

MITHRIL RAISES A\$5M TO CONTINUE DRILLING AND EXPLORATION ACTIVITIES AT THE COPALQUIN DISTRICT, MEXICO

Highlights

- **Firm commitments received for A\$5m share placement (before costs) at A\$0.019 (1.9 cents) per share**
- **The Company is fully funded to continue the drilling programme of over 10,000m at Copalquin with activity continuing throughout 2021 and delivering a maiden JORC resource**
- **Immediate activity with drilling of the first deeper holes at the Refugio large epithermal system discovery, Cometa Project**
- **Expansive soil sampling program continues at El Refugio West**
- **Soil sampling programs within the Cometa Project area at La Soledad West, El Indio and Zaragoza have commenced**
- **Drill plans completed for work at the Cometa Project (El Refugio and La Soledad targets) and the Reyes Project (Los Reyes, Cristiano and Los Pinos)**

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to announce it has received firm commitments from sophisticated and professional investors to raise A\$5m (before costs) through a share placement ("Placement"). The Placement was strongly supported by existing investors and several new domestic and international high net worth and institutional investors.

Mithril Managing Director and CEO, John Skeet, commented:

"The successful 2020 maiden drill program has provided the El Refugio discovery and the technical basis to test and expand the extents of the high-grade gold and silver mineralisation within the contiguous Cometa and Reyes Project areas in the Copalquin district. I thank all participants for their continued support and we look forward to reporting news of our exploration work in the district over the coming months and providing a maiden resource later in the year."

Capital Raising Details

Mithril has received binding commitments for a placement to sophisticated and professional investors, comprising 263,157,895 fully paid ordinary shares in the Company (New Shares) at an issue price of 1.9 cents to raise approximately \$5m (before costs). An applicable Appendix 3B pertaining to this Placement follows this announcement.

The placement was conducted by Taylor Collison as lead manager and within the Company's placement capacity under ASX Listing Rule 7.1 (54,450,380 shares). And Listing Rule 7.1A (208,707,515 shares). Settlement of the Placement is expected to occur on 4 February 2020, with Placement shares expected to be allotted (pursuant to

DIRECTORS

John Skeet – Managing Director & CEO
Garry Thomas – Non Executive Director
Dudley Leitch – Non Executive Director
Adrien Wing – Non Executive Director
Stephen Layton – Non Executive Director

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Listing Rules 7.1) and to commence trading on 5 February 2020. An Appendix 2A confirming the exact allotments will be issued on the same date.

The Capital Raising price of A\$0.019 (1.9 cents) per New Share represents:

- 12.0% discount to the last traded price on Monday 25 January 2021 (A\$0.0215)
- 12.0% discount to the 5 day VWAP price (A\$0.0216)
- 13.8% discount to the 10 day VWAP price (A\$0.0220)

Funds raised will be used to continue the 2021 drill programme in the Copalquin Gold Silver District in Mexico, to deliver a maiden JORC Resource and for general working capital.

Workplan for Start of 2021 - El Refugio

Drilling has resumed at the El Refugio target, Cometa Project. Three deeper holes have been completed at El Refugio to test the deeper extents on the eastern side of the El Refugio target where there are higher gold and silver grades and significantly greater width to the breccia zone. The soil sampling and mapping program at El Refugio West is completed with programs in progress at La Soledad West and El Indio prospects. Work at the Zaragosa prospect is to commence in the coming days.

Drilling will continue at the Refugio and La Soledad targets at the Cometa Project and will move to the Reyes Project area later in February for a series of holes before resuming at the Cometa project again in March.

Mithril Managing Director and CEO, John Skeet recently provided a video update on the Copalquin District including recent exploration activities and the plans for 2021. The video can be viewed on our website

- <https://mithrilresources.com.au/investor-centre/videos/>

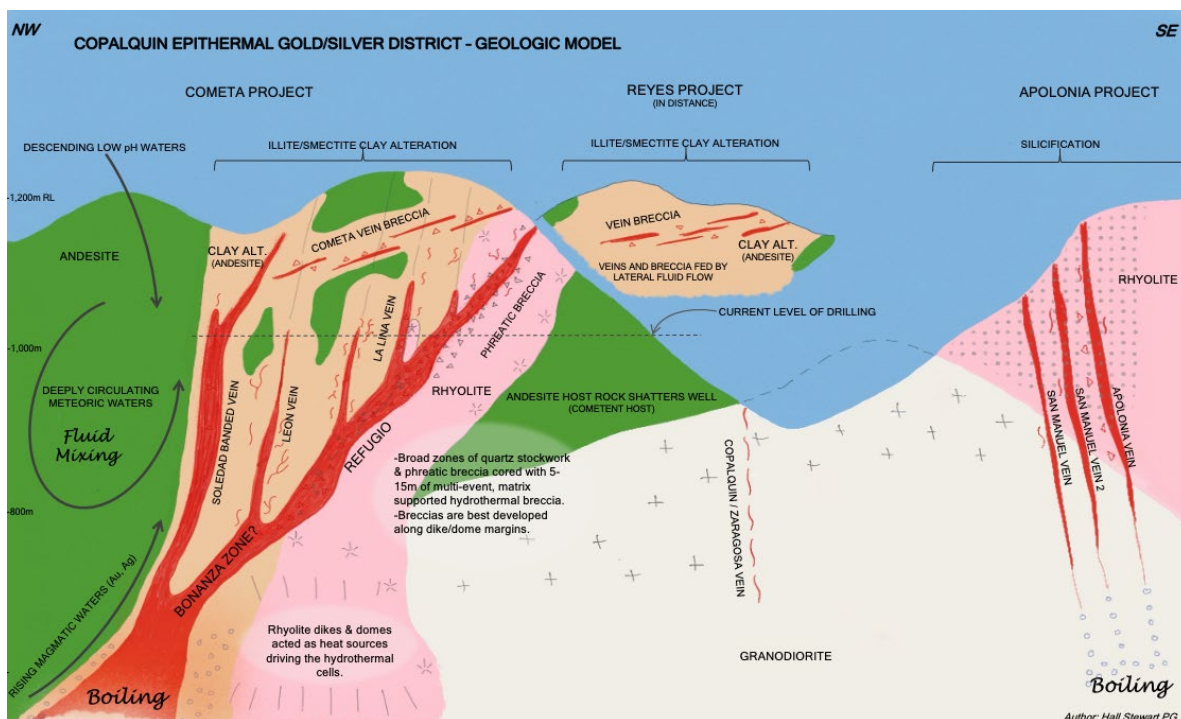


Figure 1 - Copalquin District Geologic Model for epithermal gold/silver - geologic model (author: Hall Stewart PG, Chief Geologist)

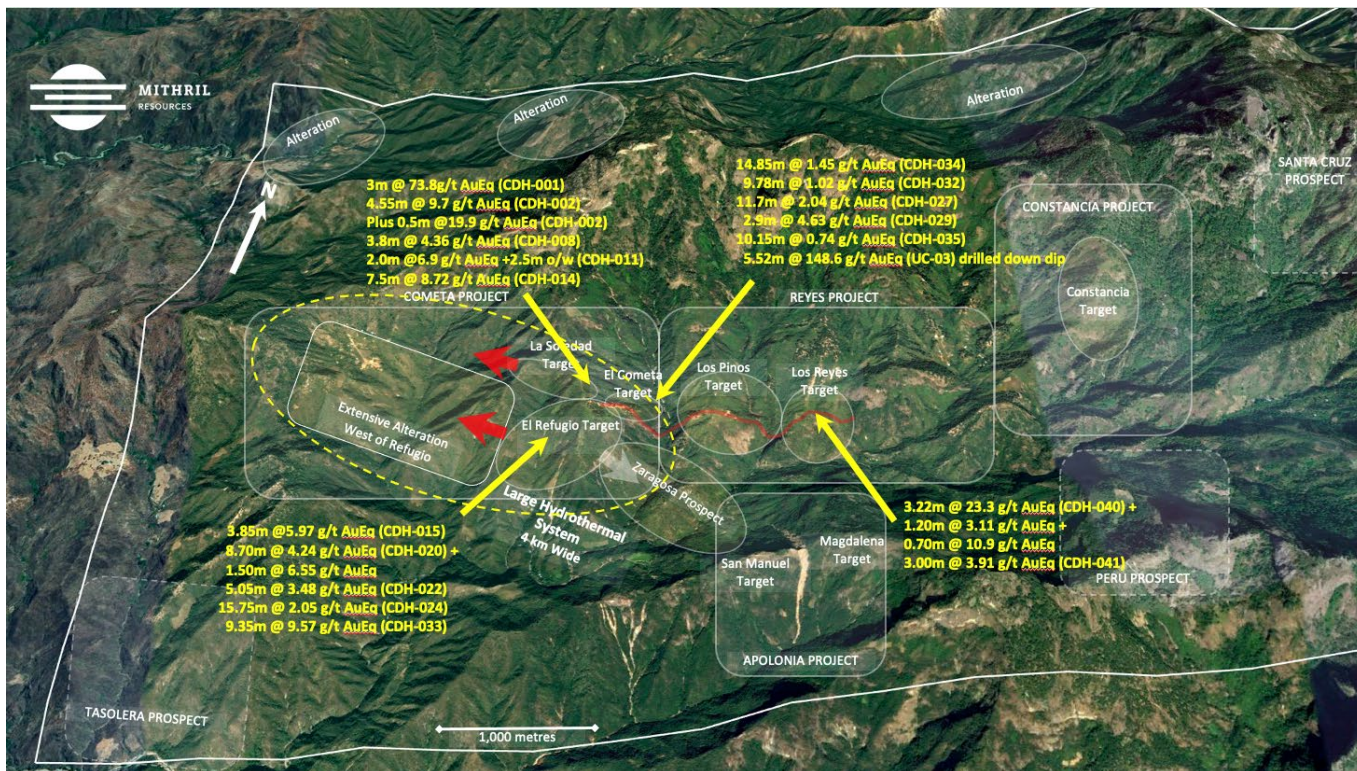


Figure 2 - Projects and Prospects within the Copalquin District with drilling highlights to-date from the maiden drill program.

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.

-ENDS-

Released with the authority of the Board.

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