

MITHRIL SIGNS NON-BINDING TERM SHEET FOR MERGER WITH TSXV LISTED NEWRANGE GOLD

Highlights

- **Mithril Resources** has entered into a non-binding term sheet with **Newrange Gold Corp. (TSXV: NRG)** (Newrange Gold) for the business combination of the two companies via a friendly merger (**Proposed Merger**) to create a **new Americas-focused exploration & development company**.
- Mithril Resources understands that the Proposed Merger, if it proceeds, will be classified as a reverse takeover of Newrange Gold, under the rules of the TSX Venture Exchange (TSXV).
- The Proposed Merger is intended to be undertaken by a scheme of arrangement pursuant to Part 5.1 of *the Corporations Act 2001* (Cth), whereby Newrange Gold will acquire 100% of the issued capital in Mithril Resources.
- The non-binding term sheet is conditional upon a number of standard conditions, including completion of satisfactory due diligence by each of the parties on each other, the negotiation and execution of a formal Scheme Implementation Agreement and the acceptance of the Proposed Merger by Mithril Resources shareholders and the TSX Venture Exchange.
- Newrange Gold is an exploration company listed on the TSXV with a current focus on two highly prospective gold projects in the Red Lake Mining Division of north-western Ontario, Canada.

The Board of Mithril considers the Proposed Merger to be mutually beneficial:

- On the TSX and TSXV there are numerous resources companies actively exploring and producing in Mexico, a jurisdiction familiar to North American investors.
- Mithril will enhance the market presence of its Mexican assets with a listing on the TSXV, thereby broadening research coverage and trading liquidity for its highly prospective Copalquin gold-silver district where already a significant high-grade maiden JORC resource has been released for the first of several target areas in the district and with excellent expansion prospects.
- Newrange Gold's existing projects in the prolific Red Lake District of north-western Ontario will provide geographic diversification with the potential for new discoveries and the depth extension of the past producing Argosy Gold Mine only 10 kilometres from the Springpole deposit being developed by First Mining Gold Corp.
- The combined Board and Management from Mithril and Newrange Gold will result in strong management, with considerable years of experience and success operating in the prolific Sierra Madre gold-silver trend of Mexico, where Mithril's high-grade, epithermal gold-silver Copalquin Mining District is located.

Mithril Resources Limited (ASX: MTH) (**Mithril Resources** or the **Company**) is pleased to announce that it has entered into a non-binding term sheet with Newrange Gold Corp. (TSXV: NRG) (**Newrange Gold**) which details a proposed business combination of the two companies, whereby it is proposed that Newrange Gold will acquire 100% of the issued capital in Mithril Resources via a friendly merger (**Proposed Merger**). Mithril Resources understands that the Proposed Merger, if it proceeds, will be classified as a reverse takeover under the rules of the TSX Venture Exchange (TSXV).

The Company believes shareholders will benefit from holding listed securities on the TSXV, offering improved trading liquidity and direct access to the Canadian capital markets through the Proposed Merger.

DIRECTORS

John Skeet – Managing Director & CEO
Garry Thomas – Non-Executive Director
Stephen Layton – Non-Executive Director
Claire Newstead-Sinclair – Company Secretary

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Mithril CEO and Managing Director, John Skeet, commented:

"This is an exciting development for the growth of Mithril's principal asset with additional upside from Newrange Gold's highly regarded management and its Red Lake district properties. The proposed merger will result in a new Americas and precious metals focused exploration and development company with a considerably experienced management team, enhanced market presence, a solid resource foundation, and significant growth potential.

Mithril's 70km² district-scale gold-silver property has demonstrated its excellent potential for resource expansion at the first of several target areas in the district plus prospectivity for additional discoveries. Newrange Gold's existing North Birch and past-producing Argosy Gold Mine properties in the prolific Red Lake District of Ontario, Canada provide geographic diversity plus further discovery and resource development potential.

At the present time, Mithril Resources and Newrange Gold are undertaking due diligence on each other's assets and negotiating the terms of the Proposed Merger. The parties intend for the Proposed Merger to proceed by way of a scheme of arrangement between Mithril Resources and its shareholders (**Share Scheme**) and a separate concurrent scheme of arrangement between Mithril Resources and the holders of the unlisted options (**Option Scheme**) (together, the **Scheme**).

The Scheme will be subject to the approval of the relevant participants in each Scheme and the Courts in accordance with the requirements of Part 5.1 of the *Corporations Act 2001* (Cth), as well as the satisfaction of various other conditions which are considered standard for transactions of this nature. The Proposed Transaction will also be subject to the approval of Newrange shareholders and the TSX Venture Exchange.

Under the Scheme, should it proceed, Newrange Gold intends to:

1. consolidate its share capital immediately prior to the closing of the Proposed transaction on a 12:1 basis (**Consolidation**); and
2. issue approximately
 - a. 18.08 consolidated Newrange Gold shares for every 1,000 Mithril Resources shares held by Mithril Resources shareholders based on an equity value for Mithril Resources of A\$11.8M;
 - b. 18.08 warrants to acquire consolidated Newrange Gold shares (**Newrange Warrants**) for every 1,000 options held by Mithril Resources option holders (**Mithril Options**), with the Newrange Warrants to be issued on the same terms as the relevant Mithril Options being exchanged at completion.

Board composition on completion of the Scheme:

If the Proposed Transaction proceeds to completion, it is anticipated that Mr. John Skeet, Mr. Stephen Layton and Mr. Garry Thomas, (all current Directors of Mithril Resources) will become Principals of Newrange Gold.

In addition to the appointments of Mr. John Skeet, Mr. Stephen Layton and Mr. Garry Thomas as Principals of Newrange Gold, it is contemplated that:

- Mr. Skeet will assume the role of President & CEO of Newrange Gold;
- Mr. Robert Archer will become Executive Chair of Newrange Gold;
- the existing directors, Ron Schmitz and Colin Jones, will stay on the board of Newrange Gold; and
- David Cross will remain as CFO and Company Secretary of Newrange Gold.

The backgrounds of the Board and management following completion of Proposed Merger are as follows:

Name: Robert (Bob) Archer

Title: Executive Chair (Currently CEO, President and Director – Newrange Gold)

Qualifications: P. Geo, HBS, Laurentian University, Sudbury, Ontario

Mr. Archer has more than 40 years' experience in the mining industry, working throughout the Americas. After spending more than 15 years with major mining companies, Mr. Archer held several senior management positions in the junior mining sector and co-founded Great Panther Mining Limited, a mid-tier precious metals producer. He served as President & CEO of Great Panther from 2004-2017 and Director until 2020 and joined Newrange Gold Corp. as a Director in March 2018 followed by his appointment as CEO in January 2019 and President in October 2021.

Name: Mr. John Skeet

Title: Chief Executive Officer / President (Currently CEO and Managing Director – Mithril Resources)

Qualifications: B.App.Sc

Mr. Skeet has over 30 years' experience in gold-silver mining, both in management at operations and developing projects in Australia, Republic of Georgia and Mexico. He successfully developed Ballarat East, Quartzite Gold in Georgia, and Palmarejo Silver Gold Mine in Mexico, prior to the Coeur Mining takeover and was COO of Cerro Resources prior to its takeover by Primero Mining. He has 16 years' experience in Mexico. He founded Sun Minerals in 2017 and acquired the option to purchase the Copalquin Project in Mexico.

Name: Mr. Stephen Layton

Title: Independent Director (Currently Non-Executive Director – Mithril Resources)

Qualifications: MSIAA

Mr. Layton has over 35 years' experience in equity capital markets in the UK and Australia. He has worked with various stockbroking firms and/or AFSL regulated corporate advisory firms, specializing in capital raising services and opportunities, corporate advisory, facilitation of ASX listings and assisting companies grow.

Name: Mr. Garry Thomas

Title: Independent Director (Currently Non-Executive Director – Mithril Resources)

Qualifications: Assoc. CE

Mr. Thomas is a civil engineer with over 35 years' experience in civil construction, mine development and operations. He has been involved in the implementation of mining operations in Australia, Indonesia, Laos, Russia, Zimbabwe, Ghana, Zambia, South Africa, Algeria, Mexico and Mali. He has managed the construction and commissioning of over 20 CIL/CIP, flotation and heap leach plants in Australasia, Russia and Africa as well as many plant upgrades including construction at Palmarejo, Mexico prior to the Coeur Mining take over. Mr. Thomas founded Internet Engineering which he sold to Sedgman Metals.

Name: Colin Jones

Title: Independent Director (Currently in this position - Newrange Gold)

Qualifications: Bsc (Earth Sciences), Massey University, NZ

Mr. Jones is Principal Consultant for Orimco Resource Investment Advisors, Perth, Australia. He has 40 years' experience as a mining, exploration and consulting geologist in a number of different geological environments on all continents. He has managed large exploration and due diligence projects, and has undertaken numerous bankable technical audits, technical valuations, independent expert reports and due diligence studies worldwide, most of which were on behalf of major international resource financing institutions and banks.



Name: Ron Schmitz**Title: Independent Director (Currently in this position - Newrange Gold)****Qualifications: Associate of Commerce, Vancouver Island University.**

Mr. Schmitz is the Principal and President of ASI Accounting Services Inc., a firm who has provided administrative, accounting and office services to public and private companies since July 1995. Mr. Schmitz has served as a Director and/or Chief Financial Officer of various public companies since 1997, and currently holds these positions with various public and private companies.

Name: David Cross**Title: CFO & Corporate Secretary (Currently in this position - Newrange Gold)****Qualifications: CPA, CGA**

Mr. Cross is a CPA and CGA with over 21 years' experience in the junior sector with a focus on finance and corporate governance. He is currently a partner of Cross Davis and Company LLP Chartered Professional Accountant, which specializes in accounting and management services for private and publicly-listed companies within the mining industry.

Due Diligence and Indicative Timeline:

Under the terms of the non-binding term sheet, the parties have agreed to a period of twenty (20) Business Days to conduct due diligence investigations.

If the Proposed Transaction proceeds, the parties intend to execute Scheme Implementation Agreements for each of the Share Scheme and the Option Scheme by 28 April 2023.

The parties have agreed to an exclusivity period that will expire on 28 April 2023 (or when the Scheme Implementation Agreements are entered), subject to conditions.

The Scheme will then proceed in accordance with a standard timeline, with dates for the relevant Court hearings and shareholder meetings to be finalised in due course.

Prior Placements:

Prior to entering into the Scheme, Mithril Resources understands that Newrange Gold intends to undertake:

- (a) a private placement to raise up to C\$360,000, to be used for working capital purposes and to pay for the expenses related to the Proposed Transaction (**Bridge Financing**); and
- (b) a further private placement to raise up to C\$3,600,000, to be used for further exploration and development of the Copalquin Project and working capital (**Concurrent Financing**).

The placements are being conducted in order to meet the relevant listing rules of the TSXV, which requires that companies have adequate working capital and financial resources to carry out stated work programs and execute stated business plans for 12 months following listing.

The securities issued under the Bridge Financing will be subject to the proposed Consolidation.

Further information regarding these private placements can be found in the market announcement released by Newrange Gold, on or around the date of this announcement, on the company's website at newrangegold.com/news/news-releases/

Other information:

It is anticipated that:

- (a) upon completion of the Scheme, Newrange will change its name to Pinnacle Silver and Gold Corp (or such other name as is determined by the companies);
- (b) Newrange will apply for an exemption from sponsorship for the Proposed Transaction in accordance with the policies of the TSXV; and
- (c) completion of the Proposed Transaction will be conditional upon arrangements being in place (including obtaining any necessary approvals from Mithril Resources shareholders and ASX) so that all of the existing employee options and performance rights will either be acquired by Newrange Gold, vest (and have resulted in the issue of Mithril Resources shares), lapse or otherwise be cancelled to terminated.

Mithril Resources is preparing a NI 43-101 compliant technical report on the Copalquin Project for submission to the TSXV.

Further information about the Proposed Transaction will be disclosed when available and included in the documentation that will be filed by each of the companies, in due course, in accordance with the policies of the ASX, the Corporations Act and the TSXV (as applicable).

Board intention:

The Board of Mithril Resources intend to unanimously recommend that Mithril Resources shareholders vote in favour of the Scheme, subject to entry into an acceptable Scheme Implementation Agreement, no superior proposal being received and an Independent Expert concluding (and continuing to conclude) that the Scheme is in the best interests of shareholders.

The Company notes that, until due diligence is completed, and a binding Scheme Implementation Agreement is executed by the parties, there is no certainty that the Proposed Merger will proceed.

About Newrange Gold:

Newrange Gold Corp. is an exploration company listed on the TSXV, with a focus on district-scale exploration for precious metals in the prolific Red Lake District of north-western Ontario. The past-producing high-grade Argosy Gold Mine is open to depth, while the adjacent North Birch Project offers additional potential.

The 100% owned North Birch Gold Project comprises approximately 3,850 hectares and lies in the north-western corner of the Birch-Uchi Greenstone Belt in the Red Lake Mining Division of north-western Ontario, roughly 110 kilometres northeast of the town of Red Lake. It is presently accessible by air only, but road access is improving as logging roads and an all-weather road to the Springpole Gold Project, 12 kilometres to the southeast, are pushing farther north. In the summer, float planes are available from Red Lake, Sioux Lookout and Ear Falls. In the winter, fixed wing aircraft equipped with skis for landing on the frozen lakes are available in Red Lake and Sioux Lookout. Helicopters are also available year-round from Red Lake and Kenora.

The Birch-Uchi Belt is considered to have similar geology to the Red Lake Belt but has seen less exploration and is about three times larger. The North Birch Project covers a geological setting identified from airborne magnetic surveys (Ontario Geological Survey and AurCrest Gold) and interpreted as being a favourable environment for gold mineralisation.



Figure 1 - Location of the Newrange Gold Canadian properties in the Birch-Uchi Belt of the prolific Red Lake Mining Division, Ontario.

and interpreted as being a favourable environment for gold mineralisation. Specifically, the Property covers an intensely folded and sheared iron formation that is similar in appearance to the one hosting Newmont Goldcorp's Musselwhite Mine (past production, reserves and resources exceed 8 million ounces Au), some 190 kilometres to the northeast. In addition, the stratigraphy underlying the bulk of both properties is interpreted as Cycle I volcanics, which are thought by some workers to be equivalent to the Balmer Assemblage, host of the prolific Campbell/Red Lake gold orebody (more than 20 million ounces gold in past production and reserves) in the adjacent Red Lake Greenstone Belt.

Minimal previous exploration has been conducted on the North Birch Property, largely because it lies at the limits of government mapping. However, the past-producing Argosy Gold Mine is only about four kilometres from the southeast boundary of the

property and the Richardson Lake deposit lies just 2.5 kilometres north of Argosy. Gold mineralisation at Argosy is hosted by what appears to be a set of extensional veins related to a north-south structure. Veining in iron formation at Richardson Lake is of a similar style, while gold-bearing pyritic quartz veins in iron formation have been reported elsewhere in the vicinity of the Property.

The 100% owned Argosy Gold Mine is situated in the northern part of the Birch-Uchi Greenstone Belt of the Superior Province of the Precambrian Shield. The Birch-Uchi Belt lies between the prolific Red Lake and Pickle Lake Greenstone Belts and contains similar geology. Located 110 kilometres east-northeast of Red Lake, the property hosts the most significant past-producing gold mine in the Birch-Uchi Belt. It also lies just 10 kilometres northwest of the Springpole Deposit being advanced by First Mining Gold Corp. (4.7 million ounces Au in Indicated resources). Newrange owns a 100% interest in the Argosy Gold Mine Property, subject to a 2.5% NSR. The property consists of 43 patented claims and 17 Mining Licences of Occupation comprising 604 hectares.

The Argosy (formerly Jason) Gold Mine was mined between 1931 and 1952 and produced 101,875 ounces of gold and minor amounts of silver from 276,573 tons of ore at an average grade of 0.37 ounces per ton (12.7 g/t) Au. The mine was only developed to a depth of 900 feet (270 metres), however, and although developed ore reserves had been exhausted at the time the mine closed, it is known that high-grade gold mineralization extends below the old workings. The property lay dormant until 1974 and has been only intermittently explored since.

Diamond drilling in October 2002 by a previous operator confirmed the extension of the gold mineralization below the old workings.

The property is underlain by a drag-folded sequence of mafic and intermediate volcanics, greywacke and iron formation. Carbonate and sericite alteration occur over an area of about 3km x 3km. A large body of quartz porphyry occurs on the southern portion of the property and related dykes are found intruding the volcanic and

sedimentary rocks. Quartz veins mineralized with sulphides and gold occur in north-south trending fractures dipping westward between 30 and 85 degrees.

There is exceptional exploration potential on the property and Newrange will be completing a 3D model from previous data in order to mount an exploration program to further demonstrate the continuity of gold mineralisation to depth.

Further information regarding Newrange Gold, including the background of the company's current Board and Management, can be found on its website at www.newrangegold.com.

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km² containing several dozen historic gold and silver mines and workings, ten of which had notable production. The district is within the Sierra Madre Gold Silver Trend which extends north-south along the western side of Mexico and hosts many world-class gold and silver deposits.

Multiple mineralisation events, young intrusives thought to be system-driving heat sources, widespread alteration together with extensive surface vein exposures and dozens of historic mine workings, identify the Copalquin mining district as a major epithermal centre for Gold and Silver.

Within 15 months of drilling in the Copalquin District, Mithril delivered a maiden JORC mineral resource estimate demonstrating the high-grade gold and silver resource potential for the district. This maiden resource is detailed below (see ASX release 17 November 2021)[^].

- **2,416,000 tonnes @ 4.80 g/t gold, 141 g/t silver for 373,000 oz gold plus 10,953,000 oz silver (Total 529,000 oz AuEq*) using a cut-off grade of 2.0 g/t AuEq***
- **28.6% of the resource tonnage is classified as indicated**

	Tonnes (kt)	Tonnes (kt)	Gold (g/t)	Silver (g/t)	Gold Equiv.* (g/t)	Gold (koz)	Silver (koz)	Gold Equiv.* (koz)
El Refugio	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,447	4.63	137.1	6.59	215	6,377	307
La Soledad	Indicated	-	-	-	-	-	-	-
	Inferred	278	4.12	228.2	7.38	37	2,037	66
Total	Indicated	691	5.43	114.2	7.06	121	2,538	157
	Inferred	1,725	4.55	151.7	6.72	252	8,414	372
	TOTAL	2,416	4.80	141	6.81	373	10,953	529

Table 1 - Mineral resource estimate El Refugio – La Soledad using a cut-off grade of 2.0 g/t AuEq*

* The gold equivalent (AuEq.) values are determined from gold and silver values and assume the following: AuEq. = gold equivalent calculated using and gold:silver price ratio of 70:1. That is, 70 g/t silver = 1 g/t gold. The metal prices used to determine the 70:1 ratio are the cumulative average prices for 2021: gold USD1,798.34 and silver: USD25.32 (actual is 71:1) from kitco.com. Metallurgical recoveries are assumed to be approximately equal for both gold and silver at this early stage. Actual metallurgical recoveries from test work to date are 96% and 91% for gold and silver, respectively. In the Company's opinion there is reasonable potential for both gold and silver to be extracted and sold. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting.

[^] The information in this report that relates to Mineral Resources or Ore Reserves is based on information provided in the following ASX announcement: 17 Nov 2021 - MAIDEN JORC RESOURCE 529,000 OUNCES @ 6.81G/T (AuEq*), which includes the full JORC MRE report, also available on the Mithril Resources Limited Website.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mining study and metallurgical test work supports the development of the El Refugio-La Soledad resource with conventional mining methods indicated as being appropriate and with high gold-silver recovery to produce metal on-site with conventional processing.

Mithril is currently exploring in the Copalquin District to expand the resource footprint to demonstrate its multi-million ounce gold and silver potential.

Mithril Resources is earning 100% interest in the Copalquin District mining concessions via a purchase option agreement (currently at 50%) detailed in ASX announcement dated 25 November 2019 and amended to extend the option period to August 2026.

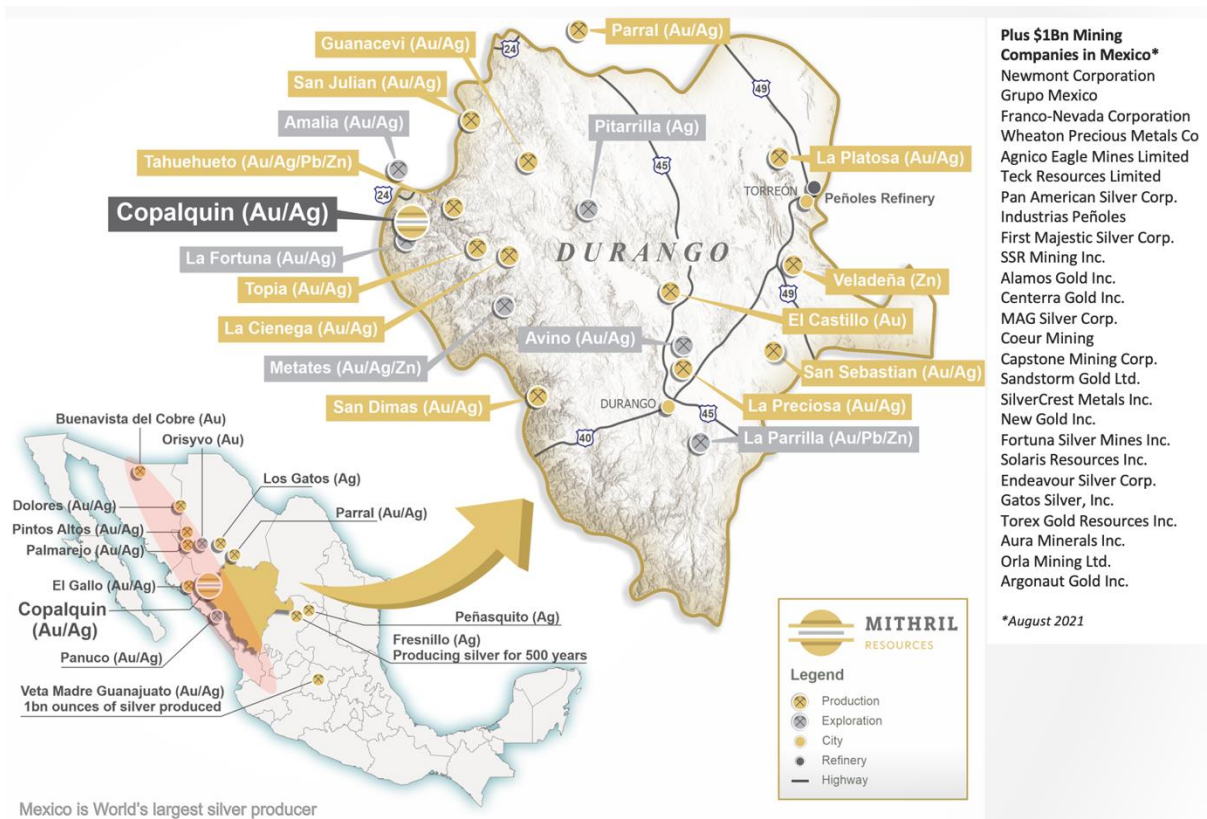


Figure 2 – Copalquin District location map with locations of mining and exploration activity within the state of Durango

-ENDS-

Released with the authority of the Board.
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Competent Persons Statement

The information in this announcement that relates to metallurgical test results, mineral processing and project development and study work, as well as the historic data that relates to the Newrange Gold Inc. Red Lake District properties in this announcement, has been compiled by Mr John Skeet who is Mithril's CEO and Managing Director. Mr Skeet is a Fellow of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Skeet has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Skeet consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

The information in this announcement that relates to sampling techniques and data, exploration results and geological interpretation for Mithril's Mexican project, has been compiled by Mr 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.