



MITHRIL

RESOURCES LTD

16 May 2018

Mr Chris Dobbs

Advisor, Listings Compliance (Sydney)

ASX Limited

20 Bridge Street

SYDNEY NSW 2000

Dear Chris

MITHRIL RESOURCES LIMITED ('MTH' or 'Company'): APPENDIX 5B QUERY

We refer to your email of 14 May 2018 noting a that MTH may not have sufficient cash to continue funding its operations, we advise as follows:

1. Does MTH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?

MTH expects to continue to have negative operating cashflows for the time being.

2. Has MTH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

MTH has formally engaged a stockbroking firm to assist the Company with raising further cash. The Company intends to inform the market about the capital raising on 18 May 2018.

The Company believes that it is very likely that the fundraising will be successful. There is nothing to the Company's knowledge that will impede the planned capital raising.

3. Does MTH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

MTH expects to be able to continue operations upon the successful completion of the fundraising.

4. Please provide any other information that MTH considers may be relevant to ASX forming an opinion on whether MTH is complying with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).

There is no additional relevant information to disclose.

5. Please confirm that MTH is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.

The Company confirms that it is in compliance with the listing rules and, in particular, listing rule 3.1. There is no further information about MTH that should be provided to ASX in accordance with the aforementioned rule.

6. Please confirm that MTH's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MTH with delegated authority from the board to respond to ASX on disclosure matters.

The responses to the questions above have been authorised and approved by the appropriate authorised delegate to respond to the ASX on disclosure matters.

Yours faithfully

A handwritten signature in cursive script that reads "Donald Stephens".

Donald Stephens

Company Secretary



14 May 2018

Mr Donald Stephens
Company Secretary
Mithril Resources Limited
C/-HLP Mann Judd (SA) Pty Ltd Dowie House 83
83-89 Currie Street Adelaide SA 5000

By email: dstephens@hlbsa.com.au

Dear Mr Stephens

Mithril Resources Limited ('MTH'): Appendix 5B Query

I refer to MTH's Appendix 5B quarterly report for the period ended 30 March 2018 lodged with ASX Market Announcements Platform on 20 April 2018 (the 'Appendix 5B').

ASX notes that MTH has reported:

- negative net operating cash flows for the quarter of \$368,000;
- cash at the end of the quarter of \$481,000; and
- estimated cash outflows for the next quarter of \$250,000.

It is possible to conclude, based on the information in the Appendix 5B that if MTH were to continue to expend cash at the rate indicated by the Appendix 5B MTH may not have sufficient cash to continue funding its operations.

In view of that, ASX asks MTH to respond separately to each of the following questions and requests for information:

1. Does MTH expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has MTH taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does MTH expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Please provide any other information that MTH considers may be relevant to ASX forming an opinion on whether MTH is complying with Listing Rule 12.2 (a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing).
5. Please confirm that MTH is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that Rule that has not already been released to the market.
6. Please confirm that MTH's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of MTH with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9:30 AM AEST on Thursday, 17 May 2018. If we do not have your response by then, ASX will have no choice but to consider suspending trading in MTH's securities under Listing Rule 17.3. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, MTH's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at chris.dobbs@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A. In responding to this letter, you should have regard to MTH's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that MTH's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in MTH's securities under Listing Rule 17.1. If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Enquiries

If you have any queries or concerns about any of the above, please contact me immediately.

Regards

Chris Dobbs

Adviser, Listings Compliance (Sydney)