

MITHRIL COMPLETES \$4.03M PLACEMENT AND ADDITIONAL NOTE RAISE

Highlights

- Mithril confirms firm commitments for a capital raising of \$4.03M for recommencement of drilling at its high grade Copalquin gold/silver project in Mexico (drill rig on-site)
- The capital raising consists of \$3.73M at \$0.001 and additional convertible note raise of \$0.3m (before costs) from sophisticated and professional investors.
- The Directors of the Company have committed to subscribe for \$572,500
- Mithril will seek shareholder approval for a 1 for 100 capital consolidation
- Execution of Agreement with Stocks Digital for Investor Relation Services
- Extension of previous convertible note (announced 2 January 2024), maturity date
- Proceeds of this raise to be used for exploration work at the Copalquin district in Mexico and working capital.
- Mithril is intending to list on a North American securities exchange in 2024 and confirms it is in strategic discussions with various listed precious metal producers and developers

The Board of Mithril Resources Limited (ASX:MTH) (**MTH** or the **Company**) is pleased to announce that it has completed a capital raising with professional and sophisticated clients of PAC Partners Securities Pty Ltd and Arlington Group Asset Management (the **Joint Lead Managers**) for an investment in the Company of up to \$4.03 million (before costs) through a Convertible Note and Placement Offer. This is in addition to the \$0.7m convertible notes previously issued and announced on 2 January 2024.

With the drill rig currently on-site, the funds allow recommencement of drilling at the El Refugio-La Soledad target area to follow up previous high-grade intercepts (such as **CDH-077 8.26m @ 80.3g/t Au and 705g/t Ag from 468.3m**)¹ as well as test recently mapped structures to expand the current high-grade maiden JORC resource² at the district scale Copalquin project.

Mithril will seek shareholder approval for a 1 for 100 capital consolidation at the upcoming AGM to be announced by mid-March 2024.

Mithril intends to progress a listing on a North American securities exchange in 2024 and confirms it is in strategic discussions with various TSX and TSXV listed precious metal producers and developers as well as promotor groups and investors.

Capital Raising Details

Mithril has received binding commitments for a Placement to professional and sophisticated investors, comprising of 3,728,000,000 new fully paid ordinary shares in the Company (Placement Securities) at an issue price of \$0.001 cents (\$0.001) to raise approximately \$3.728M (before costs) (**Capital Raising**). An applicable Appendix 3B pertaining to this Placement follows this announcement. The placement was well supported by Australian, North American and European investors.

¹ see ASX announcement - [Mithril Drills 80.3 G/T Gold, 705 G/T Silver Over 8.26m](#)

DIRECTORS

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

MITHRIL RESOURCES LIMITED

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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 \$0.002 and an exercise period of 3 years from date of issue (**Attaching Options**).

The Directors of the Company have committed to subscribe for \$572,500 in the Placement (including conversion of a \$150,000 director loan plus interest).

The issue of Shares and attaching options, including those to Directors, are subject to shareholder approval at the upcoming AGM.

The Placement was conducted by PAC Partners Securities Pty Ltd and Arlington Group Asset Management as joint lead managers (with brokerage fees payable up to 6%). On completion of the capital raising, the JLMs will be issued with 300M alignment options split between the JLMs, the terms of the options will be the same as the Placement participants. The option issue is subject to shareholder approval at the upcoming AGM.

The funds from the Placement will fund continued exploration work at the district scale, high-grade gold-silver Copalquin project in Mexico and for general working capital.

Convertible Note Offer Details

The Company has successfully completed and received \$300,000 via the issue of Convertible Notes with a face value of \$1.00 each convertible into ordinary Shares in the Company at a conversion price equal to the price set at the next equity capital raising. The Convertible Note Agreements remain subject to and conditional upon (amongst other things) shareholder approval for the issue of the Convertible Notes under ASX Listing Rule 7.1 (**Shareholder Approval**).

Subject to shareholder approval, each Convertible Note holder will be issued an additional 1,000 unlisted Options to acquire a Share in the Company for every \$1.00 raised. The options will have an exercise price of \$0.001 and an expiry date of 3 years from the date of issue.

Key terms of the Convertible Note Agreement are summarised as follows:

Issue Amount	\$300,000
Issue Price	Face value of \$1.00 per Convertible Note
Interest Rate	18% per annum
Maturity Date	The earlier of three (3) months from the Subscription Date
Conversion Price	Conversion price equal to the price set for the Capital Raising
Conversion Terms	Upon completion of the Capital Raising, the Subscriber may elect to, subject to Shareholder Approval convert the Convertible Notes into Shares at a conversion price equal to the Capital Raising (Conversion) by providing notice in writing to MTH within ten (10) business days of completion of the Capital Raising (Conversion Notice).

Option details:

Options	1,000 unlisted options each to acquire a share in MTH, for every \$1.00 invested in the convertible note
Exercise Price	\$0.001
Expiry date	3 years from the date of issue

Extension of Convertible Note Maturity Date

The Board advises that the convertible notes holders have agreed to extend their convertible note maturity date by a further 1 month to allow sufficient time for completion of the placement and shareholder approval to be sought for the conversion of the notes.

Appointment of Stocks Digital

The Company is pleased to announce that Stocks Digital have been appointed as the Company Investor Relations manager for a term of two years. As part of their engagement fee, they will be issued 200,000,000 shares and 100,000,000 options with an exercise price of \$0.002 and an exercise period of 3 years, which is subject to shareholder approval at the upcoming AGM.

The Company is due to announce the Notice of Annual General Meeting by mid-March 2024.

-ENDS-

Released with the authority of the Board.

For further information contact:

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See below: About Copalquin Project

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*

* The gold equivalent (AuEq.) values are determined from gold and silver values and assume the following: 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. Metallurgical recoveries are assumed to be approximately equal for both gold and silver at this early stage. Actual metallurgical recoveries from test work to date are 96% and 91% for gold and silver, respectively. In the Company's opinion there is reasonable potential for both gold and silver to be extracted and sold. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting.

[^] The information in this report that relates to Mineral Resources or Ore Reserves is based on information provided in the following ASX announcement: 17 Nov 2021 - MAIDEN JORC RESOURCE 529,000 OUNCES @ 6.81 G/T (AuEq*), which includes the full JORC MRE report, also available on the Mithril Resources Limited Website.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

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, demonstrating its multi-million-ounce gold and silver potential.

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions by paying US\$10M on or any time before 7 August 2026 (option has been extended by 3 years). Mithril has reached an agreement with the vendor for an extension of the payment date by a further 2 years (bringing the payment date to 7 August 2028).

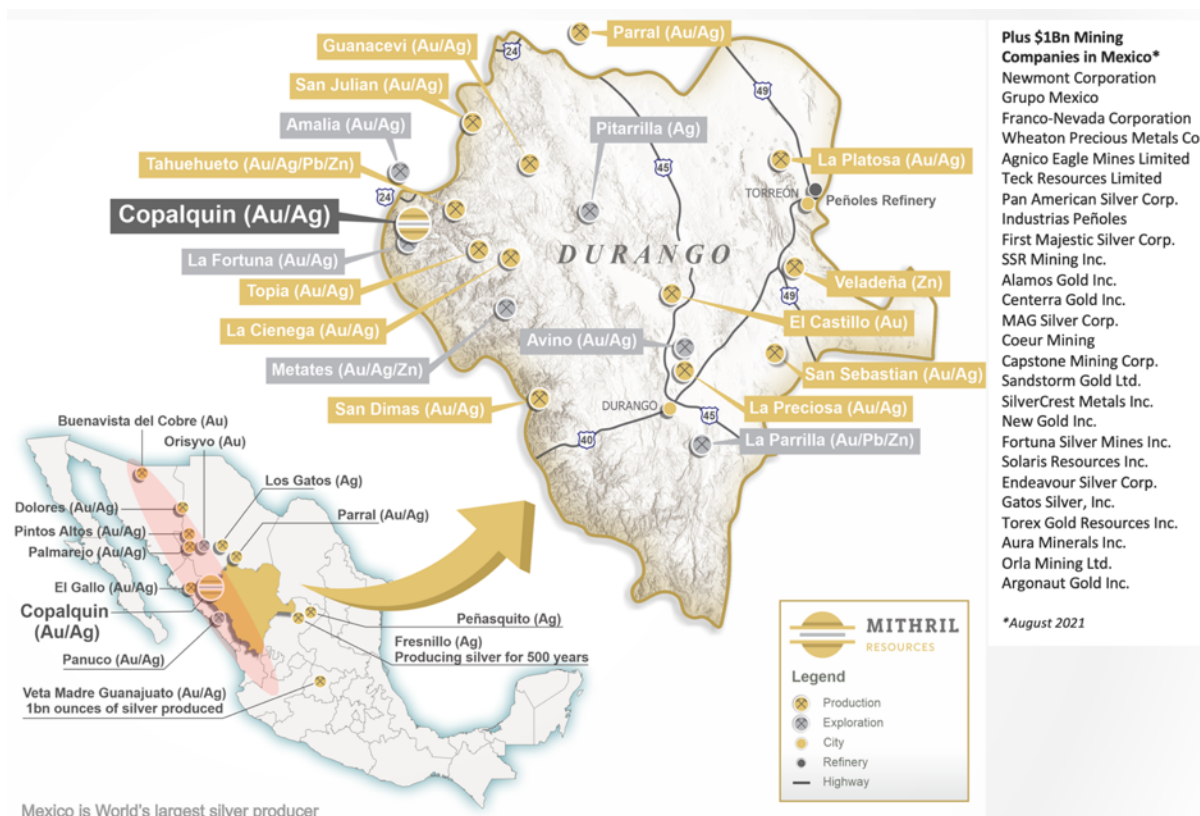


Figure 1 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-ENDS-

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Competent Persons Statement

The information in this announcement 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.

The information in this announcement that relates to sampling techniques and data, exploration results and geological interpretation for Mithril's Mexican project, has been compiled by Mr Ricardo Rodriguez who is Mithril's Project Manager. Mr Rodriguez is a Member of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Rodriguez 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 Rodriguez 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 announcement that relates to Mineral Resources is reported by Mr Rodney Webster, Principal Geologist at AMC Consultants Pty Ltd (AMC), who is a Member of the Australasian Institute of Mining and Metallurgy. The report was peer reviewed by Andrew Proudman, Principal Consultant at AMC. Mr Webster is acting as the 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, for the reporting of the Mineral Resource estimate. A site visit was carried out by Jose Olmedo a geological consultant with AMC, in September 2021 to observe the drilling, logging, sampling and assay database.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.