

MITHRIL RAISES A\$3.5M TO EXPAND DRILLING AND EXPLORATION ACTIVITIES AT COPALQUIN PROJECT, MEXICO

Highlights

- Firm commitments received for A\$3.5m share placement (before costs) at A\$0.018 (1.8 cents) per share
- Directors of the Company have committed to A\$414k in the offer prior to launch
- The holder of the Copalquin Concessions has also committed A\$396k
- The Company now plans an expanded diamond core drilling programme of 5,000m at Copalquin with activity continuing until end of 2020.
- Drilling equipment and infrastructure has arrived at the project readying for commencement of drilling mid July 2020.

Mithril Resources Limited [ASX: MTH] (“Mithril” or “the Company”) is pleased to announce it has received firm commitments from sophisticated and professional investors to raise A\$3.5m (before costs) through a share placement (“Placement”). Outside of the Directors and the Copalquin Concession holder, the Placement was strongly supported by a number of new domestic and international high net worth and institutional investors.

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

“We are extremely delighted with the support shown by the commitments of all parties in the capital raising and we look forward to rewarding all our supportive shareholders with exciting news from Mexico over the coming months.”

Our maiden drill programme at Copalquin is fully funded for the completion of the initial 5,000m of diamond core drilling. Importantly, funds raised allow the drill rig to continue working until the end of 2020, expanding the drill area at the primary targets of La Soledad-El Refugio-El Cometa as well as additional testing at other important target areas including La Constancia and San Manuel.”

CAPITAL RAISING DETAILS

Mithril has received binding commitments for a placement to sophisticated and professional investors, comprising 194,444,444 fully paid ordinary shares in the Company (New Shares) at an issue price of 1.8 cents to raise approximately \$3.5m (before costs). An applicable Appendix 3B pertaining to this Placement follows this announcement.

The placement was conducted by Taylor Collison as lead manager and within the Company’s placement capacity under ASX Listing Rule 7.1 (149,444,444 shares). Settlement of the Placement to unrelated parties is expected to occur on 14 July 2020, with Placement shares expected to be allotted (pursuant to Listing Rules 7.1) and to commence trading on 16 July 2020. An Appendix 2A confirming the exact allotments will be issued on the same date.

As part of this Placement, Directors of the Company have committed A\$414k in the offer prior to launch and the holder of the concessions forming the Copalquin Gold Silver Project has committed A\$396k. Related party participation in the Placement (45,000,000 shares) will be subject to shareholder approval, to be obtained at a General Meeting scheduled to be held in August 2020.

The Capital Raising price of A\$0.018 (1.8 cents) per New Share represents:

- 23.8% discount to the 5 day VWAP price (A\$0.0236)
- 13.8% discount to the 10 day VWAP price (A\$0.0209)
- 8.9% discount to the 15 day VWAP price (A\$0.0203)

Funds raised expand the maiden drill programme at the Copalquin Gold Silver Project, Durango, Mexico and extend drilling until the end of 2020.

Drilling and support equipment have arrived at the project boundary and is currently being moved and set up in Copalquin. Diamond core drilling is on track to commence the week of 13th July 2020.



Drilling equipment being moved to the first drill pad at La Soledad, Copalquin, Mexico.

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin Gold Silver Project is located in Durango State, Mexico and covers an entire mining district of 70km² containing over 32 historic gold and silver mines and workings. 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.

-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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