



MITHRIL RAISES A\$1.5M TO CONTINUE COPALQUIN DISTRICT EXPLORATION - MEXICO

Highlights

- Firm commitments received from institutional, sophisticated and professional investors to raise A\$1.5M (before costs)
- Proceeds to be used to progress exploration at the company's district scale high-grade gold-silver property in Durango state, Mexico including:
 - Drilling and work to expand the high-grade maiden JORC resource at the El Refugio target
 - Advance the multiple targets across the district for future drilling and study work
- Directors of the Company (and a related party) have committed to subscribe for \$370,000 in the Placement which is subject to shareholder approval

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to announce it has received firm commitments from institutional, sophisticated and professional investors to raise A\$1.5M (before costs) through a Share Placement (**Placement**).

Mithril Managing Director and CEO, John Skeet, commented:

"The exploration progress at the Copalquin District in Mexico over the past few months has provided further geological information supporting the considerable resource growth across this high-grade district scale property. Funds from this capital raising will allow strategic drilling around the high-grade maiden JORC resource progressing its expansion in this first drill target area in the district."

Copalquin, with its several dozen historic gold and silver mines and working across its 70km² mining concession area, high-grade maiden JORC resource after only 15 months of drilling and prestigious address in the prolific Sierra Madre Gold-Silver Trend of Mexico is a company making property well placed to deliver significant shareholder growth over the next 12 months.

I welcome new shareholders and thank existing shareholders for their continuing endorsement and support for this exceptional and exciting opportunity."

Capital Raising Details

Mithril has received binding commitments for a Placement to institutional, sophisticated and professional investors, comprising 428,571,429 new fully paid ordinary shares in the Company (**Placement Securities**) at an issue price of 0.35 cents (\$0.0035) to raise approximately \$1.5M (before costs). An applicable Appendix 3B pertaining to this Placement follows this announcement.

Participants in Placement will receive one free attaching option for every two shares subscribed for under the Placement. The options will be unlisted, have an exercise price of A\$0.007 and an exercise period of 3 years from date of issue (**Attaching Options**).

DIRECTORS

John Skeet – Managing Director & CEO
Garry Thomas – Non-Executive Director
Stephen Layton – Non-Executive Director
Claire Newstead-Sinclair – Company Secretary

MITHRIL RESOURCES LIMITED

ACN: 099 883 922
ASX: MTH

www.mithrilresources.com.au

REGISTERED OFFICE

Level 4
100 Albert Rd
South Melbourne VIC 3204
T: +61 3 9692 7222
E: info@mithrilresources.com.au

The Directors of the Company and a related party have committed to subscribe for \$370,000 in the Placement. Securities to be issued to the Directors in the Placement will be subject to shareholder approval to be obtained at an EGM to be held as soon as practicable following the completion of the Placement.

The Placement was conducted by Taylor Collison Limited and Morgans Corporate Limited as joint lead managers (with brokerage fees payable up to 6%) and within the Company's placement capacity under ASX Listing Rule 7.1 (138,571,429 shares and 214,285,714 options) and 7.1A (290,000,000 shares). Settlement of the Placement is expected to occur on 8 December 2022, with Placement shares expected to be allotted (pursuant to Listing Rules 7.1 and 7.1A) and to commence trading on 9 December 2022. An Appendix 2A confirming the exact allotments will be issued on the same date.

The Capital Raising price of A\$0.0035 (0.35 cents) per New Share represents:

- 22.2% discount to the last traded price on Tuesday 29 November 2022 (A\$0.0045)
- 22.7% discount to the 5 day VWAP price (A\$0.00453)
- 24.8% discount to the 15 day VWAP price (A\$0.00465)

Proceeds will be used to:

- Continue diamond core drilling at El Refugio and along strike to expand resource footprint
- Continue Copalquin District exploration and progress study work

Workplan for 2023

- Drilling at El Refugio for resource growth within and along strike of high grade JORC resource
- Drill target development at other interpreted hydrothermal upwelling zones
- Generation of future target areas in the district
- Progress study and permitting work to support a future mine development at El Refugio
- Deeper drilling required at El Gallo and 1km along strike to El Refugio
- Recent petrography results confirm the additional large depth potential for high grade gold and silver at El Refugio and across the district, similar to other proven districts within the Sierra Madre Gold Silver Trend.

Copalquin Mining District – Sierra Madre Trend, Durango, Mexico – Mithril earning 100% interest

- With over 70 historic gold-silver mines and workings throughout 70km² of mining concession area, Copalquin is an entire mining district with high-grade exploration results.
- To date there are four interpreted hydrothermal upwelling zones in the district with one already hosting a high-grade gold-silver maiden JORC resource at El Refugio (529koz AuEq @6.81 g/t AuEq)
- There is considerable strike and depth potential to increase resource at El Refugio as well as across the district.
- With the district-wide gold and silver occurrences and rapid exploration success, it is clear the Copalquin District may develop into another multi-million-ounce district like the many other districts in this prolific Sierra Madre Gold-Silver Trend of Mexico.
- These districts can host 1 – 5 million ounces of gold plus 50 – 100+ million ounces of silver.

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km² containing several dozen historic gold and silver mines and workings, ten of which had notable production. The district is within the Sierra Madre Gold Silver Trend which extends north-south along the western side of Mexico and hosts many world-class gold and silver deposits.

Multiple mineralisation events, young intrusives thought to be system-driving heat sources, widespread alteration together with extensive surface vein exposures and dozens of historic mine workings, identify the Copalquin mining district as a major epithermal centre for Gold and Silver.

Within 15 months of drilling in the Copalquin District, Mithril delivered a maiden JORC mineral resource estimate demonstrating the high-grade gold and silver resource potential for the district. This maiden resource is detailed below (see ASX release 17 November 2021).

- **2,416,000 tonnes @ 4.80 g/t gold, 141 g/t silver for 373,000 oz gold plus 10,953,000 oz silver (Total 529,000 oz AuEq*) using a cut-off grade of 2.0 g/t AuEq***
- **28.6% of the resource tonnage is classified as indicated**

	Tonnes (kt)	Tonnes (kt)	Gold (g/t)	Silver (g/t)	Gold Equiv.* (g/t)	Gold (koz)	Silver (koz)	Gold Equiv.* (koz)
El Refugio	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,447	4.63	137.1	6.59	215	6,377	307
La Soledad	Indicated	-	-	-	-	-	-	-
	Inferred	278	4.12	228.2	7.38	37	2,037	66
Total	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,725	4.55	151.7	6.72	252	8,414	372
	TOTAL	2,416	4.80	141	6.81	373	10,953	529

*Table 1 - Mineral resource estimate El Refugio – La Soledad using a cut-off grade of 2.0 g/t AuEq**

*AuEq. = gold equivalent calculated using and gold:silver price ratio of 70:1. That is, 70 g/t silver = 1 g/t gold. The metal prices used to determine the 70:1 ratio are the cumulative average prices for 2021: gold USD1,798.34 and silver: USD25.32 (actual is 71:1) from kitco.com

Mining study and metallurgical test work supports the development of the El Refugio-La Soledad resource with conventional mining methods indicated as being appropriate and with high gold-silver recovery to produce metal on-site with conventional processing.

Mithril is currently exploring in the Copalquin District to expand the resource footprint in 2022 to demonstrate its multi-million ounce gold and silver potential.

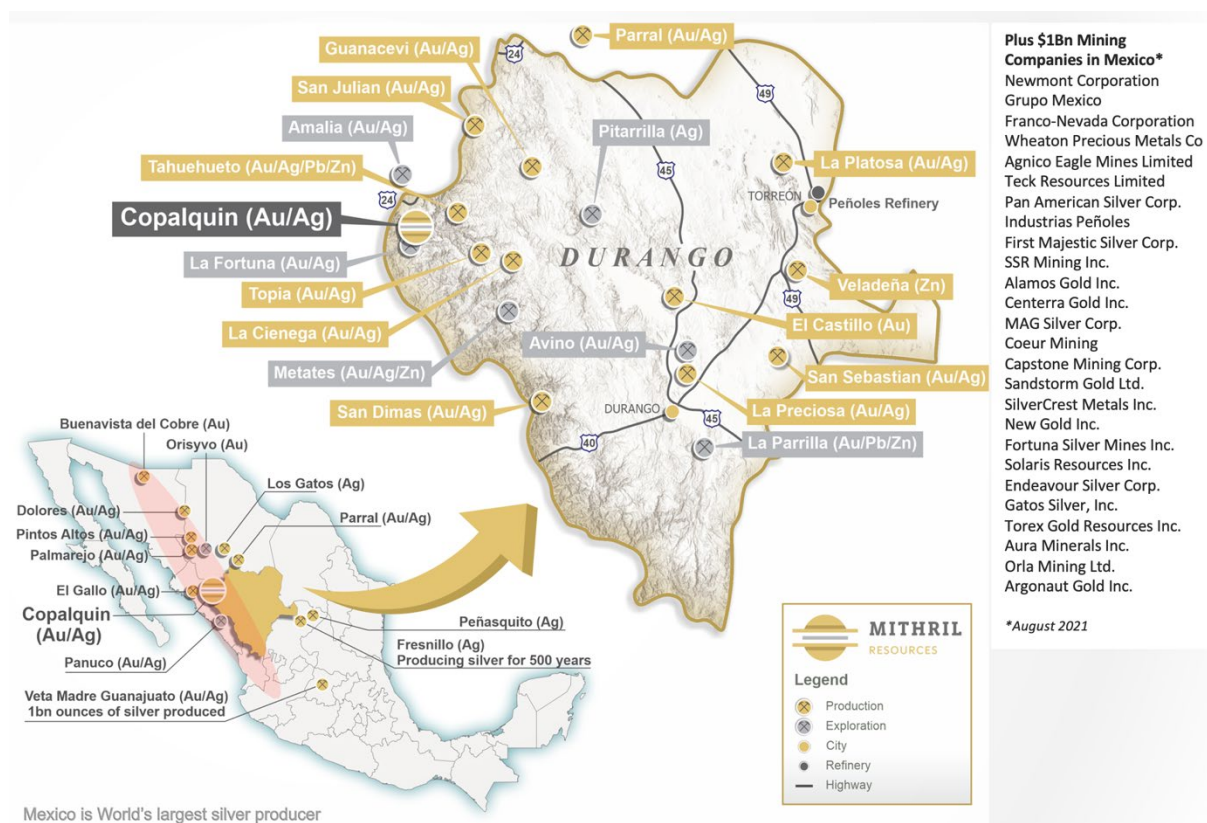


Figure 1 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-ENDS-

Released with the authority of the Board.

For further information contact:

John Skeet

Managing Director and CEO

jskeet@mithrilresources.com.au

+61 435 766 809

Mark Flynn

Investor Relations

mflynn@mithrilresources.com.au

+61 416 068 733

Competent Persons Statement

The information in this report that relates to sampling techniques and data, exploration results and geological interpretation has been compiled by Mr Hall Stewart who is Mithril's Chief Geologist. Mr Stewart is a certified professional geologist of the American Institute of Professional Geologists. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Stewart has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources

and Ore Reserves. Mr Stewart consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this report that relates to metallurgical test results, mineral processing and project development and study work has been compiled by Mr John Skeet who is Mithril's CEO and Managing Director. Mr Skeet is a Fellow of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Skeet has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Skeet consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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