

Mithril Resources Limited

ABN 30 099 883 922

Half Year Report - 31 December 2019

Mithril Resources Limited
Corporate directory
31 December 2019

Directors	Mr David Hutton (Managing Director) Mr Stephen Layton (Non-Executive Director) Mr Adrien Wing (Non-Executive Director)
Company secretary	Mr Adrien Wing
Registered office	C/- HLB Mann Judd (SA) Pty Ltd 169 Fullarton Road DULWICH SA 5065
Principal place of business	22B Beulah Road NORWOOD SA 5067
Share register	Computershare Investor Services Pty Ltd Level 5, 115 Grenfell Street ADELAIDE SA 5000
Auditor	Grant Thornton Audit Pty Ltd Level 3, 170 Frome Street ADELAIDE SA 5000
Solicitors	Quinert Rodda & Associates Level 6, 400 Collins Street MELBOURNE VIC 3000
Bankers	Bank of South Australia 97 King William Street ADELAIDE SA 5000
Stock exchange listing	Mithril Resources Limited shares are listed on the Australian Securities Exchange (ASX code: MTH)
Website	www.mithrilresources.com.au

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Mithril Resources Limited
Directors' report
31 December 2019

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mithril Resources Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2019.

Principal activities

During the financial half-year the principal continuing activities of the Group consisted of:

- to carry out exploration of mineral tenements, both on a joint venture basis and by the Group in its own right;
- to continue to seek extensions of areas held and to seek out new areas with mineral potential; and
- to evaluate results achieved through surface sampling, drilling and geophysical surveys carried out during the year.

There have been no significant changes in the nature of those activities during the year.

Review of operations

The loss for the Group after providing for income tax amounted to \$1,387,898 (31 December 2018: \$391,170).

During the six-month period ending 31 December 2019 (the "Half Year"), Mithril Resources (MTH.ASX - "Mithril" or the "Company") announced the transformative acquisition of private mineral exploration company Sun Minerals Pty Ltd (Sun Minerals).

Sun Minerals holds an exclusive option to earn up to a 100% interest in the high-grade Copalquin Gold Silver Project located in the Sierra Madre Trend, Durango State, western Mexico.

Within the Copalquin Project boundaries there are 32 known historic gold and silver underground mines and surface workings plus historic drill intercepts.

Data compilation, geological mapping and rock chip sampling undertaken by Sun Minerals over the past two years indicates that gold-silver mineralisation previously mined at Copalquin was of very high-grade (refer to the "Cautionary Statement Regarding Historical Exploration Results" in the second last page of the December 2019 Quarterly Activities Report).

Readers are also referred to Mithril's ASX Announcement entitled "Transformative high-grade gold silver project acquisition" dated 25 November 2019 for further details on the historic exploration results for the project.

It is anticipated that the acquisition of Sun Minerals will be finalised during the March 2020 Quarter, with field work, including diamond drilling to be undertaken shortly thereafter.

Sun Minerals has advised the Company that it believes that the historic drilling at Copalquin was not carried out in a systematic manner with previous campaigns hindered by logistical difficulties and overly concentrated in areas where the first favourable intercepts were encountered.

Sun Minerals has obtained all statutory permits required to undertake a systematic drilling program at Copalquin and, upon satisfactory completion of the Transaction, a diamond drilling program is planned to be undertaken.

The aim of the proposed drilling is to better understand the geological controls on mineralisation and demonstrate the potential for mineralisation beyond the limits of existing mined areas. Importantly, Sun Minerals has strong "in-country" operating experience and has developed strong working relationships with local landowners, stakeholders, and contractors.

To ensure that Mithril remains focussed on the Copalquin Project, Mithril has introduced a number of exploration partners to advance each of its Australian exploration assets - namely Auteco Minerals (AUT.ASX) at Limestone Well, Great Boulder Resources (GBR.ASX) at Lignum Dam, Carnavale Resources (CAV.ASX) at Kurnalpi and subsequent to the end of the Half Year, CBH Resources Ltd at Billy Hills. In addition, the Company also relinquished tenements at Bangemall and Duffy Well and withdrew from the Nanadie Well Joint Venture.

Readers are referred to Mithril's ASX Announcement entitled "New exploration partner for Billy Hills Zinc Project" dated 21 February 2020 for further details on the Farm In Agreement with CBH Resources Ltd at Billy Hills.

Corporate

During the Half Year, Mithril spent \$0.16M on exploration activities outlined in this report and at 31 December 2019 had cash reserves of \$0.36M.

Mithril Resources Limited
Directors' report
31 December 2019

Mithril also raised \$340,000 through a private placement to sophisticated and professional investors during the September 2019 Quarter.

Under the Placement 68,000,000 new shares were issued (28,766,215 shares under LR7.1 and 39,233,785 shares under LR7.1A) at a price of \$0.005 (0.5 cents) per share, and following which the Company had 490,389,211 shares on issue.

Competent Persons Statement

Copalquin Gold Silver Project

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 a director of Sun Minerals Pty Ltd. Mr Stewart is a member 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 Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Australian Projects

The information in this report that relates to Exploration Targets and Exploration Results is based on information compiled by Mr David Hutton, who is a Competent Person, and a Fellow of The Australasian Institute of Mining and Metallurgy. Mr Hutton is Managing Director and a full-time employee of Mithril Resources Ltd.

Mr Hutton has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.

Mr Hutton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



David Hutton
Managing Director

6 March 2020

Auditor's Independence Declaration

To the Directors of Mithril Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Mithril Resources Limited for the half year ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 06 March 2020

Mithril Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2019

		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Revenue			
Other income		57,246	15,067
Expenses			
Operating expenses	5	(200,698)	(169,253)
Employee benefits expense		(99,688)	(103,191)
Depreciation and amortisation expense		(1,698)	(2,256)
Impairment of exploration assets	7	(1,142,941)	(131,409)
Finance costs		(119)	(128)
Loss before income tax expense		(1,387,898)	(391,170)
Income tax expense		-	-
Loss after income tax expense for the half-year		(1,387,898)	(391,170)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year		(1,387,898)	(391,170)
		Cents	Cents
Basic earnings per share	10	(0.30)	(0.18)
Diluted earnings per share	10	(0.30)	(0.18)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mithril Resources Limited
Statement of financial position
As at 31 December 2019

		Consolidated	
	Note	31 December 2019	30 June 2019
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		355,377	631,215
Trade and other receivables		-	50,640
Other assets		28,900	27,146
Total current assets		<u>384,277</u>	<u>709,001</u>
Non-current assets			
Financial assets	6	150,000	-
Property, plant and equipment		12,643	14,341
Exploration and evaluation	7	1,010,385	1,910,014
Total non-current assets		<u>1,173,028</u>	<u>1,924,355</u>
Total assets		<u>1,557,305</u>	<u>2,633,356</u>
Liabilities			
Current liabilities			
Trade and other payables		21,429	34,053
Employee benefits		83,028	73,777
Total current liabilities		<u>104,457</u>	<u>107,830</u>
Total liabilities		<u>104,457</u>	<u>107,830</u>
Net assets		<u>1,452,848</u>	<u>2,525,526</u>
Equity			
Issued capital	8	37,618,322	37,303,102
Reserves		124,496	124,496
Accumulated losses		(36,289,970)	(34,902,072)
Total equity		<u>1,452,848</u>	<u>2,525,526</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Mithril Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2019

Consolidated	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2018	36,379,826	152,059	(33,684,581)	2,847,304
Loss after income tax expense for the half-year	-	-	(391,170)	(391,170)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(391,170)	(391,170)
<i>Transactions with Owners in their capacity as Owners:</i>				
Shares issued during the period	1,110,234	-	-	1,110,234
Issue of options	-	42,437	-	42,437
Lapsed options	-	(6,200)	6,200	-
Transactions costs	(184,151)	-	-	(184,151)
Balance at 31 December 2018	<u>37,305,909</u>	<u>188,296</u>	<u>(34,069,551)</u>	<u>3,424,654</u>
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	37,303,102	124,496	(34,902,072)	2,525,526
Loss after income tax expense for the half-year	-	-	(1,387,898)	(1,387,898)
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	-	(1,387,898)	(1,387,898)
<i>Transactions with Owners in their capacity as Owners:</i>				
Shares issued during the period	340,000	-	-	340,000
Transactions costs	(24,780)	-	-	(24,780)
Balance at 31 December 2019	<u>37,618,322</u>	<u>124,496</u>	<u>(36,289,970)</u>	<u>1,452,848</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

Mithril Resources Limited
Statement of cash flows
For the half-year ended 31 December 2019

		Consolidated	
	Note	31 December 2019	31 December 2018
		\$	\$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		53,963	1,335
Payments to suppliers and employees (inclusive of GST)		<u>(309,299)</u>	<u>(174,457)</u>
		(255,336)	(173,122)
Interest received		463	-
Other revenue		57,246	15,067
Interest and other finance costs paid		<u>(119)</u>	<u>(128)</u>
Net cash used in operating activities		<u>(197,746)</u>	<u>(158,183)</u>
Cash flows from investing activities			
Payments for investments	6	(150,000)	-
Payments for exploration assets		<u>(243,312)</u>	<u>(378,307)</u>
Net cash used in investing activities		<u>(393,312)</u>	<u>(378,307)</u>
Cash flows from financing activities			
Proceeds from issue of shares	8	340,000	1,106,866
Share issue transaction costs		<u>(24,780)</u>	<u>(180,783)</u>
Net cash from financing activities		<u>315,220</u>	<u>926,083</u>
Net increase/(decrease) in cash and cash equivalents		(275,838)	389,593
Cash and cash equivalents at the beginning of the financial half-year		<u>631,215</u>	<u>863,770</u>
Cash and cash equivalents at the end of the financial half-year		<u><u>355,377</u></u>	<u><u>1,253,363</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Mithril Resources Limited
Notes to the financial statements
31 December 2019

Note 1. General information

The financial statements cover Mithril Resources Limited ('the Company') as a Group consisting of Mithril Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mithril Resources Limited's functional and presentation currency.

Mithril Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office

C/- HLB Mann Judd (SA) Pty Ltd
169 Fullarton Road
DULWICH SA 5065

Principal place of business

22B Beulah Road
NORWOOD SA 5067

A description of the nature of the Group's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 6 March 2020.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2019 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

AASB 16 Leases became effective for periods beginning on or after 1 January 2019. Accordingly, the Group applied AASB 16 for the first time to the interim period ended 31 December 2019. Changes to the Group's accounting policies arising from this standard is summarised below:

AASB 16 Leases

This standard replaces AASB 117 Leases and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

The operating lease commitments at 30 June 2019 related to the head office tenancy which expires 30 June 2020, satisfying the relevant criteria of a short term lease under AASB 16, therefore the adoption of this standard has no impact on the Group.

Note 2. Significant accounting policies (continued)

Going concern

The financial report has been prepared on the basis of a going concern. The financial report shows the Group incurred a net loss of \$1,387,898 (2018: \$391,170) and a net cash outflow from operating and investing activities of \$591,058 (2018: \$536,490) during the period ended 31 December 2019. The Group continues to be economically dependent on the generation of cashflow from the business and/ or raising additional capital as and when required for the continued operations including the exploration program and the provision of working capital.

The Group's ability to continue as a going concern is contingent upon generation of cashflow from its business and/ or successfully raising additional capital. If sufficient cash flow is not generated and/or 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. No allowance for such circumstances has been made in the financial report.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Capitalisation of exploration and evaluation expenditure

The Group's policy for exploration and evaluation is consistent with that in the previous financial year. The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the consolidated statement of profit or loss and other comprehensive income.

Note 4. Operating segments

The Board has considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and has concluded at this time that there are no separately identifiable segments.

Mithril Resources Limited
Notes to the financial statements
31 December 2019

Note 5. Operating expenses

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Professional fees	58,876	39,216
Annual report and AGM	14,274	30,356
ASX and ASIC fees	19,036	10,273
Audit fees	11,133	11,252
Communication expenses	1,822	5,102
Computer expenses	5,005	5,184
Occupancy costs	30,746	30,101
Insurance	9,120	16,706
Legal costs	28,820	1,200
Office expenses	5,102	6,260
Share registry charges	8,288	8,645
Travel expenses	42	153
Promotion and advertising	985	5,491
Other expenses	10,360	6,823
Transfer (to) exploration assets	(2,911)	(7,509)
	<u>200,698</u>	<u>169,253</u>

Note 6. Financial assets

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Investment in Sun Minerals Pty Ltd - at cost	<u>150,000</u>	<u>-</u>

On 22 November 2019, the Group entered into a binding terms sheet to acquire all of the share capital of Sun Minerals Pty Ltd (Sun Minerals), a private Australian exploration company. Sun Minerals holds an exclusive option to earn up to a 100% interest in the high-grade Copalquin Gold Silver Project located in the Sierra Madre Trend, Durango State, Western Mexico.

During December 2019 the Group made a cash payment of \$150,000 to Sun Minerals solely for, and to form part of, expenditure on Copalquin in accordance with the terms sheet.

Note 7. Exploration and evaluation

	Consolidated	
	31 December 2019	30 June 2019
	\$	\$
Exploration and evaluation - joint operations	<u>249,344</u>	<u>1,114,703</u>
Exploration and evaluation - other	<u>761,041</u>	<u>795,311</u>
	<u>1,010,385</u>	<u>1,910,014</u>

Note 7. Exploration and evaluation (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Joint Operations \$	Other \$	Total \$
Balance at 1 July 2019	1,114,703	795,311	1,910,014
Additions through expenditures capitalised	23,819	219,493	243,312
Impairment of tenements*	(1,116,454)	(26,487)	(1,142,941)
Balance at 31 December 2019	<u>22,068</u>	<u>988,317</u>	<u>1,010,385</u>

* the impairment expense of \$1,142,941 is comprised of exploration expenditures which related to a number of tenements that have been relinquished during the period or are otherwise considered to be no longer active.

Note 8. Issued capital

	31 December 2019 Shares	30 June 2019 Shares	Consolidated 31 December 2019 \$	30 June 2019 \$
Ordinary shares - fully paid	<u>490,389,211</u>	<u>422,389,211</u>	<u>37,618,322</u>	<u>37,303,102</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2019	422,389,211		37,303,102
Shares issued via private placement	18 September 2019	68,000,000	\$0.005	340,000
Transaction costs		-	\$0.000	(24,780)
Balance	31 December 2019	<u>490,389,211</u>		<u>37,618,322</u>

Note 9. Events after the reporting period

Sun Minerals Pty Ltd acquisition

During the period the Group entered into an agreement to acquire all of the issued share capital of Sun Minerals Pty Ltd. Due diligence was satisfactorily completed on 20 December 2019 and a General Meeting of shareholders to approve the transaction was held on 12 February 2020.

New exploration partner for the Billy Hills Zinc Project

During February 2020 the Group entered into a binding Farm In Heads of Agreement (the Agreement) with CBH Resources Limited (CBH) whereby CBH can earn up to an 80% interest in the Group's Billy Hills Zinc Project (EL's 04/2503, 04/2497, and 80/5191) by completing expenditure of \$4 million over 5 years.

The Agreement is conditional upon the Group obtaining a Heritage Clearance to drill the Firetail Prospect of the Billy Hills Zinc Project and CBH obtaining FIRB approval within 90 days of executing the Agreement.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Mithril Resources Limited
Notes to the financial statements
31 December 2019

Note 10. Earnings per share

	Consolidated	
	31 December 2019	31 December 2018
	\$	\$
Loss after income tax	<u>(1,387,898)</u>	<u>(391,170)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>461,193,559</u>	<u>219,560,050</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>461,193,559</u>	<u>219,560,050</u>
	Cents	Cents
Basic earnings per share	(0.30)	(0.18)
Diluted earnings per share	(0.30)	(0.18)

Mithril Resources Limited
Directors' declaration
31 December 2019

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2019 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



David Hutton
Managing Director

6 March 2020

Independent Auditor's Review Report

To the Members of Mithril Resources Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Mithril Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Mithril Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the Corporations Act 2001, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss of \$1,387,898 during the half year ended 31 December 2019 and a net cash outflow from operating and investing activities of \$591,058. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year financial report

The Directors of the Company are responsible for the preparation of the half year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mithril Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



B K Wundersitz
Partner – Audit & Assurance

Adelaide, 06 March 2020