Transformative high-grade gold silver project acquisition

- **Mithril to acquire private Australian exploration company Sun Minerals Pty Ltd which has an exclusive Option to earn up to 100% of the high-grade Copalquin Gold Silver Project in Durango, Mexico**
- **Copalquin lies within the Sierra Madre gold-silver trend which hosts numerous world class gold silver mines including Coeur Mining's Palmarejo and Agnico Eagles' Pinos Altos mines**
- **Copalquin contains 32 known historic gold and silver underground mines including the La Soledad and El Refugio Mines**
- **Historic drilling highlights project's exploration potential with multiple high-grade drill intercepts including;**
    - 17.77m @ 45.16 g/t gold and 118.2 g/t silver from 30.98 metres in UC-03 (El Cometa Mine)
    - 7.9m @ 6.54g/t gold and 140.g/t silver from 143.10 metres in UC-024 (El Refugio Mine)
    - 4.53m @ 28.99g/t gold and 2,350.3g/t silver from 138.00 metres in MP-07-101 (La Soledad Mine) [1]
- **Completion of transaction to be catalyst for change at Board and Senior Management level with Mithril's current Managing Director to resign and Sun Minerals Nominees to be appointed to Mithril Board and a lead project management position**

Mithril Resources Limited (ASX: MTH) (**Mithril** or **the Company**) is pleased to announce that it has entered into a binding terms sheet (**Terms Sheet**) to acquire all the issued share capital of Sun Minerals Pty Ltd (**Sun Minerals**).

Sun Minerals holds an exclusive option (**Option**) to earn up to a 100% interest in the high-grade Copalquin Gold Silver Project (**Copalquin** or the **Copalquin Project**) located in the Sierra Madre Trend, Durango State, western Mexico. The mining concessions forming the Copalquin Project are held by Compania Minera Copalquin S.A de C.V., a Mexican domiciled entity (**CMC**).

1. Cautionary statement regarding exploration results

- **The Exploration Results reported in this release have not been reported in accordance with the JORC Code 2012;**
- **a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;**
- **it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;**
- **nothing has come to the attention of MTH or the Competent Person that causes it to question the accuracy or reliability of the historic Exploration Results; but**
- **MTH has not independently validated the historic Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.**

The proposed acquisition by Mithril of all issued share capital of Sun Minerals is referred to as the **Transaction**. A summary of the Term Sheet including conditions precedent are set out in **Annexure A**. The Company notes that the Transaction remains subject to a number of conditions precedent including completion of due diligence, shareholder approvals and the completion of the capital raising described below.

As a condition of the Transaction, Mithril also proposes conducting a capital raising by way of an entitlement issue to shareholders on a record date to be determined to raise approximately A$4.9 million (before costs). Funds raised from the capital raising will be used by Mithril primarily to complete a drill programme at Copalquin and to continue work on the Company's existing projects. Further details are set out below.

SUN MINERALS OVERVIEW

Sun Minerals is an Australian entity incorporated in 2017 to hold the Option to acquire and explore Copalquin. Mithril shares issued to the shareholders of Sun Minerals (**Sun Vendors**) at, and subject to completion of, the Transaction will account for 40% of the expanded share capital of Mithril.

Sun Minerals holds the Option to earn up to 100% of Copalquin. A summary of the Option (as proposed to be amended to accommodate the Transaction) is set out in **Annexure B**.

The Sun Minerals Directors have personally invested A$2.5M in cash and time into Sun Minerals over the past two years, and have relevant technical backgrounds, having over 50 years of combined Mexico operating experience. The Sun Minerals Directors also have significant experience and success with public companies and developing gold-silver projects in Australia and overseas.

Sun Mineral's Exploration Director (Mr Hall Stewart) and Managing Director (Mr John Skeet) both played key roles in the exploration and development of the Palmarejo Silver Gold Mine which is located north of Copalquin within the Sierra Madre Trend, which is owned and operated by North American mining company Coeur Mining Inc.

In December 2018, after 9 years of production, Coeur Mining Inc. reported Canadian National Instrument 43-101 (**NI43-101)** (non-JORC) compliant proven and probable reserves of 693,000 oz Au and 50.2 million oz Ag plus significant NI 43-101 (non-JORC) resources remaining at the Palmarejo complex.

ABOUT THE COPALQUIN GOLD-SILVER PROJECT

The Copalquin Gold Silver Project (6 mineral concessions – 7,005 Ha see **Annexure D**) covers the entire Copalquin Mining District within the gold-silver trend of the Sierra Madre Occidental mountain range in Durango State, western Mexico. The gold silver trend is host to numerous gold and silver deposits, with multiple producing mines including; Coeur Mining's Palmarejo, Agnico Eagles' Pinos Altos, Goldcorp's El Suazal Mine (now depleted), First Majestic Silver's San Dimas mine, Fresnillo's San Julian and La Cienega mines and the now closed Ocampo mine.

Figure 1: Copalquin Project location and surrounding major mines

Within the Copalquin Project boundaries there are 32 known historic gold and silver underground mines and surface workings plus historic drill intercepts. Mineralisation is typically associated with low-sulfidation epithermal veining and stockworks developed within an andesitic host rock sequence.

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"* on pages 1 and 44 of this announcement).

Historic drilling underneath and along strike from underground workings undertaken prior to Sun Minerals' involvement returned multiple high-grade intercepts (see **Table 2**) including;

- 17.77m @ 45.16 g/t gold and 118.2 g/t silver from 30.98 metres in UC-03 (El Cometa Mine)
- 7.9m @ 6.54g/t gold and 140.g/t silver from 143.10 metres in UC-024 (El Refugio Mine)
- 4.53m @ 28.99g/t gold and 2,350.3g/t silver from 138.00 metres in MP-07-101 (La Soledad Mine)

It should be noted that these intercepts are historic and not compliant with current JORC Code. Please refer to Annexure F for an assessment of the reliability of the results by reference to the criteria in Table 1 of the JORC Code. Please also refer the *"Cautionary Statement Regarding Historical Exploration Results"* on pages 1 and 44 of this announcement).

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 4,500-metre 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.

Further details regarding the Copalquin Project and the exploration plans for the Copalquin Project are set out in **Annexure E.**

Statements regarding the Copalquin Project are made on the basis of information and representations provided by Sun Minerals and its directors and officers, publicly available information, the preliminary due diligence enquiries of the Company and the information compiled by the competent person (refer to competent person statement at the end of this announcement). As noted above, the Transaction remains subject to a number of conditions including completion of due diligence by Mithril. At the date of this announcement, the due diligence enquiries of the Company are ongoing and further updates will be provided in due course.

ABOUT MEXICO

Mexico has a mining history extending almost 500 years and is among the world's largest metal producers. Mexico is the largest producer of silver in the world and a top global producer of gold, copper, zinc, amongst other minerals.

With its long mining tradition, Mexico has a largely favourable environment for the industry. The geological potential remains strong. The country's terrain is one of the most tectonically active and complex in the world. Orogenesis has pushed up mountain chains all across Mexico, including the Sierra Madre Oriental, Sierra Madre Occidental and Sierra Madre del Sur. These three regions have formed some of the key metallogenic areas. Gold and silver mineralisation is commonly linked to the two belts of hydrothermal veins and gaps that stretch out underneath both sides of the Sierra Madre Occidental.

Mexico contains outstanding geological potential for mining, which contributes to making Mexico the world's fourth-largest recipient of foreign direct investment (**FDI**) for mining and the second destination of such FDI in Latin America. The majority of this FDI is directed to mining gold, copper, zinc, and uranium. According to the Mexican Mining Chamber (Cámara Minera de México or CAMIMEX), Mexico leads the world's production of silver. Mexico was the ninth-largest producer of gold and seventh-largest producer of copper in 2018.

CONSIDERATION AND BOARD AND MANAGEMENT CHANGES

The consideration payable by Mithril for the purchase of all issued share capital of Sun Minerals comprises an aggregate total of 673,852,281 fully paid ordinary Mithril shares (**Consideration Shares**), which will account for 40% of the expanded share capital of Mithril following completion of the Transaction (including full subscription of the Rights Issue).

Subject to and upon completion of the Transaction, Sun Minerals shall also have the right to nominate an individual to be appointed as a Director (Executive Chairman) of Mithril (subject to receipt of a valid consent to act and, if required, shareholder approval) and to nominate an individual to be appointed to a lead management role in Mithril in respect of the exploration of the Copalquin Project.

Sun Minerals has indicated that it intends to nominate Mr Dudley Leitch as the Executive Chairman of the Company upon completion of the Transaction. Mr Dudley Leitch has over 40 years (10 years in Mexico) developing projects and running ASX mining/exploration companies with projects in Australia, Mexico and the USA. Mr Leitch has previously been a director or managing director of Perseverance Corporation, Mogul Mining, Valdora Minerals, Kings Minerals and Bolnisi Gold.

Mithril advises that Mr David Hutton has served his notice of resignation as Managing Director, with termination of his employment as Managing Director of Mithril to occur at the earlier of: 22 May 2020, being the end of the six-month notice period under Mr Hutton's employment agreement, or upon successful conclusion to the Transaction.

Mr Hutton and Mithril have agreed that he will continue to serve as Managing Director during the notice period until the occurrence of the earliest of the above events.

Mithril wishes to thank Mr Hutton for his years of service and his continued support of Mithril in respect of the exploration of its existing exploration projects and pursuit of the Transaction.

CAPITAL RAISING

As a condition of the Transaction, Mithril proposes conducting a capital raising by way of an entitlement issue to existing shareholders on a record date to be determined of one (1) new fully paid ordinary Mithril share for every one (1) existing fully paid ordinary Mithril share held at an issue price of A$0.01 (1 cent) per share to raise approximately A$4.9 million (before costs) (**Rights Issue**).

Funds raised are proposed to fund exploration of the existing Mithril projects and the Copalquin Project and otherwise to meet working capital requirements. An indicative use of funds is set out below table:

Use of Funds	Amount (AUD)
Expenditure on Copalquin	$3,350,000 (net of expenditure of Exclusivity Payment – refer **Annexure A**)
Expenditure on existing projects	$600,000
Additional working capital, raise fees	$950,000
Total	**$4,900,000**

The Company will release further details regarding the Rights Issue when available.

DIRECTOR/MANAGEMENT PERFORMANCE RIGHTS

Subject to completion of the Transaction, which will necessarily require shareholder approvals, Mithril intends to issue up to 200,000,000 performance rights convertible to fully paid ordinary Mithril Shares to a combination of existing Directors and proposed incoming Directors, management and consultants (**Director/Management Performance Rights**).

The terms of the Director/Management Performance Rights are set out in full in **Annexure C**. These terms are subject to review by the ASX.

PRO-FORMA CAPITAL STRUCTURE

The indicative capital structure of Mithril following completion of the Transaction is set out below:

	Number of shares	% of total
Existing fully paid ordinary shares	490,389,211	29.11%
Consideration Shares	673,852,281	40.00%
Shares under the Rights Issue	490,389,211	29.11%
Shares to CMC (refer **Annexure B**)	30,000,000	1.78%
Total	**1,684,630,703**	**100%**

Convertible Securities (or rights to securities)

	Number of securities
Unlisted Options	10,100,000
Director/Management Performance Rights	Up to 200,000,000

INDICATIVE TIMETABLE

The indicative timetable for the Transaction is set out below:

Execution of Term Sheet	22 November 2019
End of Due Diligence Period under Term Sheet	22 December 2019
Execution of Formal Documentation	On or before 22 December 2019
Lodgement of Notice of General Meeting	22 December 2019
Dispatch of Notice of General Meeting	6 January 2020
Convene General Meeting	5 February 2020
Lodge Rights Issue Offer Document	5 February 2020
Complete Rights Issue	2 March 2020
Complete Transaction	9 March 2020

**The above timetable is indicative only and is subject to change.*

UPDATE ON EXISTING MITHRIL EXPLORATION PROJECTS

Over the past months, Mithril has extensively restructured its exploration portfolio with new exploration partners introduced to sole fund exploration activities on the Lignum Dam Project, Limestone Well Project, and most recently the Kurnalpi Project. In addition, the Company has also relinquished tenements at Bangemall and Duffy Well and withdrawn from the Nanadie Well JV.

The Company retains the Billy Hills Zinc Project, where a Heritage Clearance Survey to facilitate drill testing of the Firetail Prospect was conducted in early November. In conjunction with the survey, further mapping and rock chip sampling of the prospect was also undertaken. Results from both the survey and sampling are expected within the next two to three weeks.

ENDS

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ANNEXURE A
SUMMARY OF TERMS SHEET

Mithril has entered into a binding Terms Sheet with Sun Minerals and the Sun Vendors setting out the terms of the Transaction. A summary of key terms of the Terms Sheet and the Transaction is set out below:

1. Conditions

Completion of the Transaction is conditional upon each of the following being satisfied or waived (each being a **Condition**):

(a) **Mithril Due Diligence**: Mithril completing and being reasonably satisfied with the outcome of due diligence investigations by 22 December 2019 (which date may be extended by written agreement between Mithril and Sun Minerals) (**Due Diligence Date**).

(b) **Sun Due Diligence**: Sun Minerals and the Sun Vendors completing and being reasonably satisfied with the outcome of due diligence investigations into Mithril by the Due Diligence Date.

(c) **Formal Documentation**: Execution of formal documentation by the Due Diligence Date.

(d) **Concessions:** The concessions forming Copalquin being in good standing and none of these concessions being withdrawn or revoked by the relevant statutory bodies.

(e) **Validity of Option:** Sun Minerals providing evidence to the reasonable satisfaction of Mithril that:

(i) The terms of the Option are as described by Sun Minerals to Mithril;

(ii) The Option is and remains in full force and effect as at completion and Sun Minerals is in compliance with the terms of the Option at completion of the Transaction; and

(iii) Sun Minerals has done all things necessary to ensure that the Option continues to be in full force and effect following completion of the Transaction, including obtaining the consent of CMC to the change of control in Sun Minerals occasioned by the Transaction (as applicable).

(f) **Variation of Option:** Execution by required parties of documentation to the reasonable satisfaction of Mithril to give effect to variation of the terms of the Option including to the extent necessary to accommodate the earn-in structure and other variations to the Option as required by Mithril acting reasonably.

(g) **Mithril Approvals:** Mithril obtaining all necessary regulatory and other approvals or waivers required to complete the Transaction.

(h) **Mithril Shareholder Approvals:** Mithril obtaining all necessary shareholder approvals required for the completion of the Transaction, including without limitation shareholder approval to:

(i) issue the Consideration Shares in accordance with the requirements of the ASX Listing Rules and the Corporations Act 2001 (Cth), including if necessary, item 7 of section 611.

(ii) issue the Mithril shares forming the Rights Issue (if applicable).

(iii) issue the Director/Management Performance Rights.

(iv) appoint the board nominee of Sun Minerals as a new Director of Mithril, with effect on and from completion of the Transaction.

(v) grant any additional items which may be agreed by the parties in writing or as required by any regulatory body (including ASIC and/or ASX).

(i) **Sun Minerals Approvals:** Sun Minerals obtaining all necessary shareholder, regulatory and other approvals or waivers required to complete the Transaction.

(j) **Capital Raising:** Mithril completing the Rights Issue.

(k) **Material Adverse Event:** There being no material adverse change or event occurring prior to the date of completion of the Transaction, including without limitation a change in Sun Minerals, the Option and/or the concessions forming Copalquin which adversely affects the rights or interests proposed to be acquired by Mithril under the Terms Sheet.

(l) **Drag Implementation:** Sun Minerals exercising, if required, drag along rights under the constitution of Sun to require minority holders of Sun Minerals to sell the shares they hold in Sun Minerals to Mithril under and in accordance with the terms of the Transaction.

All Conditions other than (a) and (b) must be satisfied on or before 5 Business Days after completion of the Rights Issue (which may be extended by written agreement between Mithril and Sun Minerals).

The parties will act in good faith and provide reasonable assistance to each other as necessary to seek to enter into formal documentation required and satisfy the Conditions and complete the Transaction as expediently as possible. Unless otherwise agreed by the parties, where a Condition is not satisfied (or waived) by its required date then either Mithril or Sun Minerals may terminate the Terms Sheet by written notice to the other parties, provided that a party may not terminate the Terms Sheet under this paragraph (and must agree to reasonable extensions of the timeframes for satisfaction of the relevant Condition/s) where that party's actions or inactions are the substantive cause of the non-satisfaction of the relevant Condition/s.

2. Purchase Price

The consideration payable by Mithril for the purchase of all the issued share capital of Sun Minerals comprises an aggregate total of 673,852,281 fully paid ordinary Mithril shares (being the Consideration Shares), which will account for 40% of the expanded share capital of Mithril following completion of the Transaction (including full subscription of the Rights Issue).

Subject to and upon completion of the Transaction, Sun Minerals shall also have the right to nominate an individual to be appointed as a Director (Executive Chairman) of Mithril (subject to receipt of a valid consent to act and, if required, shareholder approval) and to nominate an individual to be appointed to a lead management role in Mithril in respect of the exploration of Copalquin.

3. Warranties

The parties have agreed that the formal documentation will contain warranties that are customary to a transaction of this nature and are underpinned by indemnities, including:

(a) warranties from each of the Sun Vendors regarding title, standing and ownership of the shares they hold in Sun Minerals, including that such shares are free from encumbrances;

(b) warranties from all parties regarding their respective capacity to enter into and complete the formal documentation and the Transaction;

(c) warranties from key Sun Vendors identified by Mithril with respect to Copalquin, the Option, the business and financial position of Sun Minerals and such other warranties typical for a transaction of this nature; and

(d) warranties from Mithril to Sun Minerals with respect to the business and financial position of Mithril and such other warranties typical for a transaction of this nature.

4. Maintaining the status quo

Pending completion of the Transaction, Sun Minerals agrees (amongst other things) to manage, operate and conduct Sun Minerals' business with all due care in accordance with normal practice and in compliance with all applicable laws and use its best endeavours to maintain the value of the Sun Minerals' business and assets. Sun Minerals also agrees not to enter into any material contract or incur any material liability, declare any dividends or vary its capital structure without the prior written consent of Mithril.

5. Exclusivity payment

Mithril agrees, within 3 business days of the satisfaction of Conditions (a) and (b) by the Due Diligence Date, to pay Sun Minerals the cash sum of $150,000 (**Exclusivity Payment**) to an account nominated by Sun Minerals in writing. Sun Minerals agrees that the Exclusivity Payment shall be used solely for, and form part of, expenditure on Copalquin as set out under the Option in **Appendix B**.

Otherwise, the Terms Sheet contains clauses typical for binding agreements of this nature including provisions with respect to confidentiality and the law of Victoria, Australia governing the Terms Sheet.

ANNEXURE B
SUMMARY OF THE OPTION

A summary of the Option held by Sun Minerals is set out below. The summary includes variations that are anticipated to be required to be made to the Option to accommodate the Transaction.

The below summary has been prepared on the basis of information provided by Sun Minerals to Mithril. It is proposed that Mithril will confirm the terms of the Option as part of its due diligence investigations.

Upon completion of the Transaction, Mithril will (indirectly through its ownership of Sun Minerals) acquire an Option to earn up to a 100% interest in the concessions forming Copalquin as set out below:

(a) At completion of the Transaction, Mithril shall pay US$200,000 and issue 10 million fully paid Mithril shares to CMC, upon which Sun Minerals will hold a 10% interest in the concessions forming Copalquin.

(b) If, on or before 7 August 2023, Sun Minerals:

(i) incurs expenditure of US$4 million on Copalquin, and procures the issue of 10 million fully paid Mithril shares to CMC (and/or its nominee), Sun Minerals will hold a 25% interest in the concessions forming Copalquin; and

(ii) incurs further expenditure of US$4 million (aggregate expenditure of US$8 million) on Copalquin, and procures the issue of 10 million fully paid Mithril shares to CMC (and/or its nominee), Sun Minerals will hold a 50% interest in the concessions forming Copalquin.

The interest of CMC in the concessions forming Copalquin shall be free-carried until the earlier of Sun Minerals completing the acquisition of 100% of the concessions forming Copalquin or Sun Minerals electing to withdraw from the concessions forming Copalquin.

(c) At any time on or before 7 August 2023, Sun Minerals may make a cash payment of US$10 million to CMC (and/or its nominee) to acquire the remaining interests then held by CMC. CMC may, subject to necessary shareholder approvals and other authorisations (including regulatory consents and/or approvals), elect to receive the US$10 million (in whole or in part) through the issue of fully paid Mithril shares at a deemed issue price per share that is the higher of:

(i) a 10% discount for the then 20-day VWAP of fully paid Mithril shares on ASX, ending on the trading day immediately before any such election; or

(ii) $0.01 (1 cent),

and Sun Minerals will procure that Mithril issues those fully paid Mithril shares (subject to any required approvals and authorisations) as soon as reasonably practicable.

Following payment of the US$10 million (in cash, fully paid Mithril shares or a combination of both) Mithril will (either itself or via Sun Minerals) hold a 100% interest in the concessions forming Copalquin.

The variation to the documentation underpinning the Option to accommodate the Transaction and the earn-in structure set out above forms a condition of completion of the Transaction.

ANNEXURE C
MITHRIL RESOURCES LIMITED
TERMS OF DIRECTOR/MANAGEMENT PERFORMANCE RIGHTS

(a) A Performance Right is a right to receive a fully paid ordinary share in the capital of the Company (**Share**) subject to satisfaction of an Applicable Milestone (refer (b) below).

(b) A Performance Rights shall convert to a Share upon and subject to either:

(i) determination by a geological consultant of an Inferred JORC Resource of 700koz AuEq (Au-Ag) on the Project; or

(ii) Mithril achieving a market capitalisation equal to or greater than A$50,000,000.

each being an **Applicable Milestone**.

(c) A Performance Right for which an Applicable Milestone has not been satisfied lapses on the date which is four (4) years from issue of that Performance Right (**Lapse Date**).

(d) A Performance Right does not entitle the holder to attend or vote on any resolutions proposed at a general meeting of shareholders of the Company.

(e) A Performance Right does not entitle the holder to any dividends.

(f) Upon winding up of the Company, a Performance Right may not participate in the surplus profits or assets of Company.

(g) A Performance Right is not transferable unless otherwise determined by the Board or a delegate of the Board.

(h) A Performance Right does not lapse upon the termination or resignation of the holder.

(i) In the event that the issued capital of the Company is reconstructed, and the Company is listed on ASX at the relevant time, all rights of a holder will be changed to the extent necessary to comply with the ASX Listing Rules at the time of reorganisation provided that, subject to compliance with the ASX Listing Rules, following such reorganisation the economic and other rights of the Holders are not diminished or terminated.

(j) This clause applies whilst the Company is listed on ASX. Performance Rights will not be quoted on ASX. Upon conversion of a Performance Right into a Share in accordance with these terms, the Company must within seven (7) days from the date of conversion, apply for and use best endeavours to obtain official quotation on ASX of the Shares arising from conversion.

(k) Subject to compliance with applicable law (including the ASX Listing Rules as they apply to the Company), Performance Rights shall immediately convert to Shares upon a Change of Control occurring.

Change of Control means:

a. a bona fide takeover bid is declared unconditional and the bidder has acquired a relevant interest in over 50% of the Company's issued shares;

b. the sale of all or substantially all of the assets of the Company;

c. a court approves under section 411(4)(b) of the Corporations Act, a proposed compromise arrangement for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

d. in any other case, a person obtains voting power in the Company that the Board (which for the avoidance of doubt will comprise those Directors immediately prior to the person acquiring the voting power) determines, acting in good faith and in accordance with their fiduciary duties, is sufficient to control the composition of the Board.

(l) Holders of Performance Rights will not be entitled to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.

(m) This clause applies whilst the Company is listed on ASX. The terms of the Performance Rights may be amended as necessary by the Board to comply with the ASX Listing Rules, or any direction of ASX regarding the terms provided that, subject to compliance with the ASX listing rules, following such amendment, the economic and other rights of the Holder are not diminished or terminated.

(n) A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

(o) Subject to paragraph (n) below, a Performance Right will convert into a Share upon the achievement of an Applicable Milestone to that Performance Right prior to the Lapse Date. An Applicable Milestone for a Performance Right will be specified in the terms of issue of or invitation to apply for the Performance Right.

(p) In the event an Applicable Milestone is satisfied prior to the Lapse Date, Performance Rights held by a Holder will convert into an equal number of Shares.

(q) If an Applicable Milestone for a Performance Right is not achieved by the Lapse Date, all Performance Rights will lapse and be deemed to have been cancelled without payment or other compensation to the Holder.

(r) The Shares into which the Performance Rights will convert will rank pari passu in all respects with existing Shares and, if the Company is listed on ASX, an application will be made by the Company to ASX for official quotation of the Shares issued upon conversion.

(s) The conversion of Performance Rights is subject to compliance at all times with the ASX Listing Rules if the Company is listed on ASX at the relevant time and the Corporations Act.

ANNEXURE D
MINING CONCESSIONS

Mining concessions are granted by the Mexican Federal government and grant the right to explore and exploit metallic mineral deposits subject to concession maintenance requirements and environmental statutes. The Copalquin Project consists of six mining concessions totalling 7,005 Ha.

No.	Concession	Title Number	Current Validity	Area (Ha)	Location	Liens or Legal	Status
1	LA SOLEDAD	52033	58 years	6	Tamazula, Durango, Mexico	Free	Active
2	EL COMETA	164869	40 years	36	Tamazula, Durango, Mexico	Free	Active
3	SAN MANUEL	165451	40 years	36	Tamazula, Durango, Mexico	Free	Active
4	COPALQUIN	178014	33 years	20	Tamazula, Durango, Mexico	Free	Active
5	EL SOL	236130	9 years	6,000	Tamazula, Durango and Badiraguato, Sinaloa, Mexico	Free	Active
6	EL CORRAL	236131	9 years	907.3243	Tamazula, Durango and Badiraguato, Sinaloa, Mexico	Free	Active

Table 1: Copalquin Project mining concession details.

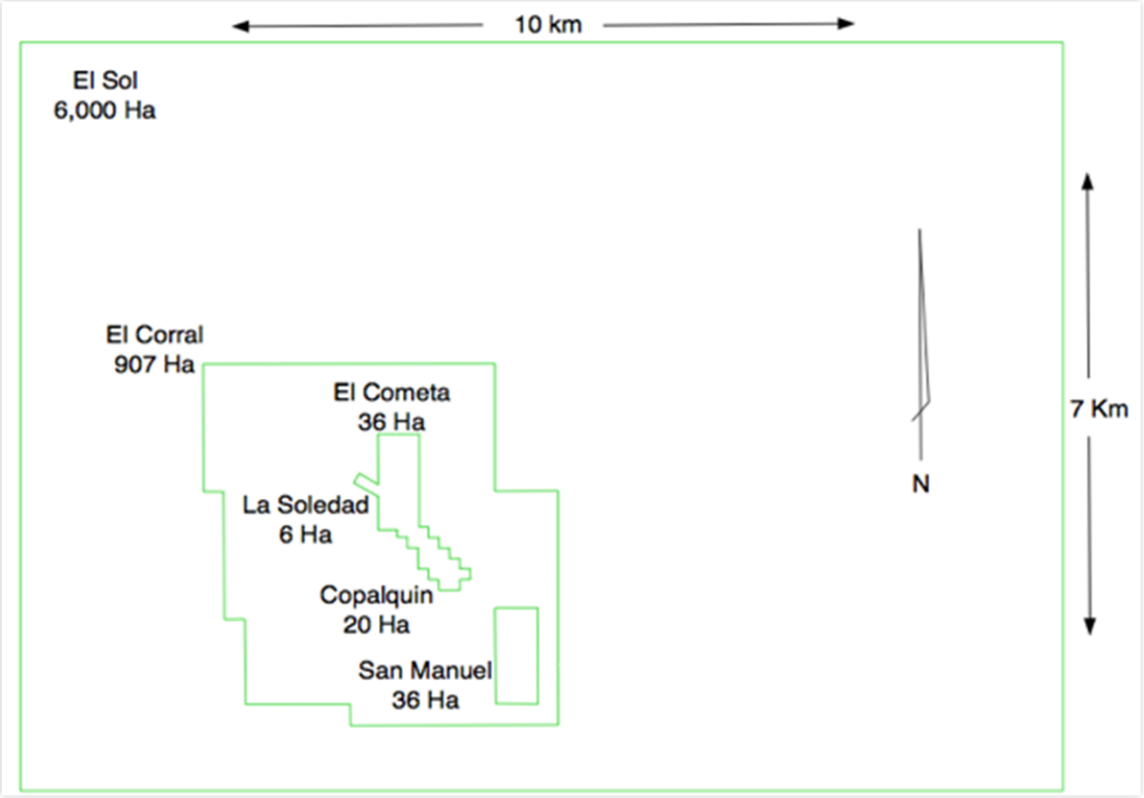


Figure 2: Copalquin Project mining concession plan

ANNEXURE E
FURTHER INFORMATION REGARDING THE COPALQUIN PROJECT

Copalquin Project Overview

The Copalquin Project hosts multiple low-sulfidation epithermal vein and stockwork deposits hosted in andesite. There has been notable past production of gold and silver from a number of underground mines with reported bonanza grades. Previous exploration work in the 1990's and 2000's consisted of soil sampling programs and drilling of 70 diamond core holes. Previous work appears to have been curtailed by the difficult logistics of a remote project and financial difficulties of the previous companies. Sun Minerals has compiled the previous data, acquired high resolution satellite imagery and topography and migrated all data to UTM WGS84. Sun Minerals has undertaken limited rock chip and soil sampling programs. In 2020, Sun Minerals intends to drill approximately 30 holes to test 6 separate targets.

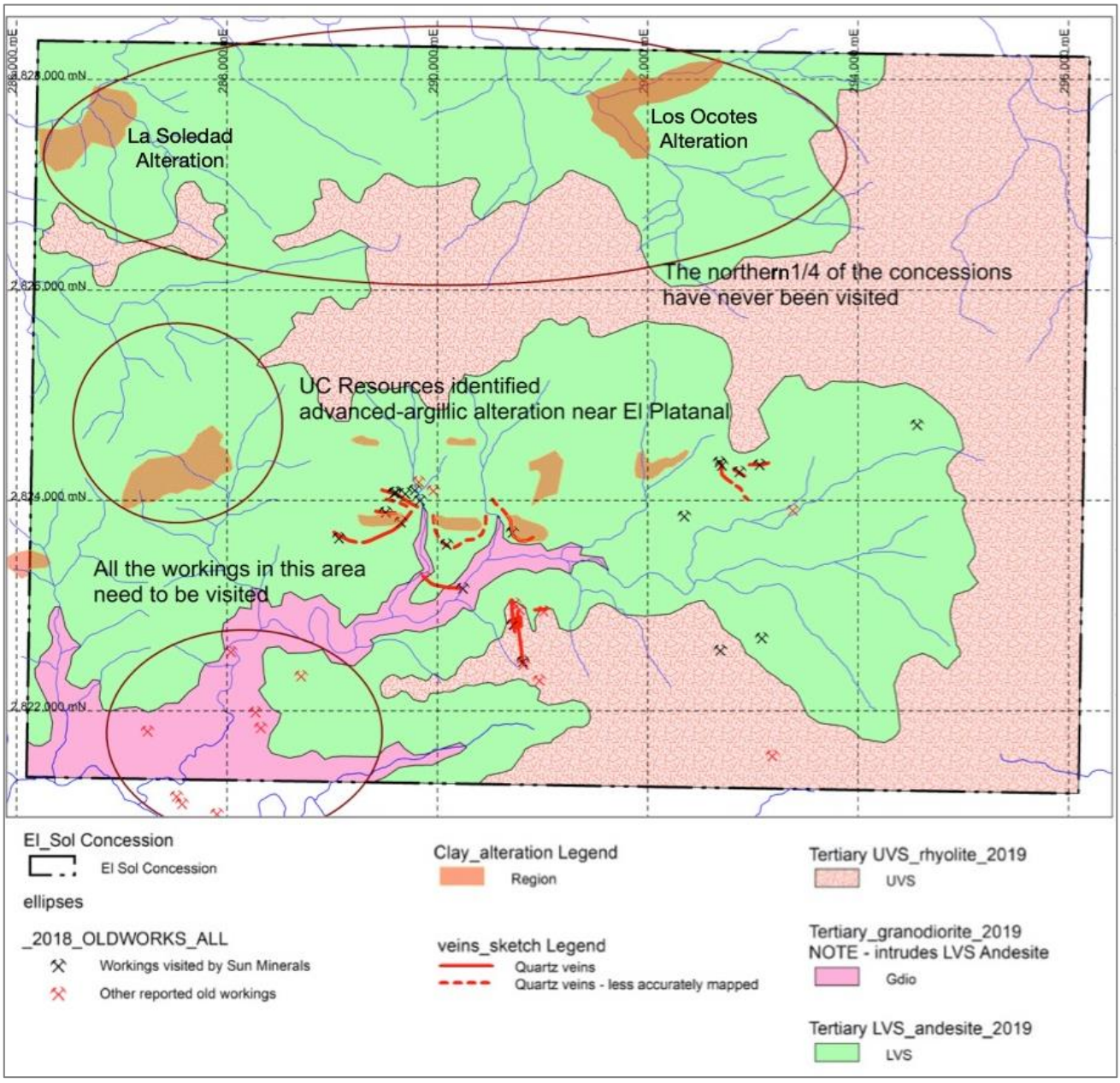


Figure 3: Copalquin Project Geologic Map.

Copalquin Project Geology

The Copalquin Project lies within the Sierra Madre Occidental physiographic province of north-western Mexico. The project is underlain by andesitic volcanics of the Cretaceous-Tertiary Lower Volcanic Series. A Tertiary granodiorite to monzonite pluton intrudes the andesite and much of the area is capped by Tertiary rhyolite ignimbrites of the Upper Volcanic Series. Mineralisation is thought to be contemporaneous with the eruption of the Upper Volcanic Series.

Semi-continuous low-angle breccia zones have formed within the andesite parallel to the granodiorite contact. These zones include the El Cometa breccia and the Los Reyes breccia. The geometry of these zones is similar to the nearby El Gallo silver deposit of McEwen Mining which is also formed in a series of breccias parallel to the contact between intrusive rocks and Lower Volcanic Series andesite.

A series of high angle normal faults strikes northwest and dips to the northeast including the Refugio, La Soledad and La Constancia structures which host veins mineralised with gold and silver. North-south striking, west-dipping faults at San Manuel also host mineralized veins.

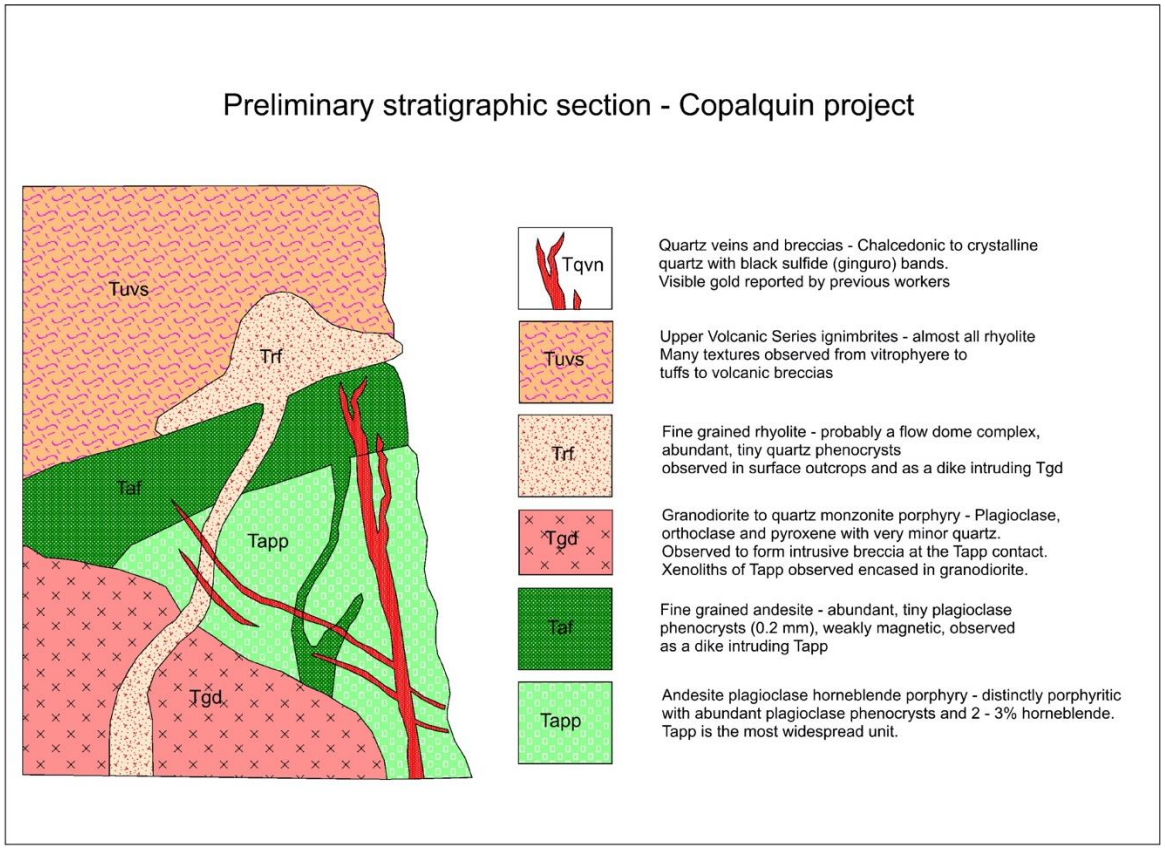


Figure 4: Copalquin Project stratigraphic section.

Both the low-angle breccias and the high-angle faults host extensive zones of mineralised quartz breccia. It is likely that the low angle zones developed as tectonic breccias during the intrusion of the granodiorite and were later mineralized by hydrothermal activity related to the eruption of the Upper Volcanic Series.

Large areas of argillic alteration occur across the concessions. The alteration forms haloes adjacent to the known structures and large zones where structures have not been identified. Argillic alteration is indicative of widespread penetration of hydrothermal fluids into the surrounding rocks and suggests a long-lived hydrothermal system was active at Copalquin.

Historic Exploration Work at Copalquin

Mines at Copalquin were first developed in the mid-1800's and are reported to have produced more than 250,000 ounces of gold by J. Wilkins, June 1997, Evaluation of the Copalquin Mining District, Tamazula, Durango, Mexico. Modern exploration work at Copalquin has been carried out by two companies previous to Sun Minerals' involvement. Bell Coast Capital Corp. conducted soil sampling and drilling of 31 diamond core holes in 1997 and 1998. UC Resources conducted rock chip and soil sampling and drilled another 39 diamond core holes.

Both previous drill campaigns were hindered by the difficulty of moving the drill using only manpower and consequently drilling is overly concentrated in areas where the first favourable intercepts were encountered. In the 70 holes drilled 34 encountered mineralisation that was reported by the previous companies. The reported intercepts are not compliant with the JORC guidelines for reporting and should be considered as historic, non-compliant information, but are nevertheless considered to be material for the purposes of disclosure in respect of the Transaction. Readers are referred to refer the *"Cautionary Statement Regarding Historical Exploration Results"* on pages 1 and 44 of this announcement and to **Annexure F** for an assessment of the reliability of the historical exploration results with refence to Table 1 of the JORC Code.

Bell Coast Capital (1997 - 1998)					
Hole_ID	**From**	**To**	**Intercept (m)**	**Avg Au g/t**	**Avg Ag g/t**
EC-002	33.60	46.85	13.25	74.87	705.8
EC-003	22.20	28.20	6.00	0.42	18.1
EC-008	44.50	51.00	6.50	2.66	79.2
EC-010	32.45	43.50	11.05	12.62	277.6
EC-011	28.00	39.50	11.50	1.08	44.5
EC-012	19.00	26.00	7.00	10.65	216.3
EC-012	38.40	41.60	3.20	11.36	203.4
EC-013	13.15	22.50	9.35	25.32	246.9
EC-013	30.50	33.50	3.00	5.25	76.8
EC-014	85.50	88.50	3.00	0.74	42.0
EC-014	108.00	111.00	3.00	1.57	65.3
EC-015	22.00	32.00	10.00	0.65	60.7
EC-016	42.00	45.00	3.00	0.66	41.4
EC-017	22.00	24.00	2.00	1.74	91.8
EC-018	60.00	62.00	2.00	4.06	100.0
EC-025	0.00	9.00	9.00	1.78	22.0
ER-031	108.00	110.00	2.00	0.30	8.2
ER-031	112.00	115.50	3.50	0.38	9.6
ER-031	118.50	126.00	7.50	0.33	6.4
ER-031	148.50	159.00	10.50	0.54	17.7
ES-022	81.00	84.00	3.00	0.84	163.0
UC Resources Corp (2005 - 2007)					
Hole_ID	**From**	**To**	**Intercept (m)**	**Avg Au g/t**	**Avg Ag g/t**
UC-02	11.98	15.45	3.47	0.77	17.8
UC-02	22.85	27.10	4.25	0.31	29.1
UC-03	30.98	48.75	17.77	45.16	118.2
UC-05	41.92	45.92	4.00	5.16	48.8
UC-06	8.12	14.70	6.58	0.40	11.6
UC-06	39.20	43.00	3.80	2.75	36.9

UC-10	31.37	36.42	5.05	1.02	66.6
UC-13	54.35	56.46	2.11	2.10	159.5
UC-16	56.40	58.42	2.02	1.25	72.1
UC-21	148.09	158.20	10.11	2.20	199.9
UC-23	130.80	143.00	12.20	0.97	61.7
UC-24	143.10	151.00	7.90	6.54	140.1
MPS-07-0101	138.00	142.53	4.53	28.99	2350.3

Table 2: Historic non-JORC compliant drill intercepts reported by previous workers at Copalquin Durango, Mexico

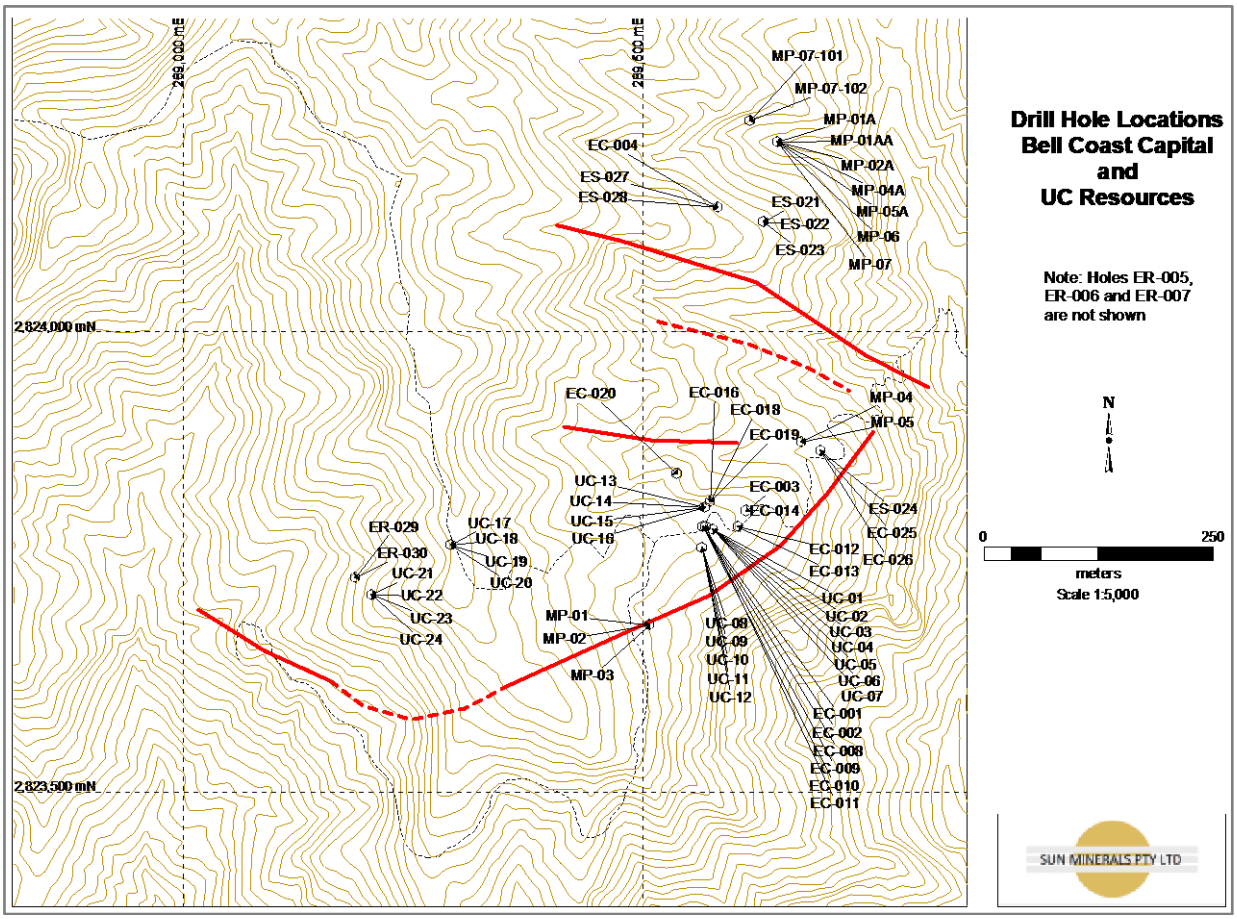


Figure 5: Drill hole locations for historic non-JORC compliant drilling by Bell Coast Capital Corp. and UC Resources Inc.

Exploration at Copalquin by Sun Minerals 2017 - 2019

Rock-chip sampling

Most of Sun Minerals' work has consisted of reconnaissance level exploration and visits to as many of the historic mines as possible. On these recon visits 37 rock chip samples have been collected. Samples were marked by the geologist and chipped along a line 5 – 10 cm wide using a chisel and 3 pound sledge hammer.

SAMPLE	*EAST*	*NORTH*	*LOCATION*	*WIDTH (m)*	*Au ppm*	*Ag ppm*
213151	294569	2824723	STA CRUZ	1	0.07	5.4
213152	294564	2824722	STA CRUZ	1	0.08	7.2
213153	294557	2824727	STA CRUZ	1	0.17	20.2
213154	293078	2824343	GPE MINE	0.6	1.82	130
213155	293076	2824340	GPE MINE	0.6	4.67	270
213156	293070	2824344	GPE MINE	0.6	18.65	802
213157	293064	2824328	GPE MINE	dump	12.9	685
213158	292867	2824267	LA FRAGUITA	0.4	0.09	8.1

213159	292869	2824269	LA FRAGUITA	3m random	0.13	7
213160	292713	2824302	CONSTANCIA	1.5	5.55	464
213161	292717	2824304	CONSTANCIA	0.95	1.16	11
213162	292725	2824294	CONSTANCIA	1	1.03	36.4
213163	292730	2824295	CONSTANCIA	0.95	1.15	254
213164	292736	2824303	CONSTANCIA	0.6	0.34	14.9
213165	289122	2823653	REFUGIO	1	2.17	99.9
213166	289108	2823669	REFUGIO	1.3	1.02	19.5
213167	289112	2823671	REFUGIO	1.4	1.66	51.6
213168	289141	2823690	REFUGIO	1	0.75	66.3
213169	289145	2823693	REFUGIO	0.8	1.04	96.5
213170	289638	2823793	EL COMETA	1.6	1.14	42.3
213171	289639	2823794	EL COMETA	1.8	0.19	12.2
213172	289517	2823854	LA LINA	1	5.23	249
213173	289521	2823854	LA LINA	1.1	0.06	3.2
213174	289646	2824094	SOLEDAD L3	0.4	4.42	215
213175	289649	2824096	SOLEDAD L3	0.55	3.82	332
213176	289680	2824126	SOLEDAD L2	0.7	1.47	87.8
213177	289685	2824130	SOLEDAD L2	0.8	2.82	102
213178	289585	2824096	SOLEDAD	0.9	0.08	2.5
213179	289589	2824096	SOLEDAD	1	0.09	2.5
213180	290837	2822423	DIOS PADRE	1.1	2.05	97
213181	290822	2822410	MINA LARGA	1.1	0.92	36.4
213182	290819	2822409	MINA LARGA	0.5	6.56	226
213183	290790	2822819	SAN MANUEL	2.4	0.24	8
213184	290793	2822819	SAN MANUEL	0.8	0.04	1.5
213185	290795	2822801	SAN MANUEL	1.7	0.32	10.3
213186	290240	2823184	COPALQUIN	0.8	1.54	70.9
213187	290686	2823687	LOS REYES	1.2	7.23	507

Table 3: Sun Minerals geochem samples from 13 of the more than 30 known underground mine workings.

Soil Sampling

Soil sampling over the Refugio, Cometa, Soledad, Los Pinos and, to a limited extent, Los Reyes were collected by Bell Coast Capital and UC Resources. Sun Minerals also carried out a soil sampling program over the La Constancia target. All samples were sieved in the field to -80 mesh and assayed for gold and silver. Results were normalized by taking the log of the gold value in ppb. Results for gold in soils are shown on the following maps in Figures 6 to 9:

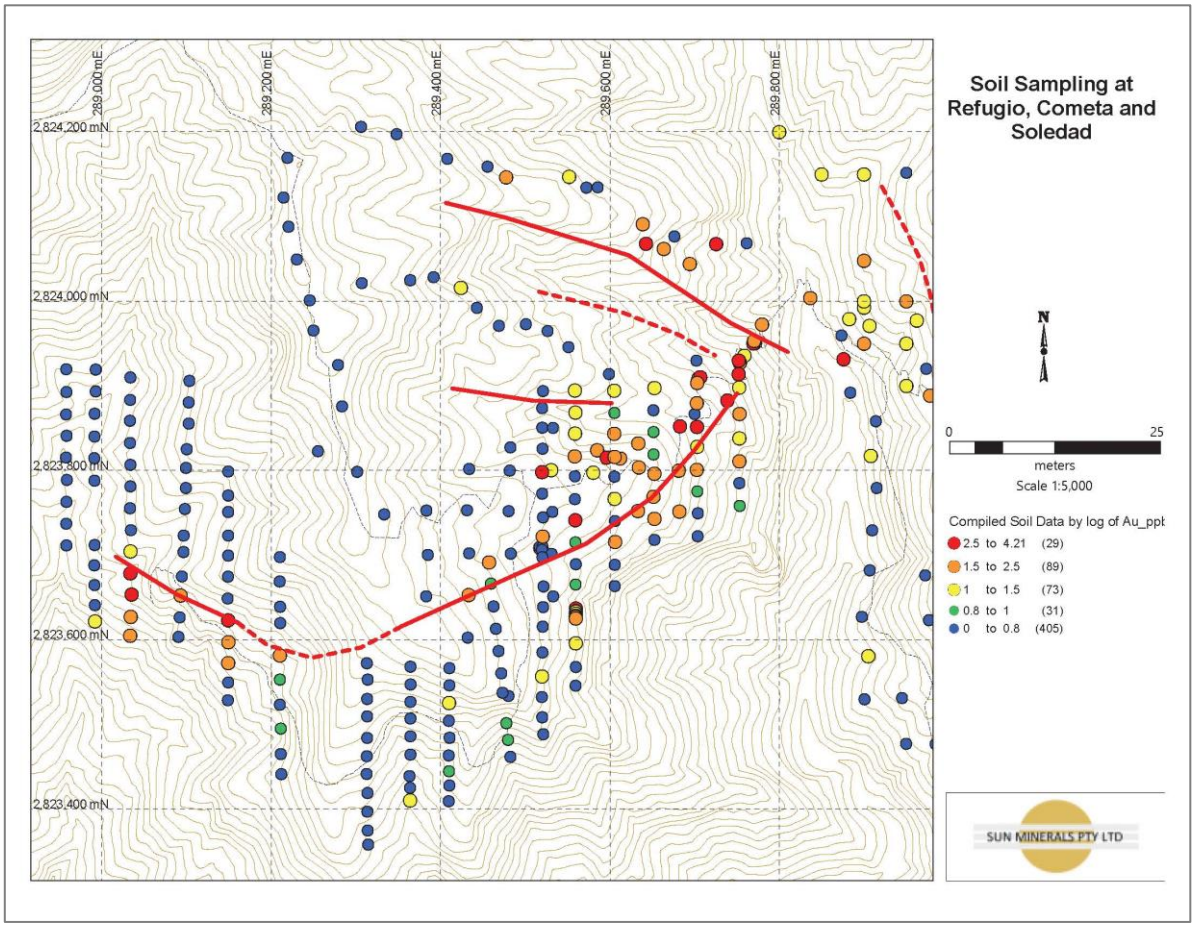


Figure 6: Sun Minerals Soil sampling at El Refugio, El Cometa and La Soledad.

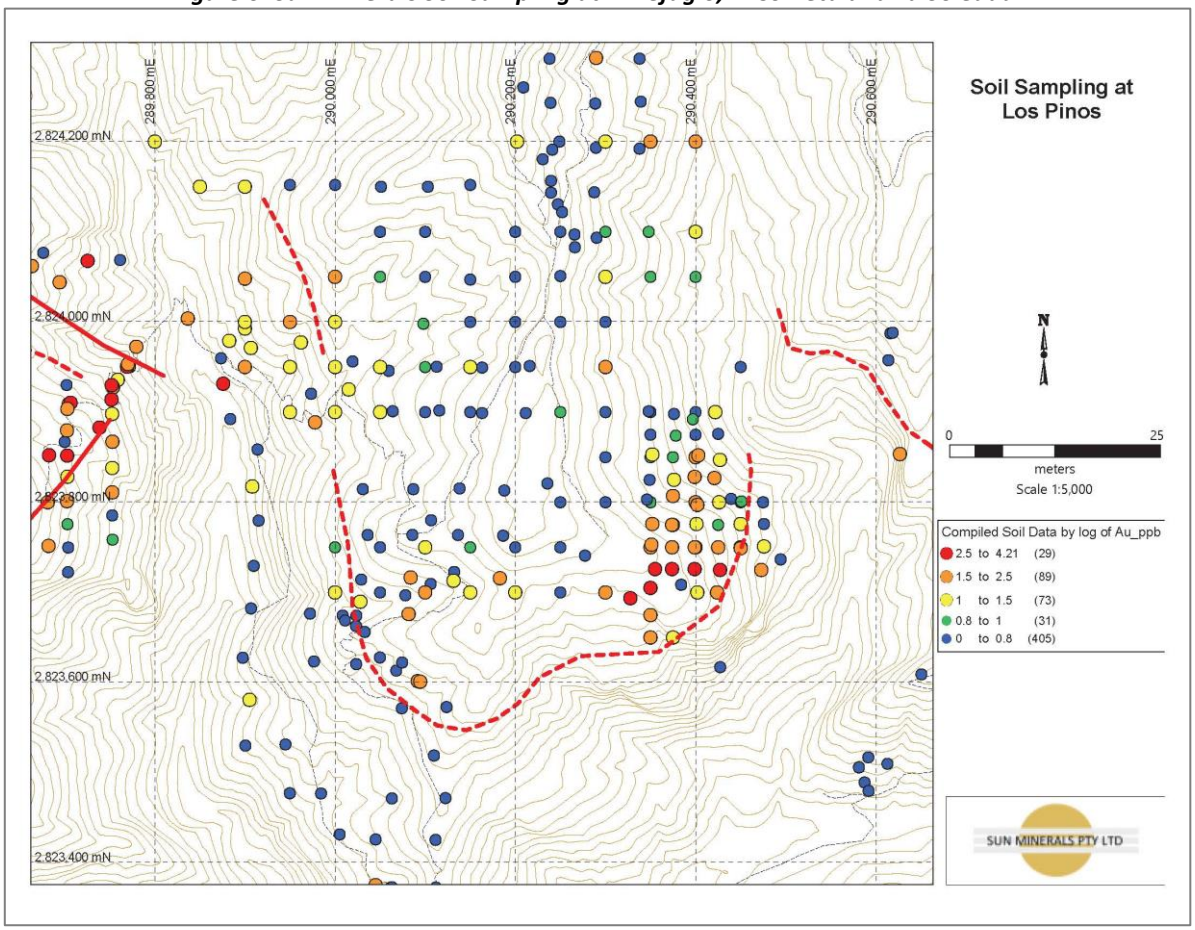


Figure 7: Sun Minerals soil sampling at Los Pinos.

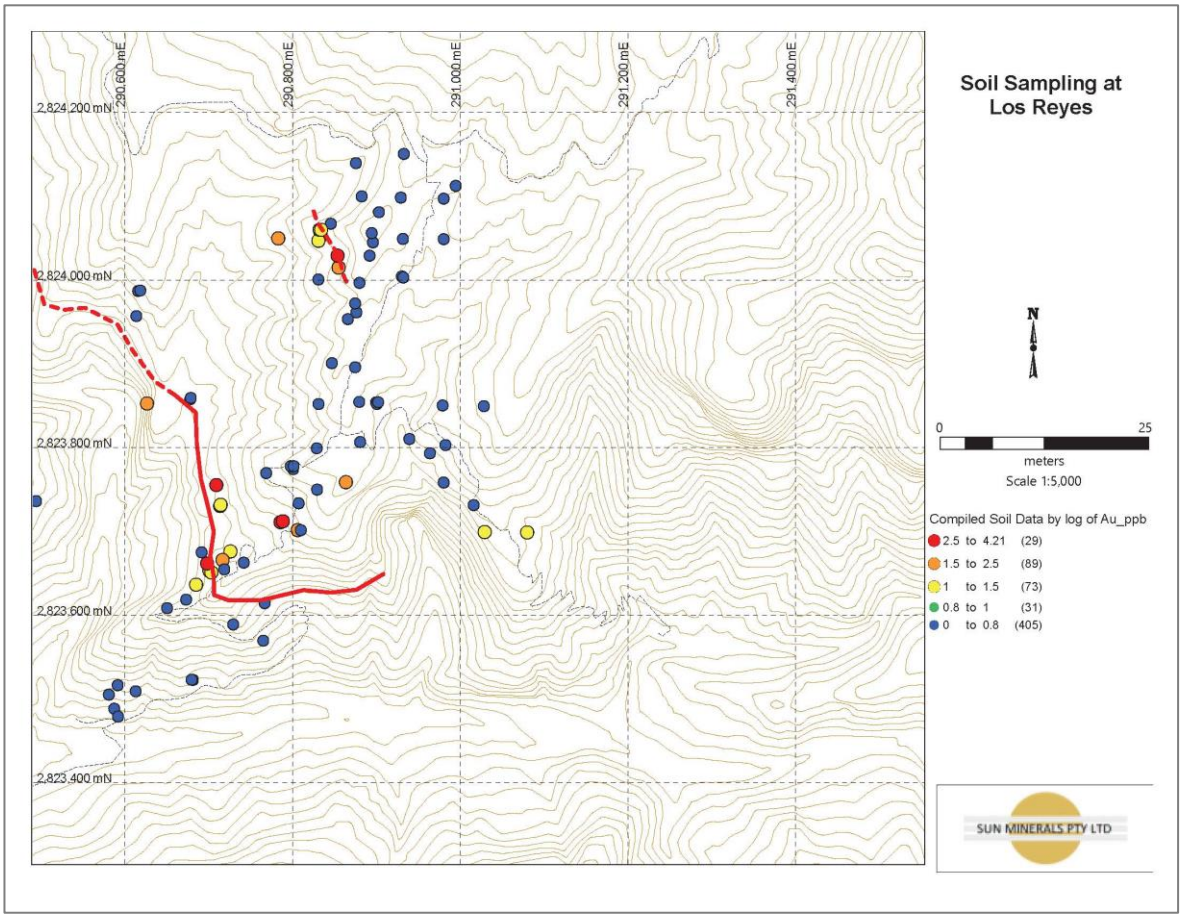


Figure 8: Sun Minerals soil sampling at Los Reyes.

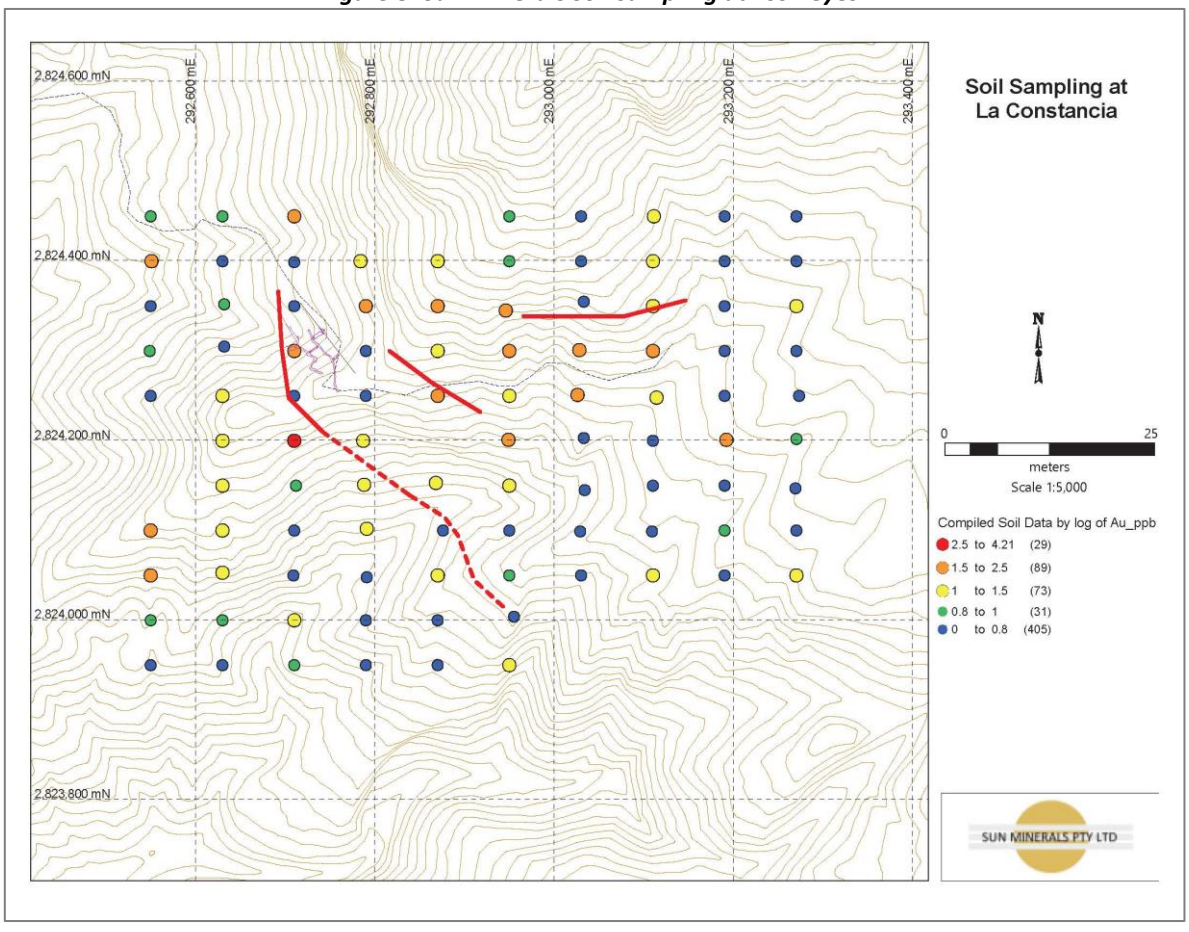


Figure 9: Sun Minerals soil sampling at La Constancia.

Exploration Plan for 2020 at Copalquin

Previous drilling has identified three areas with underground mineable grades over potentially mineable widths. These areas are El Refugio, La Soledad and El Cometa. Sun Minerals' drilling campaign will systematically test each of these high-priority areas and will also begin drill exploration at Los Reyes, Los Pinos, La Constancia and San Manuel. There are now 29 holes totalling 4,490 meters planned. Drilling will start at El Refugio, move to Los Reyes, then to Cometa, then to La Soledad, then to Los Pinos, then Constancia, and, finally San Manuel. The objective of this drill program is discovery, not resource definition. The best targets currently identified on the property will be tested and if any of the targets other than the top three produce favourable results Sun Minerals will have met its objective.

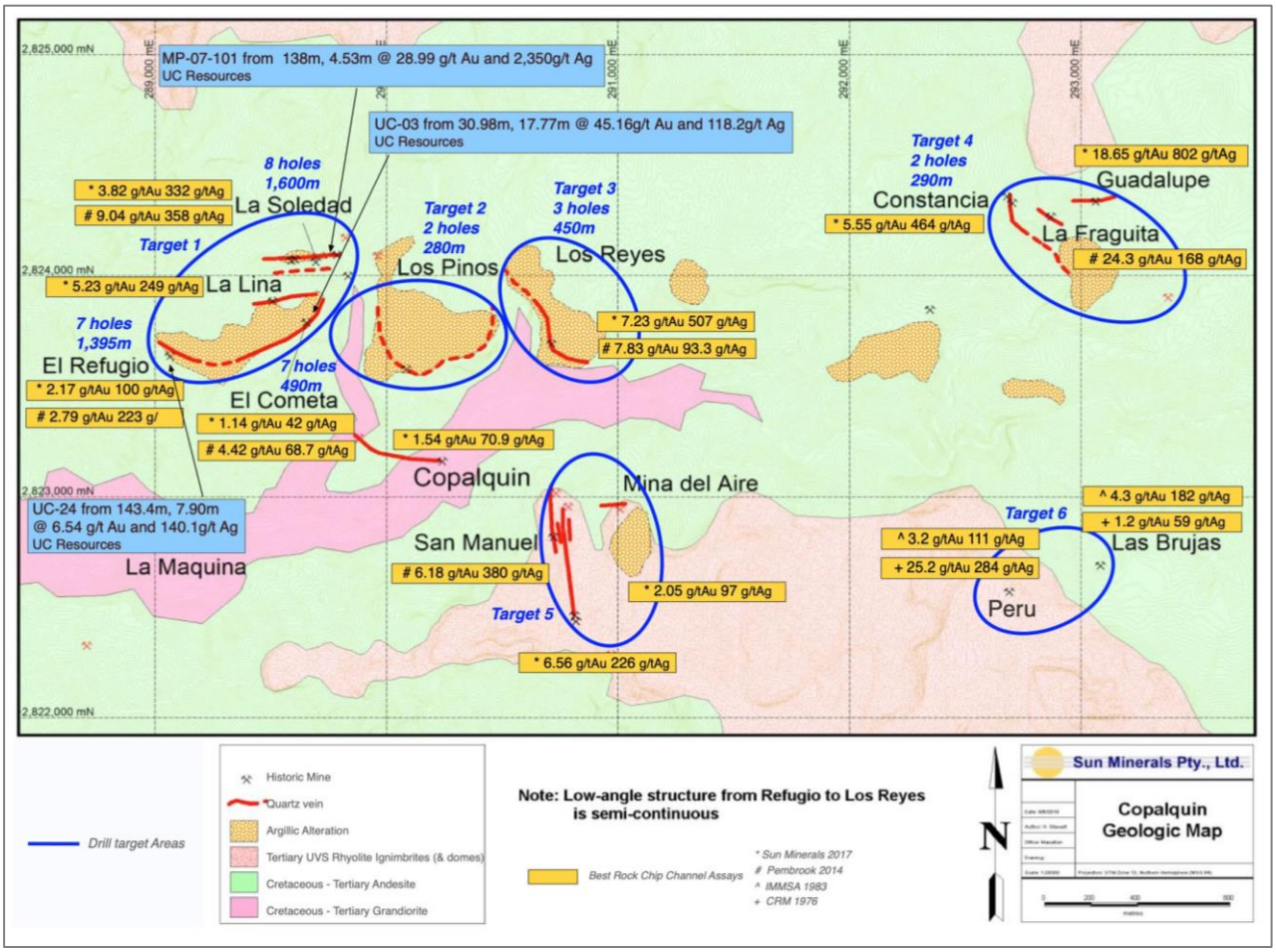


Figure 10: Copalquin Project Target Areas within central 1,600 Ha and selected rock-chip sample results. All rock chip samples were collected by Sun Minerals in 2017 and Pembrook in 2013-14 except the results shown for the Las Brujas and Peru mine workings. These are reported historic results from IMMSA (subsidiary of Grupo Mexico) 1983 and Consejo de Recursos Minerales (Mexican geological survey) in 1976. Readers are referred to refer the* "Cautionary Statement Regarding Historical Exploration Results" *on pages 1 and 44 of this announcement and to Annexure F for an assessment of the reliability of the historical exploration results with refence to Table 1 of the JORC Code.

Refugio Mine Area

Refugio is reported as the site of the first discoveries at Copalquin. This is the area where Sun Minerals' considers it has the best potential for intercepts in multiple, neighboring holes because this is the area we best understand the geometry as a result of holes UC-021 through UC-024 (refer **Annexure F**). There are 7 holes totaling 1,395 meters planned for Refugio. The first hole will pass within 10 meters of the intercept un UC-024 (7.9 meters of 6.54 g/t Au and 140.1 g/t Ag). The other six holes will be step outs. Five holes will be drilled from one drill pad. This will take approximately one month.

Los Reyes Mine Area

Three holes totaling 450 meters will be drilled at Los Reyes targeting the periphery of the old workings. Grades from Los Reyes from the historical reports are less consistent than from Refugio or Soledad, but there are some encouraging historical high grades reported This should take about 10 days.

El Cometa Mine Area

More than 20 holes have pin cushioned the area around EC-002 and UC-003 (refer **Annexure F**). There is a previously identified high-grade zone in the El Cometa vein, but the past drilling does not indicate any continuity of mineralization. Sun Minerals' approach will yield a more systematic evaluation. There are 7 holes planned at El Cometa totaling 490 meters. The third hole will pass between EC-002 (13.25meters of 74.87 g/t Au and 705.8 g/t Ag) and EC-013 (9.35 meters of 25.32 g/t Au and 246.9 g/t Ag). The other holes are step outs that will properly define the orientation and thickness of the mineralized zone. This is expected to take two weeks.

Los Pinos Ridge

The Los Pinos ridge is located between the Refugio-Cometa-Soledad ridge and the Los Reyes ridge and has no historic drilling. Two holes totaling 280 meters will be drilled to test the large area of clay alteration and gold-in-soils anomaly at Los Pinos. These are exploration "wildcat" holes. This will take about 10 days.

La Soledad Mine Area

The La Soledad mine is the most professionally developed mine in the district. It exploited an ore-shoot 70 meters long to a depth of about 150 meters. We will target the same ore-shoot below the workings. Eight holes totaling 1,600 meters are planned for La Soledad. The first hole is targeted near the intercept found in MP-07-101 (4.53 meters of 28.99 g/t Au and 2350.3 g/t Ag) (refer **Annexure F**). The other holes are step outs. This will take about a month.

La Constancia Mine Area

Two holes totaling 290 meters are planned to target the ore-shoot below the deepest historic mining. No previous drilling has been done at La Constancia, but we have good information from the Consejo de Recursos Minerales (1996) and from Industrias Mineras de Mexico (1983) as to the location of the workings and reported high grades. This will take about one week. Holes planned at Constancia are not shown on the attached maps.

Additional Drilling

Depending on the efficiency of drilling and on visual results Sun Minerals may drill an additional 500 to 1,000 meters as determined during the drill program.

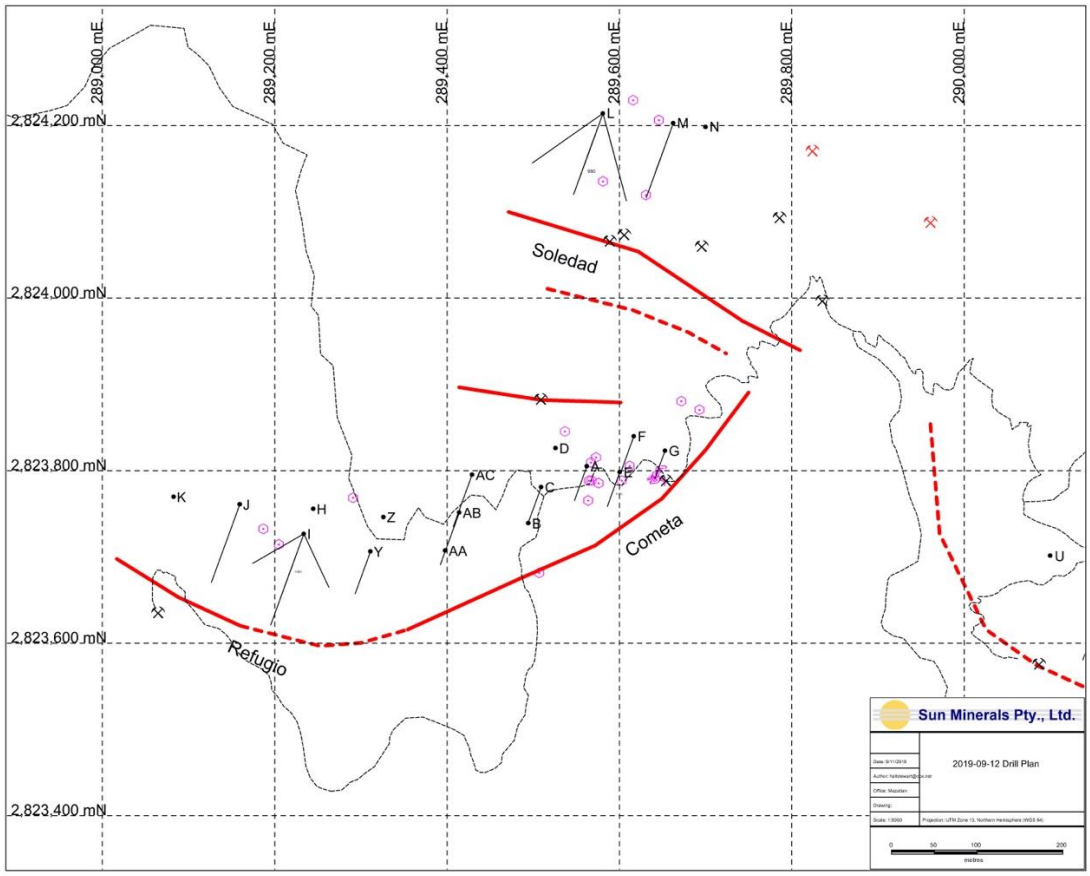


Figure 11: 200 Ha area that was drilled previously and is the main focus for the Sun Minerals' first drill programme.

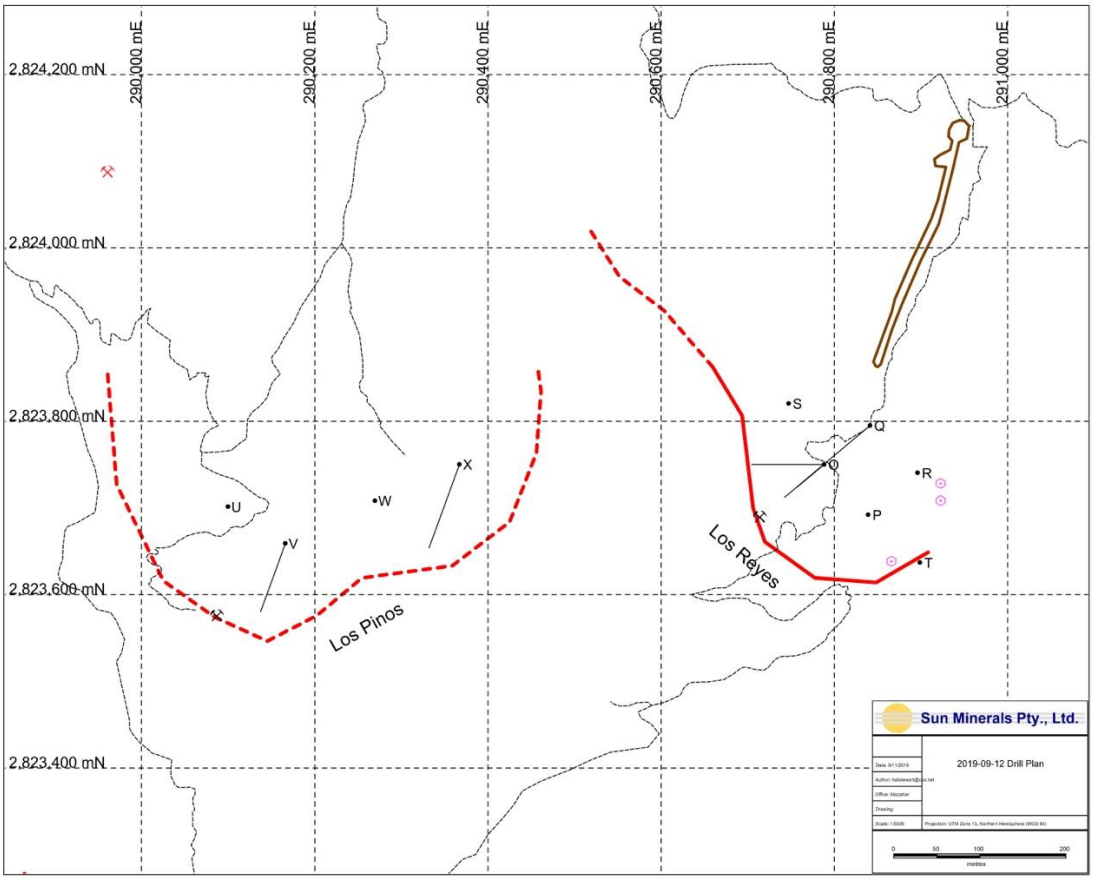


Figure 12: East of 200 Ha area that was drilled previously and is the main focus for the Sun Minerals' first drill programme.

ANNEXURE F

JORC Code, 2012 Edition – Table 1 Copalquin Project

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*
	• *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.*
	• *Aspects of the determination of mineralisation that are Material to the Public Report.*
	• *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*
		• Intermittent sampling dating back to the 1930's has produced a large amount of data from the historic underground mines and working. In addition to this, more recent work since 1998 includes geochemical sampling, geologic mapping, drill hole result and technical reports. The key historical exploration drilling and sampling results are:
		  • 1976 Consejo de Recursos Minerales (CRM) channel sampling and geologic mapping, report.
		  • 1983 IMMSA (Subsidiary of Grupo Mexico) channel sampling and geologic mapping, report.
		  • 1995 Kennecott geologic mapping and underground mine rock chip sampling, report.
		  • 1998 Bell Coast Capital Corp. (TSX-V:BCP) geochemical sampling, diamond drilling (31 NQ holes for 2,759m) within a 200 Ha area of the 7,005 Ha concession area.
		  • 2004-2007 UC Resources (TSX-V:UC) surface work and diamond (39 NQ holes for ~4,226m) and reported under Canadian National Instrument 43-101 at the time.
		  • 2017 -2019 Sun Minerals Pty Ltd Geologic mapping, 36 channel samples, review of all historic data. The samples were analysed for gold using ALS method for fire assay AA-25, which has a detection range of 0.01 to 100ppm using a 30g nominal sample weight and instrumental Atomic Absorption Spectrometry (AAS) finish. Silver and a suite of 32 trace elements were assayed using ALS method ME-ICP61 which achieves near-total digestion using a four acid leach, consisting of HF-HNO3-HClO4-HCl. The detection limit for silver is 0.5 to 100ppm. Any samples greater than 100ppm Ag were re- assayed using ALS method Ag-OG62 which has a detection range of between 1ppm to 1,500ppm.
		  • 2018 Sun Minerals soil sampling -80 mesh fraction analysed by ALS method Au-TL43 dissolving 25 g of sample with Aqua Regia and an ICP finish. Silver was analysed by ALS method ME-MS43 dissolution with aqua regia and an ICP finish. Detection limit for gold was 1 ppb and for silver 0.1 ppm.

Criteria	JORC Code explanation	Commentary
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Recorded drilling by diamond core NQ size with standard tube, for a total of 70 holes by Bell Coast Capital Corporation (31 holes) and UC Resources (39 holes). Core was not oriented.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Sample recovery was not recorded by Bell Coast Capital or by UC Resources
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Logging by Bell Coast Capital and UC Resources was inconsistent and the rock units described have not been correlated with the units used by Sun Minerals.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-*	• Core was marked for sampling by the geologist, but the criteria used for sample selection were not described • Marked samples were sawn using a diamond saw and ½ core was shipped for analysis retaining ½ core on site. • No quality control procedures were described for Bell Coast Capital or UC Resources

Criteria	JORC Code explanation	Commentary
	sampling stages to maximise representivity of samples. • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• All analysis by Bell Coast Capital and UC Resources used a 30g fire assay with AA finish for gold and a 10 g Aqua Regia digestion and AA finish for silver • No quality control procedures were described for Bell Coast Capital or UC Resources
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Very limited independent check-sampling was conducted by independent third parties during UC Resources drill program. Sun Minerals considers all legacy data as historic, non-compliant data to be used to guide future work, but not to be incorporated into JORC compliant resource estimation.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations*	• Drill holes were reported by UC Resources in UTM NAD27 and were located by handheld GPS. Holes were not marked with permanent markers in the field and drill collar locations have only partially been re-confirmed by Sun Minerals. All Sun Minerals data are reported

Criteria	JORC Code explanation	Commentary
	used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	in UTM WGS84. Topographic control used by UC Resources was limited to the accuracy of the Mexican INEGI government topographic maps. Sun Minerals uses high resolution satellite data from the 50 cm Worldview 2 satellite.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• Drilling by Bell Coast Capital and UC Resources is considered to be seriously clustered and repetitive by Sun Minerals. • Sample compositing has not been applied, only length weighted grades are reported
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Bell Coast Capital and UC Resources drilled holes in a variety of orientations without a clear relationship to the strike of structures as observed at surface and in underground workings.
Sample security	• *The measures taken to ensure sample security.*	• Custody of Sun Minerals samples went directly from Sun Minerals personnel to a registered shipping company, PMM (Paqueteria y Mudanzas en Movimiento) and then to ALS Laboratories in Hermosillo, Sonora Mexico.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• Sun Minerals is unaware of any audits conducted during Bell Coast Capital or UC Resources drill programs. Sun Minerals does not consider the legacy data to be sufficiently well documented to bring it into compliance with JORC guidelines

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

<table>
<tr><th>Criteria</th><th>JORC Code explanation</th><th>Commentary</th></tr>
<tr><td>Mineral tenement and land tenure status</td><td>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.
• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</td><td>• Concessions at Copalquin

<table>
<tr><th>No.</th><th>Concession</th><th>Concession Title number</th><th>Area (Ha)</th><th>Location</th></tr>
<tr><td>1</td><td>LA SOLEDAD</td><td>52033</td><td>6</td><td>Tamazula, Durango, Mexico</td></tr>
<tr><td>2</td><td>EL COMETA</td><td>164869</td><td>36</td><td>Tamazula, Durango, Mexico</td></tr>
<tr><td>3</td><td>SAN MANUEL</td><td>165451</td><td>36</td><td>Tamazula, Durango, Mexico</td></tr>
<tr><td>4</td><td>COPALQUIN</td><td>178014</td><td>20</td><td>Tamazula, Durango, Mexico</td></tr>
<tr><td>5</td><td>EL SOL</td><td>236130</td><td>6,000</td><td>Tamazula, Durango and Badiraguato, Sinaloa, Mexico</td></tr>
<tr><td>6</td><td>EL CORRAL</td><td>236131</td><td>907.3243</td><td>Tamazula, Durango and Badiraguato, Sinaloa, Mexico</td></tr>
</table></td></tr>
<tr><td>Exploration done by other parties</td><td>• Acknowledgment and appraisal of exploration by other parties.</td><td>• Intermittent sampling dating back to the 1930’s has produced a large amount of data from the historic underground mines and working. In addition to this, more recent work since 1998 includes geochemical sampling, geologic mapping, drill hole result and technical reports. The key historical exploration drilling and sampling results are:

1976 Consejo Recursos Mineros (CRM) channel sampling and geologic mapping, report.
1983 IMMSA (Subsidiary of Grupo Mexico) channel sampling and geologic mapping, report.
1995 Kennecott geologic mapping and underground mine rock chip sampling, report.
1998 Bell Coast Capital Corp. (TSX-V:BCP) geochemical sampling, diamond drilling (31 NQ holes for 2,759m) within a 200 Ha area of the 7,005 Ha concession area.
2004-2007 UC Resources (TSX-V:UC) surface work and diamond (39 NQ holes for ~4,226m)
</td></tr>
</table>

and reported under Canadian National Instrument 43-101 at the time.

- 2013-1204 Pembrook Mining Corp. Geologic mapping and rock chip sampling of outcrops and underground workings.

- 2017 -2019 Sun Minerals Pty Ltd Geologic mapping, 36 rock chip samples, review of all historic data. Purchase of high resolution satellite imagery and detailed topographic bases. Migration of all data from Lat/Long and UTM NAD27 to UTM WGS84. Compilation of past soil sampling programs and addition of a soil sampling grid over the Constancia target.

Below is a table of rock chip samples collected and assayed by Sun Minerals in 2017 - 2018.

SAMPLE	EAST	NORTH	LOCATION	WIDTH (m)	Au ppm	Ag ppm
213151	294569	2824723	STA CRUZ	1	0.07	5.4
213152	294564	2824722	STA CRUZ	1	0.08	7.2
213153	294557	2824727	STA CRUZ	1	0.17	20.2
213154	293078	2824343	GPE MINE	0.6	1.82	130
213155	293076	2824340	GPE MINE	0.6	4.67	270
213156	293070	2824344	GPE MINE	0.6	18.65	802
213157	293064	2824328	GPE MINE	dump	12.9	685
213158	292867	2824267	LA FRAGUITA	0.4	0.09	8.1
213159	292869	2824269	LA FRAGUITA	3m random	0.13	7
213160	292713	2824302	CONSTANCIA	1.5	5.55	464
213161	292717	2824304	CONSTANCIA	0.95	1.16	11
213162	292725	2824294	CONSTANCIA	1	1.03	36.4
213163	292730	2824295	CONSTANCIA	0.95	1.15	254
213164	292736	2824303	CONSTANCIA	0.6	0.34	14.9
213165	289122	2823653	REFUGIO	1	2.17	99.9
213166	289108	2823669	REFUGIO	1.3	1.02	19.5
213167	289112	2823671	REFUGIO	1.4	1.66	51.6
213168	289141	2823690	REFUGIO	1	0.75	66.3
213169	289145	2823693	REFUGIO	0.8	1.04	96.5

213170	289638	2823793	EL COMETA	1.6	1.14	42.3
213171	289639	2823794	EL COMETA	1.8	0.19	12.2
213172	289517	2823854	LA LINA	1	5.23	249
213173	289521	2823854	LA LINA	1.1	0.06	3.2
213174	289646	2824094	SOLEDAD L3	0.4	4.42	215
213175	289649	2824096	SOLEDAD L3	0.55	3.82	332
213176	289680	2824126	SOLEDAD L2	0.7	1.47	87.8
213177	289685	2824130	SOLEDAD L2	0.8	2.82	102
213178	289585	2824096	SOLEDAD	0.9	0.08	2.5
213179	289589	2824096	SOLEDAD	1	0.09	2.5
213180	290837	2822423	DIOS PADRE	1.1	2.05	97
213181	290822	2822410	MINA LARGA	1.1	0.92	36.4
213182	290819	2822409	MINA LARGA	0.5	6.56	226
213183	290790	2822819	SAN MANUEL	2.4	0.24	8
213184	290793	2822819	SAN MANUEL	0.8	0.04	1.5
213185	290795	2822801	SAN MANUEL	1.7	0.32	10.3
213186	290240	2823184	COPALQUIN	0.8	1.54	70.9
213187	290686	2823687	LOS REYES	1.2	7.23	507

Below is a table of rock chip samples collected and assayed by Pembrook Mining Corp. in 2013-14.

SAMPLE	LOCALITY	EAST	NORTH	TYPE	LENGTH	Au_ppm	Ag_ppm
113682	Santa Cruz	294581	2824705	Chip	1	0.052	8
113683	Santa Cruz	294564	2824711	Chip	1	0.089	2.5
113684	Santa Cruz	294550	2824651	Select	0.3	0.494	9.8
113685	Fragua-Huicho	293074	2824235	Chip	0	3.56	224
113686	Fragua-Huicho	292875	2824264	Chip	0.8	0.028	1.6
113687	Fragua-Huicho	292886	2824261	Chip	1.5	0.324	21.1
113688	Soledad	289760	2824306	Select	0	0.017	5.3

Criteria	JORC Code explanation	Commentary

113689	Soledad	289787	2824157	Chip	1.2	0.769	13.9
113690	Cometa	289657	2823798	Chip	1	0.18	22.6
113691	Cometa	289459	2823700	Chip	1	0.023	0.3
113692	Cometa	289441	2823705	Chip	1	0.06	0.7
113693	Cometa	289535	2823731	Chip	5	0.047	0.5
113694	Cometa	289418	2823577	Chip	1	0.012	0.2
113695	Cometa	289399	2823592	Chip	0.6	0.005	0.2
113696	Soledad	289588	2824060	Chip	1.8	3.79	190
113697	Soledad	289649	2824036	Chip	1.2	9.54	150
113698	Soledad	289702	2824070	Chip	1.2	1.61	49.7
113699	Soledad	289698	2824072	Chip	0.8	2.31	113
113700	Soledad	289690	2824076	Chip	0.7	4.91	321
113717	Soledad	289780	2824095	Chip	1.2	0.009	0.8
113718	Soledad	289778	2824093	Chip	0.4	0.883	25.1
113719	Soledad	289704	2824076	Chip	1.5	0.013	0.4
113720	Soledad	289672	2824077	Chip	1.2	1.62	77.1
113721	Soledad	289670	2824081	Chip	1	3.28	518
113722	Soledad	289685	2824079	Chip	1	9.04	358
113723	Soledad	289685	2824081	Chip	1.2	2.55	153
113724	Soledad	289613	2824055	Chip	3	3.03	70.6
113725	Cometa	289631	2823864	Select	0	0.324	1.6
113726	Cometa	289622	2823792	Chip	1	4.42	68.7
113727	Cometa	289634	2823790	Chip	1.5	4.37	58.8
113728	La Lina	289490	2823825	Chip	1	0.417	11.7
113729	El Refugio	289096	2823623	Chip	1.1	0.122	7.6
113730	El Refugio	289191	2823630	Chip	1.5	1.365	53.1
113731	El Refugio	289169	2823638	Chip	1.2	2.79	223
113732	El Refugio	289096	2823639	Chip	4	0.081	9
113733	El Refugio	290075	2823532	Chip	2	1.695	71.6
113734	El Refugio	290076	2823540	Select	0	1.545	140
113735	San Manuel	290820	2822805	Chip	1.2	0.121	4.2

Criteria	JORC Code explanation	Commentary

113736	San Manuel	290803	2822811	Chip	1.2	0.115	3.3
113737	San Manuel	290751	2822754	Chip	1.2	6.18	380
113738	San Manuel	290756	2822763	Chip	1.2	0.839	41.9
113739	San Manuel	290755	2822757	Chip	0.5	3.18	188
113740	San Manuel	290742	2822940	Chip	1.8	2.58	40.7
115351		289685	2824078	Select	0.2	1.495	83.8
115352	San Manuel	290762	2822802	Chip	0.5	0.108	3.2
115353	San Manuel	290754	2822794	Chip	1.2	0.613	53.9
115354	San Manuel	290754	2822797	Chip	2	0.921	45.3
115355	San Manuel	290753	2822799	Chip	0	2.45	115
115356	San Manuel	290746	2822809	Chip	1	0.981	26
115357	San Manuel	290747	2822806	Chip	1.3	0.254	5.5
115358	San Manuel	290735	2822806	Chip	0.8	0.246	11.8
115359	San Manuel	290722	2822851	Chip	2	0.071	2
115360	San Manuel	290713	2822847	Chip	2	0.055	2.7
115361		291011	2823365	Select	0.4	0.018	2.4
115362	Huicho-Fragua	292316	2823985	Chip	0.6	0.021	1.2
115363	Huicho-Fragua	292569	2824106	Chip	0.5	0.218	5.4
115364	Huicho-Fragua	292667	2824232	Chip	6	0.005	0.7
115365	Huicho-Fragua	292711	2824321	Chip	0.8	0.358	18.3
115366	Huicho-Fragua	292726	2824310	Chip	1.2	0.692	61.3
115367	Huicho-Fragua	292719	2824313	Chip	0.9	24.3	168
115368	Huicho-Fragua	292710	2824317	Chip	1.5	0.171	6.2
115369	Los Reyes	290719	2823764	Chip	1.2	7.83	93.3
115370	Los Reyes	290705	2823757	Chip	0.7	7.97	54.6

Geology	• *Deposit type, geological setting and style of mineralisation.*	• Copalquin is a low sulfidation epithermal gold-silver deposit hosted in andesite. This deposit type is common in the Sierra Madre Occidental of Mexico and is characterized by quartz veins and stockworks surrounded by haloes of argillic (illite/smectite) alteration. Veins have formed as both low-angle semi-continuous lenses parallel to the contact between granodiorite and

Criteria	JORC Code explanation	Commentary
		andesite and as tabular veins in high-angle normal faults. Vein and breccia thickness has been observed up to 15 meters wide with average widths on the order of 2 to 3 meters. The overall strike length of the semi-continuous mineralized zone from Refugio to Cometa to Los Pinos to Los Reyes is 2 kilometres. Additional strike length at La Constancia and San Manuel provide additional exploration potential.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Collar information for all legacy holes:

Hole_ID	WGS84_E	WGS84_N	El_M	Azimuth	Incl	Depth	Company
EC-001	289,565	2,823,788	1192	190	-45	50	BCC
EC-002	289,565	2,823,788	1192	100	-45	69	BCC
EC-003	289,612	2,823,805	1173	190	-65	60	BCC
EC-004	289,581	2,824,135	1201	0	-90	53	BCC
LR-005	290,866	2,823,638	1172	0	-90	125.6	BCC
LR-006	290,923	2,823,728	1133	350	-45	87.6	BCC
LR-007	290,923	2,823,708	1119	260	-45	84.6	BCC
EC-008	289,565	2,823,788	1192	90	-55	67.9	BCC
EC-009	289,565	2,823,788	1192	90	-42	62.3	BCC
EC-010	289,565	2,823,788	1192	106	-45	59.3	BCC
EC-011	289,568	2,823,788	1187	120	-45	53.9	BCC
EC-012	289,603	2,823,788	1177	295	-45	41.6	BCC
EC-013	289,603	2,823,788	1177	295	-55	50.5	BCC
EC-014	289,612	2,823,805	1173	300	-45	120	BCC
EC-015	289,612	2,823,805	1173	300	-70	102	BCC
EC-016	289,573	2,823,815	1180	120	-50	102	BCC
EC-017	289,612	2,823,805	1173	120	-45	99	BCC
EC-018	289,573	2,823,815	1180	300	-45	117	BCC
EC-019	289,573	2,823,815	1180	300	-75	90	BCC
EC-020	289,537	2,823,845	1200	300	-45	81	BCC
ES-021	289,631	2,824,119	1120	263	-45	72	BCC
ES-022	289,631	2,824,119	1120	270	-60	84	BCC

Criteria	JORC Code explanation	Commentary

ES-023	289,631	2,824,119	1120	270	-75	81	BCC
ES-024	289,693	2,823,870	1100	0	-90	99	BCC
EC-025	289,693	2,823,870	1100	205	-45	81	BCC
EC-026	289,693	2,823,870	1100	25	-54	126	BCC
ES-027	289,581	2,824,135	1147	270	-45	183	BCC
ES-028	289,581	2,824,135	1147	260	-75	75	BCC
ER-029	289,187	2,823,732	1160	185	-45	100	BCC
ER-030	289,187	2,823,732	1160	185	-70	96	BCC
ER-031	289,187	2,823,732	1160	0	-90	186	BCC
UC-01	289,576	2,823,785	1187	104	-46	55.5	UCR
UC-02	289,576	2,823,785	1187	104	-55	66.45	UCR
UC-03	289,576	2,823,785	1187	100	-45	56.45	UCR
UC-04	289,576	2,823,785	1187	100	-70	73.5	UCR
UC-05	289,576	2,823,785	1187	90	-75	85.5	UCR
UC-06	289,576	2,823,785	1187	0	-90	52.1	UCR
UC-07	289,576	2,823,785	1187	135	-60	64.28	UCR
UC-08	289,564	2,823,765	1189	98	-45	51.2	UCR
UC-09	289,564	2,823,765	1189	98	-60	55.15	UCR
UC-10	289,564	2,823,765	1189	0	-90	50	UCR
UC-11	289,564	2,823,765	1189	103	-60	51.2	UCR
UC-12	289,564	2,823,765	1189	125	-55	60.65	UCR
UC-13	289,567	2,823,809	1182	0	-90	81.5	UCR
UC-14	289,567	2,823,809	1182	90	-70	81.7	UCR
UC-15	289,567	2,823,809	1182	105	-70	75	UCR
UC-16	289,567	2,823,809	1182	60	-70	67	UCR
UC-17	289,291	2,823,768	1272	218	-55	176.5	UCR
UC-18	289,291	2,823,768	1272	242	-57	138.5	UCR
UC-19	289,291	2,823,768	1272	242	-68	173.65	UCR
UC-20	289,291	2,823,768	1272	226	-75	149.3	UCR
UC-21	289,205	2,823,714	1217	165	-83	167.5	UCR

UC-22	289,205	2,823,714	1217	202	-81	164.55	UCR
UC-23	289,205	2,823,714	1217	262	-76	149.1	UCR
UC-24	289,205	2,823,714	1217	155	-76	175	UCR
MP-01	289,507	2,823,681	1189	225	-85	104	UCR
MP-02	289,507	2,823,681	1189	225	-45	95	UCR
MP-03	289,507	2,823,681	1189	270	-45	100.3	UCR
MP-04	289,672	2,823,880	1131	45	-50	177.7	UCR
MP-05	289,672	2,823,880	1131	90	-60	130.45	UCR
MP-06	289,646	2,824,206	1084	195	-60	100	UCR
MP-07	289,646	2,824,206	1084	195	-70	155.14	UCR
MP-01A	289,646	2,824,206	1084	195	-80	105	UCR
MP-01AA	289,646	2,824,206	1084	195	-80	149.35	UCR
MP-02A	289,646	2,824,206	1084	0	-90	146.2	UCR
MP-04A	289,646	2,824,206	1084	220	-70	116	UCR
MP-05A	289,646	2,824,206	1084	220	-80	155.49	UCR
MP-07-101	289,616	2,824,229	1110	230	-53	156.29	UCR
MP-07-102	289,616	2,824,229	1110	240	-52	151.65	UCR

- Drill intercepts as reported by previous companies – not reviewed for compliance with JORC

Table 2. Historic non-JORC compliant drill intercepts reported by previous workers at Copalquin Durango, Mexico

Bell Coast Capital (1997 - 1998)						
Hole_ID	**From**	**To**	**Intercept (m)**	**Avg Au g/t**	**Avg Ag g/t**	
EC-002	33.60	46.85	13.25	74.87	705.8	
EC-003	22.20	28.20	6.00	0.42	18.1	
EC-008	44.50	51.00	6.50	2.66	79.2	
EC-010	32.45	43.50	11.05	12.62	277.6	
EC-011	28.00	39.50	11.50	1.08	44.5	
EC-012	19.00	26.00	7.00	10.65	216.3	

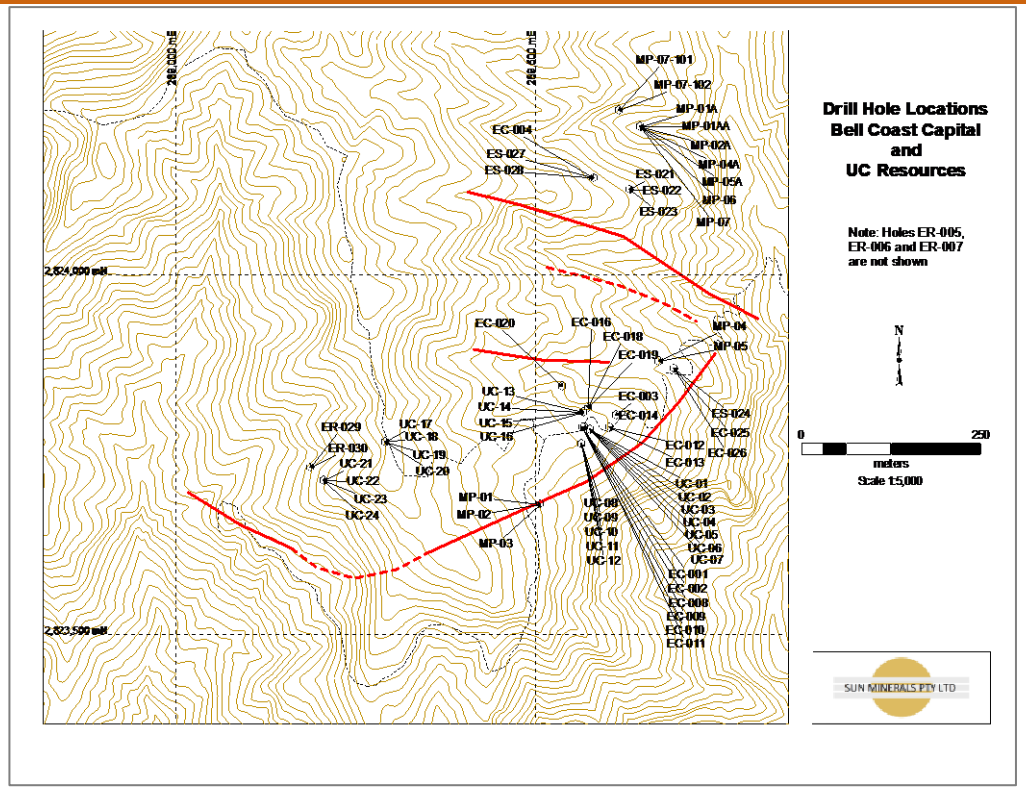
Criteria	JORC Code explanation	Commentary

EC-012	38.40	41.60	3.20	11.36	203.4	
EC-013	13.15	22.50	9.35	25.32	246.9	
EC-013	30.50	33.50	3.00	5.25	76.8	
EC-014	85.50	88.50	3.00	0.74	42.0	
EC-014	108.00	111.00	3.00	1.57	65.3	
EC-015	22.00	32.00	10.00	0.65	60.7	
EC-016	42.00	45.00	3.00	0.66	41.4	
EC-017	22.00	24.00	2.00	1.74	91.8	
EC-018	60.00	62.00	2.00	4.06	100.0	
EC-025	0.00	9.00	9.00	1.78	22.0	
ER-031	108.00	110.00	2.00	0.30	8.2	
ER-031	112.00	115.50	3.50	0.38	9.6	
ER-031	118.50	126.00	7.50	0.33	6.4	
ER-031	148.50	159.00	10.50	0.54	17.7	
ES-022	81.00	84.00	3.00	0.84	163.0	
UC Resources Corp (2005 - 2007)						
Hole_ID	**From**	**To**	**Intercept (m)**	**Avg Au g/t**	**Avg Ag g/t**	
UC-02	11.98	15.45	3.47	0.77	17.8	
UC-02	22.85	27.10	4.25	0.31	29.1	
UC-03	30.98	48.75	17.77	45.16	118.2	
UC-05	41.92	45.92	4.00	5.16	48.8	
UC-06	8.12	14.70	6.58	0.40	11.6	
UC-06	39.20	43.00	3.80	2.75	36.9	
UC-10	31.37	36.42	5.05	1.02	66.6	
UC-13	54.35	56.46	2.11	2.10	159.5	
UC-16	56.40	58.42	2.02	1.25	72.1	
UC-21	148.09	158.20	10.11	2.20	199.9	
UC-23	130.80	143.00	12.20	0.97	61.7	

Criteria	JORC Code explanation	Commentary

UC-24	143.10	151.00	7.90	6.54	140.1	
MPS-07-0101	138.00	142.53	4.53	28.99	2350.3	

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Intercepts are calculated as length weighted averages with a 0.25 g/t Au cutoff. Intercepts may contain up to 2 m of internal waste. Intercepts separated by more than 2 m are reported separately.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Drill holes were not drilled at a consistent orientation to the mineralized zones. The relationship between intercept length and true-thickness is unknown.

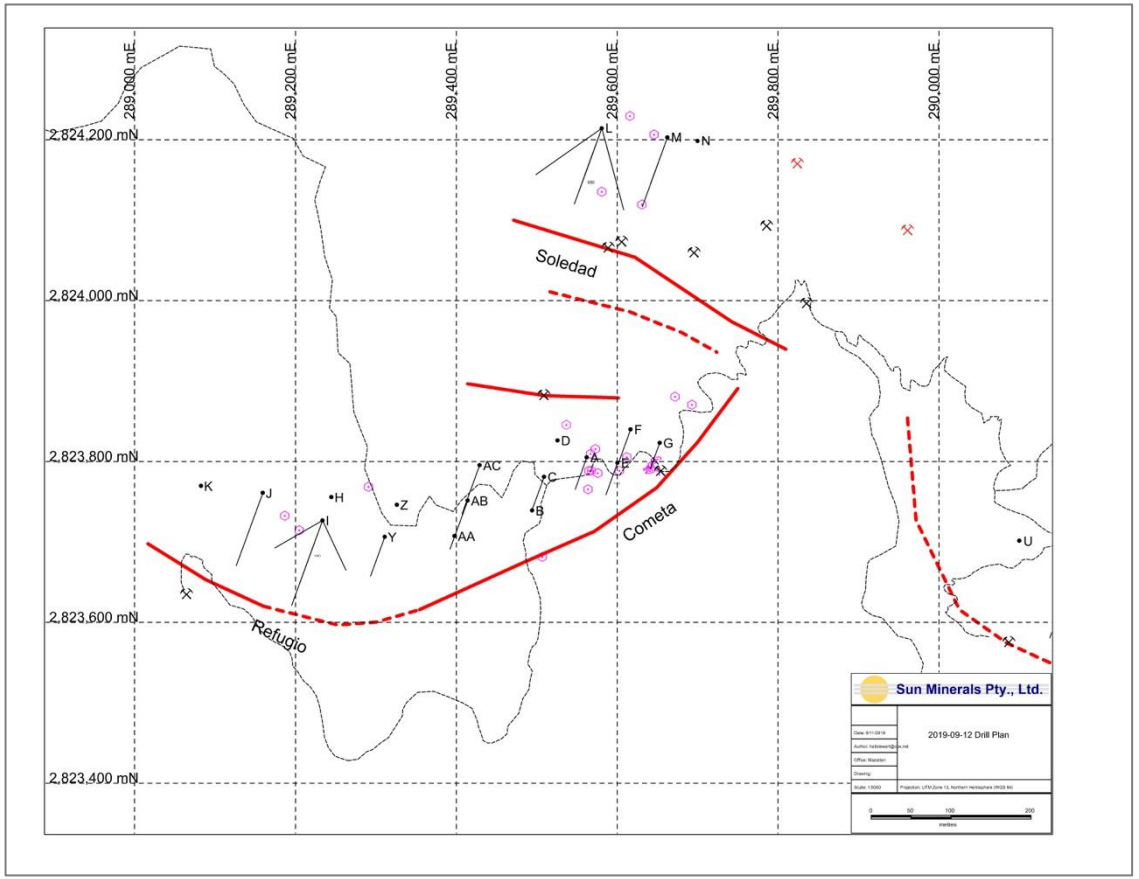
Criteria	JORC Code explanation	Commentary
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and*	• See discussion of Project geology in context of the announcement. No geophysical surveys have been conducted other than Government regional magnetics.

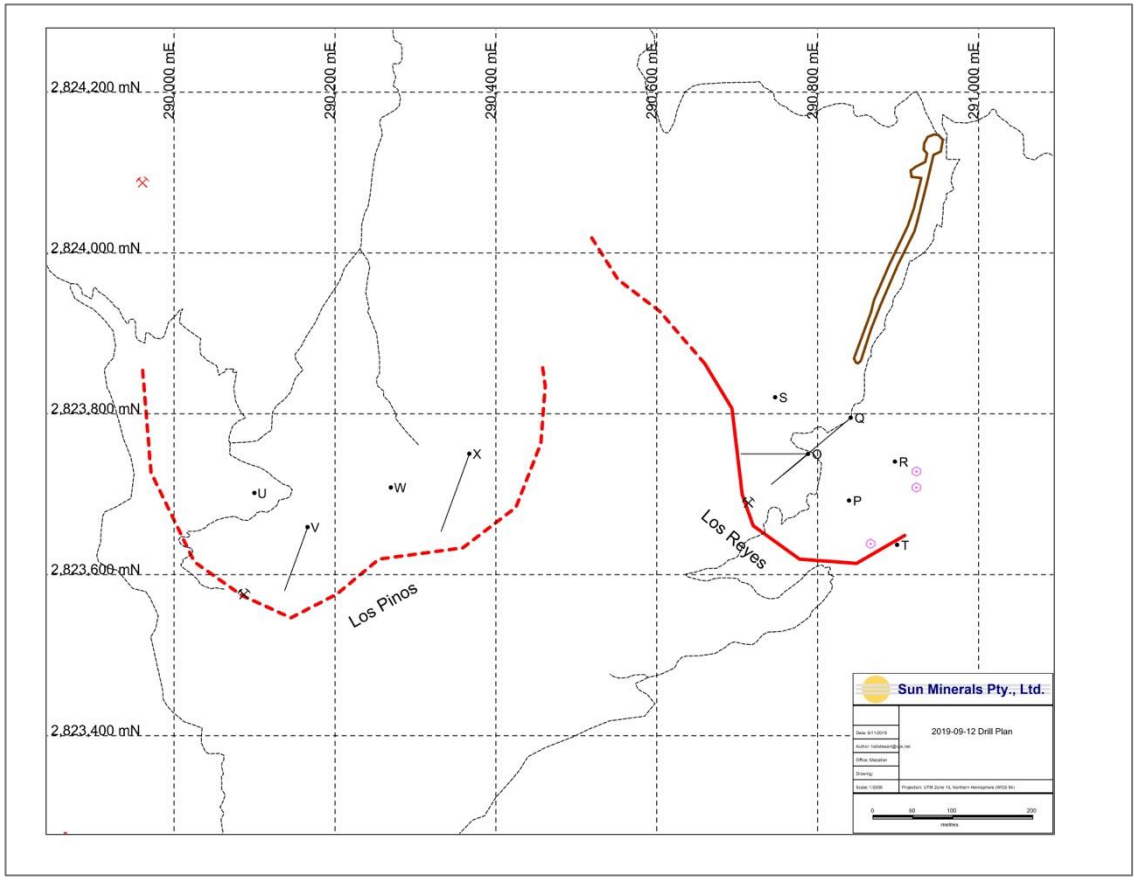
Criteria	JORC Code explanation	Commentary
	method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• Sun Minerals plans to drill approximately 30 diamond core holes in 2020. Drilling will be done on a 80 m by approximately 30 m grid with holes oriented at 210 degrees azimuth and varying dips. • Attached maps show permitted drill pads. Table lists planned coordinates, azimuths, inclinations and depths. The plan may vary slightly as is it carried out.

Area	Planilla	UTM_X	UTM_Y	Azimuth	Inclination	Target	Depth
1-Refugio	Ia	289234	2823727	200	-65	160	200
1-Refugio	Ib	289234	2823727	200	-77	180	200
1-Refugio	Ic	289234	2823727	200	-50	155	175
1-Refugio	Id	289234	2823727	155	-70	170	200
1-Refugio	Ie	289234	2823727	240	-70	170	200
1-Refugio	J	289160	2823761	200	-50	100	150
1-Refugio	Y	289311	2823706	200	-78	200	250
2-Los Reyes	Oa	290788	2823750	230	-70	90	120
2-Los Reyes	Ob	290788	2823750	270	-50	100	130
2-Los Reyes	Q	290841	2823795	230	-50	150	200
3-Cometa	A	289562	2823805	200	-45	35	60
3-Cometa	AB	289414	2823752	200	-50	65	100
3-Cometa	AC	289429	2823795	200	-50	70	100
3-Cometa	C	289509	2823781	200	-45	30	60
3-Cometa	E	289600	2823799	200	-45	15	60
3-Cometa	F	289617	2823840	200	-45	15	60
3-Cometa	G	289653	2823823	200	-45	10	50
4-Soledad	La	289581	2824214	200	-60	155	200
4-Soledad	Lb	289581	2824214	200	-67	200	250

Criteria	JORC Code explanation	Commentary

4-Soledad	Lc	289581	2824214	165	-60	170	210
4-Soledad	Ld	289581	2824214	165	-72	180	220
4-Soledad	Le	289581	2824214	235	-60	160	200
4-Soledad	Ma	289662	2824203	200	-55	120	160
4-Soledad	Mb	289662	2824203	200	-70	155	180
5-Los Pinos	V	290166	2823659	200	-50	100	130
5-Los Pinos	X	290367	2823750	200	-50	130	160
6-Constancia	Ada	292765	2824371	200	-60	115	150
6-Constancia	Adb	292765	2824371	240	-60	105	140
7-San Manuel	AE	290821	2822851	160	-45	140	175

Criteria	JORC Code explanation	Commentary
		

Criteria	JORC Code explanation	Commentary
		

ENDS

For Further Information Contact:

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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 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.

Cautionary Statement Regarding Data Under Heading Historic Exploration Work

- **The Exploration Results reported in this release have not been reported in accordance with the JORC Code 2012;**
- **a Competent Person has not done sufficient work to disclose the Exploration Results in accordance with the JORC Code 2012;**
- **it is possible that following further evaluation and/or exploration work that the confidence in the prior reported Exploration Results may be reduced when reported under the JORC Code 2012;**
- **nothing has come to the attention of the MTH or the Competent Person that causes it to question the accuracy or reliability of the historic Exploration Results; but**
- **MTH has not independently validated the historic Exploration Results and therefore is not to be regarded as reporting, adopting or endorsing those results.**

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

About Mithril Resources Ltd:

Mithril Resources Ltd (MTH.ASX) is an Australian resources company whose objective is the creation of shareholder wealth through the discovery of mineral deposits.

The Company's Billy Hills Zinc Project lies adjacent to the previously mined Pillara Zinc Deposit, 25kms east of Fitzroy Crossing in Western Australia.

The Company's exploration partners are also exploring in the Kalgoorlie and Murchison Districts of Western Australia for economic nickel, gold and vanadium deposits.

In the Murchison, Auteco Minerals (AUT.ASX) is exploring for vanadium on Mithril's Limestone Well tenements which lie directly along strike from the Barrambie Titanium – Vanadium Deposit.

Northeast of Kalgoorlie, Great Boulder Resources (GBR.ASX) is exploring for gold and nickel on Mithril's Lignum Dam tenements which lie adjacent the Silver Swan nickel deposit and Carnavale Resources (CAV.ASX) is exploring for nickel on Mithril's Kurnalpi tenements.