



Auditor Review of Historical and Pro Forma Financial Information

In connection with the re-quotation of the Company's securities, the Company provides the Auditor Review of Historical and Pro Forma Financial Information based on the pro-forma balance sheet as at 30 April 2024 prepared by the Company (attached).

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

John Skeet
Managing Director

21 May 2024

The Directors
Mithril Resources Limited
Level 4, 100 Albert Road
South Melbourne, VIC, 3025

Dear Directors

Independent Limited Assurance Report on the Historical and Pro Forma Financial Information

Introduction

We have been engaged by Mithril Resources Limited ("Mithril Resources Limited" or the "Company") to report on the historical and pro forma financial information of the Company in connection with the ASX requirements to the capital raising and convertible note conversion.

Scope

You have requested Nexia Melbourne Audit Pty Ltd to review the following Historical Financial Information of the Company included in the attached pro-forma:

Historical Financial Information

The Historical Financial Information, as set out in the Pro-forma comprises the:

- reviewed consolidated historical statement of financial position as at 30 April 2024; and
- pro forma consolidated statement of financial position of Mithril Resources Limited as at 30 April 2024, which assumes completion of the transactions outlined in note to the pro-forma (the "Pro Forma Transactions") as though they had occurred on that date.

(Hereafter the "Historical Financial Information").

The Historical Financial Information other than the Pro Forma Transactions and the results of the associated adjustments to the consolidated pro forma statement of financial position has been extracted from the reviewed financial statements for to 30 April 2024 which were reviewed by Nexia Melbourne Audit Pty Ltd. Nexia Melbourne Audit Pty Ltd issued an unqualified review report in relation to 1HY23 including an emphasis of matter which indicates that there is significant uncertainty about the Group's ability to meet its ongoing operating and financing commitments over the foreseeable future.

The stated basis of preparation is the recognition and measurement principles contained under Australian Generally Accepted Accounting Principles ("AGAAP") and Mithril Resources Limited adopted accounting principles applied to the Historical and Pro forma Financial Information.

The Historical Financial Information is presented in an abbreviated form insofar as it does not include all of the presentation and disclosures required and other mandatory professional reporting requirements

Advisory. Tax. Audit.

Registered Audit Company 291969

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applicable to general purpose financial reports prepared in Australia in accordance with the Corporations Act 2001.

Nexia Melbourne Audit Pty Ltd disclaim any assumption of responsibility for any reliance on this report or on the Historical Financial Information to which this report relates for any purpose other than the purposes for which it was prepared.

Directors' Responsibility

The Directors of Mithril Resources Limited are responsible for the preparation and presentation of the Historical Financial Information. The Directors are also responsible for the determination of the Pro Forma Transactions and the basis of preparation of the Historical Financial Information.

This responsibility also includes compliance with applicable laws and regulations and for such internal controls as the Directors determine necessary to enable the preparation of the Historical Financial Information that are free from material misstatement.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information based on the procedures performed and evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450: *"Assurance Engagements involving Corporate Fundraisings and/or Prospective Historical Financial Information"* and ASAE 3420: *"Assurance Engagements to Report on the Compilation of Pro Forma Historical Financial Information"*. Our procedures consisted of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures applied to the accounting records in support of the Historical and Pro Forma Financial Information. These procedures are substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently do not enable us to obtain reasonable assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion on the Historical Financial Information.

Our engagement did not involve updating or reissuing any previously issued audit reports on any historical financial information used as a source of the Historical Financial Information.

Conclusion

Historical Financial Information

Based on our independent review, which is not an audit, nothing has come to our attention which causes us to believe that:

- The Historical Financial Information as outlined in the attached pro-forma does not present fairly the:
 - reviewed consolidated historical statement of financial position as at 30 April 2024;
 - or

- pro forma consolidated historical statement of financial position of Mithril Resources Limited as at 30 April 2024;
- The pro forma consolidated statement of financial position of Mithril Resources Limited as at 30 April 2024 has not been properly prepared on the basis of the Pro Forma Transactions or the Pro Forma Transactions do not set out a reasonable basis for it;

in accordance with the measurement and recognition requirements (but not all of the presentation and disclosure requirements) of applicable Accounting Standards and other mandatory professional reporting requirements under AGAAP.

Restriction on Use

Without modifying our conclusion, we draw attention to the introduction above, which describes the purpose of the Historical Financial Information, being to satisfy the ASX requirements relating to the capital raising and convertible note conversion process. As a result, the Historical Financial Information may not be suitable for use for another purpose.

Independence or Disclosure of Interest

Nexia Melbourne Audit Pty Ltd does not have any pecuniary interests that could reasonably be regarded as being capable of affecting its ability to give an unbiased conclusion in this matter. Nexia Melbourne Audit Pty Ltd will receive a professional fee for the preparation of this Independent Limited Assurance Report.



Nexia Melbourne Audit Pty Ltd
Melbourne Audit



Ben Bester
Director

Dated this 21th Day of May 2024

The reviewed pro-forma balance sheet as at 30 April 2024 shown below has been prepared on the basis of the accounting policies adopted by Mithril Resources Limited and its controlled entities (the Group) as outlined in the annual financial statements for the year ended 30 June 2023 and reflect the changes to its financial position. The pro-forma balance sheet has been prepared assuming completion of the capital raising outlined in the announcement dated 5 March 2024 and resolutions approved at the Annual General Meeting held on 22 April 2024. The pro-forma balance sheet has been prepared to provide the Australian Securities Exchange with information on the assets and liabilities of the Group and pro-forma assets and liabilities of the Group as noted below.

The historical and pro-forma reviewed financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

Mithril Resources Limited
Pro-forma Consolidated Statement of Financial Position

	Mithril Consolidated Reviewed	Pro-forma Adjustments Capital Raising	Pro-forma Adjustments Capital Raising	Pro-forma Adjustments Capital Raising	Pro-forma Adjustments Capital Raising	Pro-forma Mithril Consolidated Post Capital Raising
	30-Apr 2024 \$AUD	Adj. 1 \$AUD	Adj. 2 \$AUD	Adj. 3 \$AUD	Adj. 4 \$AUD	30-Apr 2024 \$AUD
Assets						
Current assets						
Cash and cash equivalents	25,989	(30,000)	3,388,723	0	0	3,384,712
Trade and other receivables	153,231	0	0	0	0	153,231
Prepayments	420,558	0	0	0	0	420,558
Total current assets	<u>599,778</u>	<u>(30,000)</u>	<u>3,388,723</u>	<u>0</u>	<u>0</u>	<u>3,958,501</u>
Non-current assets						
Trade and other receivables	1,337	0	0	0	0	1,337
Exploration and evaluation	31,537,361	0	100,000	0	0	31,637,361
Total non-current assets	<u>31,538,698</u>	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>0</u>	<u>31,638,698</u>
Total assets	<u>32,138,476</u>	<u>(30,000)</u>	<u>3,488,723</u>	<u>0</u>	<u>0</u>	<u>35,597,199</u>
Liabilities						
Current liabilities						
Trade and other payables	1,578,512	(51,931)	21,653	(7,500)	(200,000)	1,340,734
Borrowings	195,164	0	0	(150,000)	0	45,164
Convertible notes	700,000	(700,000)	0	0	0	0
Employee benefits	23,511	0	0	0	0	23,511
Total current liabilities	<u>2,497,187</u>	<u>(751,931)</u>	<u>21,653</u>	<u>(157,500)</u>	<u>(200,000)</u>	<u>1,409,409</u>
Total liabilities	<u>2,497,187</u>	<u>(751,931)</u>	<u>21,653</u>	<u>(157,500)</u>	<u>(200,000)</u>	<u>1,409,409</u>
Net assets	<u>29,641,289</u>	<u>721,931</u>	<u>3,467,070</u>	<u>157,500</u>	<u>200,000</u>	<u>34,187,790</u>
Equity						
Issued capital	66,250,053	721,931	3,467,070	157,500	200,000	70,796,554
Reserves	7,166,363	0	0	0	0	7,166,363
Accumulated losses	<u>(43,775,127)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(43,775,127)</u>
Total equity	<u>29,641,289</u>	<u>721,931</u>	<u>3,467,070</u>	<u>157,500</u>	<u>200,000</u>	<u>34,187,790</u>

The reviewed pro-forma Consolidated Statement of Financial Position as at 30 April 2024 has been adjusted to reflect the following capital raising pro-forma adjustments:

- The holders of \$670k of convertible notes have converted the notes to shares (Shares and Options have been issued to part settle \$51,931 interest owing) at completion of the fundraising. The holders of \$30k of convertible notes have redeemed the notes for cash.
\$51,931 on convertible notes interest has been expensed up to April 2024.
- Fundraising completed by Mithril of \$3,495,500 (Issue of Shares) less \$190,530 fundraising costs (the joint lead managers will receive a fee of 6% of funds raised directly).
Includes the issue of \$300k of convertible notes converted to Shares as part of the fundraising.
Includes fees of \$106,777 to the joint lead managers withheld from funds received.
Arlington Group Asset Management have received \$62,100 in fees settled as Shares issued.
Includes 1,000,000 Shares (post consolidation) issued to Compania Minera Copalquin SA de CV (CMC) as part payment of the February 2024 Purchase Option of US\$75k.
- The loan from Garry Thomas of \$150,000 plus interest of \$7,500 has been converted to Shares as part of the fundraising.
\$7,500 interest has been expensed up to April 2024.
- 2,000,000 Shares (post consolidation) issued as part of the engagement fee payable to S3 Consortium Pty Ltd, the Company's investor relations manager.