

EXPLORATION ACTIVITY – COPALQUIN MEXICO

Highlights

- Establishment of site infrastructure to support the maiden drilling programme is underway.
- Drill pads have been constructed at the first three target areas and are ready for drilling.
- A permit was issued in 2019 for all planned drilling with fast tracked modification to include future drill targets.
- Land access is clear and there is strong support from the regional community.

Mithril Resources Limited [ASX: MTH] (“Mithril” or “the Company”) is pleased to provide information and an update on the exploration activity at its Copalquin gold silver project in Mexico following last week’s announcement on the execution of contracts with its key exploration contractors.

A permit for the drill programme was issued in 2019 and is being fast tracked and expanded to include additional drill target areas. All drill pads have been constructed for the initial drill programme with clear access tracks established. Drilling support infrastructure is progressing as planned, ahead of the arrival of the drill rig in the coming weeks.

Commenting on the progress, Mithril’s Chief Executive Officer, John Skeet, said:

“All personnel, contractors and support items are ready for the commencement of drilling at Copalquin. Mobilisation is progressing smoothly with turning of the drill bit scheduled to commence before mid July 2020, under the experienced management of Hall Stewart, Chief Geologist.

The continuing geologic understanding of this mining district is confirming its significance as a large epithermal centre for gold and silver. We are all very excited to be edging closer to starting our maiden drill programme at the project.”

COPALQUIN DRILL AND EXPLORATION PROGRAMME SUMMARY

Once all preparations are complete, drilling will begin at La Soledad, the second largest mine in the district with some of the highest historical grades. The extent of past mining is evident from multi-level workings and large stopes. Past drilling in 2007, intercepted the La Soledad vein beneath the workings. There is over 600m of vein mapped at surface of the La Soledad vein with an additional 400m of vein splaying off towards the El Indio mine workings to the east.

Past drilling was also completed at the second drill target area, El Refugio (200m of vein at surface with possible 1,000m plus extension). El Refugio is the reported site of the first discovery at Copalquin and appears to be the fourth largest of the district’s mines. The El Cometa target consists of shallow dipping breccia lenses over 400m traced at surface. With mapping plus the survey and sampling of the old workings, these targets are well established (see map on page 3).

Further east are the next scheduled drill targets of Los Pinos and Los Reyes, each with approximately 400m of vein mapped at surface. These structures are the eastern extension of El Cometa.

Overall, the initial drilling will be focussed on the best understood and previously drilled areas of La Soledad-Refugio-Cometa followed by Los Pinos-Los Reyes. Just these target areas alone, stretch continuously E-W for over 2,000m.

South of the above targets, and on the other side of the Copalquin valley, is the San Manuel multi-level mine complex. San Manuel was last mined in the late 1970's and is the largest mine in the district, with material processed in a small milling and flotation plant to produce a high-grade gold-silver concentrate that was shipped to an in-country smelter. There is over 500m of mapped vein plus with indications of over 400m of vein extension further south. The multi-level workings extend over 200 meters vertically. Further mapping in this area is high priority over the coming months to establish San Manuel as an important drill target.

Further east of the central area of the concessions is the Jabali/Constancia/Colera group of historic mine workings that extend for 1,600m, with mapping between the three workings scheduled to confirm the continuity of the vein at surface. La Constancia mine is the third largest mine visited in the district consisting of multi-level workings and stopes.

El Peru, Las Brujas to the east, Santa Cruz up to the north east and La Tasolera/Los Martires to the south west add further target areas to be established in the district. Areas in the north and western areas of the concessions with significant surface alteration are scheduled for visiting while the helicopter is present, setting up the drill movements over the coming months.

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

-ENDS-

Released with the authority of the Board.

For further information on the company and our projects, please visit: www.mithrilresources.com.au

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Map on next page

Geologic Map of central 4.8km² of 70km² Mining Concession Area

