,000,000 convertible notes to sophisticated and professional investors, with a face value of \$1.00 each convertible into up to 1,000,000,000 Shares at a conversion price equal to the issue price under the Placement per Share (**Convertible Note Shares**), and on the same terms as the Placement (**Convertible Note Raise**). As at the date of this Prospectus, 30,000 convertible notes have been redeemed. Accordingly, the Company intends to issue up to a total of 970,000,000 Convertible Note Shares and 485,000,000 free attaching Options to the convertible note holders, on the same terms as the Placement Options, as set out in Schedule 2 (**CN Options**).

The Company also announced that each convertible note holder will be issued an additional 1,000 Options each to acquire a Share in the Company for every \$1.00 raised on the terms and conditions set out in Schedule 1. As the Company has raised a total of \$1,000,000 via the Convertible Note Raise, the Company proposes to issue up to 1,000,000,000 unlisted Options to convertible note holders who participated in the Convertible Note Raise (**CN Additional Options**).

As previously announced, and pursuant to the terms of the convertible notes, interest is payable at a rate of 18% per annum, capitalised annually and payable upon conversion or redemption of the convertible notes in cash or via the issue of Shares at the subscriber's election on the same terms as the Shares issued as part of the Placement. The Company received notices from various convertible note holders who have elected to be paid interest via the issue of Shares. Accordingly, the Company proposes to issue 40,740,000 Shares (**CN Settlement Shares**) and 20,370,000 Options to be issued on the terms and conditions set out in Schedule 2 (**CN Settlement Options**) to the relevant convertible note holders in lieu of interest totalling \$40,740.

The Placement and Convertible Note Raise was conducted by PAC Partners Securities Pty Ltd (ACN 623 653 912) (**PAC Partners**) and Arlington Group Asset Management (**Arlington**) as Joint Lead Managers, with brokerage fees payable up to 6%. The Company proposes to issue the Joint Lead Managers (or their respective nominee(s)) 300,000,000 Options as part consideration for services provided on the terms and conditions as set out in Schedule 2 (**Broker Options**).

In addition to the Broker Options, Arlington has elected to be paid part of its brokerage fee of \$62,100 via the issue of Shares on the same terms and conditions as the Placement. Accordingly, the Company proposes to issue Arlington (or their nominee(s)) 62,100,000 Shares (**Arlington Shares**) and 31,050,000 Options on the terms and conditions set out in Schedule 2 (**Arlington Options**).

As announced on 5 March 2024, the Company engaged the services of S3 Consortium Pty Ltd (ACN 135 239 968) (**S3 Consortium**) to act as the Company's Investor Relations Manager for a term of two years. Pursuant to the agreement, the Company agreed to issue 200,000,000 Shares to S3 Consortium (or their nominee(s)) on the same terms as the Placement (**Service Shares**). Accordingly, S3 Consortium will receive 100,000,000 Options on the terms and conditions set out in Schedule 2 as consideration for services provided (**Service Options**).

S3 Consortium are also participating in the Placement for the issue of up to 175,000,000 Placement Shares and 87,500,000 Placement Options. S3

Consortium's participation in the Placement is included as part of the Placement Shares and Placement Options noted above.

The funds from the Capital Raising will be used for continued exploration work at the district scale, high-grade gold-silver Copalquin project in Mexico, evaluation of other mineral properties and for general working capital.

Compania Minera Copalquin SA de CV

On 7 August 2017, Compañia Minera Copalquin SA de CV (**CMC**) and the Company, via its 100% owned subsidiary, entered into an exclusive purchase option agreement for the purchase of 100% of the Copalquin Mining Concessions in the Durango State, Mexico.

The purchase option period was due to expire on 7 August 2026. CMC agreed to grant the Company the right to extend the expiry date from 7 August 2026 to 7 August 2028, subject to receipt of a preliminary economic assessment for part the Company's Copalquin project based in Mexico (**CMC Agreement**). The CMC Agreement was registered with the Mexican Mining Registry on 12 March 2024. Accordingly, as consideration for CMC granting the extension, the Company proposes to issue 150,000,000 Shares at an issue price of \$0.001 per Share (**CMC Shares**) and 75,000,000 free attaching Options to CMC (or their nominee(s)) (**CMC Options**). Please refer to Schedule 2 for the terms and conditions of the CMC Options.

CMC are also participating in the Placement for up to 100,000,000 Placement Shares and 50,000,000 Placement Options as part payment of a purchase option payment of approximately US\$75,000. CMC's participation in the Placement is included as part of the Placement Shares and Placement Options noted above.

The Company received shareholder approval for the issue of the Placement Options, CN Options, CN Additional Options, CN Settlement Options, Arlington Options, Service Options and CMC Options at the Meeting. The Broker Options will be issued to the Joint Lead Managers pursuant to the Company's placement capacity under ASX Listing Rule 7.1.

Subject to the Company being able to satisfy ASX of the requirements for quotation as per Chapter 2 of the Listing Rules, the Options issued under this Prospectus, with the exception of the CN Additional Options, will form a new class of quoted securities of the Company.

Other issues of Securities

At the Company's Meeting, Shareholders also approved the issue of:

- (a) 157,500,000 Shares to Mr Garry Thomas, a director of the Company as repayment of a loan and associated interest of \$157,500 owed by the Company to him (**Loan Conversion**); and
- (b) a total of 230,000,000 unlisted Options exercisable at \$0.002 on the date that is three years from the date of issue, to be granted under the Company's Employee Incentive Plan (**EIP**) to the Directors (or their nominee(s)) (**EIP Options**) comprising:
 - (i) 80,000,000 Options to Mr John Skeet;
 - (ii) 50,000,000 Options to Mr Stephen Layton;

- (iii) 50,000,000 Options to Mr Garry Thomas; and
- (iv) 50,000,000 Options to Mr Craig Sharpe.

1.3 Offers

(a) **Cleansing Offer**

Pursuant to this Prospectus, the Company invites investors identified by the Directors to apply for up to 1,000 Shares in the capital of the Company at an issue price of \$0.10 per Share to raise up to \$100 (before expenses) (**Cleansing Offer**).

The Cleansing Offer will only be extended to, and Application Forms will only be provided to, specific parties on invitation from the Directors.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(b) **Placement Options Offer**

This Prospectus includes an offer of up to 1,754,200,000 Options to participants of the Placement (**Placement Options Offer**). As set out in Section 1.2, the Placement Options will be offered free attaching (on a one for two basis). Accordingly, no funds will be raised from the issue of the Placement Options Offer.

Only participants in the Placement will be eligible to apply for the Placement Options under the Placement Options Offer. Accordingly, the Placement Options Offer will only be extended to specific parties on invitation from the Directors and the Placement Options Offer Application Form will be provided by the Company to these parties only.

The Placement Options offered under the Placement Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the Placement Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(c) **CN Options Offer**

The CN Options Offer is an offer for up to 485,000,000 Options to participants of the Convertible Note Raise (**CN Options Offer**). As set out in Section 1.2, the CN Options will be offered free attaching with the Shares issued on conversion of the convertible note. Accordingly, no funds will be raised from the issue of the CN Options.

Only participants in the Convertible Note Raise will be eligible to apply for the CN Options under the CN Options Offer. Accordingly, the CN Options Offer will only be extended to specific parties on invitation from the Directors and the CN Options Offer Application Form will be provided by the Company to these parties only.

The CN Options offered under the CN Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the CN Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(d) **CN Additional Options Offer**

The CN Additional Options Offer is an offer for up to 1,000,000,000 Options to participants of the Convertible Note Raise (**CN Additional Options Offer**). As set out in Section 1.2, the CN Additional Options will be offered free attaching to the convertible note issued under the Convertible Note Raise. Accordingly, no funds will be raised from the issue of the CN Additional Options.

Only participants in the Convertible Note Raise will be eligible to apply for the CN Additional Options under the CN Additional Options Offer. Accordingly, the CN Additional Options Offer will only be extended to specific parties on invitation from the Directors and the CN Additional Options Offer Application Form will be provided by the Company to these parties only.

The CN Additional Options offered under the CN Additional Options Offer will be issued on the terms and conditions set out in Schedule 1. All Shares issued upon exercise of the CN Additional Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(e) **CN Settlement Options Offer**

The CN Settlement Options Offer is an offer for up to 20,370,000 Options to participants of the Convertible Note Raise (**CN Settlement Options Offer**) and will only be offered to those convertible note holders who have elected to receive interest payments in the form of Shares.

Only participants in the Convertible Note Raise who have elected to be paid interest in the form of Shares will be eligible to apply for the CN Settlement Options under the CN Settlement Options Offer. Accordingly, the CN Settlement Options Offer will only be extended to specific parties on invitation from the Directors and a CN Settlement Options Offer Application Form will be provided by the Company to these parties only.

The CN Settlement Options offered under the CN Settlement Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the CN Additional Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(f) **Broker Offer**

The Broker Offer is an offer for up to 300,000,000 Broker Options to the Joint Lead Managers (or their respective nominee(s)) in consideration for lead manager services provided to the Company (**Broker Offer**). Accordingly, no funds will be raised from the Broker Offer.

Only the Joint Lead Managers (or their respective nominee(s)) may accept the Broker Offer and a Broker Offer Application Form in relation to the Broker Offer will be issued to the Joint Lead Managers (or their nominee(s)), together with a copy of this Prospectus.

The Broker Options offered under the Broker Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the Broker Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(g) **Arlington Options Offer**

The Arlington Options Offer is an offer for up to 31,050,000 Arlington Options to Arlington (or their nominee(s)) (**Arlington Options Offer**). As set out in Section 1.2, the Arlington Options will be offered free attaching to the Arlington Shares issued as consideration for services provided. Accordingly, no funds will be raised from the Arlington Options Offer.

Only Arlington (or their nominee(s)) may accept the Arlington Options Offer and an Arlington Options Offer Application Form in relation to the Arlington Options Offer will be issued to Arlington (or their nominee(s)), together with a copy of this Prospectus.

The Arlington Options offered under the Arlington Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the Arlington Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(h) **Service Options Offer**

The Service Options Offer is an offer for up to 100,000,000 Service Options to S3 Consortium (or their nominee(s)) (**Service Options Offer**). As set out in Section 1.2, the Service Options will be offered free attaching to the Service Shares issued as consideration for services provided. Accordingly, no funds will be raised from the Service Options Offer.

Only S3 Consortium (or their nominee(s)) may accept the Service Options Offer and a Service Options Offer Application Form in relation to the Service Options Offer will be issued to S3 Consortium (or their nominee(s)), together with a copy of this Prospectus.

The Service Options offered under the Service Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the Service Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

(i) **CMC Options Offer**

The CMC Options Offer is an offer for up to 75,000,000 CMC Options to CMC (or their nominee(s)) (**CMC Options Offer**). As set out in Section 1.2, the CMC Options will be offered free attaching to the CMC Shares. Accordingly, no funds will be raised from the issue of the CMC Options Offer.

Only CMC (or their nominee(s)) may accept the CMC Options Offer and a CMC Options Offer Application Form in relation to the CMC Options Offer will be issued to CMC (or their nominee(s)), together with a copy of this Prospectus.

The CMC Options offered under the CMC Options Offer will be issued on the terms and conditions set out in Schedule 2. All Shares issued upon exercise of the CMC Options will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 3 for further information regarding the rights and liabilities attaching to the Shares.

1.4 Objective

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to Shares issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus), including the Shares detailed in Section 1.2. Accordingly, the Company is seeking to raise only a nominal amount of \$100 under this Prospectus as the purpose of this Prospectus is not to raise capital.

The purpose of the Secondary Offers is to satisfy the Company's obligations under the arrangements summarised in Section 1.2.

In addition to the above purposes, the Secondary Offers are being made under this Prospectus to remove any trading restrictions attaching to the Options, and any Shares issued on exercise of those Options. The Company confirms that:

- (a) The Secondary Offers under this Prospectus are being issued with disclosure under this Prospectus (which is a disclosure document under Part 6D.2 of the Corporations Act); and
- (b) The Secondary Offers are being made such that the relief provided under ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 with respect to the on-sale provisions of section 707 of the Corporations Act is available.

Relevantly, section 708A(11) of the Corporations Act provides that a sale offer does not need disclosure to investors if:

- (a) the relevant securities are in a class of securities that are quoted securities of the body; and
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

1.5 Application for Securities

(a) Applications for Shares under the Cleansing Offer

Applications for Shares must be made by investors at the direction of the Company and must be made using the Application Form accompanying this Prospectus.

Payment for the Shares must be made in full at the issue price of \$0.10 per Share.

Completed Application Forms and accompanying cheques, made payable to "**Mithril Resources Limited - Share Offer Account**" and

crossed "**Not Negotiable**", must be mailed or delivered to the Company at the address set out in the Application Form by no later than the Closing Date.

(b) **Applications for Placement Options under the Placement Options Offer**

The Placement Options Offer will only be extended to the participants in the Placement. Application Forms will only be provided to these participants on invitation by the Directors. By completing an Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

(c) **Applications for CN Options and CN Additional Options under the CN Options Offer and CN Additional Options Offer**

The CN Options Offer and CN Additional Options Offer will only be extended to the participants of the Convertible Note Raise. Application Forms will only be provided to these participants on invitation by the Directors. By completing the relevant Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the relevant Application Form together with a complete and unaltered copy of the Prospectus.

(d) **Applications for CN Settlement Options under the CN Settlement Options Offer**

The CN Settlement Options Offer will only be extended to the participants of the Convertible Note Raise who have elected to receive Shares in lieu of interest payable by the Company to the convertible note holder. Application Forms will only be provided to these participants on invitation by the Directors. By completing the Application Form, you will be taken to have declared that all details and statements made by you are complete and accurate and that you have received personally the Application Form together with a complete and unaltered copy of the Prospectus.

(e) **Applications for Broker Options under the Broker Options Offer**

The Broker Options Offer will only be extended to the Joint Lead Managers (or their respective nominee(s)). Application Forms will only be provided to the Joint Lead Managers.

(f) **Applications for Arlington Options under the Arlington Options Offer**

The Arlington Options Offer will only be extended to Arlington (or their nominee(s)). Application Forms will only be provided to Arlington (or their nominee(s)).

(g) **Applications for Service Options under the Service Options Offer**

The Service Options Offer will only be extended to the S3 Consortium (or their nominee(s)). Application Forms will only be provided to S3 Consortium (or their nominee(s)).

(h) **Applications for CMC Options under the CMC Options Offer**

The CMC Options Offer will only be extended to the CMC (or their nominee(s)). Application Forms will only be provided to CMC (or their nominee(s)).

1.6 Minimum subscription

There is no minimum subscription.

1.7 Oversubscriptions

No oversubscriptions will be accepted by the Company.

1.8 Underwriting

The Offers are not underwritten.

1.9 Issue of Securities

As noted in Section 1.4, the primary purpose of the Offers is to remove any trading restrictions that may have attached to Securities issued by the Company without disclosure under Chapter 6D of the Corporations Act prior to the Closing Date (including prior to the date of this Prospectus).

If the Directors decide to issue Securities under this Prospectus, the issue of Securities under the Offers will be issued in accordance with the ASX Listing Rules and will take place as soon as practicable after the Closing Date. Application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

The Directors will determine the recipients of all the Securities. The Directors reserve the right to reject any Application Form or to allocate any Applicant fewer Securities than the number applied for. Where the number of Securities issued is less than the number applied for, the surplus monies will be returned by cheque as soon as practicable after the Closing Date. Where no issue of Securities is made, the amount tendered on Application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on monies refunded.

The Company's decision on the number of Securities to be allocated to an Applicant will be final.

Holding statements for Securities issued under the Offers will be mailed as soon as practicable after the issue of Securities as soon as practicable after their issue.

1.10 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of three months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all Application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

The Company intends for the Options offered pursuant to this Prospectus to be quoted on ASX. Accordingly, application for Official Quotation of the Options offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. However, the quotation of the Options is subject to the satisfaction of the ASX Listing Rules requirements. Accordingly, if the Company does not receive sufficient applications for Options to satisfy these requirements (or does not otherwise satisfy the requirements), the Company will withdraw the application for Official Quotation in respect of the Options and the Options will not be quoted and will remain unlisted, until such time as the Company can satisfy the ASX Listing Rule requirements.

The fact that ASX may grant Official Quotation to the Options is not to be taken in any way as an indication of the merits of the Company or the Options now offered for subscription.

1.11 Applicants outside Australia

The distribution of this Prospectus outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws.

The Offers do not, and is not intended to, constitute an offer 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 Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an Application to take up Securities on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

2. PURPOSE AND EFFECT OF THE OFFERS

2.1 Purpose of the Offers

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Securities issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offers will be applied towards the expenses of the Offers. Refer to Section 5.8 for further details relating to the estimated expenses of the Offers.

2.2 Effect on capital structure

The effect of the Offers on the capital structure of the Company is set out below.

Shares ^{1 2}	Number ³
Shares currently on issue	33,688,822
Shares to be issued under the Placement	35,084,000
Shares to be issued under the Convertible Note Raise	9,700,000
Shares to be issued under the CN Settlement Shares	407,400
Shares to be issued under the Arlington Shares	621,000
Shares to be issued under the Service Shares	2,000,000
Shares to be issued under the CMC Agreement	1,500,000
Shares to be issued under the Loan Conversion	1,575,000
Shares offered under this Prospectus	1,000
Total Shares on issue after completion of the Offers	84,577,222

Notes:

1. The rights and liabilities attaching to the Shares are summarised in Section 3 of this Prospectus.
2. Further details in relation to the Capital Raising are set out in the ASX announcements released by the Company on 2 January 2024 and 5 March 2024.
3. At the Company's Annual General Meeting on 22 April 2024, shareholders approved a 100:1 consolidation of capital of the Company. All figures shown in this table are on a post consolidation basis.

Options	Number ³
Unlisted Options exercisable at \$0.015 each on or before 16 November 2025	250,000
Unlisted Options exercisable at \$0.007 each on or before 9 December 2025	2,142,865
Placement Options ²	17,542,000
CN Options ²	4,850,000
CN Additional Options ¹	10,000,000
CN Settlement Options ²	203,700
Broker Options ²	3,000,000

Arlington Options ²	310,500
Service Options ²	1,000,000
CMC Options ²	750,000
EIP Options ⁴	2,300,000
Total Options on issue after completion of the Offers	42,349,065

Notes:

1. Refer to Schedule 1 for the terms and conditions of the Options.
2. Refer to Schedule 2 for the terms and conditions of the Options.
3. At the Company's Annual General Meeting on 22 April 2024, shareholders approved a 100:1 consolidation of capital of the Company. All figures shown in this table are on a post consolidation basis.
4. Refer to Section 1.2 for the terms and conditions of the EIP Options.

Performance Rights	Number¹
Performance Rights currently on issue	333,334
Performance Rights offered under this Prospectus	Nil
Total Performance Rights on issue after completion of the Offer	333,334

Notes:

1. At the Company's Annual General Meeting on 22 April 2024, shareholders approved a 100:1 consolidation of capital of the Company. All figures shown in this table are on a post consolidation basis.

2.3 Financial effect of the Offer

After expenses of the Offers of approximately \$13,206, there will be no proceeds from the Offers. The expenses of the Offers will be met from the Company's existing cash reserves.

As such, the Offers will have an effect on the Company's financial position, being receipt of funds of \$100 less costs of making the Offers of approximately \$13,206.

3. RIGHTS AND LIABILITIES ATTACHING TO SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or body corporate representative to attend and vote at general meetings of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or corporate representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or corporate representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or corporate representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or corporate representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion of the amount paid or credited as paid in respect of such Shares.

The Directors may from time to time pay to the Shareholders any interim dividends as they may determine. No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

Subject to the ASX Listing Rules and the Corporations Act, the Company may, by resolution of the Directors, implement a dividend reinvestment plan on such terms and conditions as the Directors think fit and which provides for any dividend which the Directors may declare from time to time payable on Shares which are participating Shares in the dividend reinvestment plan, less any amount which the Company shall either pursuant to the Constitution or any law be entitled or obliged to retain, be applied by the Company to the payment of the subscription price of Shares.

(d) **Winding-up**

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) **Shareholder liability**

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) **Transfer of shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) **Future increase in capital**

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) **Variation of rights**

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of the members holding shares in the class or with the written consent of members with at least 75% of the votes in the class, vary or abrogate the rights attaching to shares. This applies whether or not the Company is being wound up.

(i) **Alteration of Constitution**

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

4. RISK FACTORS

4.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

4.2 Company specific

(a) Going concern risk

The Company's Half Year Report for the half year ended 31 December 2023 includes notes on the financial condition of the Company and its subsidiaries (**Group**) and the continuation of the Group to be economically dependent on the generation of cashflow from the raising of additional capital as and when required for the continued operations including the exploration program and the provision of working capital. The financial report shows the Group incurred a net loss of \$617,788 and a net cash outflow from operating and investing activities of \$986,578 during the year ended 31 December 2023.

Notwithstanding this, the Directors are satisfied that the Group will have sufficient cash resources to meet its working capital requirements in the future. The Group's ability to continue as a going concern is contingent upon generation of cashflow from successfully raising additional capital. If sufficient additional funds are not raised, the going concern basis may not be appropriate, with the result that the Group may have to realise its assets and extinguish its liabilities, other than in the ordinary course of business and at amounts different from those stated in the financial report. The Group continues to receive strong interest and support from professional investors in its capital raisings.

(b) Exploration costs

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(c) **Grant of future authorisations to explore and mine**

If the Company discovers an economically viable mineral deposit that it then intends to develop, it will, among other things, require various approvals, licences and permits before it will be able to mine the deposit. There is no guarantee that the Company will be able to obtain all required approvals, licences and permits. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(d) **Political and economic conditions**

The Company's exploration, development and production activities will be conducted in Mexico. As a result, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks include but are not limited to, the existence or possibility of political or economic instability, conflict, terrorism, hostage taking and military repression.

(e) **Government regulation and political risk in the mining industry**

The Company's operating activities are subject to the laws and regulations of Mexico governing expropriation of property, health and worker safety, employment standards, waste disposal, protection of the environment, mine development, land and water use, prospecting, mineral production, exports, taxes, labour standards, occupational health standards, toxic wastes, the protection of endangered and protected species and other matters.

Where required, obtaining necessary permits and licences can be a complex, time consuming process and the Company cannot be sure whether any necessary permits will be obtainable on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could stop or materially delay or restrict the Company from proceeding with any future exploration or development of its projects. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in interruption or closure of exploration, development or mining operations or material fines, penalties or other liabilities.

(f) **Bribery, corruption and other improper acts**

The Company may incur fines or penalties, damage to its reputation or suffer other adverse consequences if its Directors, officers, employees, consultants, agents, service providers or business partners violate, or are alleged to have violated, anti-bribery and corruption laws in Australia, Mexico or any of the jurisdictions in which it operates.

The Company cannot guarantee that its internal policies and controls will be effective in each case to ensure that it is protected from reckless or criminal acts committed by its Directors, officers, employees, consultants, agents, service providers or business partners that would violate Australian or Mexican laws. Any such improper actions could subject the Company to civil or criminal investigations in these countries or any other country that could lead to substantial civil or criminal monetary and non-monetary penalties against the Company, and

could damage the Company's reputation. Even the allegation or appearance of improper or illegal actions could damage the Company's reputation and result in significant expenditures in investigating and responding to such actions and may in turn have an adverse effect on the Company's future financial performance and position.

(g) **Infrastructure, transportation and remoteness of operations**

Mining, processing, development and exploration activities depend on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. The Company's inability to secure adequate water and power resources as well as other events outside of its control, such as unusual or infrequent weather phenomena, sabotage, terrorism, community or government or other interference in the maintenance or provision of such infrastructure, or failure to maintain or extend such infrastructure could adversely affect the Company's operations, financial conditions and results of operation.

4.3 Industry specific

(a) **Exploration**

The mineral tenements of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings.

There can be no assurance that exploration of these tenements, or any other tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its Tenements and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the tenements, a reduction in the case reserves of the Company and possible relinquishment of the tenements.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) **Tenure and access**

Mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved or that current exploration tenement applications will be granted. Tenements are subject to numerous State-specific legislation conditions. The renewal of the term of a granted tenement (and grant of tenement applications) is also subject to the discretion of the relevant Minister. Renewal conditions may include increased expenditure and work commitments or compulsory relinquishment of areas of the tenements. The imposition of new conditions either during the term of a tenement or upon renewal, or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company.

(c) **Resource estimations**

Resources estimates are inherently imprecise as they are expressions of judgement at a particular time based on available information, interpreted using experience and resource modelling techniques. The estimates, while made by qualified professionals, may change over time as other information becomes available which differs from information known or predicted by past drilling, sampling and geological interpretation. Estimates remain subject to change which may adversely affect the Company's operations or the commercial viability of its projects.

(d) **Metallurgy**

When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and on samples from drilling which represent a very small sample of the entire ore body.

Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.

The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant.

(e) **Mine development**

Possible future development of a mining operation at any of the Company's projects is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or

increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents. No assurance can be given that the Company will achieve commercial viability through the development or mining of its projects.

The risks associated with the development of a mine will be considered in full should the projects reach that stage and will be managed with ongoing consideration of stakeholder interests.

(f) **Commodity and currency price volatility**

Commodity prices are subject to influencing factors beyond the control of the Company and can be subject to significant fluctuations. Just some of these influencing factors include supply and demand fundamentals, currency exchange rates, interest rates, general economic, political and regulatory conditions, speculative activities and other factors.

Any significant and/or sustained fluctuation in these factors could have a materially adverse effect on the Company's operations and its financial position.

(g) **Climate**

There are a number of climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:

- (i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and
- (ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates.

(h) **Exposure to natural events**

The Company's operations could be impacted by natural events such as significant rain events and flooding. Such natural events could result in impacts including reduced mining efficiencies, restrictions to or loss of access to open pits, mining locations or necessary infrastructure, or restrictions to or delays in access to the site for deliveries of key consumables required for the Company's operations. This could result in increased costs and or reduced revenues which could impact the Company's financial performance and position. Whilst the Company is able to transfer some of these risks to third parties through insurance, many of the associated risks are not able to be insured or in the Company's opinion the cost of transfer is not warranted by the likelihood of occurrence of the risk event.

(i) **Occupational health and safety**

Safety is a fundamental risk for any exploration and production company in relation to personal injury, damage to property and equipment and other losses. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage or destruction of property, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

The Company is committed to providing a healthy and safe environment for its personnel, contractors and visitors. Mining activities have inherent risks and hazards. The Company provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems.

(j) **Operational**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operational and technical difficulties encountered in mining, insufficient or unreliable infrastructure such as power, water and transport, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

In the event that any of these potential risks eventuate, the Company's operational and financial performance may be adversely affected. No assurances can be given that the Company will achieve commercial viability through the successful exploration and/or mining of its tenement interests. Until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses.

4.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Competition risk

The industry in which the Company will be involved is subject to domestic and global competition. Although the Company will undertake all reasonable due diligence in its business decisions and operations, the Company will have no influence or control over the activities or actions of its competitors, which activities or actions may, positively or negatively, affect the operating and financial performance of the Company's projects and business.

(d) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(e) **Reliance on key personnel**

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

4.5 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 factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

5. ADDITIONAL INFORMATION

5.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

5.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company or an ASIC office during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below:

Date	Description of Announcement
14 May 2024	Notification regarding unquoted securities - MTH
14 May 2024	Issue of Convertible Note
7 May 2024	Change of Director's Interest Notice – GT, JS and SL
30 April 2024	Completion of Share Consolidation
30 April 2024	Quarterly Activities/Appendix 5B Cash Flow Report
26 April 2024	Notification of cessation of securities – MTH
22 April 2024	Results of Meeting
9 April 2024	Amendment to Notice of Annual General Meeting
22 March 2024	Consolidation/Split - MTH
22 March 2024	Proposed issue of securities - MTH
20 March 2024	Notice of Annual General Meeting/Proxy Form
14 March 2024	Half Year Report
12 March 2024	Investor Presentation
6 March 2024	Proposed issue of securities - MTH
5 March 2024	Proposed issue of securities - MTH
5 March 2024	Proposed issue of securities - MTH
5 March 2024	Mithril Completes \$4.03M Placement and Additional Note Raise
31 January 2024	Quarterly Activities Report and Appendix 5B
2 January 2024	Notification regarding unquoted securities - MTH
2 January 2024	Initial Director's Interest Notice

Date	Description of Announcement
2 January 2024	Mithril Completes \$700,000 Convertible Note Raise
18 December 2023	Proposed Director Appointment
7 December 2023	Company Update
7 december 2023	Suspension from Quotation by ASX
5 December 2023	Extension of Voluntary Suspension
21 November 2023	Termination of Scheme and Extension to Suspension
17 November 2023	Voluntary Suspension from Quotation
15 November 2023	Trading Halt
15 November 2023	Pause in Trading
2 November 2023	Adjournment of second court hearing
30 October 2023	Quarterly Activities Report and Appendix 5B
27 October 2023	Results of Scheme Meetings
27 October 2023	Scheme Meeting Scripts & Presentations
12 October 2023	Scheme meeting date postponed
28 September 2023	Investor Presentation
11 September 2023	Dispatch of Scheme Booklet
7 September 2023	Scheme Booklet registered by ASIC
6 September 2023	Court orders Scheme Meetings be convened
21 August 2023	Corporate Governance Statement
21 August 2023	Appendix 4G
21 August 2023	Annual Report to shareholders

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.mithrilresources.com.au.

5.3 Market price of Shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The Company has been suspended from trading since 17 November 2023, initially under Listing Rule 17.2, and later 17.3.1. Due to the suspension the highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus is not available. The last recorded closing sale price of the Shares on ASX prior to the suspension and lodgement of this Prospectus with the ASIC was \$0.002 (13 November 2023, prior to consolidation). This price is not a reliable indicator as to the potential value of Shares after closure of the Offer or upon reinstatement to

trading on ASX.

5.4 Details of substantial Shareholders

Based on publicly available information as at the date of this Prospectus, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Garry Thomas	3,783,997	11.23
John Skeet	2,245,637	6.67
Stephen Layton	2,005,000	5.95

Notes

1. The relevant interests above will change following the issue of the Placement Shares.

5.5 Directors' interests

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce them to become, or to qualify them as, a Director or otherwise for services rendered by them or by the firm in connection with the formation or promotion of the Company or the Offer.

Security holdings

The relevant interest of each of the Directors in the Securities of the Company as at the date of this Prospectus is set out in the table below.

Director	Shares	Options	Performance Rights
John Skeet	2,245,637	250,000 ¹	Nil
Stephen Layton	2,005,000	150,000 ²	Nil
Garry Thomas	3,783,997	428,572 ³	333,334
Craig Sharpe	Nil	Nil	Nil

Notes:

1. Unlisted Options exercisable at \$1.50 each on or before 16 November 2025.
2. Comprising 50,000 unlisted Options exercisable at \$1.50 each on or before 16 November 2025 and 100,000 unlisted Options exercisable at \$0.70 each on or before 9 December

2025.

3. Unlisted Options exercisable at \$0.70 each on or before 9 December 2025.

Remuneration

The Directors are to be remunerated for their services in accordance with the Constitution.

The Constitution provides that the Directors are to be paid the remuneration that the Company determines by resolution. Subsequent variation of the total maximum remuneration of non-executive Directors is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$250,000 per annum.

A Director may be paid fees or other amounts as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both executive and non-executive directors.

Director	Financial year ending 30 June 2022	Financial year ending 30 June 2023	Financial year ending 30 June 2024
John Skeet	180,000	232,500 ¹	180,000
Stephen Layton	48,000	48,000	48,000
Garry Thomas	48,000 ²	48,000 ²	48,000
Craig Sharpe	Nil ³	Nil ³	24,000

Notes:

1. Comprising \$180,000 in salary and fees and \$52,500 in share-based payments (Options).
2. Comprising \$43,636 in salary and fees and \$4,363 in superannuation.
3. Craig Sharpe was appointed to the Board on 2 January 2024.

5.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

- (a) the formation or promotion of the Company; or
- (b) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$10,000 (excluding GST and disbursements) for these services.

5.7 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, the persons named in the Prospectus with their consent as proposed directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) in light of the above, only to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

5.8 Estimated expenses of the Offer

The estimated expenses of the Offer are estimated to be approximately \$13,206 (excluding GST) and are expected to comprise legal fees and other

administrative expenses, including ASIC fees. The estimated expenses will be paid out of the Company's existing working capital.

6. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

7. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

AEST means Australian Eastern Standard Time as observed in Melbourne, Victoria.

Applicant means an investor who applies for Securities pursuant to the Offers.

Application means an application for Securities made on an Application Form.

Application Form means an application form either attached to or accompanying this Prospectus.

Arlington means Arlington Group Asset Management, a Company incorporated in the United Kingdom.

Arlington Options has the meaning given in Section 1.2.

Arlington Options Offer means the offer for up to 31,050,000 Arlington Options to Arlington (or their nominee(s)) pursuant to this Prospectus.

Arlington Shares has the meaning given in Section 1.2.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHESS.

Board means the board of Directors unless the context indicates otherwise.

Broker Offer means the offer for up to 300,000,000 Broker Options to the Joint Lead Managers (or their respective nominees) pursuant to this Prospectus.

Broker Options has the meaning set out in Section 1.2.

Capital Raising has the meaning set out in Section 1.2.

Cleansing Offer means the offer for up to 1,000 Shares in the capital of the Company at an issue price of \$0.10 per Share to raise up to \$100 (before expenses) pursuant to this Prospectus.

Closing Date means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

CMC means Compañía Minera Copalquin SA de CV, an entity incorporated in Mexico.

CMC Agreement has the meaning set out in Section 1.2.

CMC Options the meaning set out in Section 1.2.

CMC Options Offer means the offer for up to 75,000,000 CMC Options to CMC pursuant to this Prospectus.

CMC Shares the meaning set out in Section 1.2.

CN Additional Options has the meaning set out in Section 1.2.

CN Additional Options Offer means the offer for up to 1,000,000,000 Options to participants of the Convertible Note Raise pursuant to this Prospectus.

CN Options has the meaning set out in Section 1.2.

CN Options Offer means the offer for up to 485,000,000 Options to participants of the Convertible Note Raise pursuant to this Prospectus.

CN Settlement Options has the meaning set out in Section 1.2.

CN Settlement Options Offer means the offer for up to 21,000,000 Options to participants of the Convertible Note Raise pursuant to this Prospectus.

CN Settlement Shares has the meaning set out in Section 1.2.

Company means Mithril Resources Limited (ACN 099 883 922).

Constitution means the constitution of the Company as at the date of this Prospectus.

Convertible Note Shares has the meaning set out in Section 1.2.

Convertible Note Raise has the meaning set out in Section 1.2.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Director Participation has the meaning given in Section 1.2.

EIP has the meaning given in Section 1.2.

EIP Options has the meaning given in Section 1.2.

Group has the meaning set out in Section 4.2(a).

Joint Lead Managers means the joint lead managers to the Capital Raising, being Pac Partners and Arlington.

Loan Conversion has the meaning given in Section 1.2.

Meeting has the meaning given in Section 1.2.

Offers means the offer of Securities referred to in Section 1.3 of this Prospectus.

Official Quotation means official quotation on ASX.

Opening Date means the date specified in the timetable set out in Section 1.1 of this Prospectus (unless varied).

Option means an option to acquire a Share.

Placement has the meaning set out in Section 1.2.

PAC Partners means PAC Partners Securities Pty Ltd (ACN 623 653 912).

Placement Options has the meaning set out in Section 1.2.

Placement Options Offer means the offer of up to 1,754,200,000 Options to participants of the Placement pursuant to this Prospectus.

Placement Shares has the meaning set out in Section 1.2.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share.

Prospectus means this prospectus.

Secondary Offers means the Placement Options Offer, CN Options Offer, CN Additional Options Offer, CN Settlement Options Offer, Broker Offer, Arlington Options Offer, Service Options Offer and CMC Options Offer.

Section means a section of this Prospectus.

Securities means Shares and/or Options as the context requires.

Service Shares has the meaning set out in Section 1.2.

Service Options has the meaning set out in Section 1.2.

Service Options Offer means offer for up to 100,000,000 Service Options to S3 Consortium (or respective nominee(s)) pursuant to this Prospectus.

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

Shareholder means a holder of a Share.

S3 Consortium means S3 Consortium Pty Ltd (ACN 135 239 968).

SCHEDULE 1 - TERMS AND CONDITIONS OF CN ADDITIONAL OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.001 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on or before the date that is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors,

the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Listing status of options**

The Options will be unlisted unless and until such time as the Company can satisfy the ASX spread requirements at which time the Company shall apply to have the Options quoted on the ASX.

SCHEDULE 2 - TERMS AND CONDITIONS OF PLACEMENT OPTIONS, CN OPTIONS, CN SETTLEMENT OPTIONS, BROKER OPTIONS, ARLINGTON OPTIONS, SERVICE OPTIONS AND CMC OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.002 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (AEST) on or before the date that is three (3) years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under paragraph (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) **Listing status of options**

The Options will be unlisted unless and until such time as the Company can satisfy the ASX spread requirements at which time the Company shall apply to have the Options quoted on the ASX.