



SEPTEMBER 2021 QUARTERLY ACTIVITIES REPORT

Highlights – Copalquin Gold-Silver, Mexico

- Work on schedule to complete a maiden JORC mineral resource estimate (MRE) Q4 2021
- AMC Consulting appointed for the maiden MRE and completed the site due diligence
- Drilling within the MRE area completed with assays due late October

Drill highlights reported during the quarter

- High-grade gold-silver confirmed deep in the El Refugio structure proximal to the bonanza intercept of CDH-077 (8.26m @ 80.3g/t gold, 705g/t silver from 468.34m) with:
 - 8.85m @ 7.2 g/t gold, 335 g/t silver from 312.15m (CDH-084), including 2.50m @ 18.22 g/t gold, 583 g/t silver from 317.0m, plus 2.10m @ 2.05 g/t gold, 73.6 g/t silver from 324.9m, plus 1.00m @ 1.16 g/t gold, 36.0 g/t silver from 394.0m
- High-grade intercepts in CDH-079 and CDH-080 extended the El Refugio high-grade gold-silver 'clavo' 80m further east:
 - 12.4m @ 7.60 g/t gold, 332 g/t silver from 86.6m (CDH-079), including 4.19m @ 18.1 g/t gold, 810 g/t silver from 90.0m.
 - 6.11m @ 5.08 g/t gold, 197 g/t silver from 112.19m (CDH-080), including 2.30m @ 9.47 g/t gold, 399 g/t silver from 116.0m.
- Bonanza grade intercept in CDH-077 extended the El Refugio high-grade gold-silver 'clavo' 160m further down dip:
 - 8.26m @ 80.3 g/t gold, 705 g/t silver from 468.34m (CDH-077), including 6.26m @ 106 g/t gold, 913 g/t silver from 468.34m, including 0.77m @ 837 g/t gold, 6,680 g/t silver from 471.63m
- Continued development of the El Refugio 'clavo' with further high-grade intercepted:
 - 2.70m @ 13.8 g/t gold, 82.9 g/t silver from 300.3m (CDH-075), plus 4.25m @ 10.9 g/t gold, 364 g/t silver from 307.05m, including 2.65m @ 16.3 g/t gold, 414 g/t silver from 315.0m, plus 2.00m @ 1.02 g/t gold, 17.5 g/t silver from 315.0m, plus 4.50m @ 0.84 g/t gold, 34.8 g/t silver from 358.5m
- Drilling of in-fill drill holes for the MRE at El Refugio CDH-085 to CDH-090 completed during the quarter with assays expected late October 2021

Highlights – Corporate

- A\$3.3m share placement (before costs) at A\$0.015 per share
- Binding term sheet for sale of 90% interest in Limestone Well tenements. Sale Agreement to be completed next quarter with cash proceeds of A\$500,000 ([ASX Announcement 12 October 2021](#))

DIRECTORS

John Skeet – Managing Director & CEO
Garry Thomas – Non-Executive Director
Stephen Layton – Non-Executive Director
Adrien Wing – Company Secretary

MITHRIL RESOURCES LIMITED

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ASX: MTH

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- **The Company has continued to receive monthly refunds of Mexican value added tax (IVA)**
- **The Company remains fully funded to complete a maiden JORC MRE for El Refugio, continue its expansive drill program and progress study and test work at the Copalquin Gold-Silver District, Mexico**
- **Cash at bank A\$3.7m as of 30 September 2021**

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update on activities at its Copalquin Gold Silver Project in Mexico for the period ending 30 September 2021.

El Refugio, Copalquin District, Mexico

In mid-July, the Company announced excellent drilling results from CDH-077 and CH-075 to establish El Refugio as a significant deposit for gold and silver in the Copalquin district. ([ASX Announcement 12 July 2021](#))

Assay results for three drill holes were received, continuing to expand the El Refugio structure down dip with high-grade and bonanza grade gold-silver intercepts. Hole CDH-077 was designed to test the depth extents of the high-grade clavo and test the zone predicted by the geologic model to be a bonanza zone at El Refugio. Drill hole CDH-077 successfully intercepted extremely high-grade gold and silver within a broad intercept of **8.26 metres at 80.3 g/t gold and 705 g/t silver from 468.34 metres** down hole.

In mid-August, the Company announced that drilling on the eastern side of El Refugio was extended 80 metres east. The broad, high-grade intercepts provided a significant boost to the resource potential in this part of El Refugio. ([ASX Announcement 11 August 2021](#)). Holes CDH-079 and CDH-080 were designed to test the eastern extents of the high-grade 'clavo' with the aim of providing infill data in this area for the maiden resource estimate work. Drill hole CDH-079 intercepted high-grade gold and silver with **12.4 metres at 7.60 g/t gold and 332 g/t silver from 86.6 metres** down hole. Drill hole CDH-080 was drilled further down dip and intercepted **6.11 metres at 5.08 g/t gold and 197 g/t silver from 112.19 metres** down hole. The pierce points for the above two drill holes are shown on the following long section in Figure 4 with the extension of the high-grade zone. Two additional holes were completed further east with assays pending. Drill holes are planned up dip of these holes to further test the El Cometa structures, where drill hole CDH-072 intercepted 6.80m at 74.0 g/t gold and 841 g/t silver from 35.2 metres down hole.

In early September, the Company announced that deep drilling at El Refugio had again returned an excellent gold-silver intercept with hole CDH-084 confirming the high-grade mineralisation over 100m down dip in the structure. ([ASX Announcement 8 September 2021](#)) The intercept is proximal to the bonanza grade intercept of CDH-077, which is currently interpreted as being outside of the main El Refugio structure (Figure 19).

Drill holes CDH-082 and CDH-083 are shallower holes drilled on the eastern side of El Refugio at El Cometa, where the mineralisation appears to be controlled by subsidiary fractures that are not parallel to the main Refugio-Cometa structure (such as in CDH-072). Both holes returned reportable intercepts, expanding the resource footprint 80m east. Drill hole CDH-081 and the previously reported CDH-080 may be re-entered and extended 50m to intercept a deeper interpreted structure.

Intercepts for holes CDH-081 through CDH-083 are all in the Cometa (Refugio) vein. In the central section of El Refugio, at least as far east as CDH-070 and CDH-071 there is a deeper vein that these holes did not reach. It is expected that there are other changes happening in the Cometa portion of the deposit - sheeted (parallel) veins of Refugio give way to or are supplemented by the N - S fractures that host the extreme high-grade in CDH-072. Further drilling on this eastern side will follow up the high-grade CDH-072 intercept later this year.

Maiden Resource Estimate Progress

The current drilling through to CDH-090 consists of holes in the western extents of the current El Refugio maiden resource estimate (MRE) area will complete the database for the initial resource modelling to be undertaken by AMC Consultants. The drilling and the assay results are expected to be available late October 2021 with the resource estimation work being completed late November 2021. The independent site visit was conducted in September 2021.

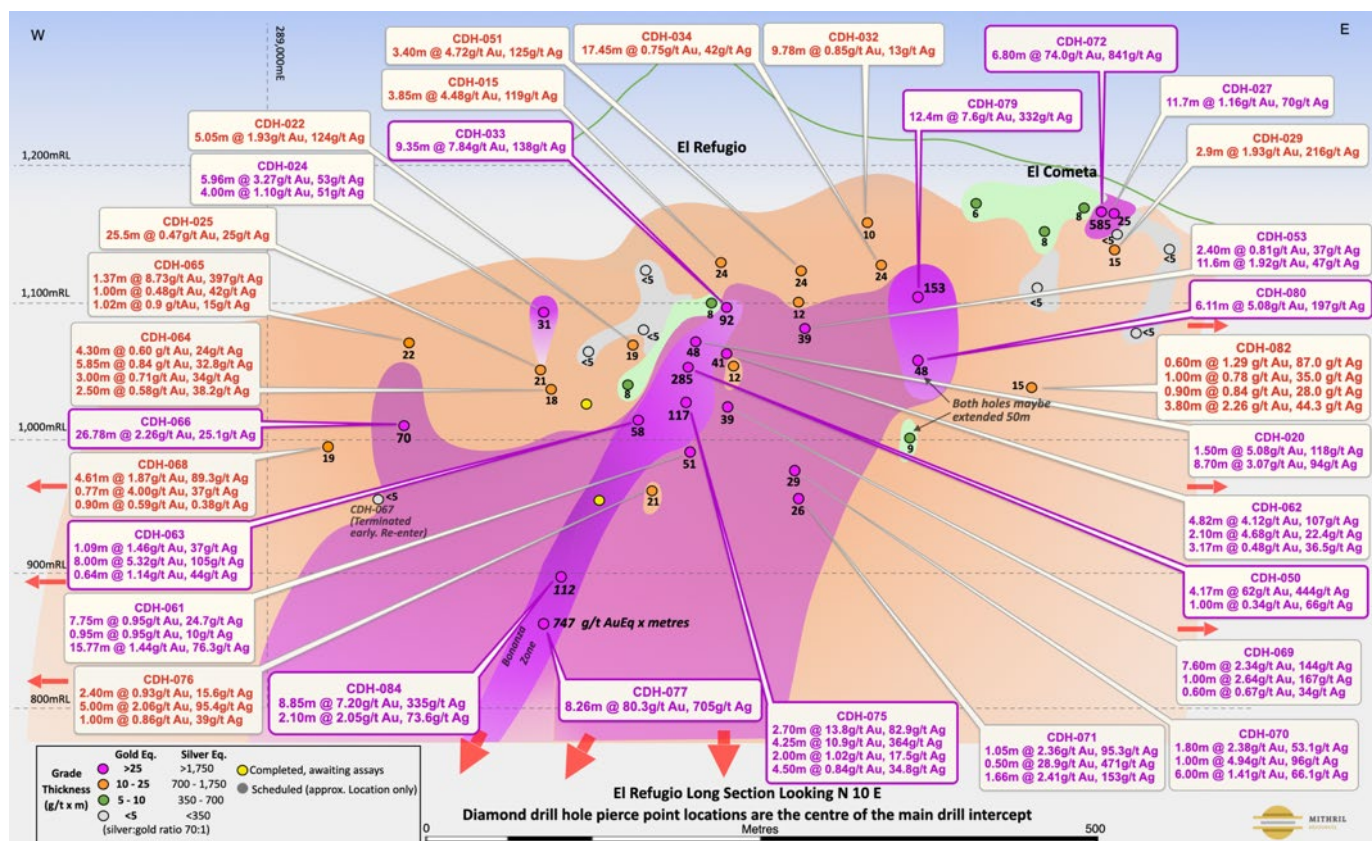


Figure 1: Long section for the El Refugio target in the Copalquin district showing drill hole pierce points. Grade thickness as shown is the sum of all intercepts shown for each hole, pierce points are the midpoint of the main intercept. Metal equivalent grades calculated using 70 g/t Ag = 1 g/t Au, based on gold price of USD1,610 per ounce and silver price of USD23 per ounce.

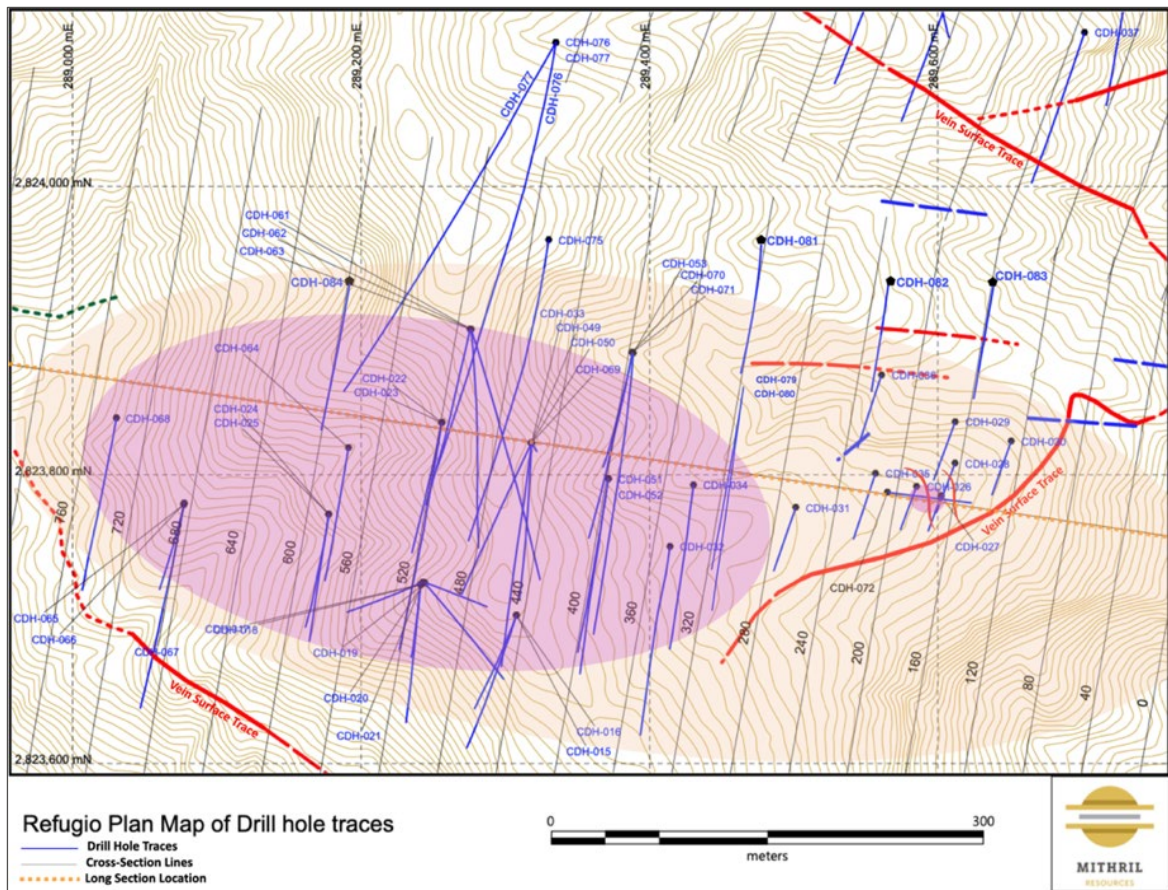


Figure 2: Map view of the El Cometa/El Refugio drilling showing the drill traces and the drill intercepts covered in this release. Long section in Figure 1 indicated by orange dotted line shown.

Drill Core Photos with Visible Gold from Holes CDH-072, 075, 076 and 077 (see [ASX Announcement 12 July 2021](#))



Figure 3: Two halves of cut NQ size core from hole CDH-077 472.1-472.3 metres with abundant visible gold

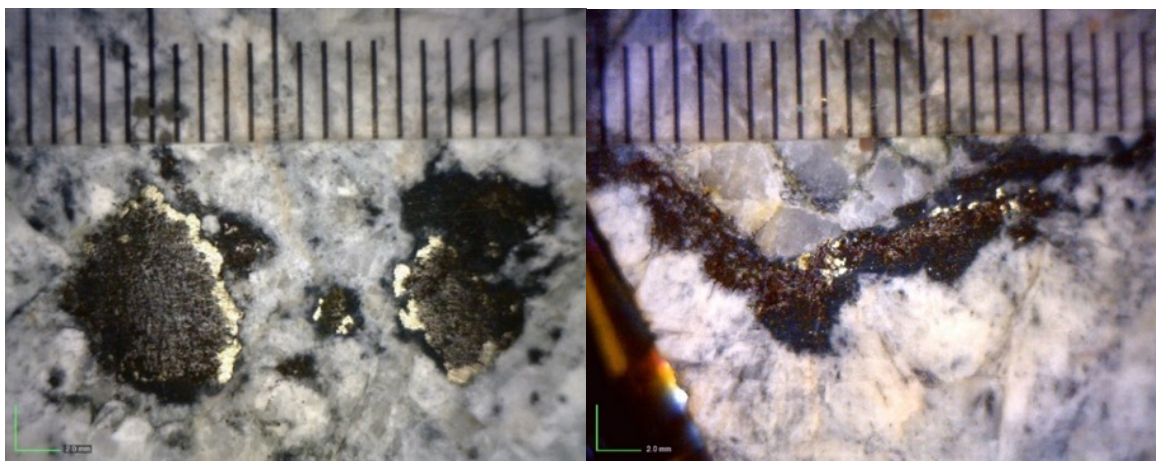


Figure 4 and 5: mm wide rims of free gold surrounding fine aggregates of pyrite plus gold, plus silver sulphides 472.2 m CDH-077



Figure 6: Glint of gold in CDH-076 at 376.2m

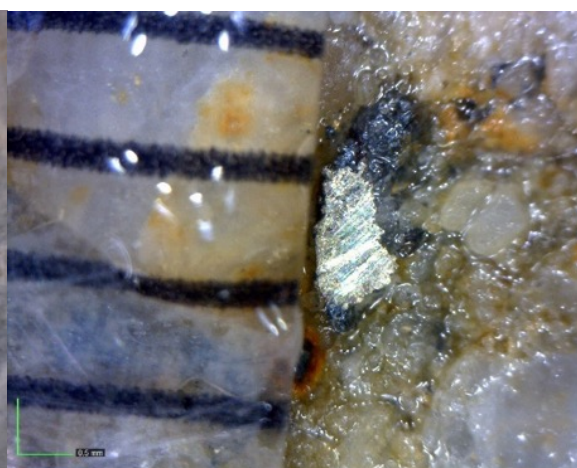


Figure 7: Glint of gold in CDH-072 at 38.0m (ASX Release 15/6/2021)

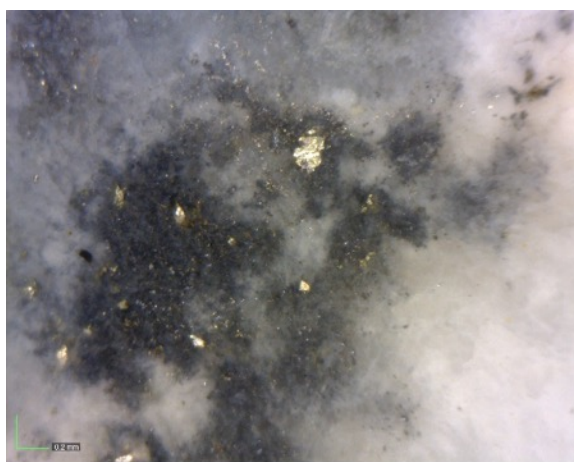


Figure 8: CDH-075 at 301.5m @ 150 X gold w/ginguro.



Figure 9: CDH-075 at 301.5m @ 100 X. gold w/ginguro

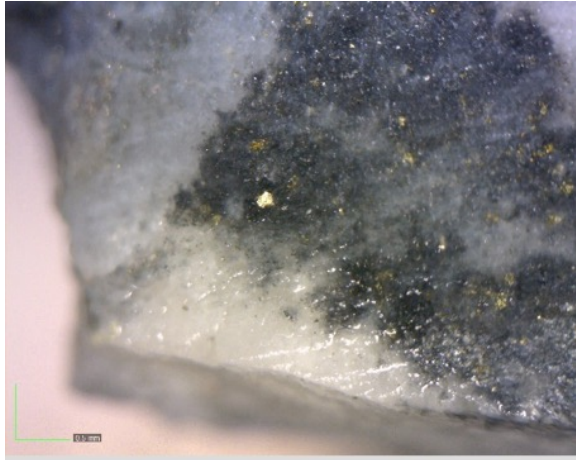


Figure 10: CDH-075 at 301.90m @ 100 X gold w.ginguro.

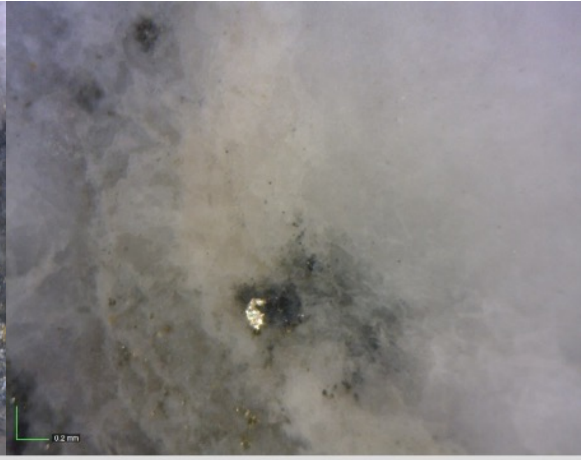


Figure 11: CDH-075 at 301.95m @ 150 X gold w/ginguro.

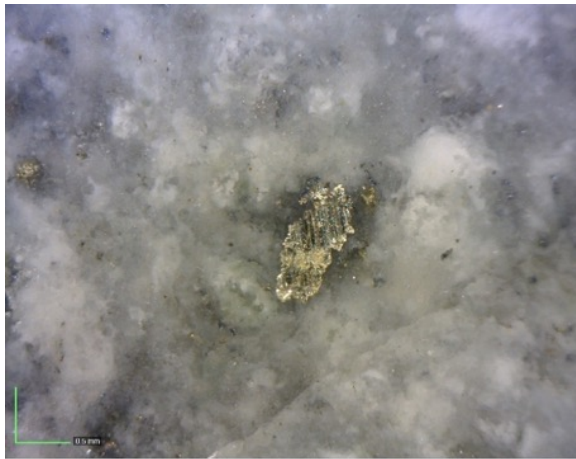


Figure 12: CDH-075 at 307.6m @ 100 X free gold

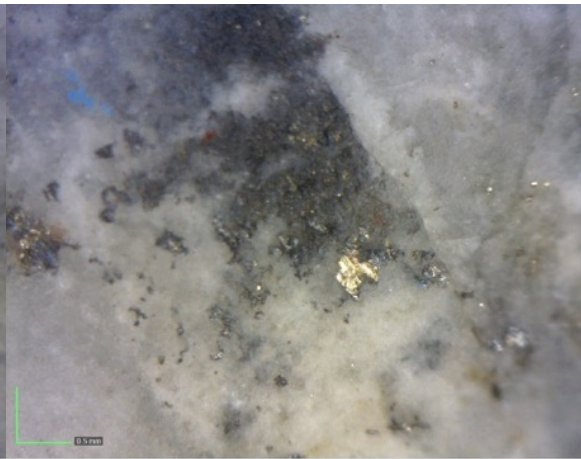
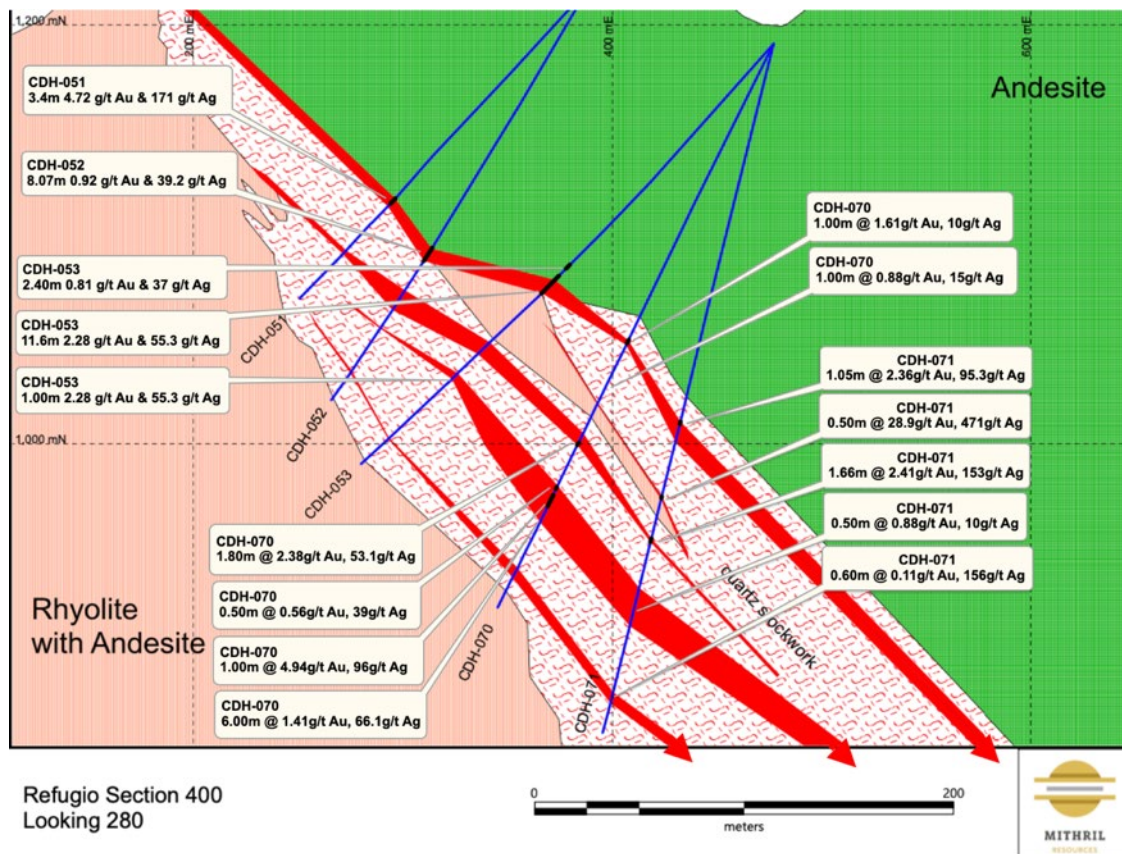
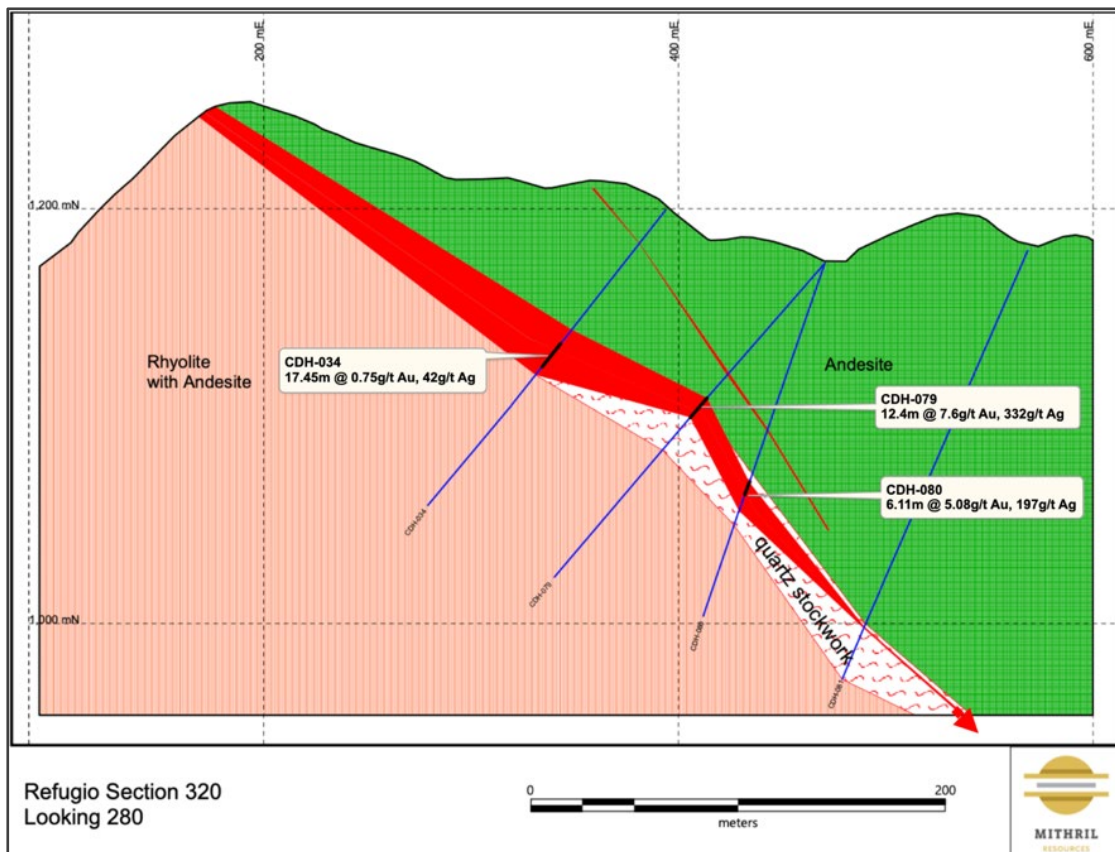


Figure 13: CDH-075 @ 310.15m @ 150 X gold w/ginguro.



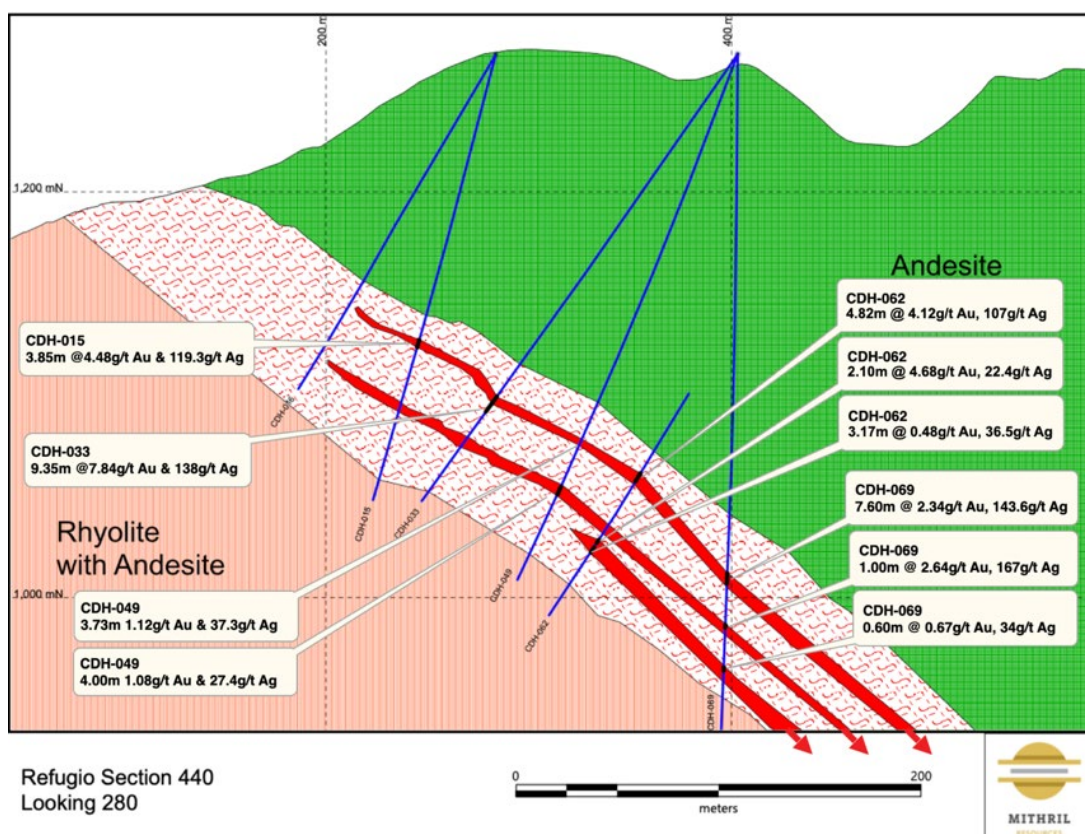


Figure 16: El Refugio cross section 440 showing the down dip extension of hole CDH-069.

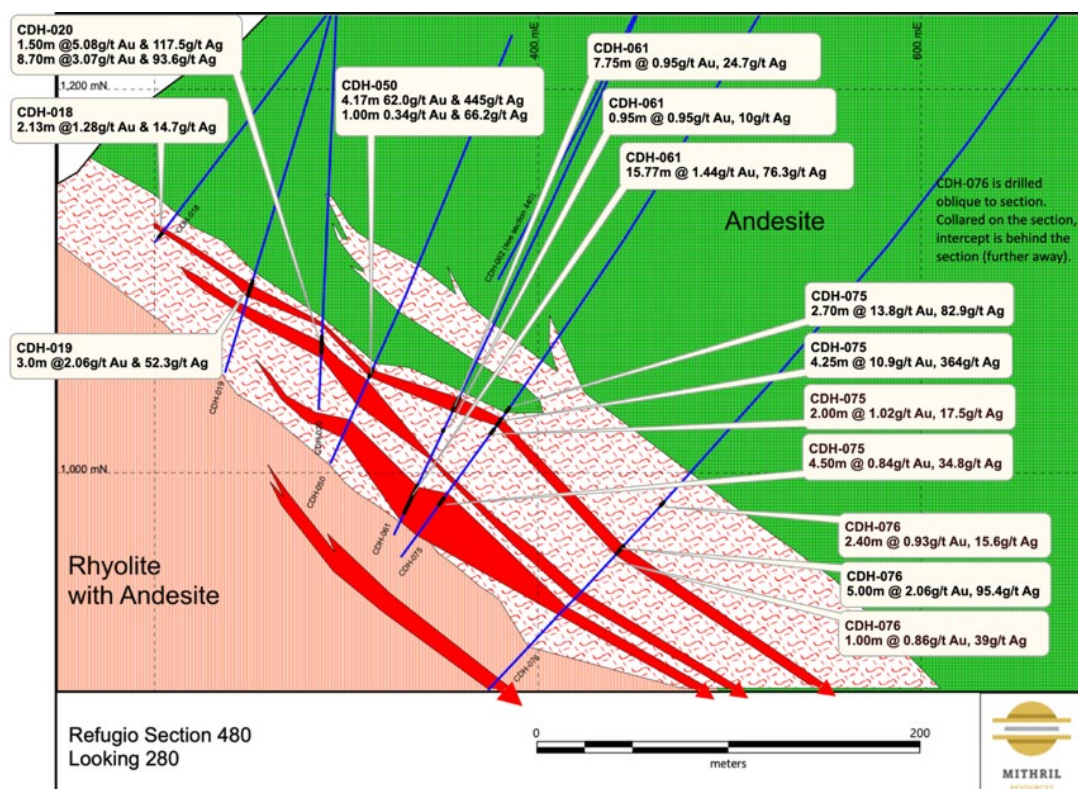


Figure 17: El Refugio cross section 480 showing intercepts for new drill holes CDH-075 & 076. Note: CDH-076 collared on this section 480, intercept is behind (further away).

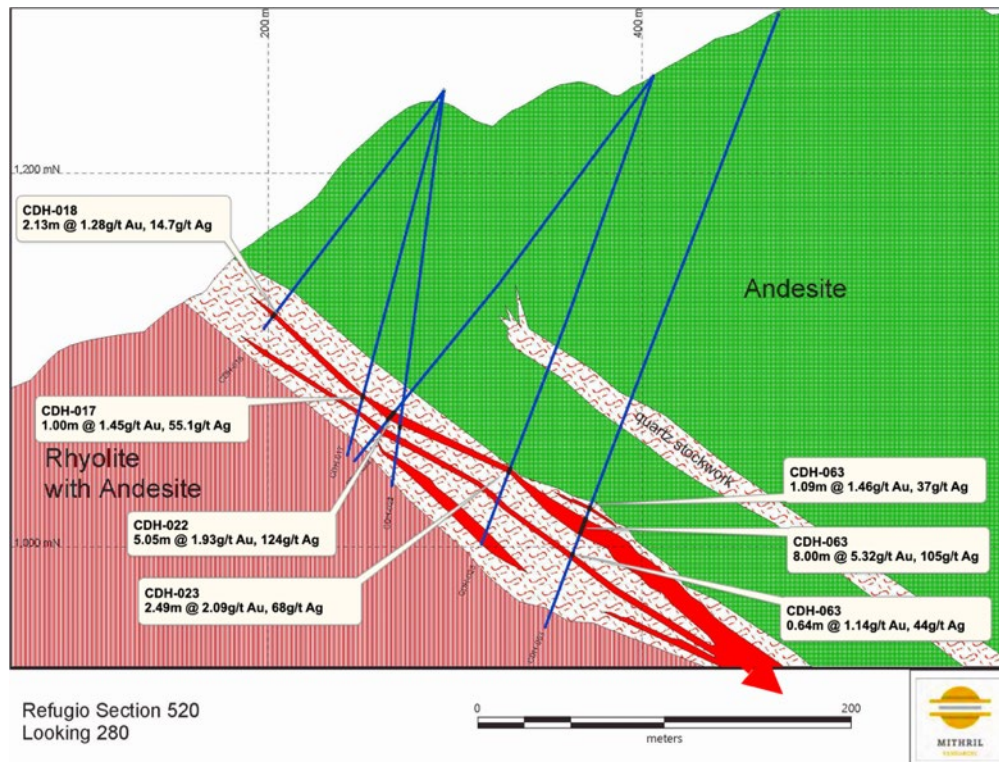


Figure 18: El Refugio cross section 520 showing the down dip extension holes CDH-063.

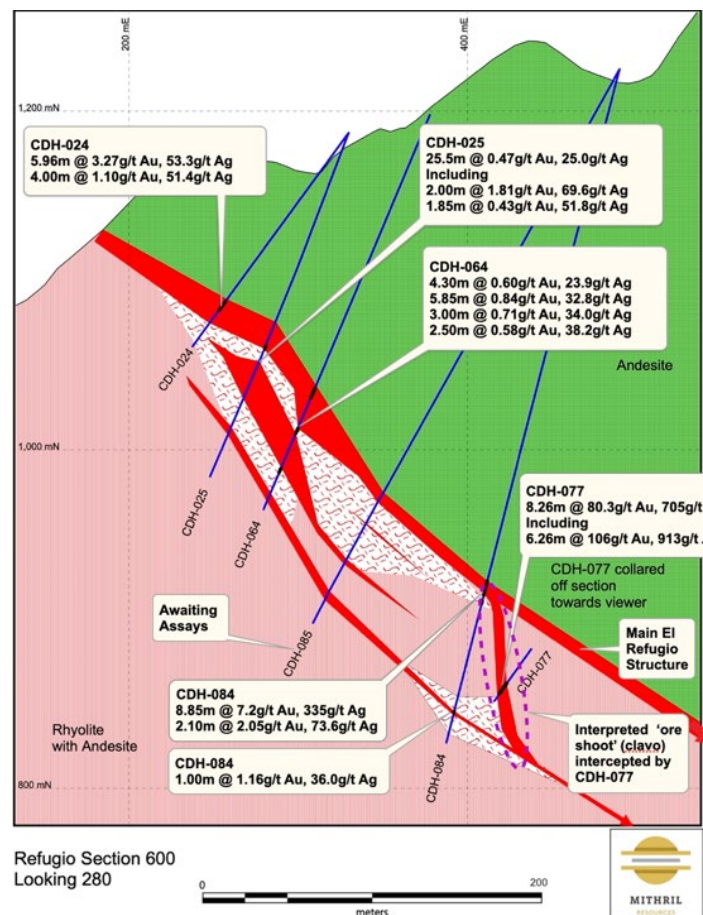


Figure 19: El Refugio cross section 600 showing intercepts for reported drill hole CDH-084, 150 metres down dip in the main El Refugio structure. Previously reported drill hole CDH-077 is currently interpreted to have intercepted a different structure to the main El Refugio structure.

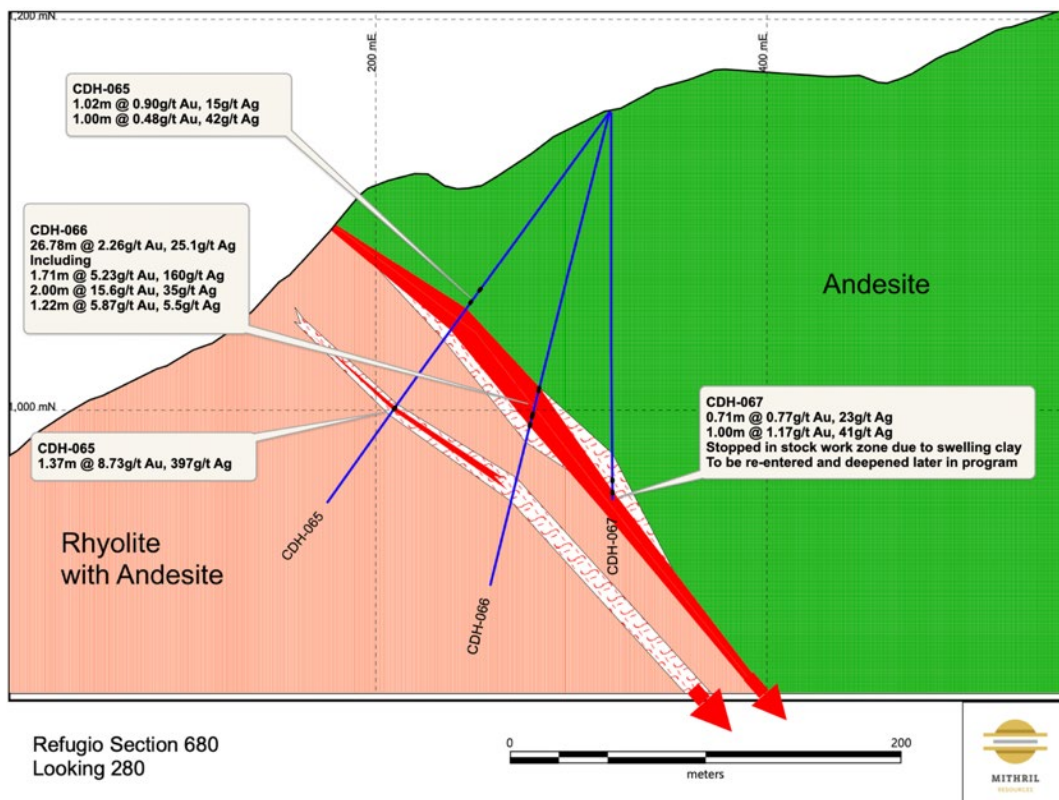


Figure 20: El Refugio cross section 680 showing the first western strike extension holes CDH-065, CDH-066 and CDH-067.

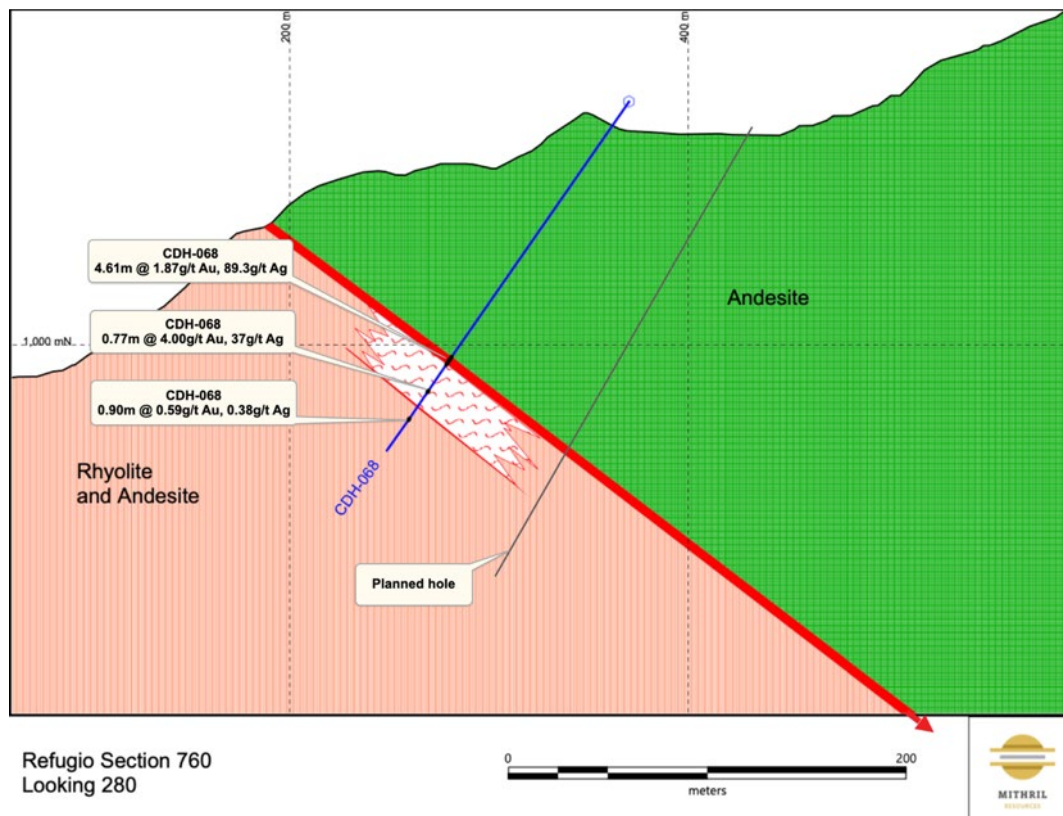


Figure 21: El Refugio cross section 760 showing the most westerly intercept to date with hole CDH-068 with future down dip holes planned.

Workplan For Remainder of 2021

The primary focus of the work for the Copalquin District is the completion of a maiden JORC resource estimate for El Refugio whilst continuing the expansive drilling to further test the depth and westerly extensions at El Refugio.

Further drill holes are also planned at El Cometa to follow-up the shallow bonanza grade intercept of drill hole CDH-072 6.8m @ 74 g/t gold, 841 g/t silver from 35.2m ([ASX Announcement 15 June 2021](#)) and to develop the geologic interpretation of this area.

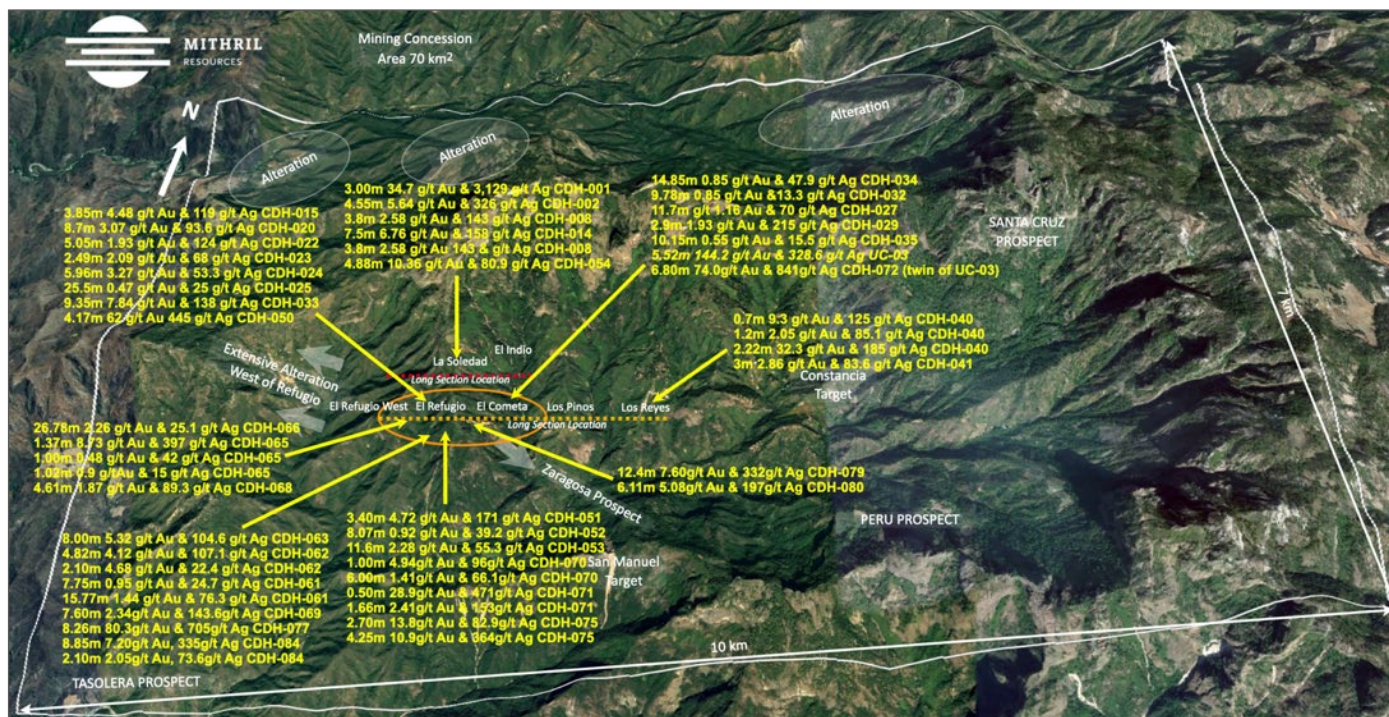


Figure 22: Projects and Prospects within the Copalquin District with drilling highlights to-date from the maiden drill program.

The last quarter of 2021 will see commencement of engineering study work for the development of an exploration access road into the district and an underground exploration drift at El Refugio. An underground drift at El Refugio, taking advantage of the topography, will allow more efficient exploration drilling and progress future development of the El Refugio deposit.

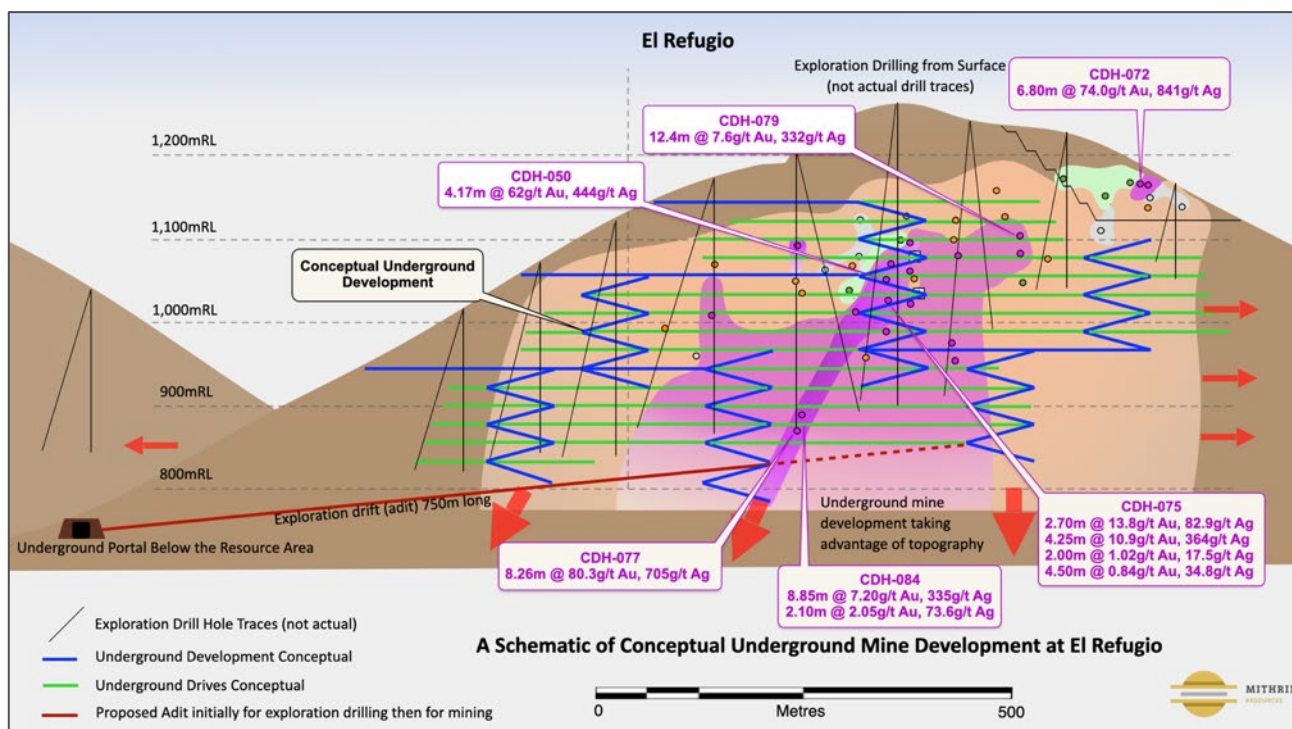


Figure 23: Schematic showing an underground mine access concept for the El Refugio gold-silver deposit, Copalquin District, Mexico.

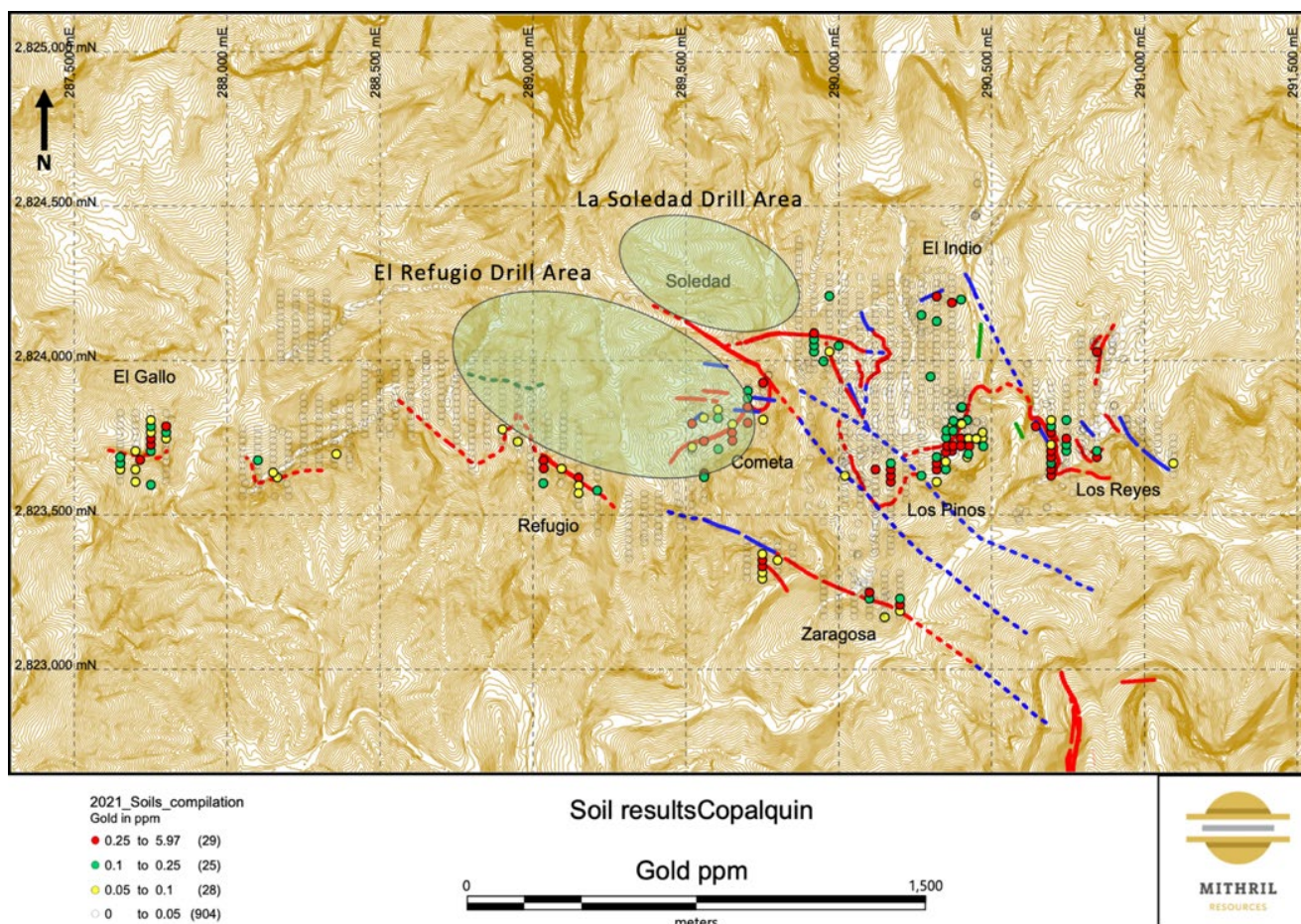


Figure 24: Soil sampling program results and planned sampling grids. Geochemical gold levels in soils determined by fire assay.

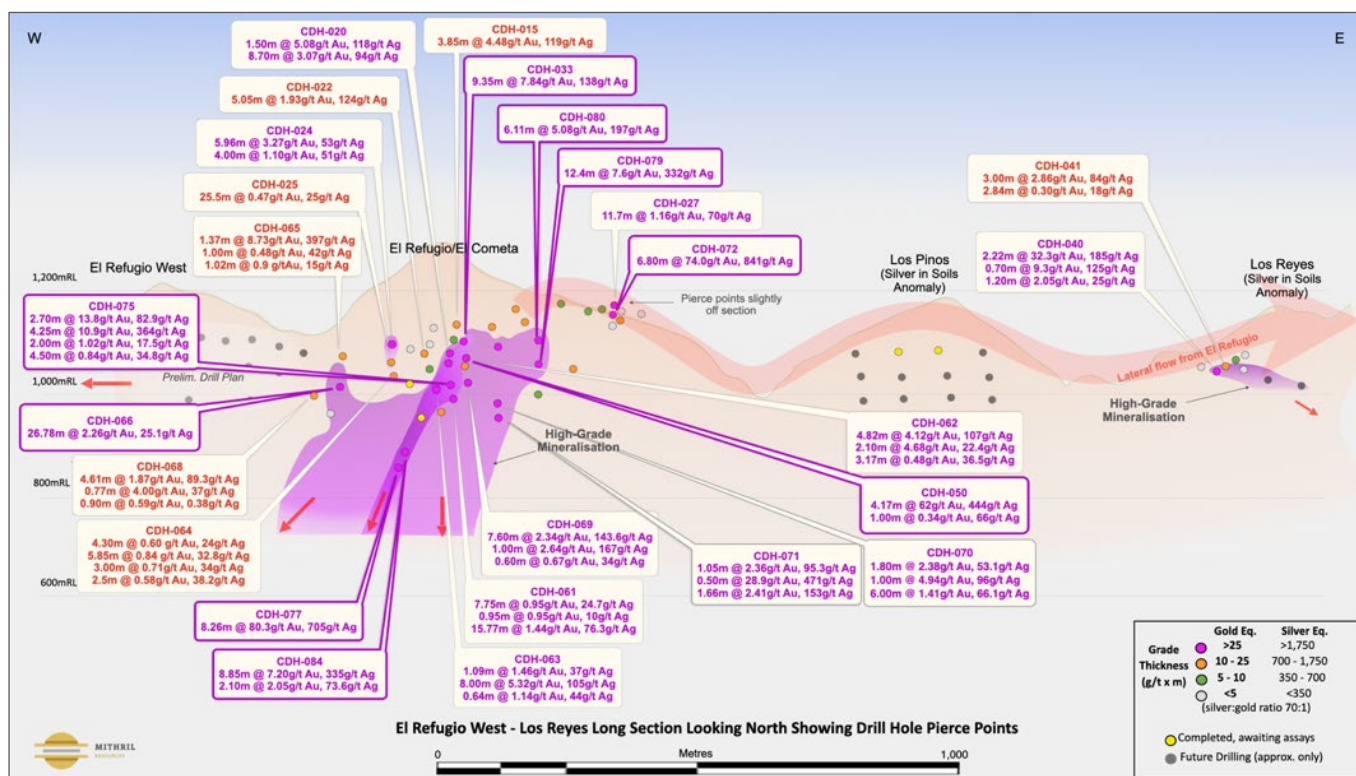


Figure 25: Schematic Long section Refugio West-Los Reyes with drill hole pierce point for holes completed to date plus conceptual planned resource development holes in turquoise and exploration holes shown in grey. Metal equivalent grades calculated using 70 g/t Ag = 1 g/t Au, based on gold price of USD1,610 per ounce and silver price of USD23 per ounce.

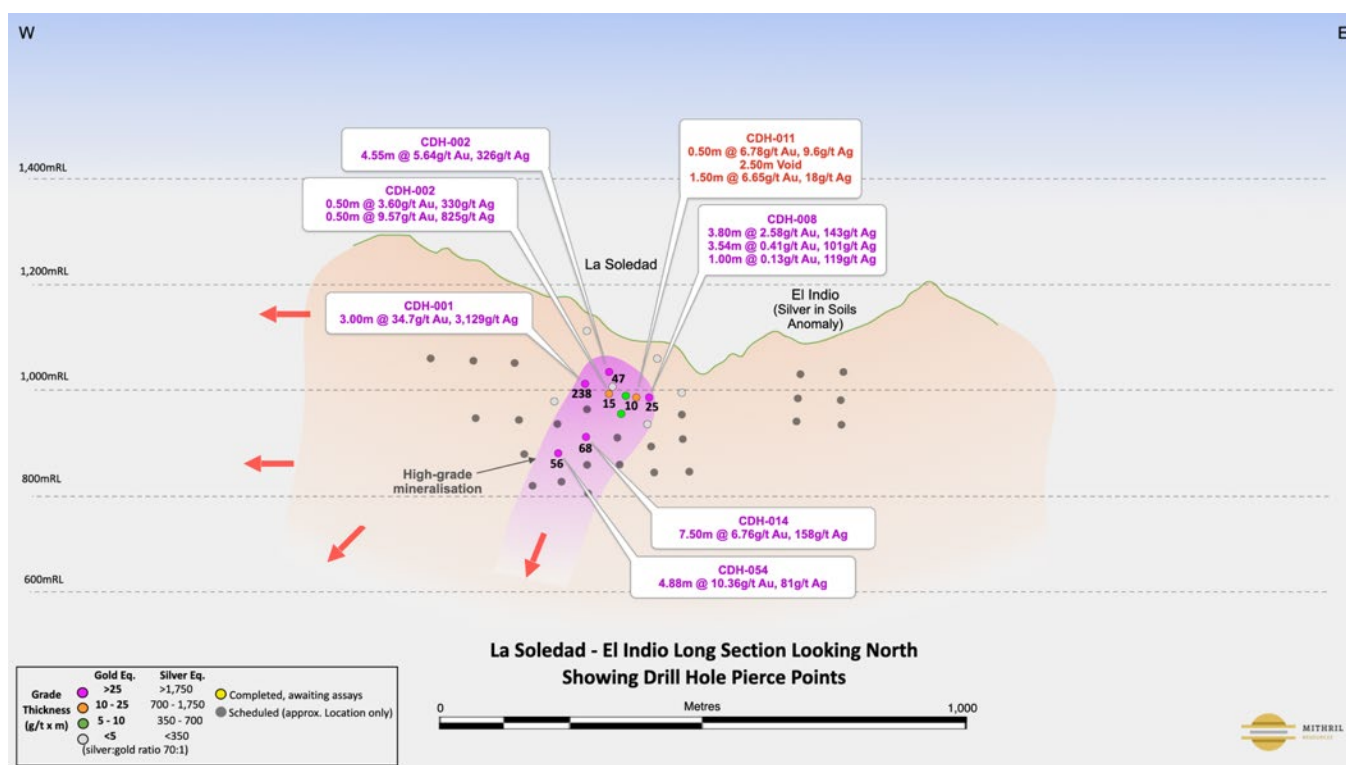


Figure 26: Schematic Long section La Soledad-El Indio with drill hole pierce point for holes completed to date plus conceptual planned resource development holes in turquoise and exploration holes shown in grey. CDH-011 shown in red as a reminder that the void (historic mine workings) Metal equivalent grades calculated using 70 g/t Ag = 1 g/t Au, based on gold price of USD1,610 per ounce and silver price of USD23 per ounce.

Australian Projects

To ensure the Company maintains its focus on the Copalquin Gold Silver Project, Mithril has exploration partners to farm-in, sole fund and operate exploration activities on its Australian assets. These include:

- Great Boulder Resources (GBR.ASX) at the Lignum Dam Project;
- Auteco Minerals (AUT.ASX) at the Limestone Well Project;
- Carnavale Resources (CAV.ASX) at the Kurnalpi Project; and
- CBH Resources Limited ("CBH") at the Billy Hills Zinc Project.

Having farm-in exploration partners solely fund all exploration costs, ensures that the Mithril tenements are kept in good standing for the duration of the respective partnership agreements with the potential to benefit from prospectivity and exploration upside.

Billy Hills Zinc (Billy Hills)

- Mithril 100%; and
- CBH Resources Limited earning up to 80% interest by completing expenditure of A\$4M over 5 years.
- A desktop study of the local groundwater was completed as a step to securing native title clearance for drilling.

Kurnalpi Project (Kurnalpi)

- Mithril 100%; and
- Carnavale Resources earning an initial 80% interest by keeping the tenements in good standing over three years and paying Mithril A\$250,000 cash.
- No work was undertaken during the quarter.

Lignum Dam Project (Lignum)

- Mithril 100%; and
- Great Boulder Resources earning up to 80% by completing expenditure of A\$1M over four years.
- Great Boulder carried out a program of auger geochemical sampling over nickel and gold prospective rock types and assays are awaited.

Limestone Well Project (Limestone)

- Mithril 100%;
- Auteco Minerals can earn up to an 80% interest in the project by completing exploration expenditure of A\$2.5 million over five years;
- In October 2021, Mithril announced the execution of a binding term sheet for the sale of 90% interest in the Limestone Well tenements to its farm-in partner, Auteco Minerals for a payment of A\$500,000 in cash. For details of the term sheet please refer to the [*ASX Announcement 12 October 2021*](#)

CORPORATE

In early September, the Company announced it had received firm commitments from sophisticated and professional investors to raise A\$3.3m (before costs) through a Share Placement (Placement). The Placement was strongly supported by existing and new institutional and high net worth investors. ([*ASX Announcement 1 September 2021*](#))

Capital Raising Details

Mithril completed a placement of shares to sophisticated and professional investors, comprising 220,000,000 new fully paid ordinary shares in the Company (New Shares) at an issue price of 1.5 cents to raise approximately \$3.3m (before costs).

The share placement was conducted by Morgans Corporate Limited and Taylor Collison as joint lead managers and within the Company's placement capacity under ASX Listing Rule 7.1. Settlement of the share placement occurred on 7 September 2021, with placement shares allotted (pursuant to Listing Rules 7.1) and traded on 8 September 2021.

The Capital Raising price of A\$0.015 (1.5 cents) per New Share represented:

- 12.0% discount to the last traded price on Friday 27 August 2021 (A\$0.017)
- 12.0% discount to the 5 day VWAP price (A\$0.0170)
- 16.4% discount to the 15 day VWAP price (A\$0.0179)

Funds raised are being used to continue drilling in the Copalquin Gold Silver District in Mexico, complete a maiden JORC gold and silver resource estimate for El Refugio, preliminary engineering studies and metallurgical testing and for general working capital.

Other

In October 2021, a binding term sheet was executed for the sale of 90% interest in it Limestone Well tenements for cash proceeds of A\$500,000 [ASX Announcement 12 October 2021](#)

The Company has continued to receive Mexican value added tax (IVA @16%) refunds each month from its expenditures in Mexico. For 2021, the Company has received refunds for January to May and expects to continue to receive the monthly refunds which are currently running 5 months in arrears.

CASH

The Company has cash reserves as of 30 September 2021 of \$3.7m.

RELATED PARTY PAYMENTS

In line with its obligations under ASX Listing Rule 5.3.5, Mithril Resources Limited notes that the only payments to related parties of the Company, as advised in the Appendix 5B for the period ended 30 September 2021, pertain to payments to directors for fees, salary and superannuation.

-ENDS-

Released with the authority of the Board.

For further information contact:

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Mark Flynn

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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 Mithril's Chief Geologist. Mr Stewart is a certified professional geologist 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.

Further details and JORC tables for exploration results in this Annual Report are in ASX Releases listed below.

08/09/2021	<u>DRILLING INTERCEPTS 18.2 g/t GOLD & 583 g/t SILVER</u>
11/08/2021	<u>Mithril Extends High-Grade Gold Silver</u>
28/07/2021	<u>Quarterly activities and cashflow report</u>
12/07/2021	<u>MITHRIL DRILLS 80.3 G/T GOLD, 705 G/T SILVER OVER 8.26M</u>

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is 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.

Mithril Resources is earning 100% interest in the Copalquin District mining concessions via a purchase option agreement detailed in ASX announcement dated 25 November 2019.

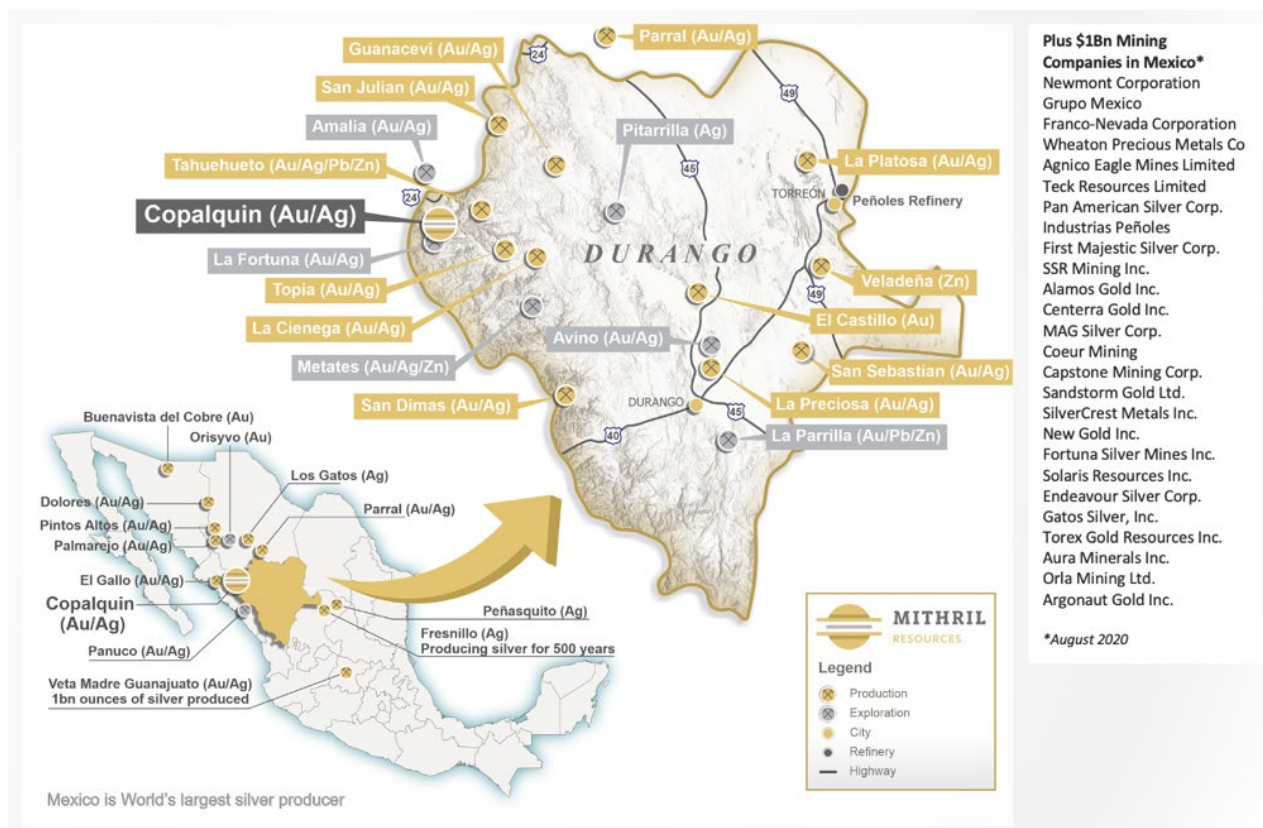


Figure 24 - Copalquin District location map Durango State, Mexico within the Sierra Madre gold-silver trend.

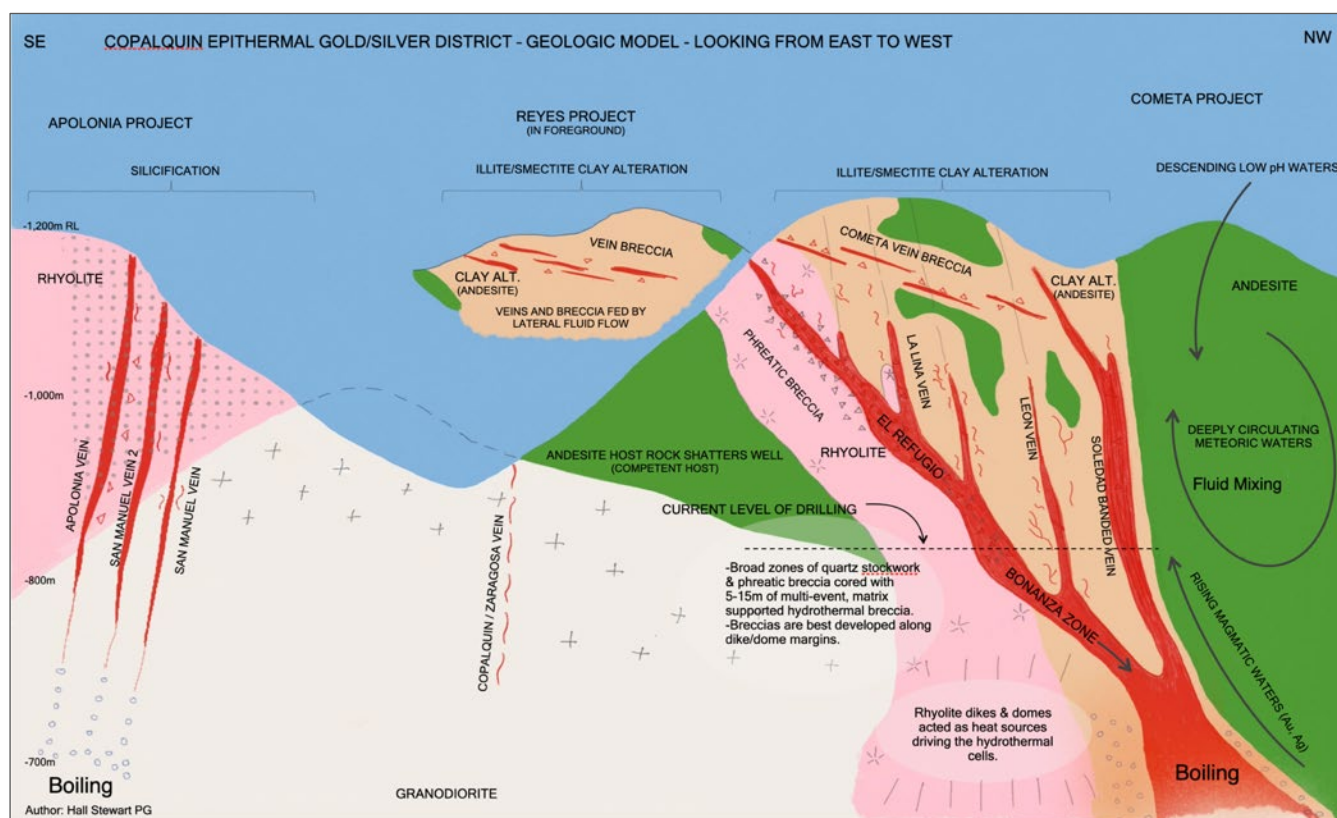


Figure 25 - Copalquin District Geologic Model for epithermal gold/silver - geologic model (author: Hall Stewart PG, Chief Geologist).

Mithril Resources Limited Group

Tenement information

30 September 2021

Australian Interests:

	Tenement number	Interest owned %
Kurnalpi Area	E28/2506	100.00
Kurnalpi Area	E28/2567	100.00
Kurnalpi Area	E28/2682	100.00
Kurnalpi Area	E28/2760	100.00
Lignum Dam Area	E27/538	100.00
Lignum Dam Area	E27/582	100.00
Lignum Dam Area	E27/584	100.00
Murchison Area	E20/846	100.00
Murchison Area	E57/1069	100.00
West Kimberley Area	E04/2497	100.00
West Kimberley Area	E04/2503	100.00
West Kimberley Area	E80/5191	100.00

Mexican Operations:

Concession	Concession title number	Interest owned %*
LA SOLEDAD	52033	25.00%
EL COMETA	164869	25.00%
SAN MANUEL	165451	25.00%
COPALQUIN	178014	25.00%
EL SOL	236130	25.00%
EL CORRAL	236131	25.00%

*Interest in the Copalquin Mining Concessions, Mexico increased to 25% October 2021

Appendix 5B

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

Name of entity

MITHRIL RESOURCES LIMITED

ABN

30 099 883 922

Quarter ended ("current quarter")

30 SEPTEMBER 2021

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(70)	(70)
	(e) administration and corporate costs	(245)	(245)
1.3	Dividends received (see note 3)		
1.4	Interest received	1	1
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	Net cash from / (used in) operating activities	(314)	(314)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(2,001)	(2,001)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(2,001)	(2,001)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	3,300	3,300
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(198)	(198)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	3,102	3,102

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,920	2,920
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(314)	(314)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(2,001)	(2,001)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	3,102	3,102

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	1	1
4.6	Cash and cash equivalents at end of period	3,708	3,708

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,708	1,919
5.2	Call deposits	2,000	1,001
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	3,708	2,920

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	83
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Amounts in 6.1 relate to Director fees and consulting services.		
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	Total financing facilities		
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(314)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(2,001)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(2,315)
8.4	Cash and cash equivalents at quarter end (item 4.6)	3,708
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	3,708
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.6
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions: 8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: No, the cash outflows for this quarter were higher than usual due to a purchase option payment and mining concession tax payments in Mexico US\$254,000 (A\$350,000). Next quarter cash outflow will be lower due to no purchase option or mining concession tax payments, plus the 3 week Christmas downtime for drilling. Additionally, cash proceeds for tenement sales of A\$500,000 is due in December quarter plus Mexican VAT refunds have been received and are ongoing each month (US\$40,000 in October 2021)		

- 8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: The Company has additional cash inflows next quarter from the sale of interest in tenements (A\$500,000) plus continued monthly Mexican value added tax (IVA) refunds (US\$40,000 in October 2021). The Company will rely on its existing cash resources and future capital raising (either debt and/or equity), including its ability to place securities under LR7.1 and LR7.1A to fund its current activities. The Company has a history of raising funds as required and believes further successful fundraising will be able to be completed.

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

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

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

Compliance statement

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

Date:27 October 2021.....

Authorised by:with authority of the board.....
(Name of body or officer authorising release – see note 4)

Notes

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