

DRILL PROGRAMME RESTART AT COPALQUIN

Highlights

- Mithril advises commencement of an initial 4,000 metre drilling programme at its Copalquin Project in Durango state, Mexico.
- Following a season of careful mapping and new 3D modelling, Mithril has developed high priority targets at its district scale 7 x 10km Copalquin project.
- Mithril is aiming to double the current 529,000 ounces at 6.8 g/t gold equivalent resource¹ at the first target area in the district at El Refugio including:
 - following-up high-grade intercepts such as drill hole **CDH-077 (8.26m @ 80.3 g/t Au, 705 g/t Ag)** and **CDH-001 (3.00m @ 34.7 g/t Au, 3,129 g/t Ag)**²
 - test new structures and zones
 - test areas close to the historic El Refugio and La Soledad mine workings (La Soledad estimated to have historically produced 250koz gold plus 11Moz silver from one ore shoot)³
- Mithril has recently completed the first phase of a rock saw sampling programme and is awaiting final assays for release.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide an update for its high-grade Copalquin gold-silver project located in Durango state, Mexico.

COPALQUIN GOLD-SILVER DISTRICT, MEXICO

With the drill on-site and the drilling contractor crew fully mobilised, the final set up is almost complete with drill turning within the next few days.

Mithril Managing Director and CEO, who is currently on-site in Mexico said,

"We are extremely happy to recommence drilling at our Copalquin project in Mexico, which to date has delivered exceptionally high-grade gold and silver intercepts and a high-grade maiden resource in this large historic mining district. We have important structures to test and previous high-grade intercepts to follow up for continued resource expansion drilling in this first of several target areas. We aim to at least double the current resource at El Refugio target area in the short term as we continue to progress work at the multiple target areas in this multimillion ounce potential district."

With over seventy historic gold-silver mines and workings throughout 70km² of mining concession area, Copalquin is an entire mining district with high-grade exploration results and a maiden JORC resource. To date there are four interpreted hydrothermal upwelling zones in the district with one already hosting a high-grade gold-silver JORC resource at El Refugio (**529koz AuEq @6.81 g/t AuEq**)¹. There is considerable strike and depth potential to increase the resource at El Refugio and at other target areas across the district.

¹ see 'About Copalquin Gold Silver Project' section for JORC MRE details and AuEq. calculation.

² See ASX announcement 25 August 2020 and 11 July 2021, respectively.

³ Historic report estimate only.

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

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With the district-wide gold and silver occurrences and rapid exploration success, it is clear the Copalquin District is developing into another significant gold-silver 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.

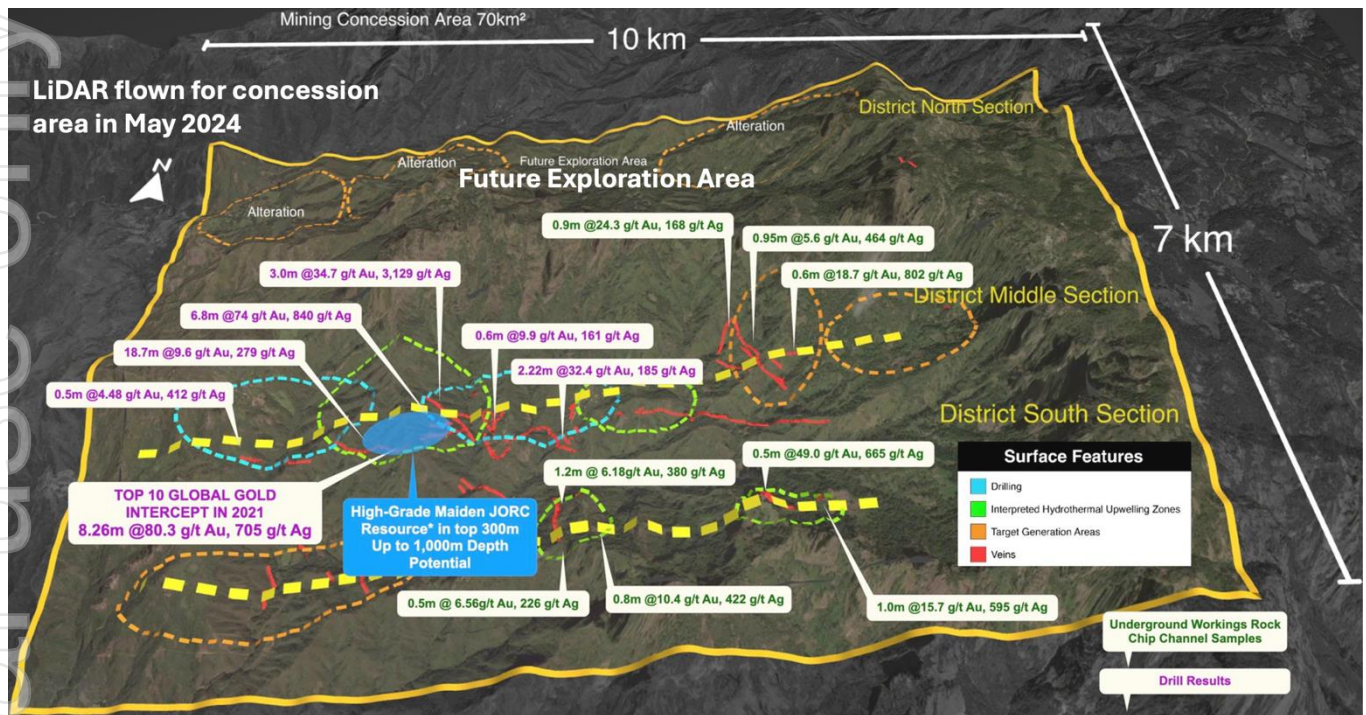


Figure 1 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and the location of the maiden JORC MRE at the first target area of El Refugio-La Soledad.

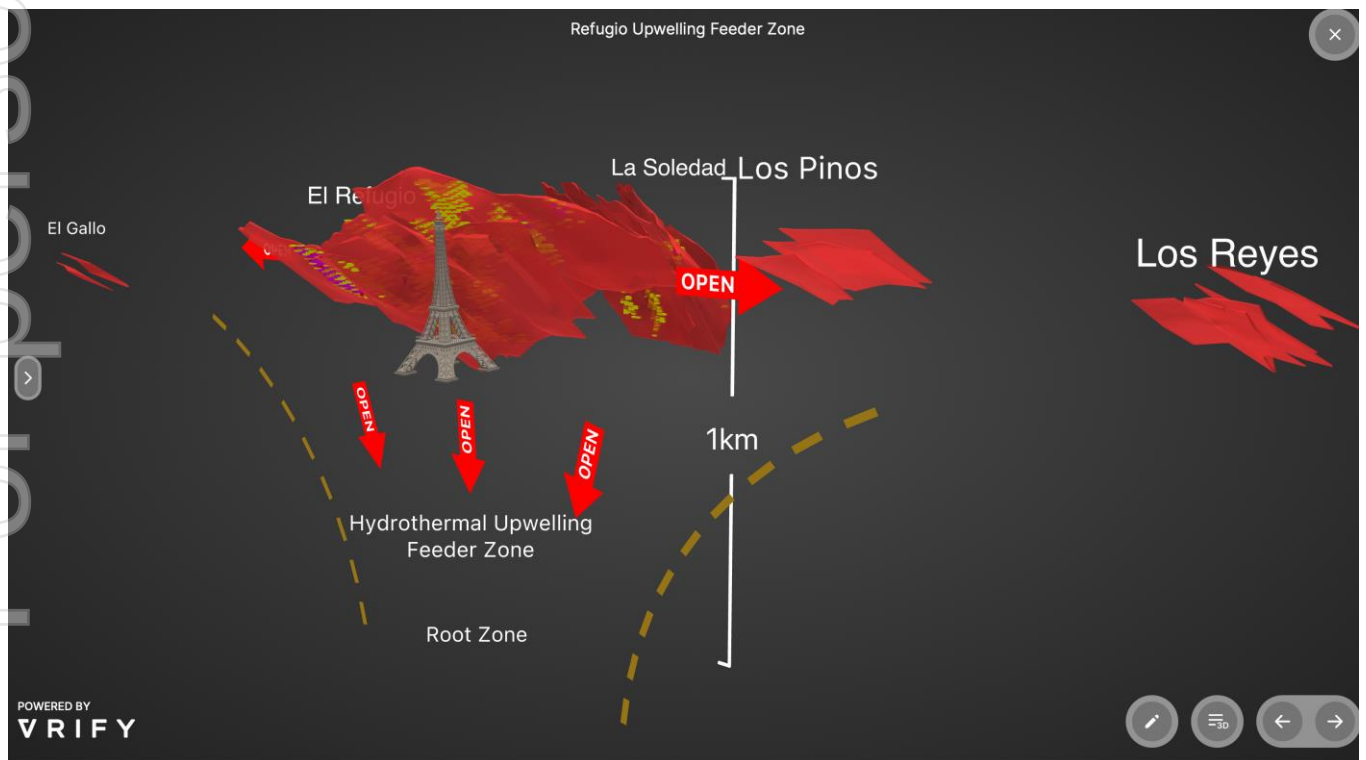


Figure 2 – 3D view of the El Refugio high-grade JORC resource area looking SE to NW showing the projected depth potential for this target area in the district as well as the west (to El Gallo) and east (to Los Reyes) target areas where high-grade drill results to date give a total strike length of 5.5km along this middle section of the Copalquin District.

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, and develop other targets, demonstrating the district multi-million-ounce gold and silver potential.

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions (currently owns 50%) by paying US\$10M on or any time before 7 August 2028.

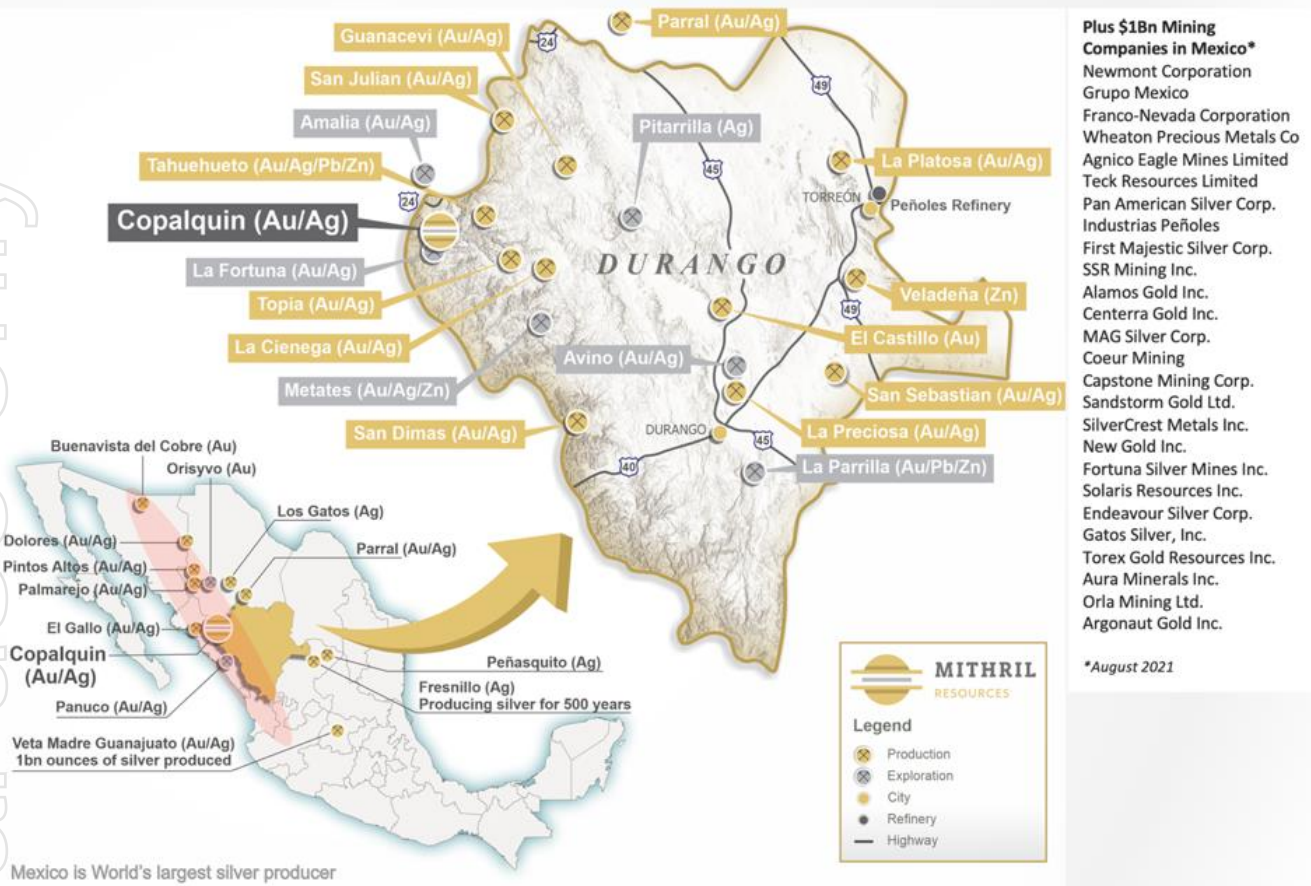


Figure 3 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-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, 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.