

MITHRIL SILVER AND GOLD (MSG-TSXV) C\$0.53

Metals & Mining Prospector
June 10, 2025

**RATING: NOT
COVERED**

(unchanged)

TARGET: NA

(unchanged)

A Hidden Treasure in the Sierra Madre | Mithril Silver & Gold Site Visit

Last week we participated in a site visit to Mithril Silver and Gold's Copalquin project in Durango State, Mexico, and returned positive about the asset's potential.

The site visit primarily focused on highlighting Copalquin's geological potential, visiting both on-site camps to view drill core, while also seeing historic underground workings at Target 3. With two drills active on site, Mithril has been conducting ongoing exploration initiatives since the delivery of a Maiden Resource Estimate (MRE) in 2021, which contained 373 Koz Au and 11 Moz Ag (Ind. & Inf.) with average grades of 4.80 g/t Au and 141 g/t Ag.

MSG has a highly successful and Mexico-focused management group with a strong technical advisory team and >20 years of operating experience in the country. With multiple major discoveries on the resume, including Palmarejo and Cerro de Gallo in Mexico, we see ample opportunity for the team to repeat their stellar performance at Copalquin.

KEY HIGHLIGHTS AND TAKEAWAYS:

- ▶ **Exceptional Resource Expansion Potential:** Mithril delivered its initial MRE on <18,000 m of drilling, resulting in an impressive ~US\$12.50/oz AuEq discovery cost. We see ample opportunity to expand well beyond the current ~500 Koz AuEq high-grade resource, with an updated MRE expected in late Q3 and a goal of reaching 800 Koz-1 Moz AuEq with >20,000 m of new drilling expected.
- ▶ **Further Discoveries on the Horizon:** With two rigs currently operating on site, MSG has already confirmed high-grade mineralization across multiple target areas outside Target 1. Meanwhile, Mithril recently reported encouraging high-grade gold-silver assays from underground and surface channel sampling at Target 5, while Target 3 assays are expected shortly. Drilling of various targets is expected to continue through 2025.
- ▶ **Challenging Terrain Highlights an Untapped Opportunity:** Although the rugged terrain poses additional logistical challenges, we see this as an opportunity for MSG with ~1 km of vertical relief between Target 5 and Target 3, showcasing its at-depth potential and continuity. While this terrain may be difficult for your typical explorer, we consider this normal for an almost entirely Mexico-based technical team who have extensive experience with the Sierra Madre terrain.
- ▶ **A Pivotal Year in the Making:** MSG is set up for a catalyst-rich 2025 with a fully-funded 35,000 m to be drilled this year. Where MSG was previously the only Mexico-focused junior silver explorer listed in Australia, we now see the added TSXV listing garnering a new set of North America-focused investors.

Phil Ker, P. Geo, MBA (Analyst)

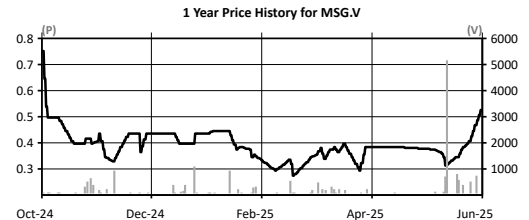
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Company Statistics

Pricing Date:	Jun 09 2025
Shares Out. (basic):	145.8M
Shares Out. (fd):	203.8M
Cash:	C\$13M
Enterprise Value:	C\$64M
Working Capital:	C\$14M



The Copalquin Project

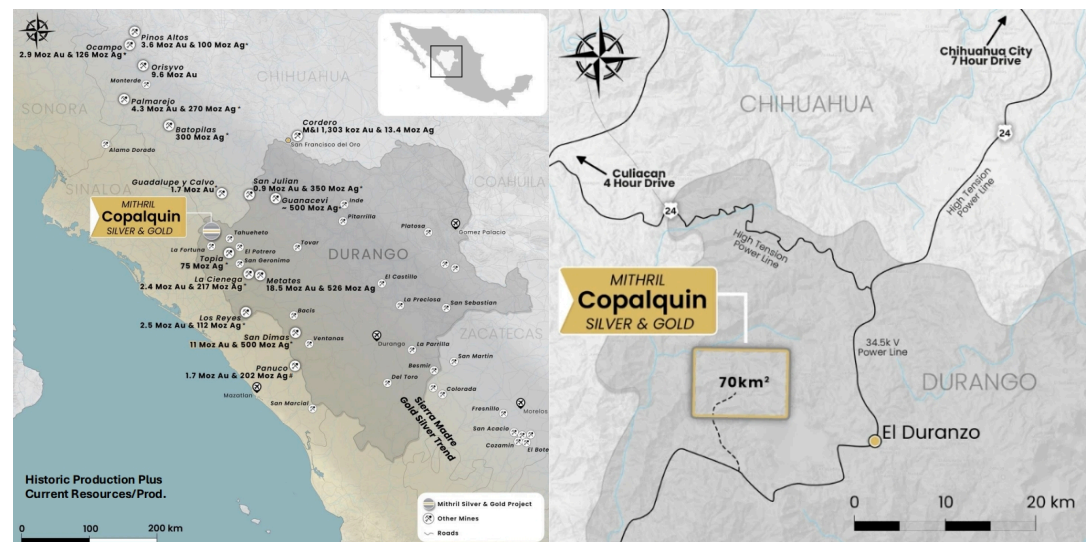
Overview

Mithril is a dual-listed (ASX & TSXV) junior exploration company focused on the 70 km² Copalquin project located in Mexico's prolific Sierra Madre. The project is home to a combined 298 historic mines, pits, adits, and shafts, with upwards of 10 km of underground workings. Mithril currently holds the option to earn-in 100% interest in the Copalquin project through cumulative cash payments totalling US\$10M over a six-year term and a 2.5% NSR, which we fully expect would be reduced to 1.0% for just US\$4.5M.

Access, Infrastructure & Location

Mithril's Copalquin project lies within the Sierra Madre Occidental belt in Durango State, Mexico, which hosts multiple operating mines located within an ~200 km radius including Luca Mining's (LUCA-TSXV, BUY, C\$2.05 PT) Tahuehueto mine, Endeavour Silver's (EDR-TSX, BUY, C\$9.00 PT) Guanacevi mine, and Fresnillo's (FRES-LME, Not Covered) Las Cienega and San Julian mines (Exhibit 1). Meanwhile, National Highway 24, a transmission line and the nearby town of El Duranzo all lie within 20 km from the Copalquin project concessions. Access is primarily provided via fixed-wing planes or helicopters, although the Company recently connected its on-site trails to the local roadways and can now deliver supplies utilizing ATVs, if required. At this time, drill rigs are also heli-supported, however, we see the current costs of ~US\$200/m for combined drilling and assays to be more than reasonable. MSG is currently in discussions with local contractors to widen the trails to further improve site access.

Exhibit 1: Regional and District Scale Location Maps of the Copalquin Project



Source: Company reports

On-site infrastructure continues to improve as exploration initiatives expand across the project. MSG has now installed not one, but two exploration camps on site to minimize unnecessary travel time between individual targets. We came away feeling overly impressed by the condition of each camp, and see them being very comparable to year-round exploration camps typically seen in Canada (Exhibit 2). Furthermore, MSG has a primarily Mexican-based team encompassing >100 employees, with many sourced from nearby communities to build trails, camp infrastructure and heli-pads, and are very familiar with the rugged Sierra Madre terrain.

Exhibit 2 - View of the Target 1 Camp

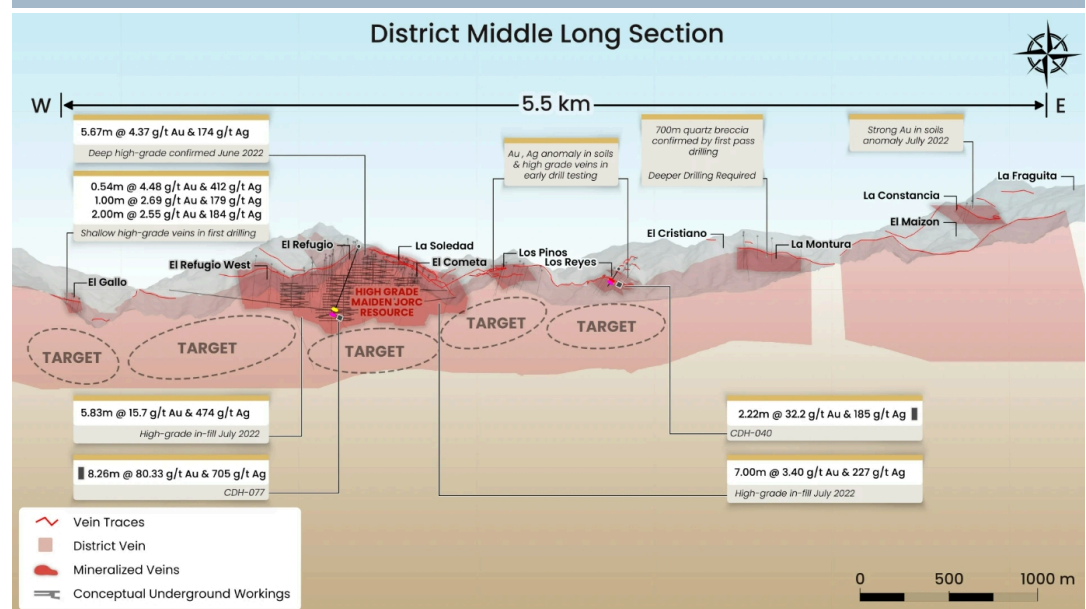


Source: Ventum Financial

Resource Expansion Potential

Through diligent exploration efforts focused at La Soledad and El Refugio at Target 1 (the most advanced targets at Copalquin), Mithril has successfully delineated a high-grade resource of 373 Koz Au and 11 Moz Ag (Ind. & Inf.) with average grades of 4.80 g/t Au and 141 g/t Ag. The JORC & NI43-101 compliant MRE was delivered in 2021 through just 17,700 m of drilling, boasting one of the industry's best \$/oz AuEq discovery costs and the highest grade MRE to be released in Mexico that year. Meanwhile, initial metallurgical results are also very promising, with initial results indicating upwards of 96% Au and 91% Ag recoveries when considering conventional processing techniques. Through ongoing exploration results, we see MSG having a clear path to expand upon the current ~500 Koz AuEq resource, not only at Target 1, but we also see high potential to identify multiple, similar size and grade resources across its other target areas where comparable assay results are being demonstrated (Exhibit 3).

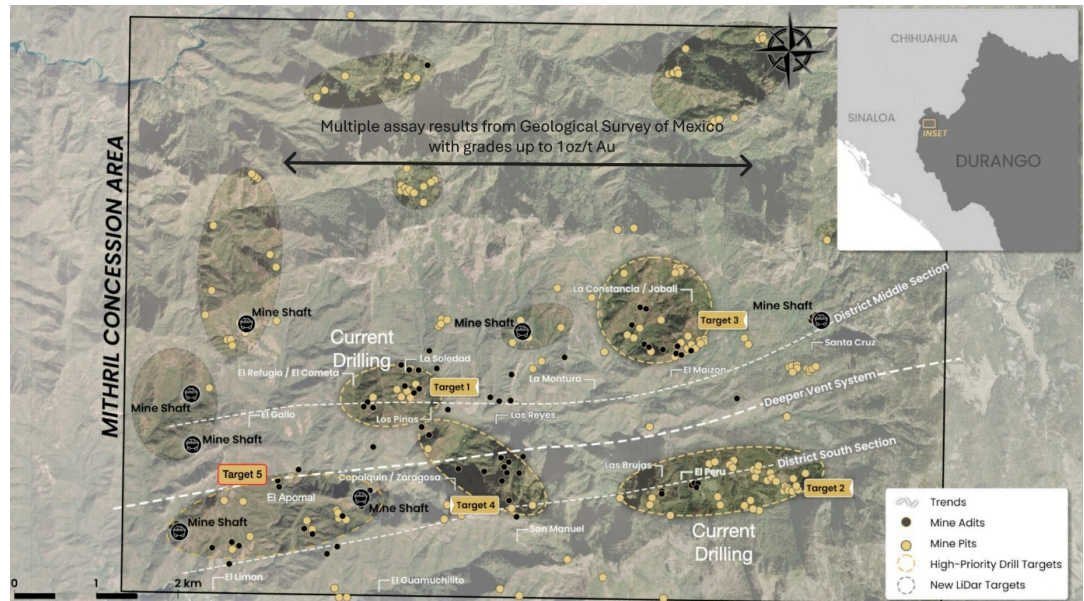
Exhibit 3 - District E-W Long Section Across the Copalquin Project



Source: Company reports

Since delivering the MRE, Mithril has roughly doubled the total drill metres across the project area, with multiple additional drill discoveries already made at La Cometa, Los Reyes, and Las Brujas. Through the drill bit and surface and underground sampling, Mithril continues to display structural continuity across its ~15 individual targets, with multiple parallel structures displaying typical low-sulphidation (LS) epithermal mineralization across all five target areas. Furthermore, we see evidence of mineral zonations and vein textures between the upper and lowermost elevation target areas to be textbook of LS epithermal systems. As expected, we see more base-metals-rich Ag-dominated mineralization at lower elevation targets (Target 5 at ~600 m elev.), while higher elevation targets (Targets 1 & 3 at ~1,200 m and ~1,600 m elev., respectively) are seen to contain little-to-no base metals with a much higher Au content relative to Ag, as displayed through recent assay results. This leads the MSG technical team to believe they are just at the cusp of discovering a larger feeder structure at depth, something the team plans to test this year near its Los Reyes target. Lastly, the MSG team has yet to have an opportunity to explore the northernmost portion of the concessions. However, a plethora of historic pits have been identified through LiDar surveying, while past sampling by the Geological Survey of Mexico has already identified high-grade gold mineralization, with peak grades reaching >1 oz/t Au, further highlighting the district-scale potential (Exhibit 4).

Exhibit 4 - Plan View of the Copalquin Project With Target Areas and Historic Workings



Source: Ventum Financial, Company reports

2025 Exploration Program

MSG is currently drilling with two rigs at the Copalquin project, with ~10,000 m completed to date in 2025, and an additional 25,000 m set to be drilled throughout the year. Priority 1 is ongoing resource expansion at Target 1, where Rig 1 is currently stationed for the next one to two months, while Rig 2 currently sits at Los Reyes (Exhibit 5) to follow up on previous high-grade results while also testing the Company's hypothesis of a potential high-grade feeder system below, which could change MSG's growth trajectory.

Exhibit 5 - Arial View of Rig 2, Currently Drill at Los Reyes



Source: Ventum Financial

Since the initial MRE, MSG has delivered a flurry of high-grade assay results across the prospective concession package, further delineating resources at Target 1, while outlining the overall potential for a much larger epithermal system throughout the district.

Positive drill intercepts from the current drill program delivered thus far include:

- ▶ 2.55 m grading 9.97 g/t Au and 571.8 g/t Ag, incl. 1.00 m @ 20.7 g/t Au and 1,130 g/t Ag (MTH-ES25-10) - La Soledad;
- ▶ 4.95 m grading 20.5 g/t Au, 1,833 g/t Ag, incl. 0.55 m grading 110 g/t Au and 7,530 g/t Ag (MTH-ES25-11) - La Soledad; and
- ▶ 11.5 m grading 8.61 g/t Au and 57.6 g/t Ag, incl. 3.85m grading 25.33 g/t Au and 128 g/t Ag (T2DH25-006) - Las Brujas (Exhibit 6).

Exhibit 6 - Photo of Drill Hole T2DH25-006 Displaying Brecciated Colloform Banding with Black Ag-Sulphides (Acanthite) and Very Fine Grain VG. RED: 0.85m grading 109.5 g/t Au and 325 g/t Ag.



Source: Ventum Financial

In addition to ongoing drilling at more developed targets, MSG's technical team continue to leave no stone unturned, with detailed mapping and channel sampling of both historic underground workings and the surface projection of these mineralized structures. During our site visit, we had the opportunity to explore one of the historic workings at Target 3, La Constancia. As you can see in Exhibit 7 below, the historical workings are extensive and still contain well-defined epithermal style banded and brecciated veining. Meanwhile, a similar network of underground workings occurs at Target 5, with a much more extensive network of underground workings at Target 1, including four levels of development. Following drilling at Target 1 and Los Reyes, MSG plans to move the Rigs to Target 5 and Target 3 (Exhibit 4), with the first-ever holes planned to follow up on underground and surface channel sampling results. With initial indications suggesting both zones are well mineralized, we see these targets as highly prospective and potential game-changers for the Company.

Exhibit 7: Images From Underground Workings at La Constancia with a Recent Channel Sample and Banded/Brecciated Epithermal Veining



Source: Ventum Financial

Disclosure Fact Sheet

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BUY : recommendation: stock is expected to appreciate from its current price level at least 10-20% in the next 12 months.

NEUTRAL : recommendation: stock is expected to trade in a narrow range from its current price level in the next 12 months.

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AVERAGE : Average revenue and earnings predictability has been established; no significant cash flow/balance sheet concerns are foreseeable over the next 12 months. Reasonable liquidity exists. Price Volatility/Risk analysis while broad based includes the risks associated with a company's balance sheet, variability of revenue or earnings, industry or sector risks, and liquidity risk.

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Research Disclosures

Company	Disclosure
Mithril Silver and Gold	4, 9

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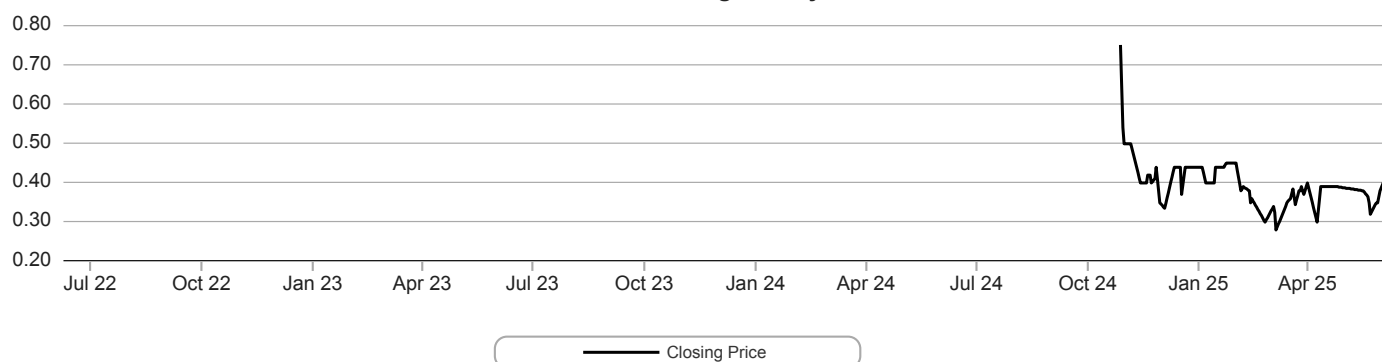
Analyst	Company	Type of Review	Operations / Project	Date
Matheson, Zach	Mithril Silver and Gold	Site Visit	Durango State, Mexico	06/05/25

Recommendations	Number of Recommendations	Percentage
BUY	85	78.70%
NEUTRAL	8	7.41%
SELL	0	0.00%
UNDER REVIEW	14	12.96%
N/R	0	0.00%
TENDER	0	0.00%
RESTRICTED	1	0.93%
TOTAL	108	

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Mithril Silver and Gold Rating History as of 06/09/2025



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