

DECEMBER 2023 QUARTERLY REPORT

Highlights

Highlights for the December 2023 Quarter

- On 26 May 2023, Mithril (the Company) announced it had entered into a binding scheme implementation deed (SID) under which Newrange Gold Corporation (Newrange), subject to the satisfaction of various conditions, was to acquire 100% of the issued capital of Mithril.
- On 21 November 2023, the Company announced the termination of the SID due to Newrange being unable to complete the required Concurrent Financing prior to the second court hearing.
- The Company's securities were suspended from quotation at Mithril's request and remain suspended from quotation under Listing Rule 17.3.1 until MTH has demonstrated compliance with Listing Rule 12.2 to ASX's satisfaction.
- Subsequent to the end of the December 2023 quarter, Mithril announced completion of a capital raising via the issue of convertible notes (see announcement dated 2 January 2024 ([Mithril Completes \\$700,000 Convertible Note Raise](#))).
- Proposed appointment of Mr Craig Sharpe to Mithril's Board as Non-Executive Chair (completed and announced 2 January 2024).
- The Company has progressed its strategic review and looks forward to providing an update in due course.

Copalquin Project, Mexico

- Geologic mapping around the high-grade maiden JORC resource at El Refugio – La Soledad has continued to progress and identifying additional structures, veins and historic workings at the most advanced district target area.
- The geologic mapping provides improved interpretation of important north-south trending structures, veins and faulting which are extensive at the Refugio-Cometa and La Soledad target area (and across the district) and assist with drill targeting/planning.

Cash

- At end of the December 2023 quarter, the Company had total cash of A\$0.423M which includes proceeds from the convertible note announced on 2 January 2024.
- The company continues to receive Mexican VAT refunds on a timely basis with the Mexican subsidiary company's continued compliance lodgement of its VAT claims.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update for the period ending 31 December 2023.

On 26 May 2023, the Company announced that it had entered into a Scheme Implementation Deed (SID) with Newrange Gold Corp. (TSXV: NRG) (**Newrange Gold**). ([Mithril enters Scheme of Arrangement with TSXV Newrange Gold](#))

On 21 November 2023, the Company announced the termination of the SID due to Newrange being unable to complete the required Concurrent Financing prior to the second court hearing. Both companies, after extensive good faith discussions, mutually agreed to terminate the SID.

The Directors of Mithril consider that termination of the Deed was in the best interests of Mithril Shareholders and Optionholders (Mithril Securityholders) so as to allow Mithril to consider alternate strategic opportunities.

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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ASX: MTH

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REGISTERED OFFICE

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The Company's securities were suspended from quotation at Mithril's request under Listing Rule 17.2 on Friday, 17 November 2023 pending release of information regarding the SID. The suspension of Mithril's securities from quotation was extended at Mithril's request on Tuesday, 21 November 2023 pending release of information regarding the outcome of a strategic review including all options regarding recapitalisation of Mithril and securing of operational funding which Mithril disclosed is critical to its on-going financial viability. The securities of Mithril will remain suspended from quotation under Listing Rule 17.3.1 until MTH has demonstrated compliance with Listing Rule 12.2 to ASX's satisfaction.

COPALQUIN DISTRICT, MEXICO

Geologic mapping around the high-grade maiden JORC resource at El Refugio – La Soledad continued throughout the quarter, identifying new structures, veins and historic workings.

The company has been trialling the use of a battery powered hand-held rock saw to provide rock chip channel samples from underground workings and surface structures with several dozen samples collected during the quarter.

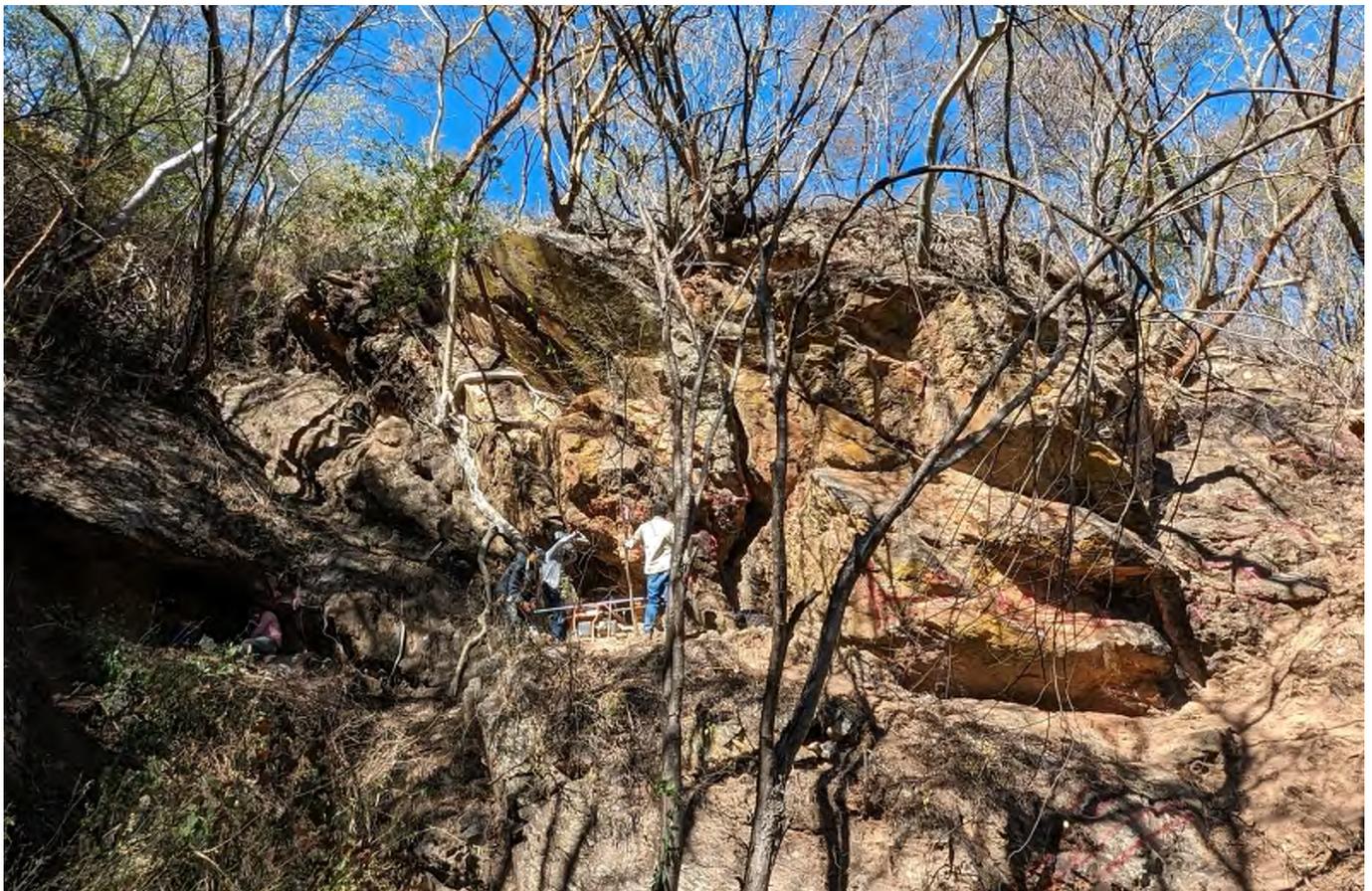


Figure 1- Sampling of a large outcropping structure in the El Cometa area by rock saw, with samples sent for assay.

The drill data to-date, is being remodelled using advanced 3D software to assist drill planning to advance the resource growth at the current drill target areas, including the high-grade El Refugio maiden JORC resource area.

The previously reported work at El Cometa has continued with mapping and sampling of the near surface mineralization on the eastern end of the Maiden Resource area, and where the Company intersected in drill hole CDH-072, (6.8m @ 74 g/t gold, 841 g/t silver from 35.2m).

The very high grades at El Cometa occur in a vertical fault zone crosscutting the horizontal lower grade quartz breccia. This interpretation is based on the historic workings of 80 meters of drifts, crosscuts and small production stopes

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observed in the El Cometa mine. Tunnels follow the flat lying quartz breccia and raise up on gold and silver enriched vertical structures.

Additionally, the recent access into the upper level of the historic El Refugio Mine workings located 700 meters west of the El Cometa also follows the flat lying quartz breccia and then raises up on crosscutting vertical structures with higher gold-silver values. Rock saw channel samples have been collected from these workings.

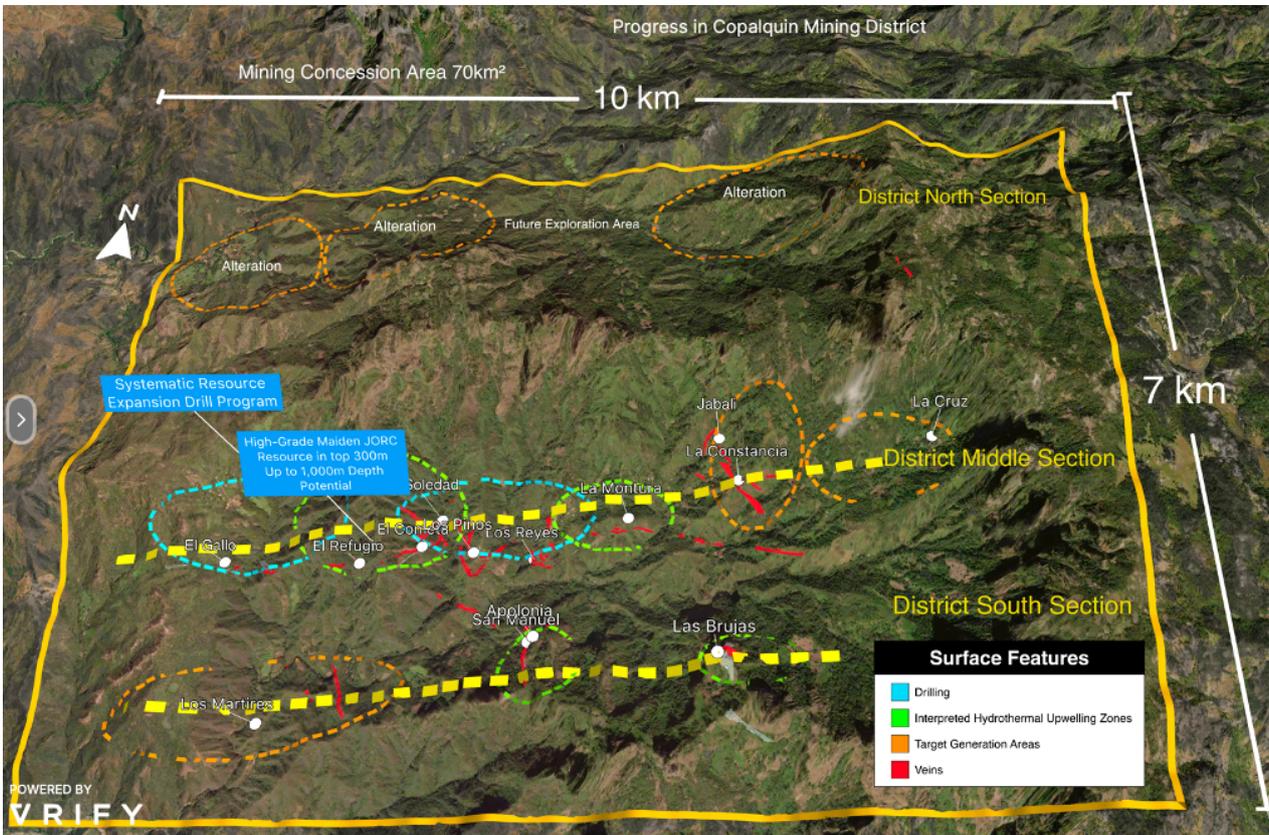


Figure 2 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and, the location of the maiden JORC MRE at El Refugio.

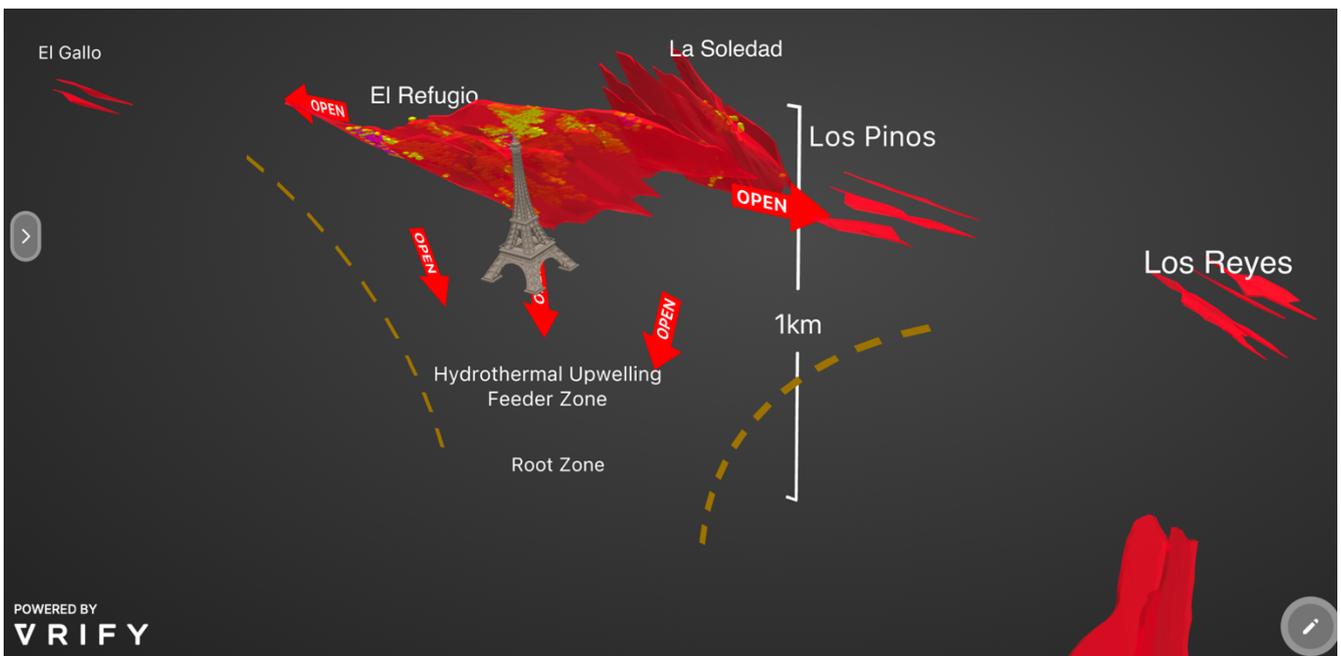


Figure 3 – 3D view of the El Refugio high-grade JORC resource area (looking to NW) showing the projected depth potential for this target area in the district as well as the west (to El Gallo) and east (to Los Reyes) target areas where high-grade drill results to date give a total strike length of over 3.5 km along this part of the middle section of the Copalquin District.

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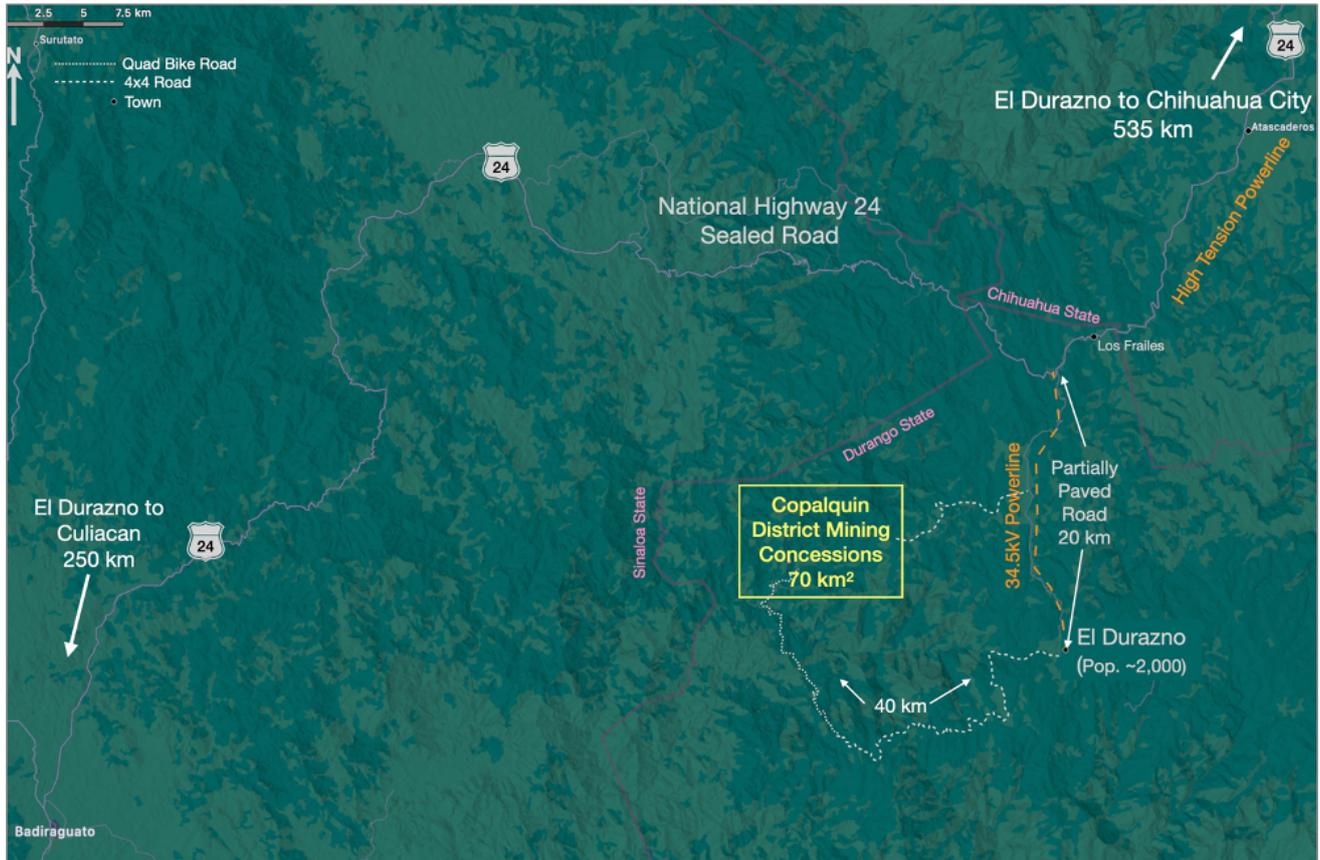


Figure 4 Copalquin District location and surrounding road access, major regional town of El Durazno and distances to cities. All-terrain vehicle track connecting to unsealed road with total length of 40 km between Copalquin and El Durazno.

CORPORATE

Cash

At end of the December 2023 quarter, the Company had total cash of A\$0.423M. This includes proceeds from the A\$0.7m convertible notes announced 2 January 2024.

The company has received further Mexican VAT refunds during the quarter and expects VAT refunds for the current and future years to be received on a timely basis with the Mexican subsidiary company's continued compliance lodgement of its VAT claims.

Related party Payments

In line with its obligations under ASX Listing Rule 5.3.5, Mithril Resources Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 31 December 2023, pertain to payments to directors and consultants for fees, salary and superannuation.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

The Company philosophy operating in the Copalquin district is to support communities via children's education and providing employment opportunities. This includes supporting three community schools in the district, employing twenty people from within the district under the federal employment laws, and developing infrastructure in the district for long term benefit.

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 @ 6.81G/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).

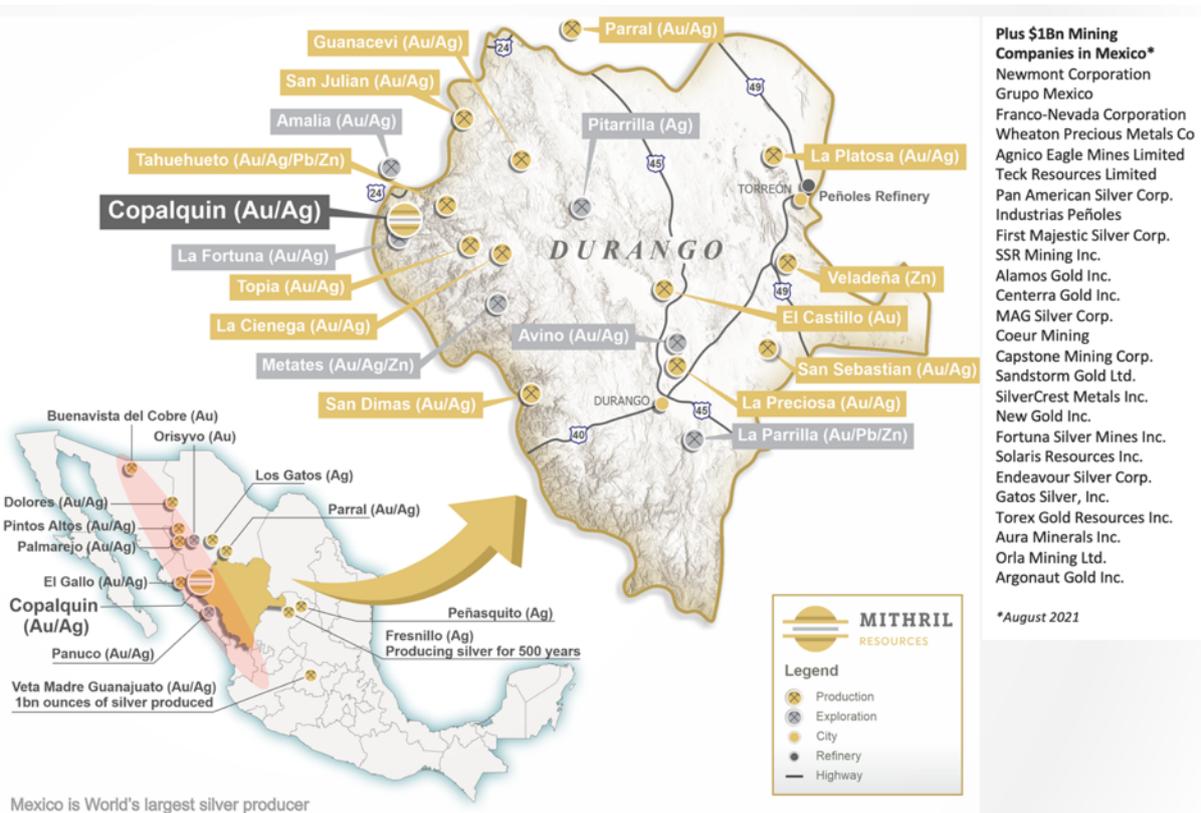


Figure 5 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-ENDS-

Released with the authority of the Board.

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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.

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Mithril Resources Limited Group
Tenement information
31 December 2023

Australian Interests:

Mining Concession	Tenement title number	Interest owned %
Kurnalpi Area	E28/2506	100.00
Kurnalpi Area	E28/2567	100.00
Kurnalpi Area	E28/2682	100.00
Kurnalpi Area	E28/2760	100.00
Lignum Dam Area	E27/538	100.00 [#]
Lignum Dam Area	E27/582	100.00 [#]
Lignum Dam Area	E27/584	100.00 [#]
Murchison Area (Limestone Well)	E20/846	10.00
Murchison Area (Limestone Well)	E57/1069	10.00

[#]The Lignum Dam tenements are under an earn-in agreement with Great Bolder Resources. Great Bolder has completed exploration expenditures to earn 51% interest in the tenements although this interest is not yet formally registered. Mithril is considering options to fully divest its interest in these tenements.

The Kurnalpi tenements are currently in good standing and Mithril is looking to farm-out or divest these tenements.

Mithril continues to hold a 10% free carried interest in the Limestone Well tenements with Auteco Minerals.

Mexican Operations:

Mining Concession	Mining Concession title number	Interest owned %
LA SOLEDAD	52033	50.00
EL COMETA	164869	50.00
SAN MANUEL	165451	50.00
COPALQUIN	178014	50.00
EL SOL	236130	50.00
EL CORRAL	236131	50.00

Mithril has currently owns a 50% interest in the Copalquin mining concessions and has an exclusive option to purchase the remaining 50% (bringing Mithril's ownership of the Copalquin mining concessions to 100%) by paying US\$10M to the vendor on or any time before 7 August 2026 (the due date for payment was initially 7 August 2023, and was extended by 3 years by written agreement between Mithril and the vendor). 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).

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

MITHRIL RESOURCES LIMITED

ABN

30 099 883 922

Quarter ended ("current quarter")

31 DECEMBER 2023

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation		
(b) development		
(c) production		
(d) staff costs	(56)	(122)
(e) administration and corporate costs	(76)	(170)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		
1.8 Other – GST/VAT refunds/(payments)	(13)	214
Other – Mexico tax adjustments		121
Other – Scheme implementation costs	(48)	(117)
1.9 Net cash from / (used in) operating activities	(193)	(74)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) tenements		
(c) property, plant and equipment	(1)	(1)
(d) exploration & evaluation	(347)	(911)
(e) investments		
(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(348)	(912)
3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
3.2	Proceeds from issue of convertible debt securities	700	700
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities		
3.5	Proceeds from borrowings		150
3.6	Repayment of borrowings		(11)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	700	839
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	264	569
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(193)	(74)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(348)	(912)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	700	839

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		1
4.6	Cash and cash equivalents at end of period	423	423

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	423	264
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	423	264

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	56
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Amounts in 6.1 relate to Director fees and employee salaries.

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	150	150
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	150	150
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
A director of the Company, Mr Garry Thomas, has provided a short-term, unsecured loan of up to \$150,000. An interest rate of 10% is charged and there is no set repayment date.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(193)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(348)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(541)
8.4 Cash and cash equivalents at quarter end (item 4.6)	423
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	423
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.78
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: Yes. No drilling has been conducted recently and exploration activity is currently reduced. Mexican tax refunds from past outstanding claims are expected to continue to be received throughout the next quarter.	
8.8.2 Has the entity 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?	
Answer: The Company will rely on its existing cash resources and future capital raising (either debt and/or equity), including its ability to place securities under LR7.1 and LR7.1A to fund its current activities. The Company has a history of raising funds as required and believes further successful fundraising will be able to be completed.	

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: In light of the above factors, the Company believes that it will have sufficient cash to fund its existing activities. The Company's Board and Management is focused on meeting its current objectives and confirm that it is in compliance with ASX Listing Rules, in particular, Listing Rule 3.1.

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 31 January 2024

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.