

SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

Highlights – Copalquin Gold-Silver, Mexico

- Exploration work progressed in the Copalquin Mining District where the large hydrothermal gold-silver system has been discovered influencing over 4km of strike at surface and with a high-grade maiden JORC resource at El Refugio
- First holes from deep drilling at El Refugio confirm continuing high-grade gold and silver, important for the considerably greater depth potential of the El Refugio system
 - 5.67m @ 4.37 g/t gold, 174 g/t silver from 331.33m, (CDH-137), including
 - 1.67m @ 9.64 g/t gold, 399 g/t silver from 331.33m, plus
 - 1.00m @ 1.68 g/t gold, 67.2 g/t silver from 367.0m, plus
 - 1.00m @ 1.27 g/t gold, 46.1 g/t silver from 370.0m
- Excellent intercept confirming high-grade gold-silver at the western end of the El Refugio resource area with first drilling on section 800
 - 5.83m @ 15.7 g/t gold, 474 g/t silver from 91.77m, (CDH-140), including
 - 1.81m @ 45.5 g/t gold, 1,387 g/t silver from 93.77m
- Additional drilling on section 600 filled a down dip area and demonstrates the size of the El Refugio structure in the upper brecciation zone with broad 62.4m wide mineralised intercept
 - 5.49m @ 2.54 g/t gold, 23.8 g/t silver from 292.51m, (CDH-141), including
 - 1.00m @ 7.09 g/t gold, 60.5 g/t silver from 292.51m, and including
 - 1.00m @ 4.04 g/t gold, 20.2 g/t silver from 297.00m, plus
 - 4.00m @ 1.35 g/t gold, 47.6 g/t silver from 276.00m, plus
 - 2.00m @ 0.82 g/t gold, 27.7 g/t silver from 317.00m, plus
 - 2.00m @ 0.98 g/t gold, 30.5 g/t silver from 325.00m, plus
 - 1.00m @ 0.94 g/t gold, 22.8 g/t silver from 331.00m, plus
 - 1.80m @ 1.67 g/t gold, 54.8 g/t silver from 292.51m
- High-grade gold-silver intercepts at the eastern end of the El Refugio resource area, on sections 200 to 360
 - 7.00m @ 3.40 g/t gold, 227 g/t silver from 185.0m, (CDH-143), including
 - 3.00m @ 6.49 g/t gold, 454 g/t silver from 189.0m, plus
 - 4.70m @ 0.42 g/t gold, 41.0 g/t silver from 218.0m
 - 4.00m @ 2.27 g/t gold, 170 g/t silver from 106.0m, (CDH-146), plus
 - Shallower intercepts of 1m up to 3.27g/t AuEq¹
 - 2.50m @ 2.71 g/t gold, 125 g/t silver from 71.5m, (CDH-147)
- A drill core relogging programme progressed during the quarter to update resource modelling work and drill program design for La Soledad-El Refugio and expansion east to Los Pinos

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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- Study work progressed to optimise a future development of the highly attractive maiden high-grade gold-silver resource at El Refugio – higher grade indicated-category blocks of the resource containing 51kt at 24.6 g/t gold and 187 g/t silver accessible via a short 300m horizontal tunnel

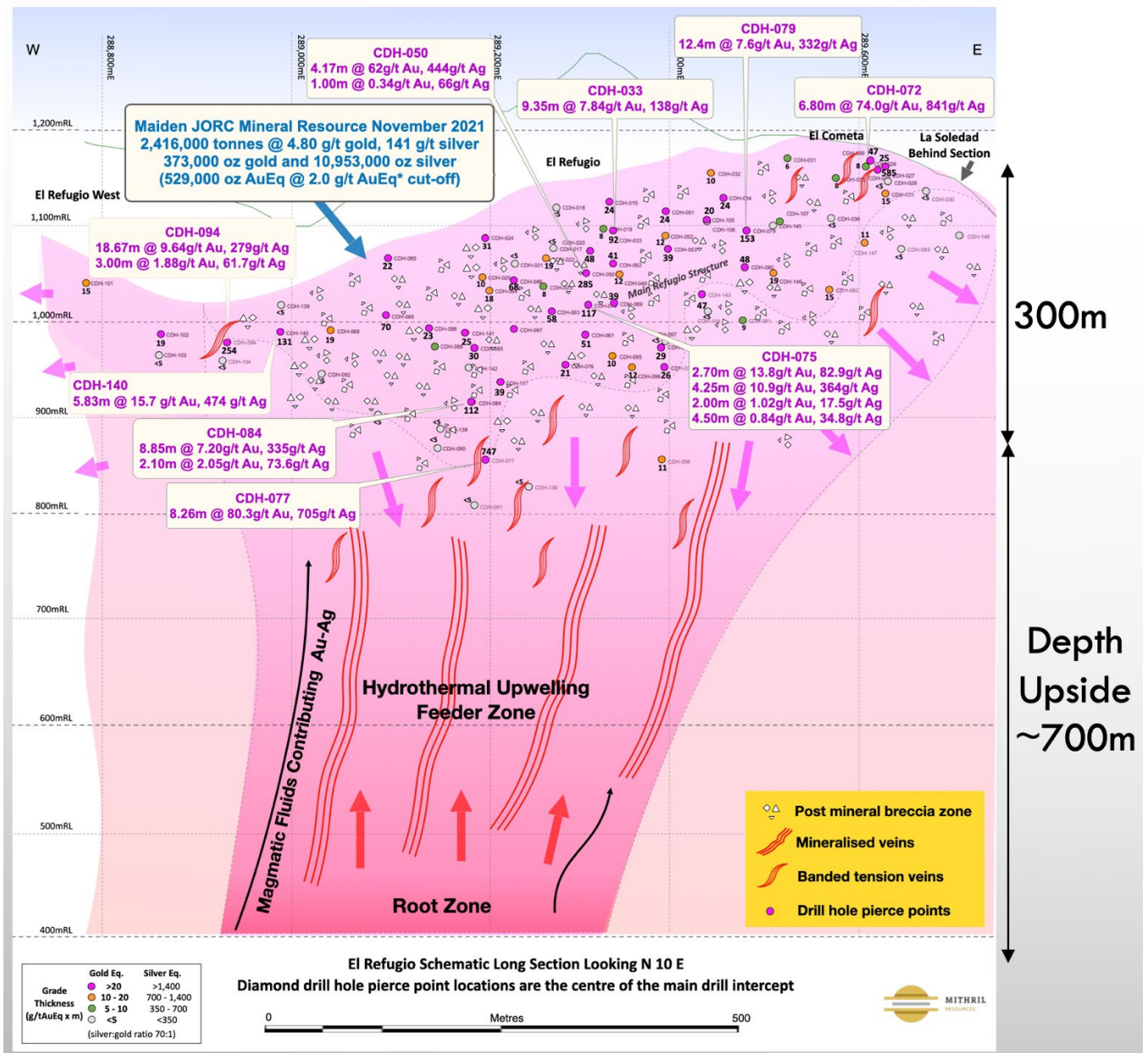


Figure 1 - Schematic long section – El Refugio target where the maiden JORC resource is located in the Copalquin District, Mexico, showing the depth potential confirmed by the recent petrography.

Highlights – Corporate

- Having invested over US\$8m in direct exploration costs on the concessions, Mithril via its Mexican subsidiary now holds 50% interest in the mining concessions and can purchase 100% by paying USD10m in cash, shares or a combination of both to the vendor at any time up to August 2026 (extended by 3 years). See announcement for details of Purchase Option Agreement, 25 Nov 2019 Transformative high-grade gold silver project acquisition.

- At end of the September quarter, the Company has total cash of A\$0.6M, plus is due receipt of ~A\$1.1M (MXP14.14M) of Mexican VAT refunds having already received refunds for 2021 and partially for 2022.
- The Company continues with its community relations in the Copalquin district via support of three district schools and environmental activities/education.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update for the period ending 30 September 2022, for activities at its 100% optioned Copalquin Gold Silver Project in Mexico where a maiden 529koz gold equivalent¹ high-grade gold-silver JORC resource has been defined at El Refugio-La Soledad (see ASX Announcement 17 November 2021).

Mithril Managing Director and CEO, John Skeet, commented:

“The large El Refugio hydrothermal system in the Copalquin District has continued to deliver high-grade gold-silver drilling results and progress the expansion upside for the already impressive maiden JORC resource. The confirmed and considerable depth potential of this important part of the Copalquin District further establishes El Refugio as the primary target area in the near term with the clear aim of expanding the resource inventory as well increasing resource confidence. The high-grade gold and silver, excellent recoveries from simple metallurgy and underground mining taking advantage of the topography make El Refugio a compelling development opportunity in the future with excellent upside across this district scale property in the prolific Sierra Madre gold-silver trend of Mexico.”

COPALQUIN DISTRICT, MEXICO

Subsequent to the end of the September 2022 quarter, Mithril reported results from petrographic work on drill core and rock chip samples from across the Copalquin district. Refer to the ASX release, 13 October 2022 [Depth Potential Confirmed - El Refugio, Copalquin District](#). The above schematic long section in Figure 1 has been developed using the conclusions from the petrography work together with the drilling and geologic model for El Refugio in the Copalquin District.

The very high-grade and significant drill intercepts from holes CDH-077 and CDH-094 raised questions regarding our initial geologic interpretation at El Refugio. The detailed petrographic work involving electron microscopy provides data to support an explanation for the high-grade intercepts and guidance in locating further high-grade veins as we progress drilling and development work in this important area in the Copalquin District. Copalquin continues to provide the data that supports a major high-grade gold-silver system and to expand our already impressive high-grade resource inventory with its excellent future development prospects.

¹ see page 12 for JORC MRE details and AuEq calculation

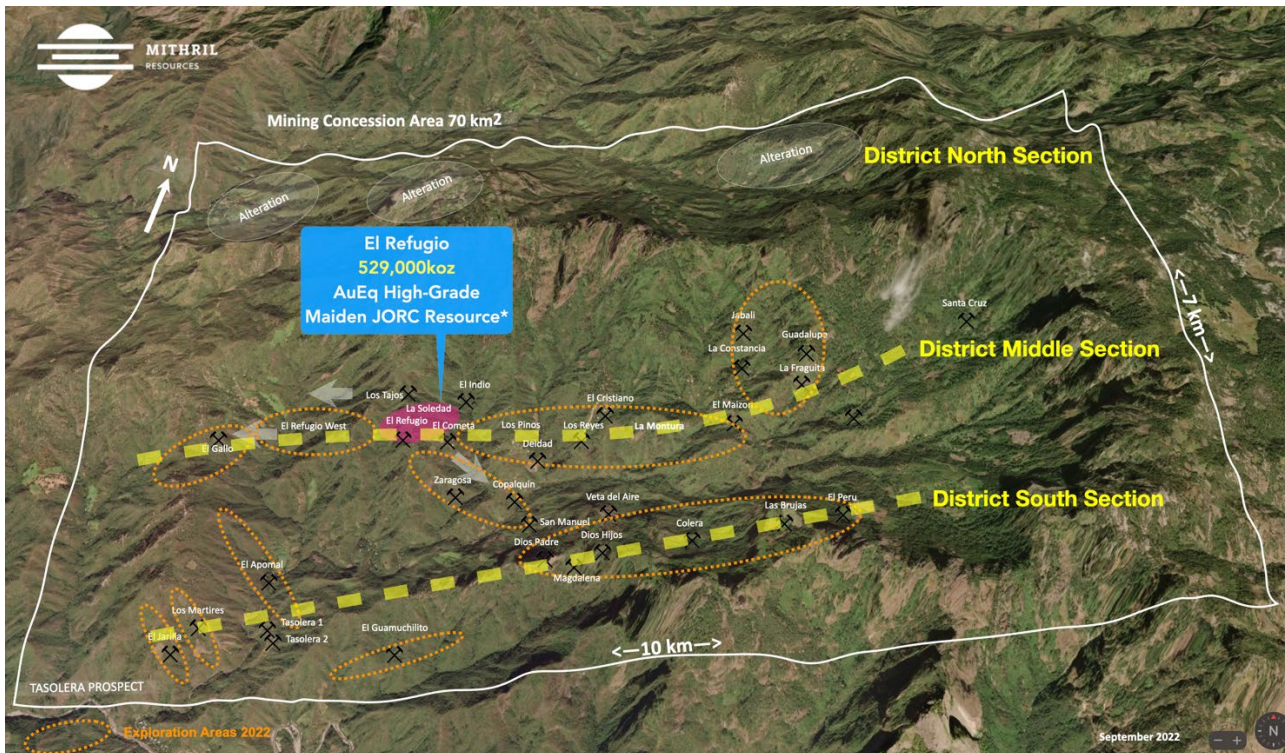


Figure 2 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and the location of the maiden JORC MRE at El Refugio. The long sections indicated on the map are shown in the figures below.

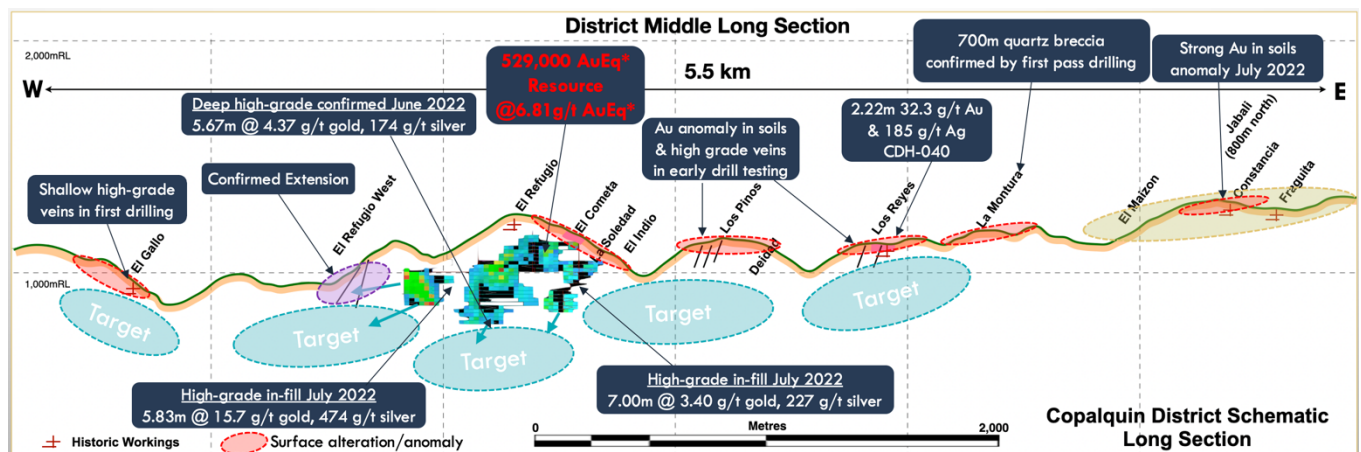


Figure 3 - Schematic long section of the Copalquin District Middle Section showing the locations of the petrography samples and which includes the maiden JORC resource at El Refugio/La Soledad.

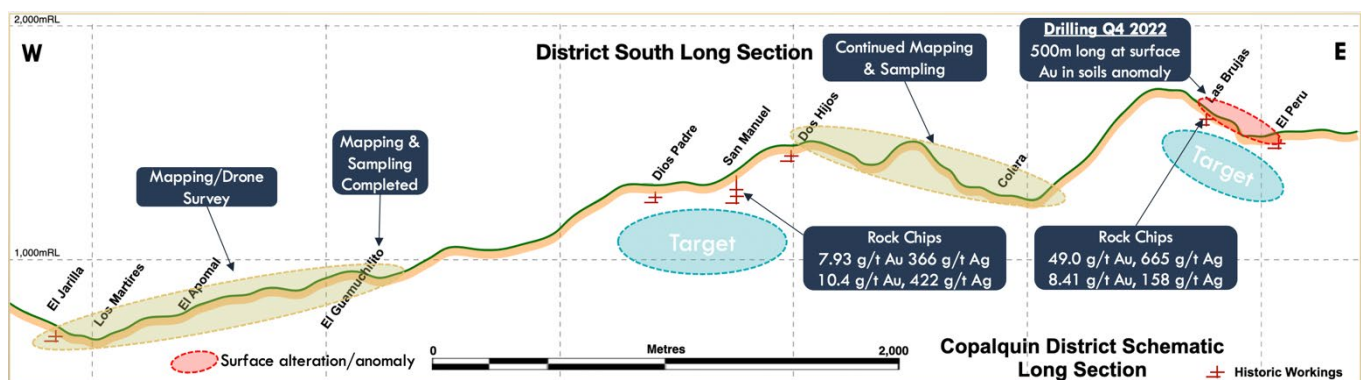


Figure 4 - Schematic long section of the District South Section, Copalquin Mining District showing the locations of the petrography samples.

El Refugio Drilling Reported During the Quarter

Drilling recommenced at El Refugio in May 2022 with a program of six deep holes, three drilled from a location slightly oblique to the main structure, in order to reduce the length of the drill holes to reach the targeted depth. Assays have been received for all drill holes. The program successfully achieved the objective of locating the main structure and confirming high-grade gold and silver on the western side of the El Refugio resource area while providing additional information for the location of the upwelling feeder zone. The previously reported intercept in hole CDH-137 of **5.67m @ 4.37 g/t gold, 174g/t silver** from 331.33m, (CDH-137), including **1.67m @ 9.64 g/t gold, 399 g/t silver** from 331.33 plus **1.00m @ 1.68 g/t gold, 67.2 g/t silver** from 367.0m and **1.00m @ 1.27 g/t gold, 46.1 g/t silver** from 370.0m filled a gap down dip on section 560 and drill hole CDH-136 confirms the downdip extension with some further high-grade gold and silver mineralisation and multiple intercepts.

The first drill holes on section 800 are reported with exceptional high-grade gold and silver intercepts in this western side of the El Refugio resource area with **5.83m @ 15.7 g/t gold, 474 g/t silver** from 91.77m, (CDH-140), including **1.81m @ 45.5 g/t gold, 1,387 g/t silver** from 93.77m down dip of hole CDH-139. This supports the high-grade previously intercepted 40m west by drill hole CDH-094 with **18.87m @ 9.67g/t gold, 279g/t silver**.

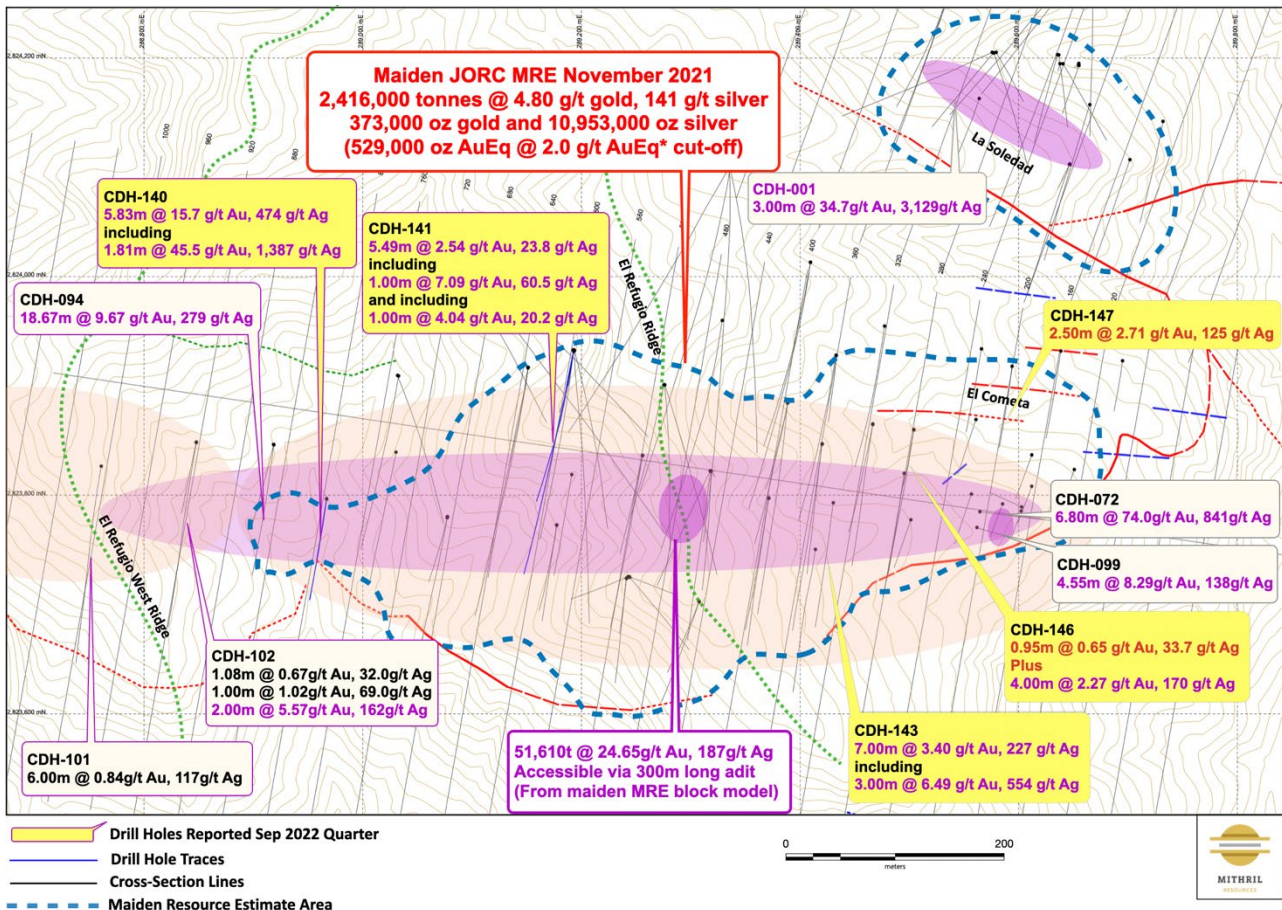


Figure 5 – Plan view at El Refugio – La Soledad showing the maiden JORC MRE area, drill traces and section lines with the locations of the drill intercepts for drill holes reported during the quarter.

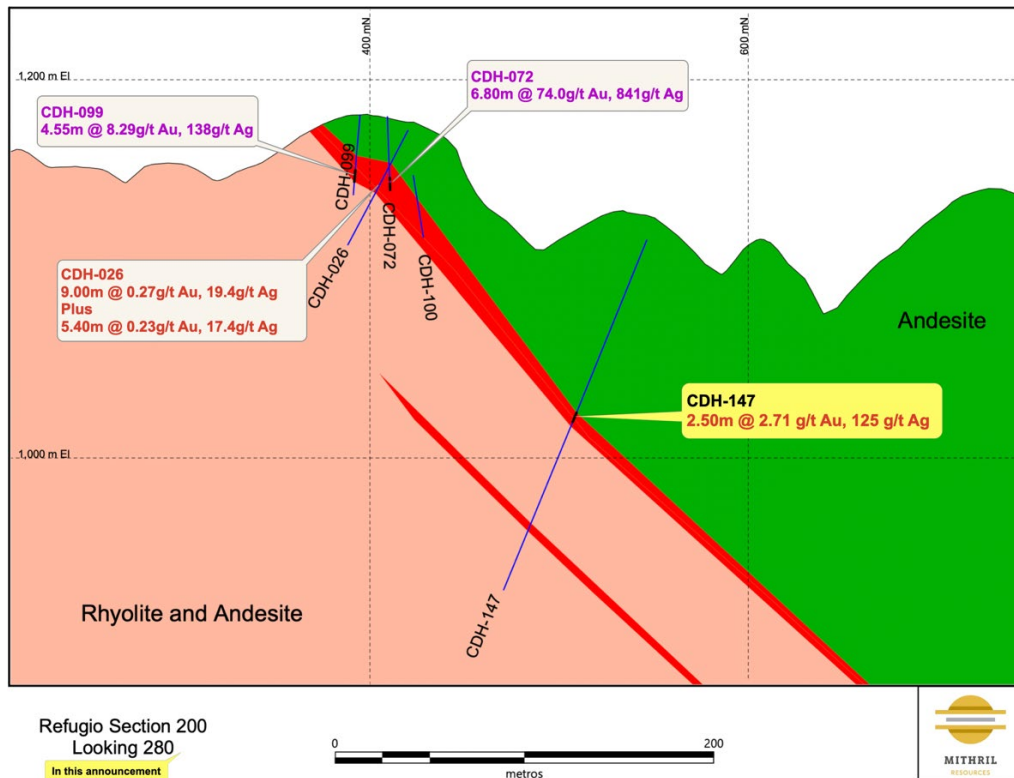


Figure 6 – Cross section 200 showing the intercept in the eastern most drilling with a good relatively near surface intercepts in the El Refugio vein. Further drilling required to follow-up this intercept.

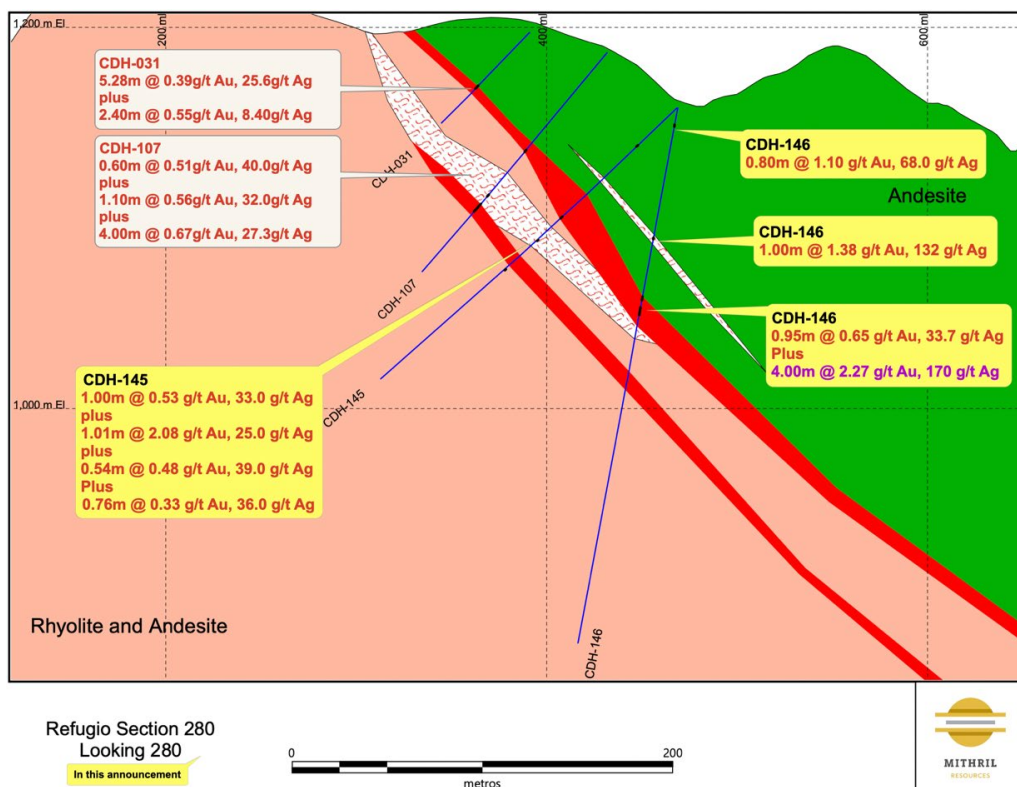


Figure 7 – Cross section 280 showing the well-developed El Refugio structure hosting multiple gold-silver bearing veins with higher grades developing with the deeper intercept in CDH-146.

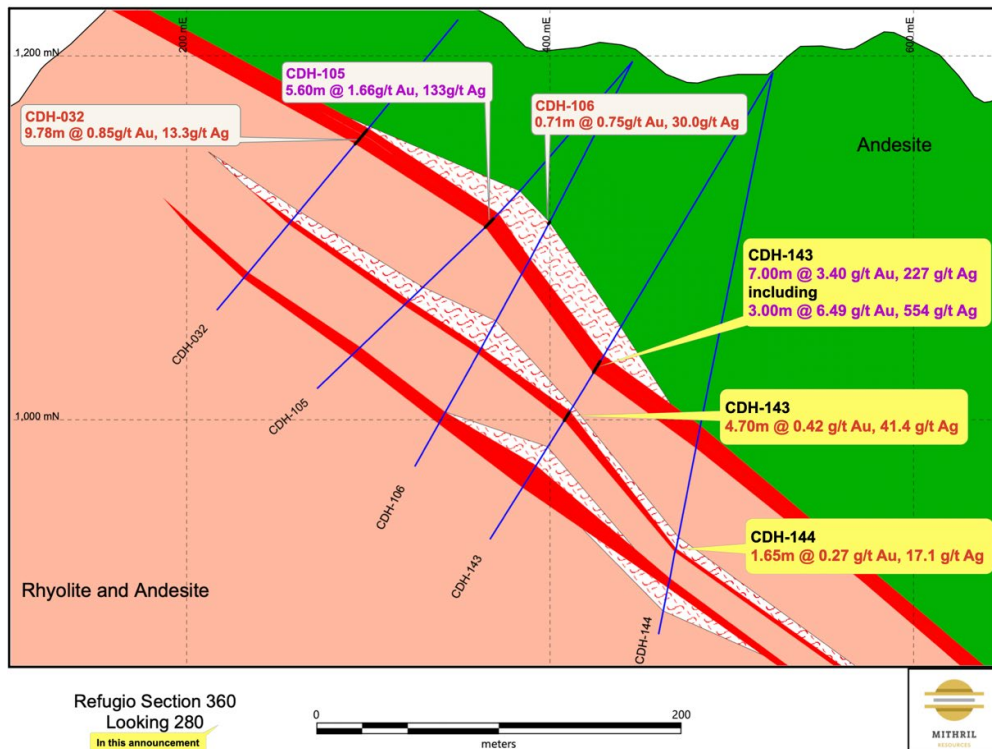


Figure 8 – Cross section 360 showing the multiple veins of the El Refugio structure with high-grade intercepts relatively near to the surface. Further drilling down dip to follow-up.

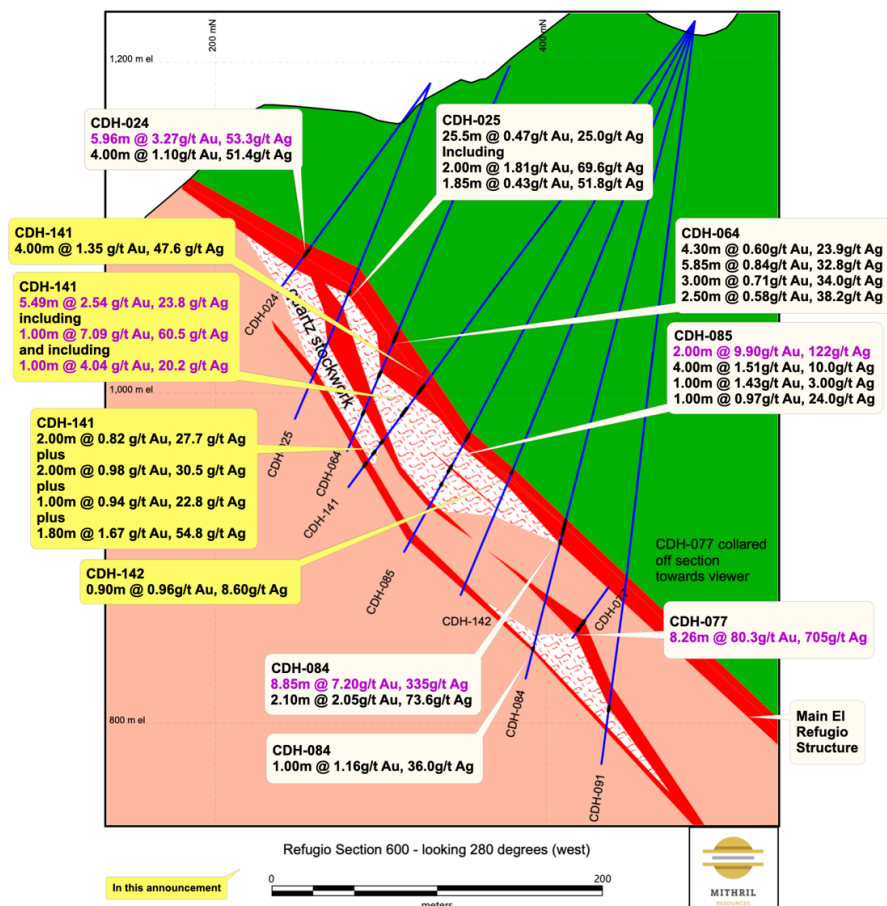


Figure 9 – Cross section 600 showing the well-developed El Refugio structure which hosts multiple gold-silver bearing veins including very high-grade grades.

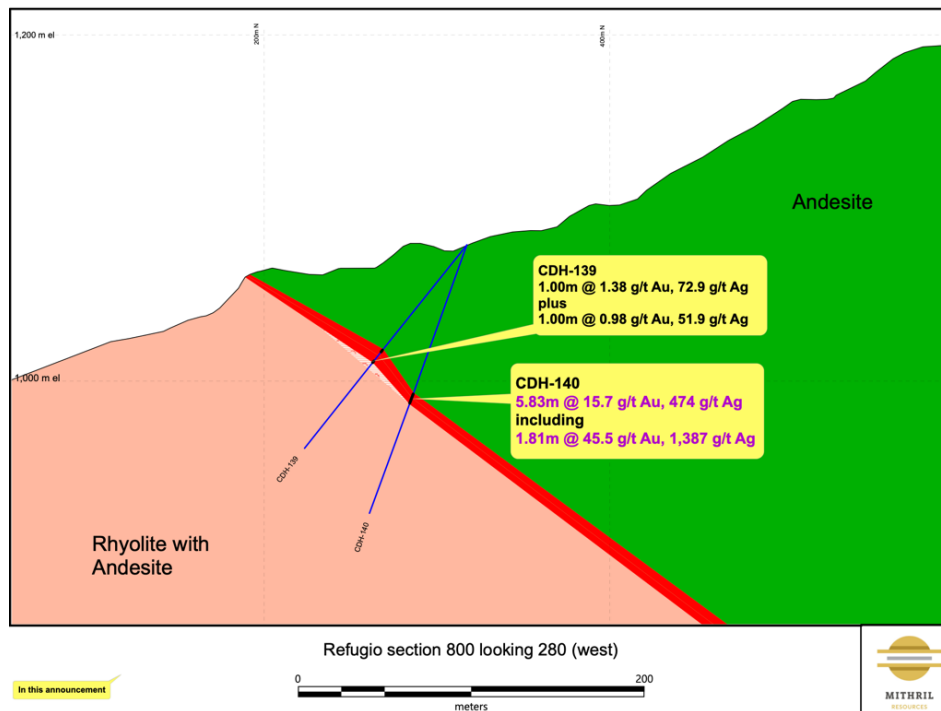


Figure 10 - Cross section 800 where the first drill holes have been completed at the western side of the El Refugio resource area with very high-grade gold and silver developing down dip and one section east of the high-grade CDH-094 intercept.

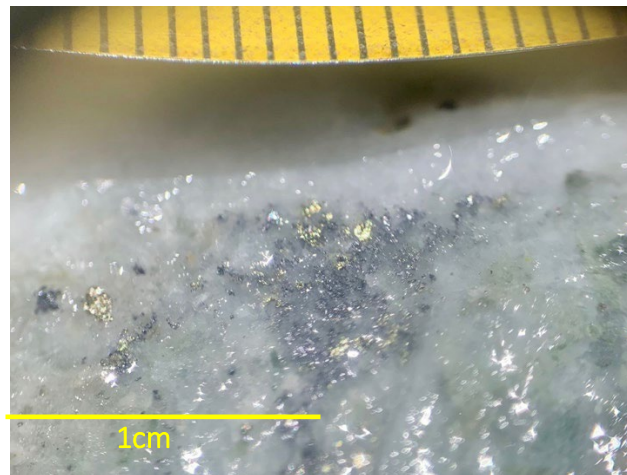


Figure 11 - Photo of drill core from drill hole CDH-144 at 268m, showing black silver sulphides and sulphosalts and pyrite.

Core Relogging Program

The core relogging program for La Soledad and El Refugio drilling progressed throughout the quarter which will enable the geologic interpretation to be updated using the most recent knowledge developed for this important part of the Copalquin Mining District. This information along with the recent petrographic work, is being used to update the database and to further develop the geologic model for design of the next round of drilling to continue to develop this significant deposit and aiming to extend the resource growth deeper plus towards a possible interaction between the main El Refugio and La Soledad structures (see Figure 13).

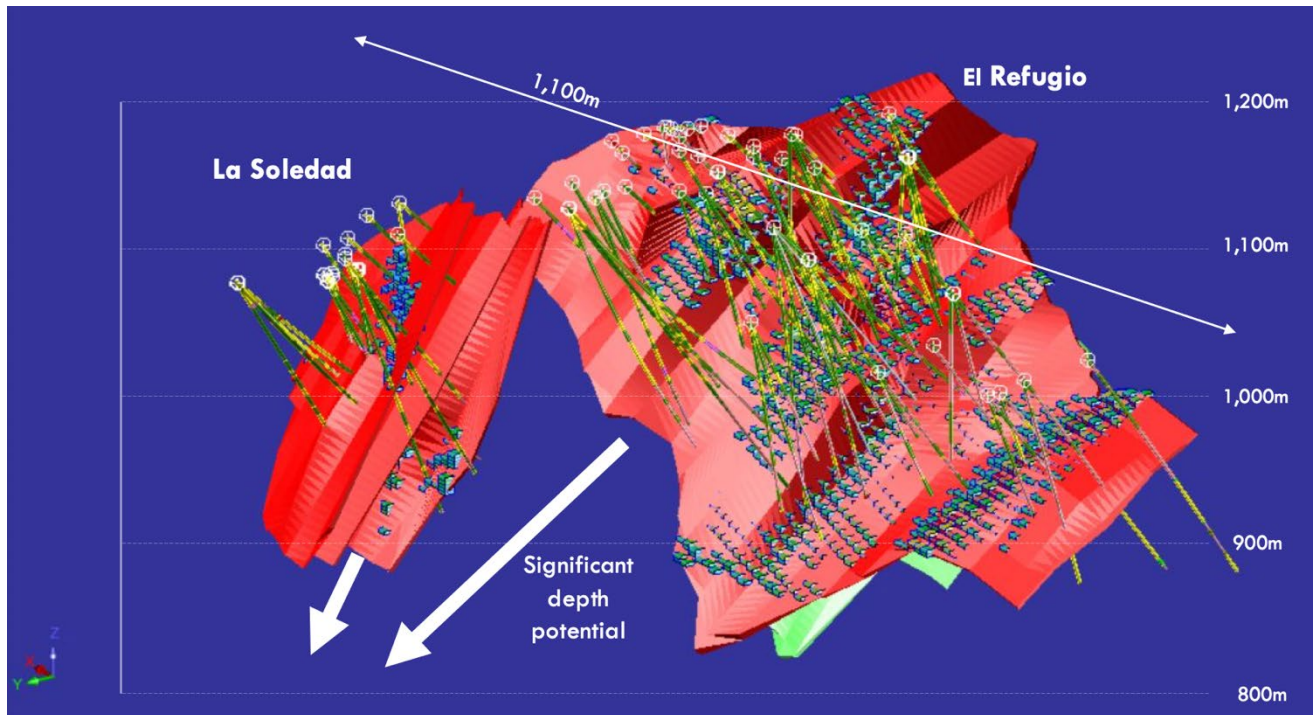


Figure 12 - Oblique long section showing the La Soledad and El Refugio vein models with drill hole traces and resource block model. Scale and elevations are approximate.

The above figure shows an oblique view of the La Soledad-El Refugio vein and block models with traces of drill holes to date. Recent drill logs and results show significant depth potential of this major system and also indicate the general location of the El Refugio upwelling feeder zone and this is consistent with the epithermal gold-silver model shown in the figure below and further supported by the recent drill log observations.

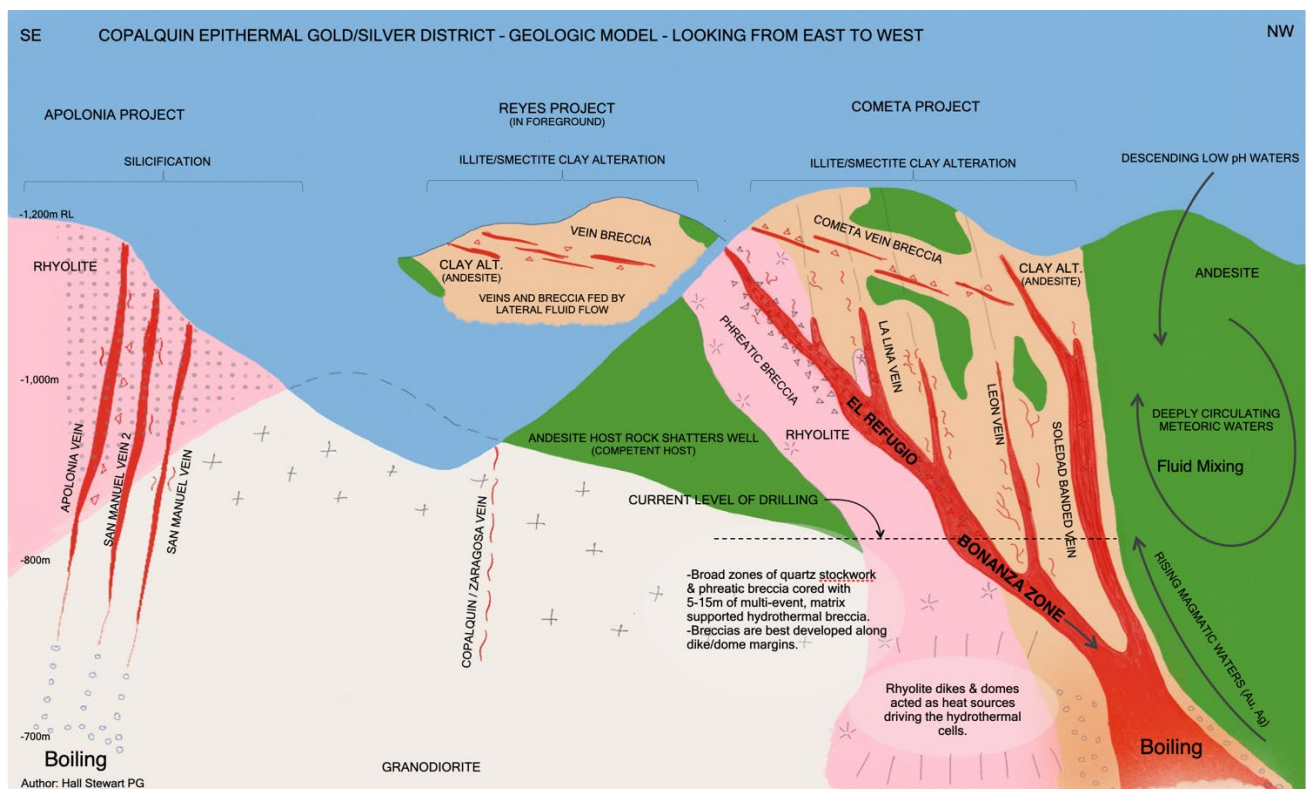


Figure 13 - Copalquin District Geologic Model for epithermal gold/silver - geologic model (author: Hall Stewart PG, Chief Geologist.)

Mithril's relationship with the Copalquin District communities

Mithril has developed excellent relations with the communities that live in the Copalquin district. The majority of Mithril's employees are from these communities. The Company supports three local schools at La Maquina, Los Reyes and El Platano and helps promote environmental awareness and support for children's education.



Figure 14 – Mithril Senior Geologist Darcy Garcia (front left) with schoolchildren and parents from El Platano village in the Copalquin District. Mithril Managing Director and CEO, John Skeet, right rear.

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.
- Native title clearance for the first phase of drilling has been granted.

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.
- During the September 2022 quarter, Carnavale has elected to not continue with the earn-in Agreement for Kurnalpi
- Mithril is reviewing the exploration data for the Kurnalpi tenements and will assess the next steps for this nickel project located in Western Australia where these properties are in high demand.

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.

Limestone Well Project (Limestone)

- Mithril 10%, Auteco Minerals 90%
- 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

Having invested over US\$8m in direct exploration costs on the concessions, Mithril via its Mexican subsidiary now holds 50% interest in the mining concessions and can purchase 100% by paying USD10M in cash, shares or a combination of both to the vendor at any time up to August 2026 (extended by 3 years). See announcement for details of Purchase Option Agreement (25 Nov 2019 [*Transformative high-grade gold silver project acquisition*](#)).

CASH

At end of the September quarter, the Company has total cash of A\$0.6M and is due receipt of ~A\$1.1M (MXP14.14M) of Mexican VAT refunds. Having already received refunds for 2021 and partially for 2022 there is good expectation for receipt of these refunds.

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 2022, pertain to payments to directors and consultants for fees, salary and superannuation.

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*

*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. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting.

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 in 2022 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 detailed in ASX announcement dated 25 November 2019.

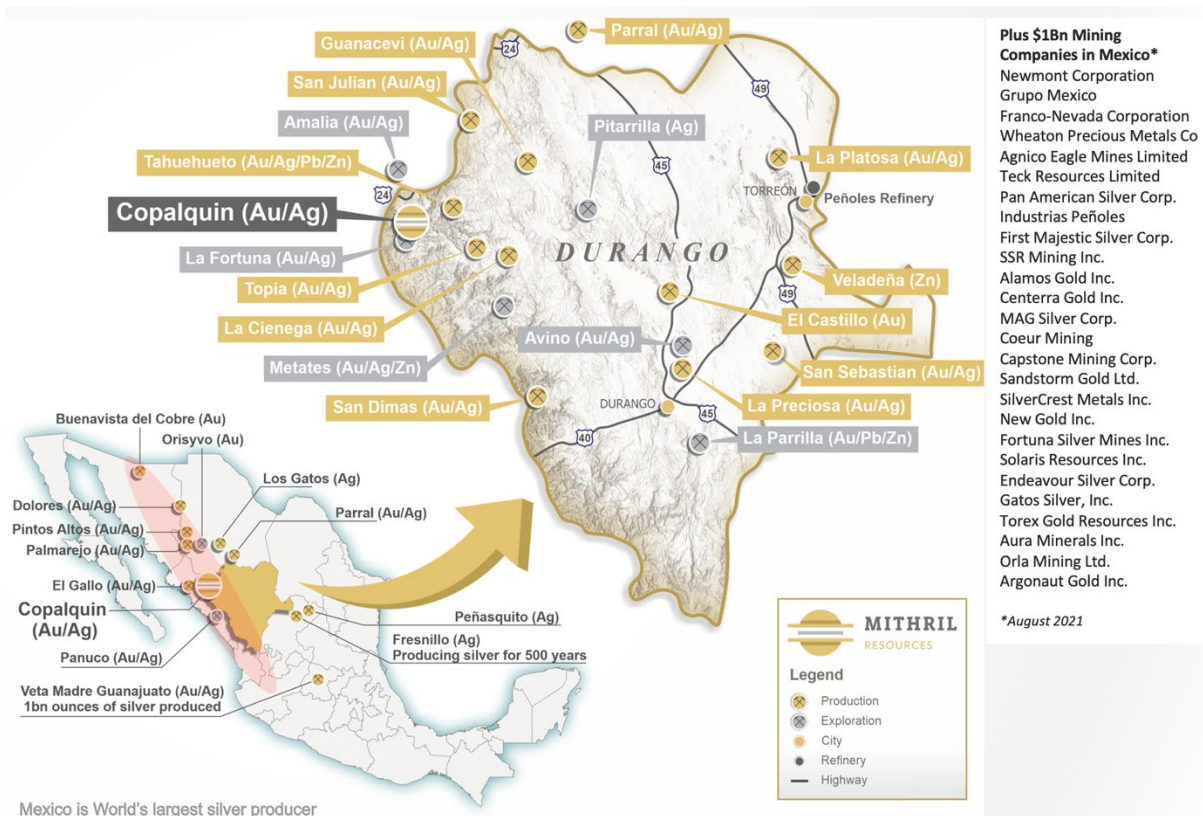


Figure 15 – Copalquin District location map with locations of mining and exploration activity within the state of Durango.

-ENDS-

Released with the authority of the Board.

For further information contact:

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+61 435 766 809

Mark Flynn

Investor Relations
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+61 416 068 733

For Competent Person Statements and JORC tables relating to the exploration results summarised in this Quarterly Activities Report please refer to the ASX releases below.

13 Oct 2022	<u>Depth Potential Confirmed - El Refugio, Copalquin District</u>
18 Aug 2022	<u>High-Grade Intercepts At El Refugio, Copalquin District, Mexico</u>
27 Jul 2022	<u>Continued High-Grade Drilling At El Refugio, Copalquin</u>
20 Jul 2022	<u>Investor Presentation</u>
05 Jul 2022	<u>Expansive Deep Drilling Success at El Refugio, Copalquin</u>
17 Nov 2021	<u>Maiden JORC Resource 529,000 Ounces @ 6.81g/t</u>
25 Nov 2019	<u>Transformative High-Grade Gold Silver Project Acquisition</u>

Mithril Resources Limited Group

Tenement information

30 September 2022

Australian Interests:

Project	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 (Limestone Well)	E20/846	10.00
Murchison Area (Limestone Well)	E57/1069	10.00
West Kimberley Area	E04/2497	100.00
West Kimberley Area	E04/2503	100.00
West Kimberley Area	E80/5191	100.00

Mexican Operations:

Mining Concession	Mining Concession title number	Interest owned % [^]
LA SOLEDAD	52033	50.00
EL COMETA	164869	50.00
SAN MANUEL	165451	50.00
COPALQUIN	178014	50.00
EL SOL	236130	50.00
EL CORRAL	236131	50.00

[^]Interest in the Copalquin Mining Concessions, Mexico increased to 50% July 2022

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions by paying US\$10M on or any time before 7 August 2026 (option has been Agreement extended by 3 years from 2022).

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 2022

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	(89)	(89)
	(e) administration and corporate costs	(117)	(117)
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 (GST on sale of JV interest)	(50)	(50)
1.9	Net cash from / (used in) operating activities	(255)	(255)
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	(1,444)	(1,444)
	(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	(1,444)	(1,444)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,272	2,272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(255)	(255)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,444)	(1,444)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

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	574	574

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	574	1,272
5.2	Call deposits		1,000
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)	574	2,272

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	89
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 employee salaries.		
<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)	(255)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,444)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,699)
8.4	Cash and cash equivalents at quarter end (item 4.6)	574
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	574
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.34
<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 last drill program concluded at the end of July 2022 with all outstanding associated costs completed during the September quarter. The level of cash outflows for the December quarter will be significantly lower until the next planned program of drilling commences. The Company has completed all requirements for value added tax refunds in Mexico and is awaiting approximately \$A1.1M of refunds from late 2021 and for 2022.		

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: Yes, the Company is assessing its options for additional funding. 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:31 October 2021.....

Authorised by: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.

AMENDMENT TO QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B

The appended Quarterly Activities Report and Appendix 5B is being re-lodged to include the Competent Persons Statement, due to an administration oversight this was not included when the announcement was originally lodged on 31 October 2022.

Released with the authority of the Board.

For further information contact:

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Mark Flynn

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DIRECTORS

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

MITHRIL RESOURCES LIMITED

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SEPTEMBER 2022 QUARTERLY ACTIVITIES REPORT

Highlights – Copalquin Gold-Silver, Mexico

- Exploration work progressed in the Copalquin Mining District where the large hydrothermal gold-silver system has been discovered influencing over 4km of strike at surface and with a high-grade maiden JORC resource at El Refugio
- First holes from deep drilling at El Refugio confirm continuing high-grade gold and silver, important for the considerably greater depth potential of the El Refugio system
 - 5.67m @ 4.37 g/t gold, 174 g/t silver from 331.33m, (CDH-137), including
 - 1.67m @ 9.64 g/t gold, 399 g/t silver from 331.33m, plus
 - 1.00m @ 1.68 g/t gold, 67.2 g/t silver from 367.0m, plus
 - 1.00m @ 1.27 g/t gold, 46.1 g/t silver from 370.0m
- Excellent intercept confirming high-grade gold-silver at the western end of the El Refugio resource area with first drilling on section 800
 - 5.83m @ 15.7 g/t gold, 474 g/t silver from 91.77m, (CDH-140), including
 - 1.81m @ 45.5 g/t gold, 1,387 g/t silver from 93.77m
- Additional drilling on section 600 filled a down dip area and demonstrates the size of the El Refugio structure in the upper brecciation zone with broad 62.4m wide mineralised intercept
 - 5.49m @ 2.54 g/t gold, 23.8 g/t silver from 292.51m, (CDH-141), including
 - 1.00m @ 7.09 g/t gold, 60.5 g/t silver from 292.51m, and including
 - 1.00m @ 4.04 g/t gold, 20.2 g/t silver from 297.00m, plus
 - 4.00m @ 1.35 g/t gold, 47.6 g/t silver from 276.00m, plus
 - 2.00m @ 0.82 g/t gold, 27.7 g/t silver from 317.00m, plus
 - 2.00m @ 0.98 g/t gold, 30.5 g/t silver from 325.00m, plus
 - 1.00m @ 0.94 g/t gold, 22.8 g/t silver from 331.00m, plus
 - 1.80m @ 1.67 g/t gold, 54.8 g/t silver from 292.51m
- High-grade gold-silver intercepts at the eastern end of the El Refugio resource area, on sections 200 to 360
 - 7.00m @ 3.40 g/t gold, 227 g/t silver from 185.0m, (CDH-143), including
 - 3.00m @ 6.49 g/t gold, 454 g/t silver from 189.0m, plus
 - 4.70m @ 0.42 g/t gold, 41.0 g/t silver from 218.0m
 - 4.00m @ 2.27 g/t gold, 170 g/t silver from 106.0m, (CDH-146), plus
 - Shallower intercepts of 1m up to 3.27g/t AuEq¹
 - 2.50m @ 2.71 g/t gold, 125 g/t silver from 71.5m, (CDH-147)
- A drill core relogging programme progressed during the quarter to update resource modelling work and drill program design for La Soledad-El Refugio and expansion east to Los Pinos

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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- Study work progressed to optimise a future development of the highly attractive maiden high-grade gold-silver resource at El Refugio – higher grade indicated-category blocks of the resource containing 51kt at 24.6 g/t gold and 187 g/t silver accessible via a short 300m horizontal tunnel

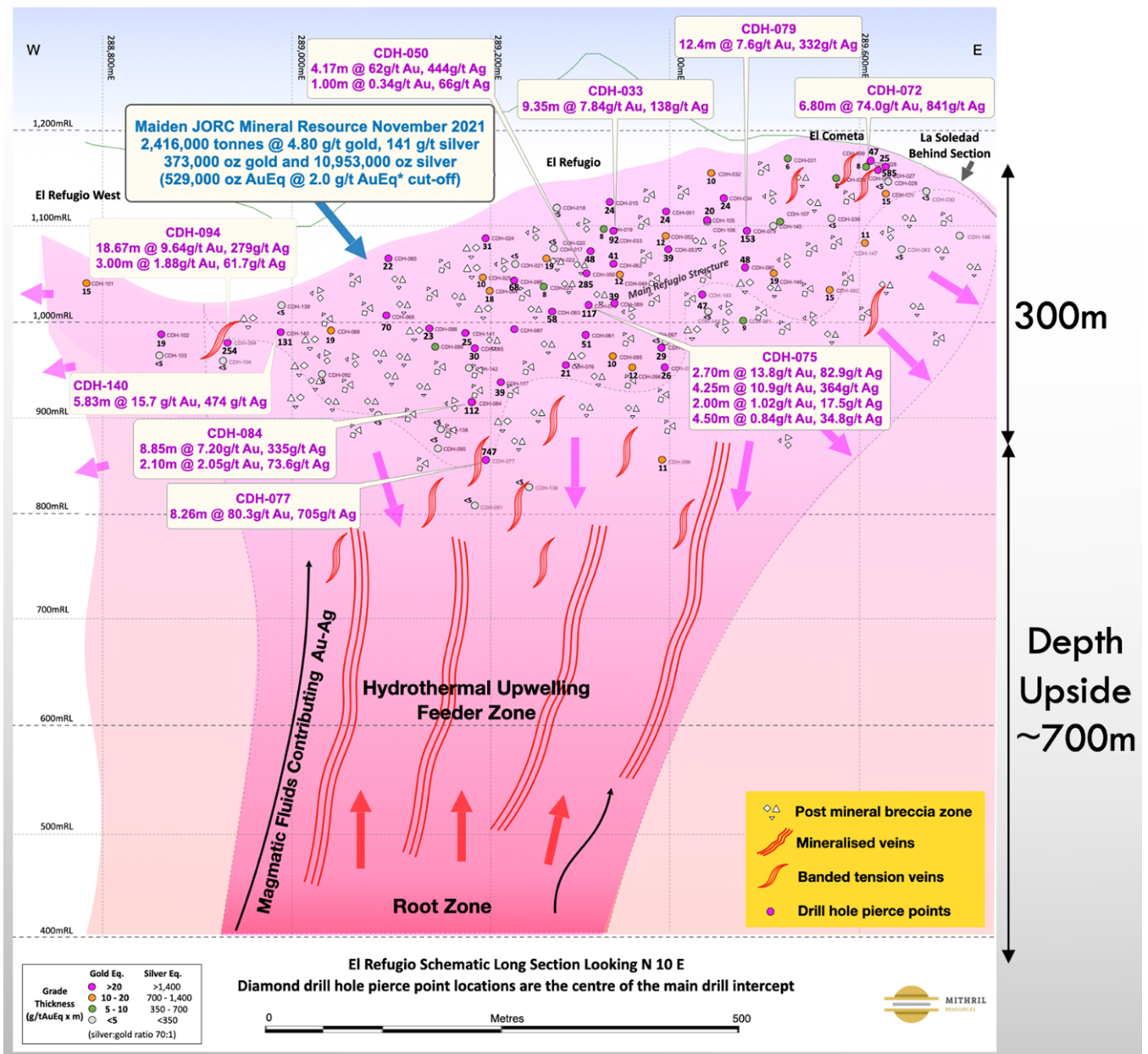


Figure 1 - Schematic long section – El Refugio target where the maiden JORC resource is located in the Copalquin District, Mexico, showing the depth potential confirmed by the recent petrography.

Highlights – Corporate

- Having invested over US\$8m in direct exploration costs on the concessions, Mithril via its Mexican subsidiary now holds 50% interest in the mining concessions and can purchase 100% by paying USD10m in cash, shares or a combination of both to the vendor at any time up to **August 2026 (extended by 3 years)**. See announcement for details of Purchase Option Agreement, 25 Nov 2019 *Transformative high-grade gold silver project acquisition*.

- At end of the September quarter, the Company has total cash of A\$0.6M, plus is due receipt of ~A\$1.1M (MXP14.14M) of Mexican VAT refunds having already received refunds for 2021 and partially for 2022.
- The Company continues with its community relations in the Copalquin district via support of three district schools and environmental activities/education.

Mithril Resources Ltd (ASX: MTH) (**Mithril** or the **Company**) is pleased to provide a quarterly update for the period ending 30 September 2022, for activities at its 100% optioned Copalquin Gold Silver Project in Mexico where a maiden 529koz gold equivalent¹ high-grade gold-silver JORC resource has been defined at El Refugio-La Soledad (see ASX Announcement 17 November 2021).

Mithril Managing Director and CEO, John Skeet, commented:

"The large El Refugio hydrothermal system in the Copalquin District has continued to deliver high-grade gold-silver drilling results and progress the expansion upside for the already impressive maiden JORC resource. The confirmed and considerable depth potential of this important part of the Copalquin District further establishes El Refugio as the primary target area in the near term with the clear aim of expanding the resource inventory as well increasing resource confidence. The high-grade gold and silver, excellent recoveries from simple metallurgy and underground mining taking advantage of the topography make El Refugio a compelling development opportunity in the future with excellent upside across this district scale property in the prolific Sierra Madre gold-silver trend of Mexico."

COPALQUIN DISTRICT, MEXICO

Subsequent to the end of the September 2022 quarter, Mithril reported results from petrographic work on drill core and rock chip samples from across the Copalquin district. Refer to the ASX release, 13 October 2022 [Depth Potential Confirmed - El Refugio, Copalquin District](#). The above schematic long section in Figure 1 has been developed using the conclusions from the petrography work together with the drilling and geologic model for El Refugio in the Copalquin District.

The very high-grade and significant drill intercepts from holes CDH-077 and CDH-094 raised questions regarding our initial geologic interpretation at El Refugio. The detailed petrographic work involving electron microscopy provides data to support an explanation for the high-grade intercepts and guidance in locating further high-grade veins as we progress drilling and development work in this important area in the Copalquin District. Copalquin continues to provide the data that supports a major high-grade gold-silver system and to expand our already impressive high-grade resource inventory with its excellent future development prospects.

¹ see page 12 for JORC MRE details and AuEq calculation

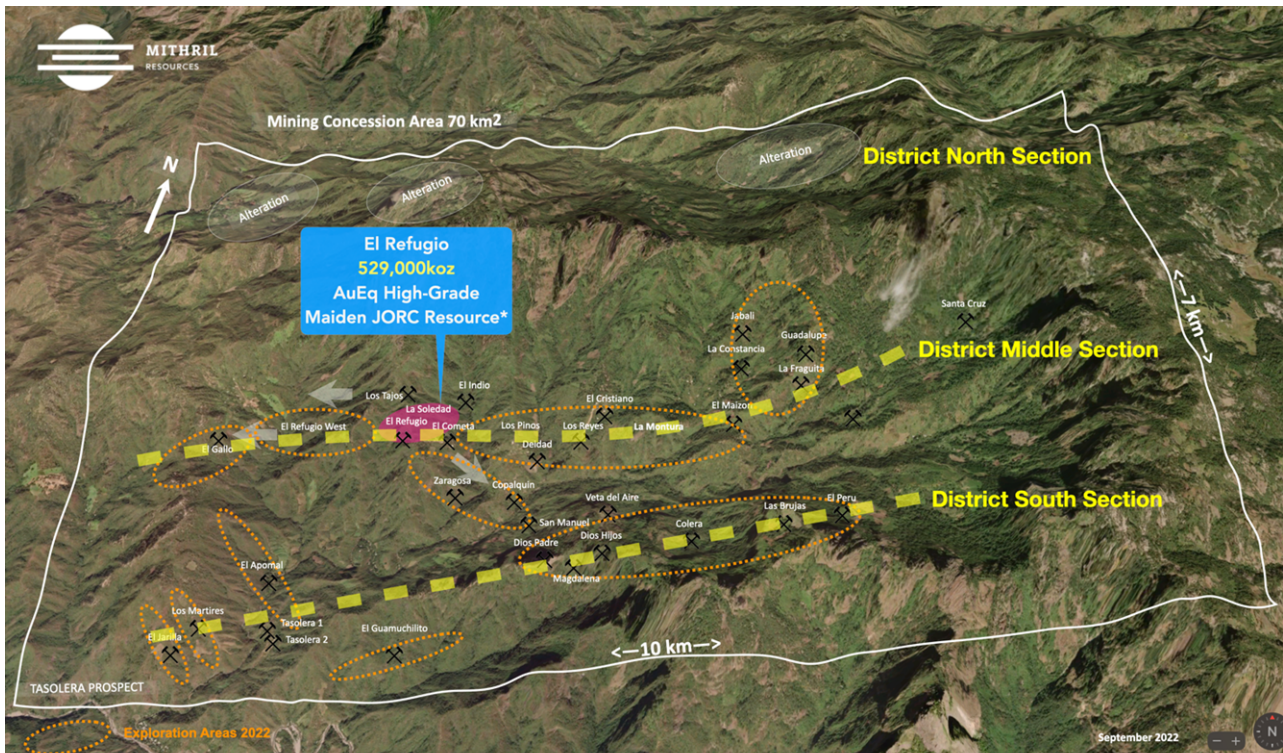


Figure 2 – Satellite image of the Copalquin Mining District 70km² concession area showing the two main lines of historic workings, areas of exploration work and the location of the maiden JORC MRE at El Refugio. The long sections indicated on the map are shown in the figures below.

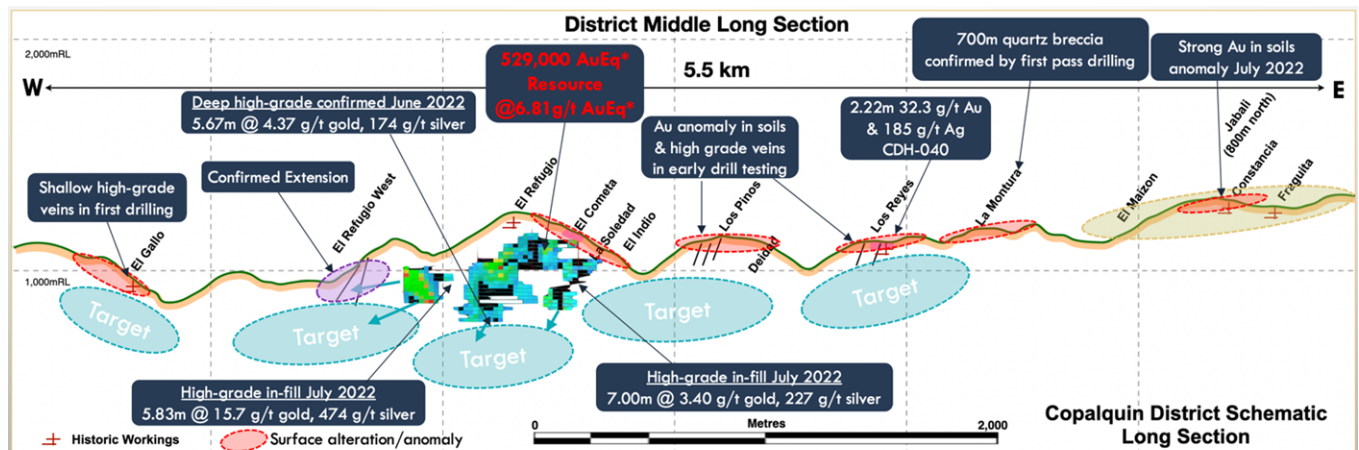


Figure 3 - Schematic long section of the Copalquin District Middle Section showing the locations of the petrography samples and which includes the maiden JORC resource at El Refugio/La Soledad.

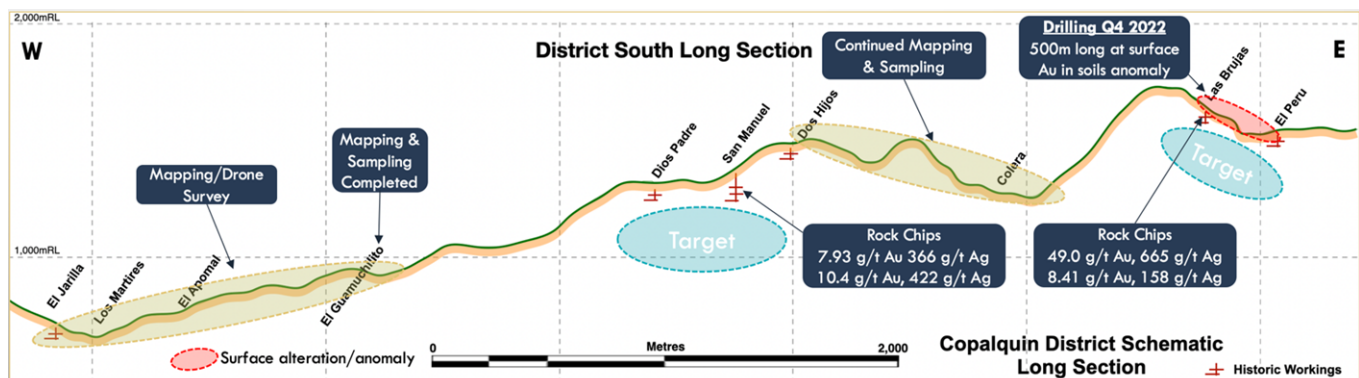


Figure 4 - Schematic long section of the District South Section, Copalquin Mining District showing the locations of the petrography samples.

El Refugio Drilling Reported During the Quarter

Drilling recommenced at El Refugio in May 2022 with a program of six deep holes, three drilled from a location slightly oblique to the main structure, in order to reduce the length of the drill holes to reach the targeted depth. Assays have been received for all drill holes. The program successfully achieved the objective of locating the main structure and confirming high-grade gold and silver on the western side of the El Refugio resource area while providing additional information for the location of the upwelling feeder zone. The previously reported intercept in hole CDH-137 of **5.67m @ 4.37 g/t gold, 174g/t silver** from 331.33m, (CDH-137), including **1.67m @ 9.64 g/t gold, 399 g/t silver** from 331.33 plus **1.00m @ 1.68 g/t gold, 67.2 g/t silver** from 367.0m and **1.00m @ 1.27 g/t gold, 46.1 g/t silver** from 370.0m filled a gap down dip on section 560 and drill hole CDH-136 confirms the downdip extension with some further high-grade gold and silver mineralisation and multiple intercepts.

The first drill holes on section 800 are reported with exceptional high-grade gold and silver intercepts in this western side of the El Refugio resource area with **5.83m @ 15.7 g/t gold, 474 g/t silver** from 91.77m, (CDH-140), including **1.81m @ 45.5 g/t gold, 1,387 g/t silver** from 93.77m down dip of hole CDH-139. This supports the high-grade previously intercepted 40m west by drill hole CDH-094 with **18.67m @ 9.67g/t gold, 279g/t silver**.

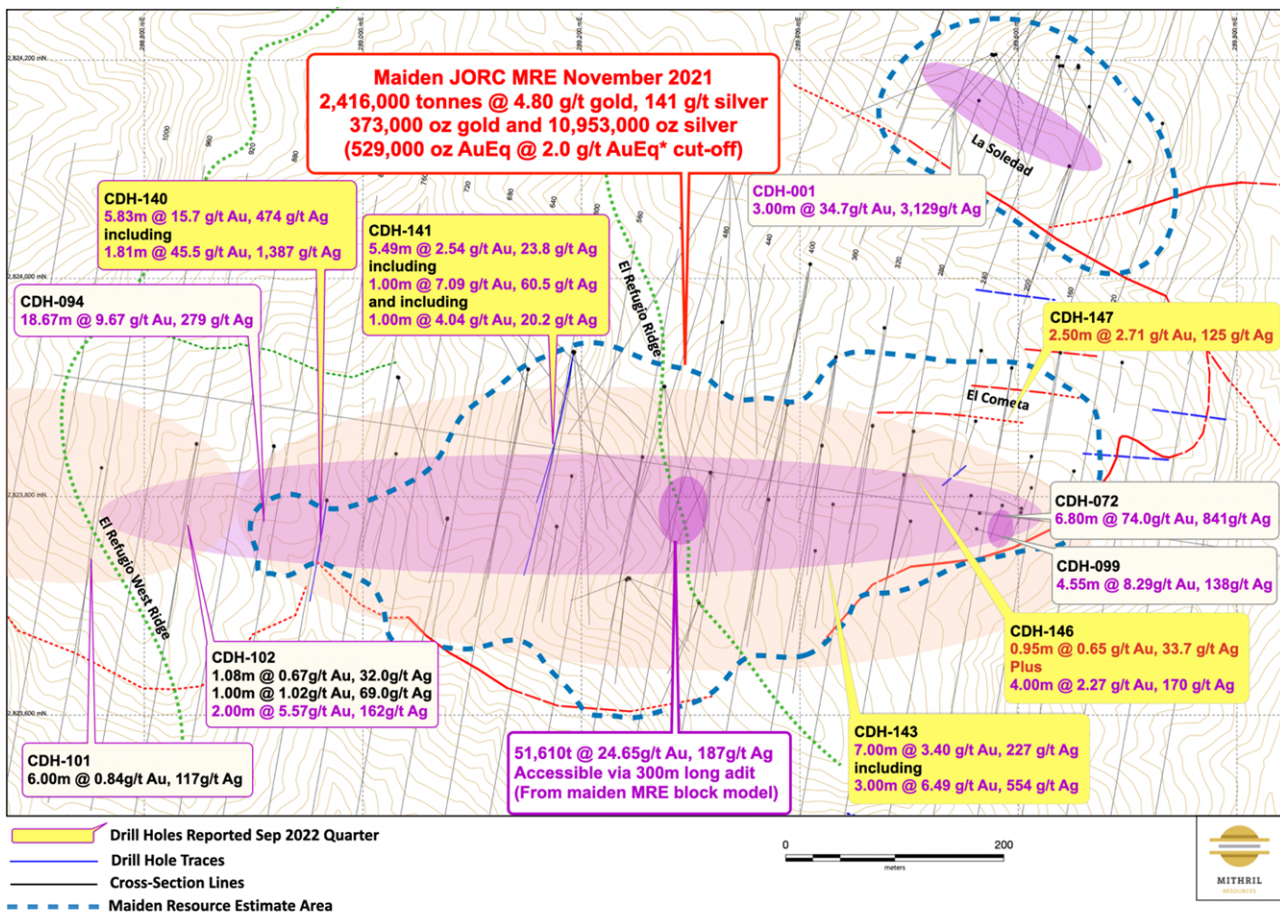


Figure 5 – Plan view at El Refugio – La Soledad showing the maiden JORC MRE area, drill traces and section lines with the locations of the drill intercepts for drill holes reported during the quarter.

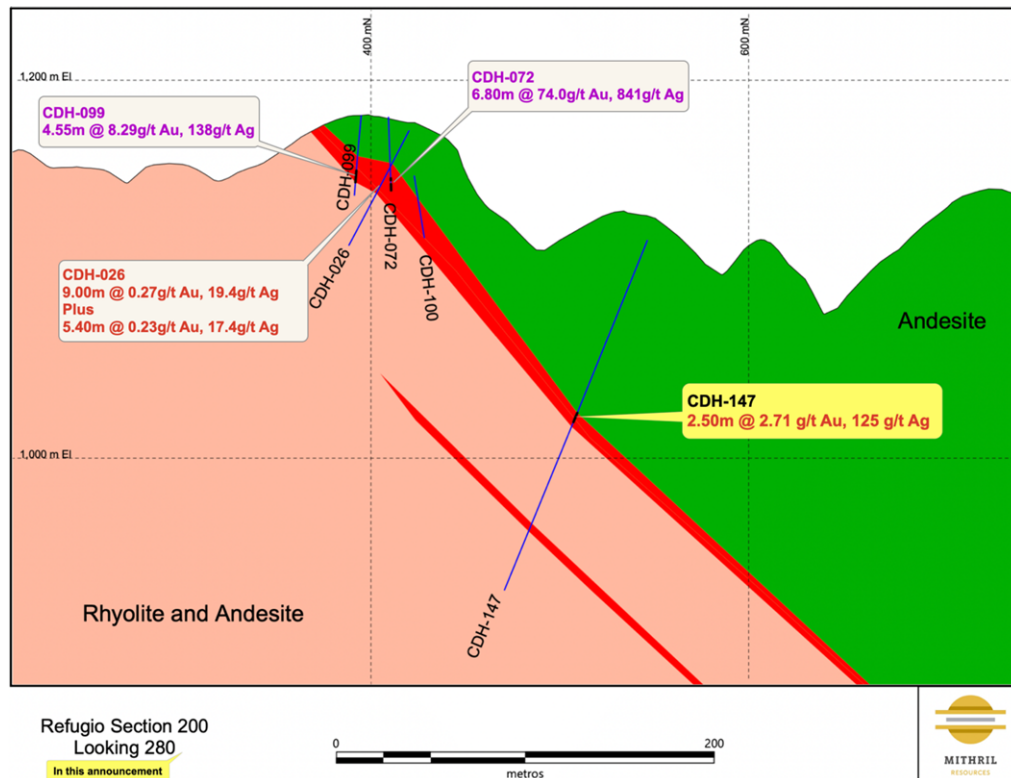


Figure 6 – Cross section 200 showing the intercept in the eastern most drilling with a good relatively near surface intercepts in the El Refugio vein. Further drilling required to follow-up this intercept.

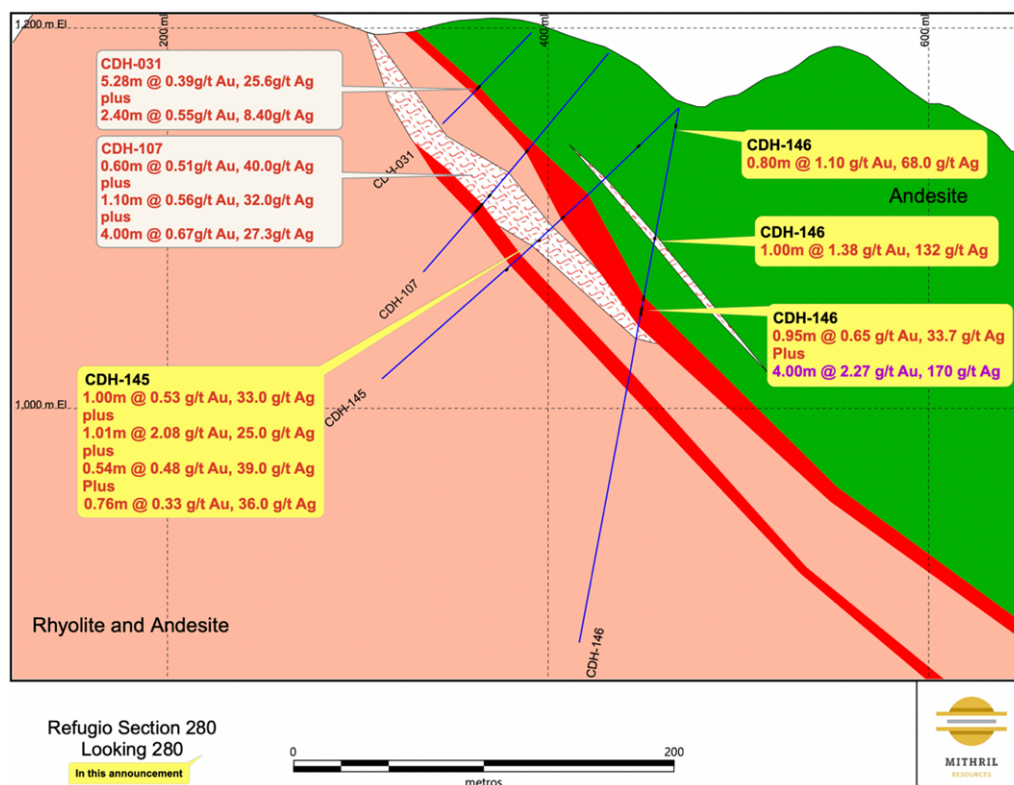


Figure 7 – Cross section 280 showing the well-developed El Refugio structure hosting multiple gold-silver bearing veins with higher grades developing with the deeper intercept in CDH-146.

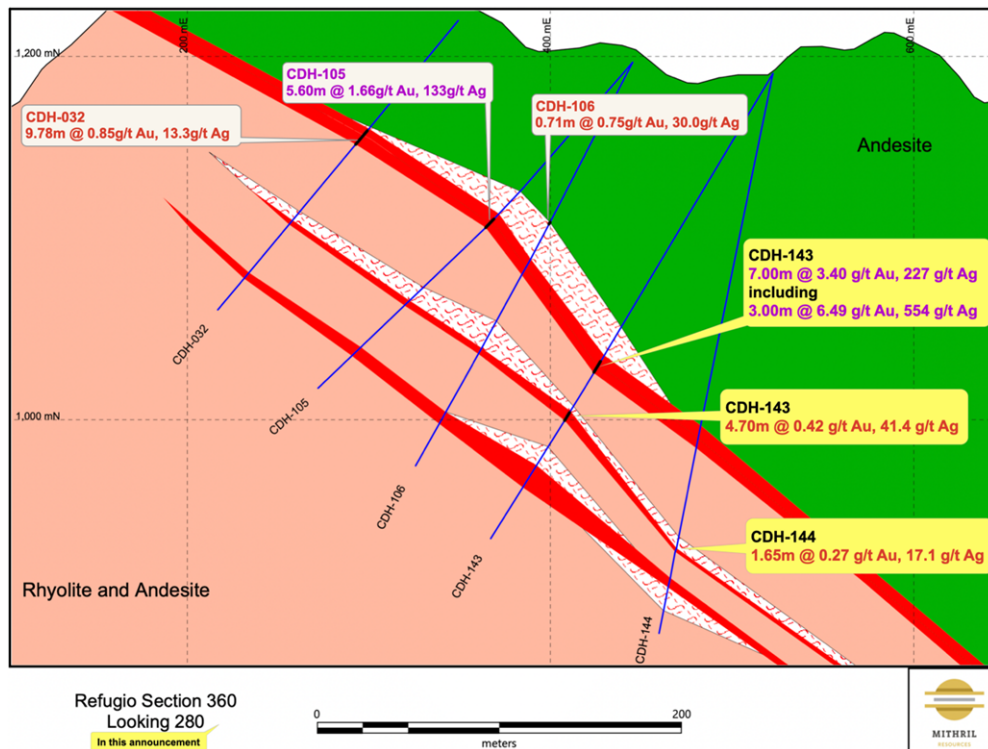


Figure 8 – Cross section 360 showing the multiple veins of the El Refugio structure with high-grade intercepts relatively near to the surface. Further drilling down dip to follow-up.

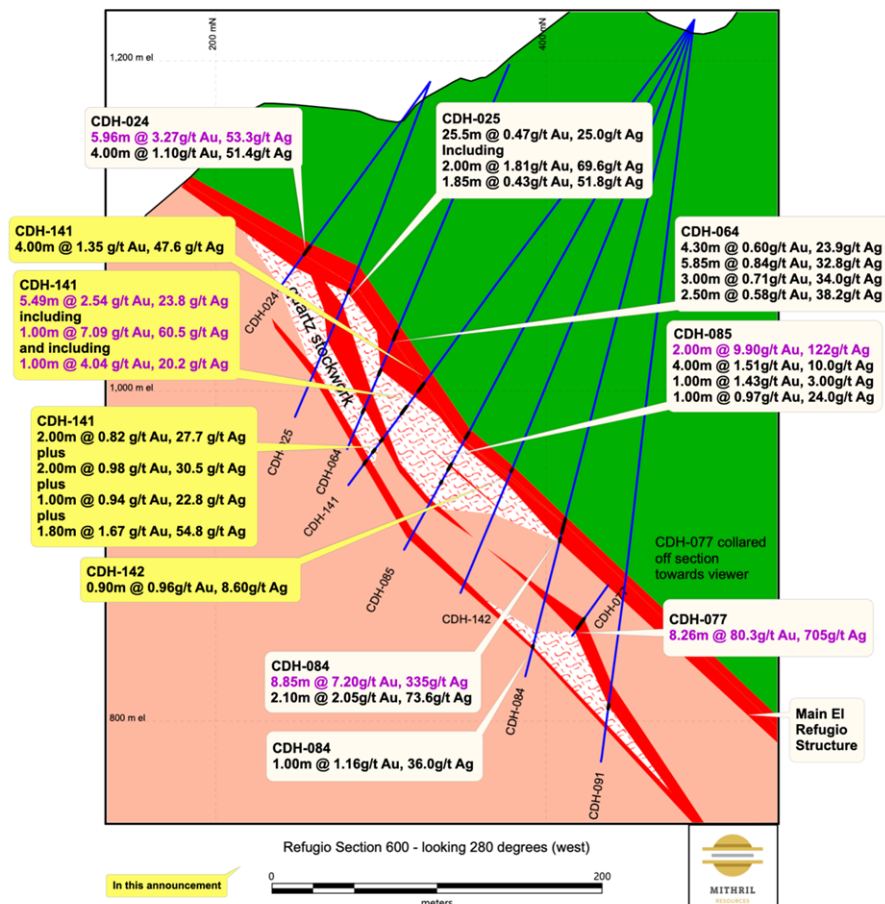


Figure 9 – Cross section 600 showing the well-developed El Refugio structure which hosts multiple gold-silver bearing veins including very high-grade grades.

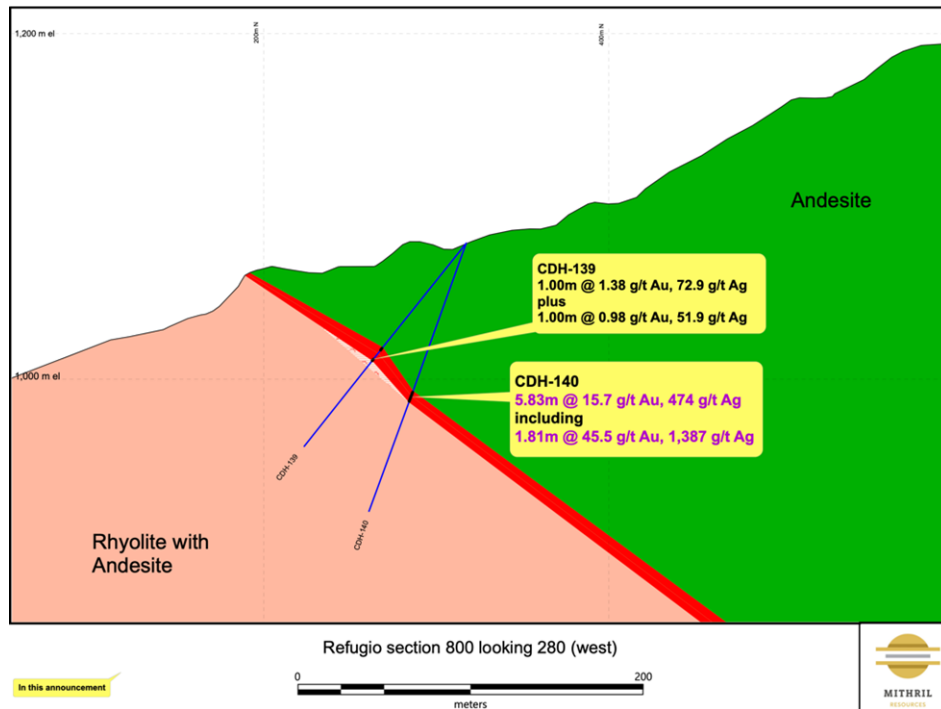


Figure 10 - Cross section 800 where the first drill holes have been completed at the western side of the El Refugio resource area with very high-grade gold and silver developing down dip and one section east of the high-grade CDH-094 intercept.

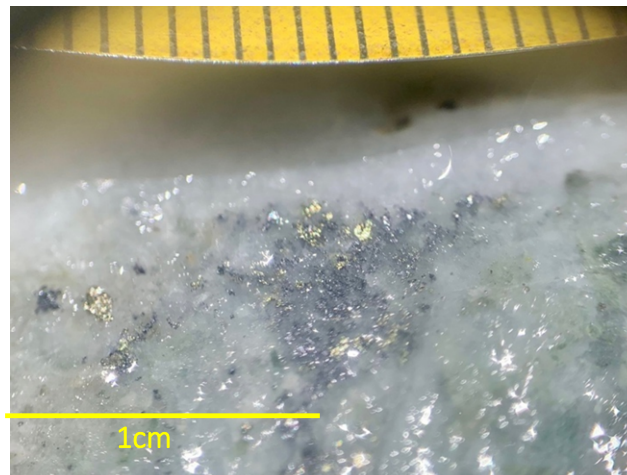


Figure 11 - Photo of drill core from drill hole CDH-144 at 268m, showing black silver sulphides and sulphosalts and pyrite.

Core Relogging Program

The core relogging program for La Soledad and El Refugio drilling progressed throughout the quarter which will enable the geologic interpretation to be updated using the most recent knowledge developed for this important part of the Copalquin Mining District. This information along with the recent petrographic work, is being used to update the database and to further develop the geologic model for design of the next round of drilling to continue to develop this significant deposit and aiming to extend the resource growth deeper plus towards a possible interaction between the main El Refugio and La Soledad structures (see Figure 12).

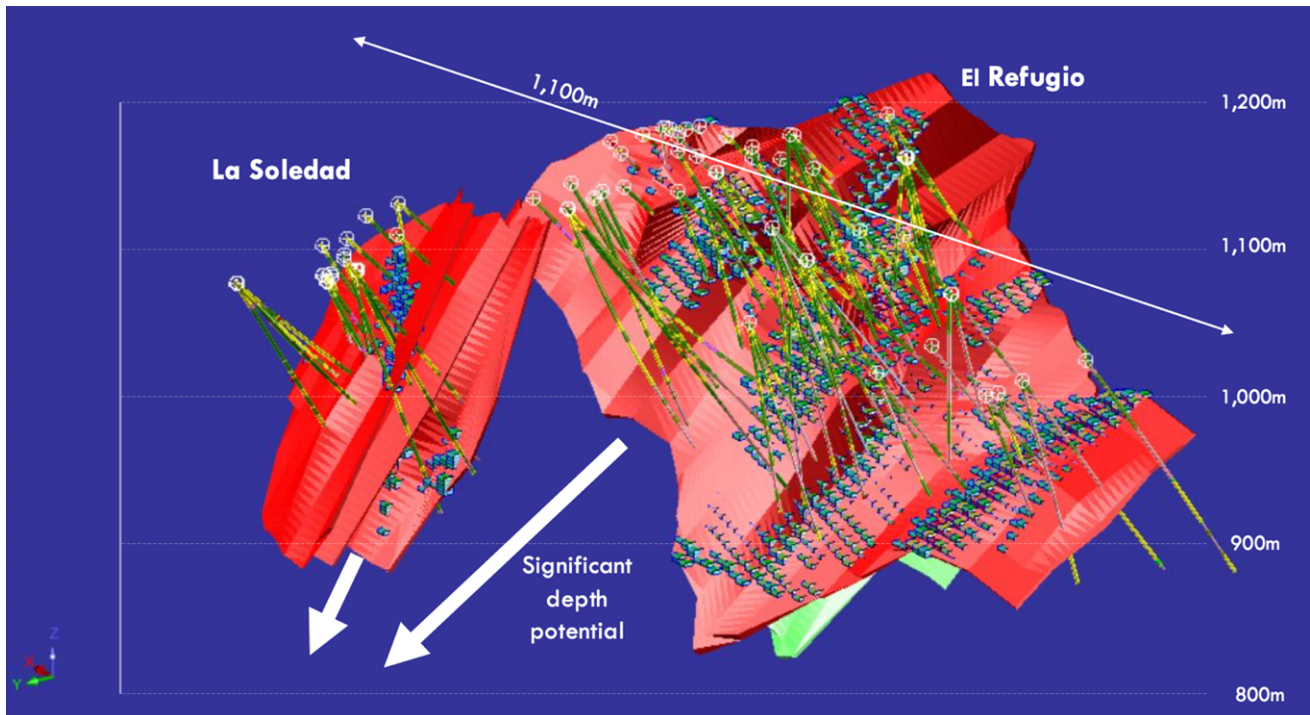


Figure 12 - Oblique long section showing the La Soledad and El Refugio vein models with drill hole traces and resource block model. Scale and elevations are approximate.

The above figure shows an oblique view of the La Soledad-El Refugio vein and block models with traces of drill holes to date. Recent drill logs and results show significant depth potential of this major system and also indicate the general location of the El Refugio upwelling feeder zone and this is consistent with the epithermal gold-silver model shown in the figure below and further supported by the recent drill log observations.

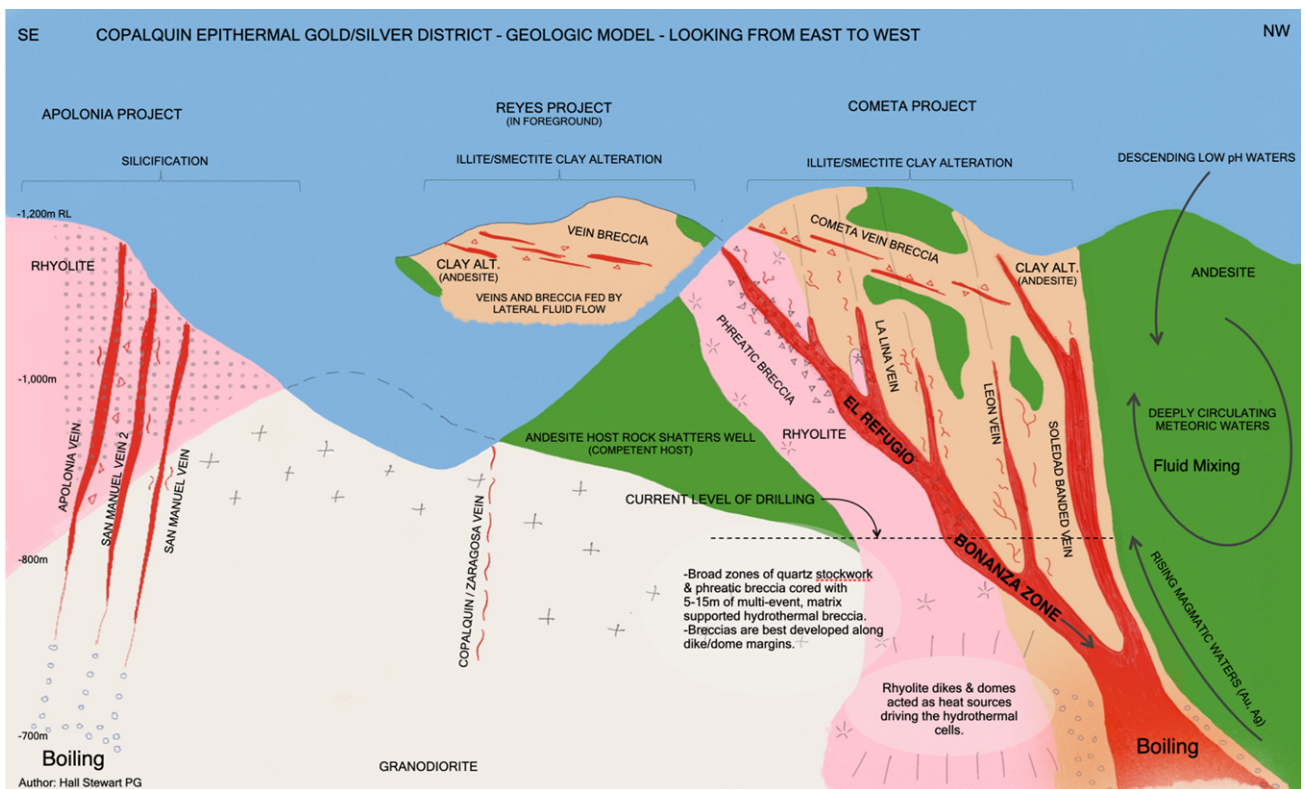


Figure 13 - Copalquin District Geologic Model for epithermal gold/silver - geologic model (author: Hall Stewart PG, Chief Geologist.)

Mithril's relationship with the Copalquin District communities

Mithril has developed excellent relations with the communities that live in the Copalquin district. The majority of Mithril's employees are from these communities. The Company supports three local schools at La Maquina, Los Reyes and El Platano and helps promote environmental awareness and support for children's education.



Figure 14 – Mithril Senior Geologist Darcy Garcia (front left) with schoolchildren and parents from El Platano village in the Copalquin District. Mithril Managing Director and CEO, John Skeet, right rear.

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.
- Native title clearance for the first phase of drilling has been granted.

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.
- During the September 2022 quarter, Carnavale has elected to not continue with the earn-in Agreement for Kurnalpi
- Mithril is reviewing the exploration data for the Kurnalpi tenements and will assess the next steps for this nickel project located in Western Australia where these properties are in high demand.

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.

Limestone Well Project (Limestone)

- Mithril 10%, Auteco Minerals 90%
- 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

Having invested over US\$8m in direct exploration costs on the concessions, Mithril via its Mexican subsidiary now holds 50% interest in the mining concessions and can purchase 100% by paying USD10M in cash, shares or a combination of both to the vendor at any time up to August 2026 (extended by 3 years). See announcement for details of Purchase Option Agreement (25 Nov 2019 [*Transformative high-grade gold silver project acquisition*](#)).

CASH

At end of the September quarter, the Company has total cash of A\$0.6M and is due receipt of ~A\$1.1M (MXP14.14M) of Mexican VAT refunds. Having already received refunds for 2021 and partially for 2022 there is good expectation for receipt of these refunds.

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 2022, pertain to payments to directors and consultants for fees, salary and superannuation.

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*

*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. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting.

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 in 2022 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 detailed in ASX announcement dated 25 November 2019.

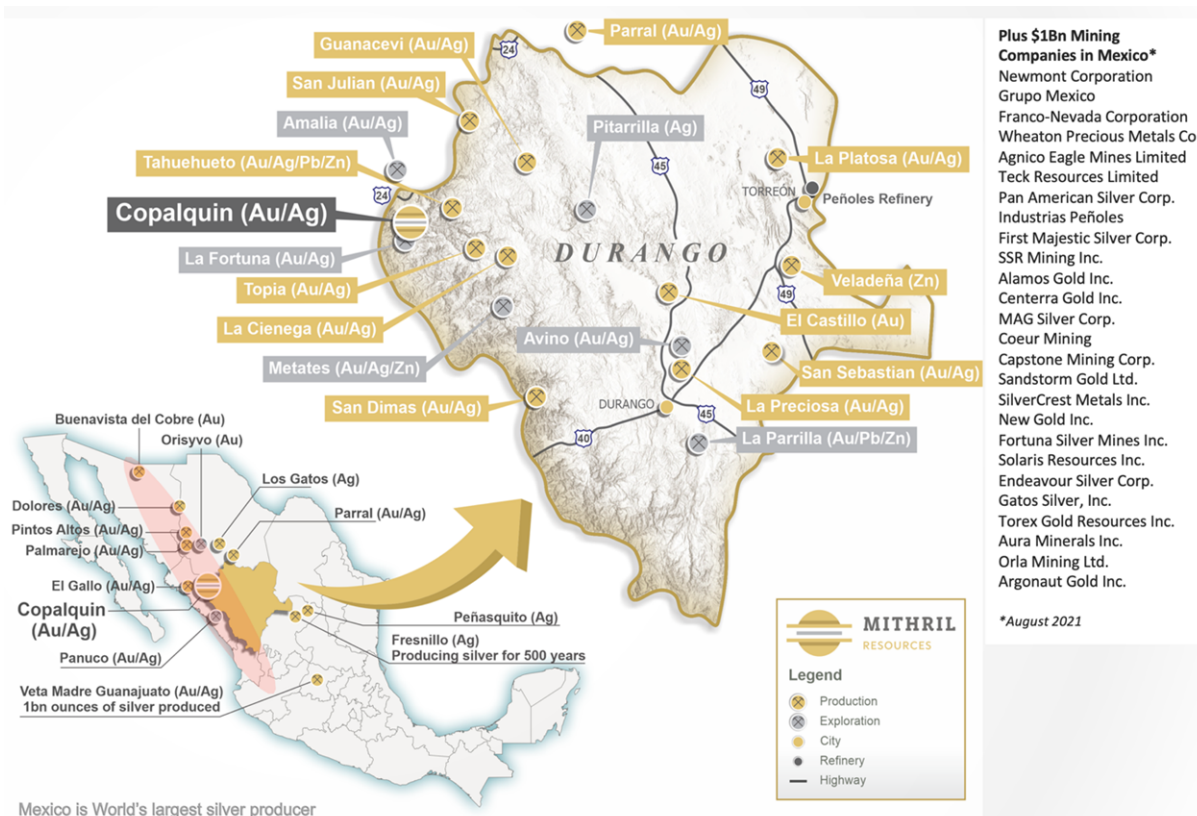


Figure 15 – Copalquin District location map with locations of mining and exploration activity within the state of Durango.

-ENDS-

Released with the authority of the Board.

For further information contact:

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+61 435 766 809

Mark Flynn

Investor Relations
mflynn@mithrilresources.com.au
+61 416 068 733

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 information in this report that relates to metallurgical test results, mineral processing and project development and study work 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 entity confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of estimates of 'mineral resources or ore reserves', that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

For further details relating to the exploration results summarised in this Quarterly Activities Report please refer to the ASX releases below.

13 Oct 2022	<u>Depth Potential Confirmed - El Refugio, Copalquin District</u>
18 Aug 2022	<u>High-Grade Intercepts At El Refugio, Copalquin District, Mexico</u>
27 Jul 2022	<u>Continued High-Grade Drilling At El Refugio, Copalquin</u>
20 Jul 2022	<u>Investor Presentation</u>
05 Jul 2022	<u>Expansive Deep Drilling Success at El Refugio, Copalquin</u>
17 Nov 2021	<u>Maiden JORC Resource 529,000 Ounces @ 6.81 g/t</u>
25 Nov 2019	<u>Transformative High-Grade Gold Silver Project Acquisition</u>

Mithril Resources Limited Group

Tenement information

30 September 2022

Australian Interests:

Project	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 (Limestone Well)	E20/846	10.00
Murchison Area (Limestone Well)	E57/1069	10.00
West Kimberley Area	E04/2497	100.00
West Kimberley Area	E04/2503	100.00
West Kimberley Area	E80/5191	100.00

Mexican Operations:

Mining Concession	Mining Concession title number	Interest owned % [^]
LA SOLEDAD	52033	50.00
EL COMETA	164869	50.00
SAN MANUEL	165451	50.00
COPALQUIN	178014	50.00
EL SOL	236130	50.00
EL CORRAL	236131	50.00

[^]Interest in the Copalquin Mining Concessions, Mexico increased to 50% July 2022

Mithril has an exclusive option to purchase 100% interest in the Copalquin mining concessions by paying US\$10M on or any time before 7 August 2026 (option has been Agreement extended by 3 years from 2022).

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 2022

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	(89)	(89)
	(e) administration and corporate costs	(117)	(117)
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 (GST on sale of JV interest)	(50)	(50)
1.9	Net cash from / (used in) operating activities	(255)	(255)
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	(1,444)	(1,444)
	(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	(1,444)	(1,444)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)		
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		
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		

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,272	2,272
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(255)	(255)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,444)	(1,444)
4.4	Net cash from / (used in) financing activities (item 3.10 above)		

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

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	574	574

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	574	1,272
5.2	Call deposits		1,000
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)	574	2,272

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	89
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 employee salaries.		
<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>		

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

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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)	(255)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(1,444)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,699)
8.4	Cash and cash equivalents at quarter end (item 4.6)	574
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	574
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	0.34
<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?	
<p>Answer: No. The last drill program concluded at the end of July 2022 with all outstanding associated costs completed during the September quarter. The level of cash outflows for the December quarter will be significantly lower until the next planned program of drilling commences. The Company has completed all requirements for value added tax refunds in Mexico and is awaiting approximately \$A1.1M of refunds from late 2021 and for 2022.</p>		

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: Yes, the Company is assessing its options for additional funding. 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:31 October 2021.....

Authorised by: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.