

Key Facts:

Ticker-Exchange	TSXV:MSG, ASX:MTH
Closing Price	C\$0.56
Date of Report	June 11, 2025
Company Website	https://mithrilsilvergold.com/
Analyst	Shannon Gill

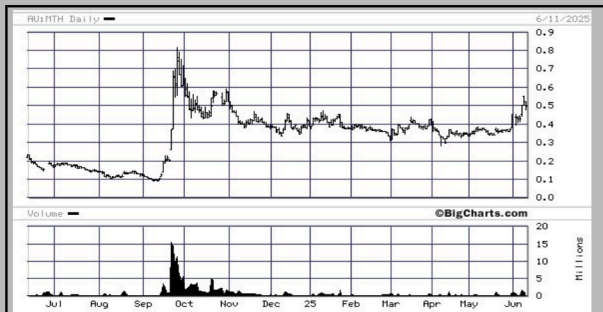
Company Statistics:

52-week High	C\$0.75
52-week Low	C\$0.28
Market Cap	C\$81.6 MM
Shares Outstanding	
Basic	145.8 MM
Diluted	203.7 MM
Cash	A\$14.2 MM
Debt	nil
CEO	John Skeet

Major Shareholders (%):

Management & Insiders	~20%
Institutional & HNW	~38%

Price Chart:



Source: BigCharts.com (June 10, 2025)

Our **Emerging Ideas** publication seeks to highlight firms that we come across during our travels where, while perhaps not ready for formal research coverage, we see notable developments or inflection points that we believe may be of interest to investors.

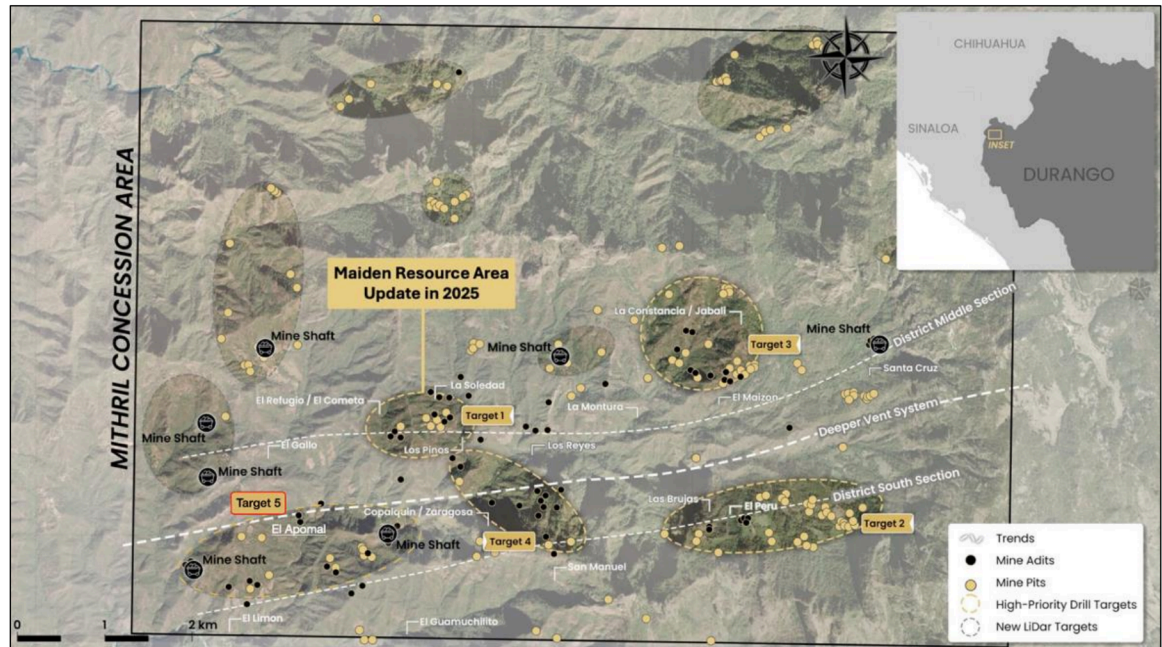
Site Visit Highlights Copalquin District-Scale Potential

Unless otherwise denoted, all figures shown in C\$

On June 5, we visited Mithril Silver and Gold's flagship Copalquin project in Durango, Mexico. Remote access to the site has kept this emerging district Au-Ag play under the radar in the recent past, but historical activity (298 confirmed workings) from hand-dug adits to multi-level underground workings indicates the ~70 km² land package is host to widespread mineralization. Work to date demonstrates low-sulphidation epithermal-style mineralization across a +5 km strike and over 1,000 m of elevation. While a maiden 2021 resource defined high grades at Target 1 (529 koz AuEq Ind+Inf @ 6.8 g/t AuEq, set to grow), surface exploration and shallow drilling point to at least 3 additional targets with equally high grades and high potential for growth. Mithril is a focused explorer with a proven technical team that is experienced in Mexico, with the vision to define a multi-million ounce, high-grade deposit in the emerging Copalquin district.

- **This year, Mithril expects to prepare and drill test 3 additional targets to the Target 1 deposit, as part of its fully funded 35,000 m drill program.** The targets represent a ~1,000 m change in elevation across an ~5 km E-W strike ranging from Au-dominant at Targets 2 and 3 in the east (~1,700 m) to Ag-dominant at Target 5 in the west (~700 m). **Although Mithril anticipates increasing the Target 1 resource to 800 koz - 1 MMoz AuEq by the end of Q3/25, the company sees a clear path to defining a +2 MMoz AuEq resource from the work planned to be completed in 2025.**
- **The Copalquin district contains abundant evidence supporting a large, prolific epithermal system across an ~10 km E-W strike, even in the under-explored northern half of the ~70 km² land package. In addition to defining Targets 1 to 5, the company is working on a district-scale model to target a source (feeder) to the abundant epithermal mineralization in the area.** While one drill rig is completing infill drilling at El Refugio, the second drill rig at Los Reyes is targeting potential consolidation of / feeder to the upper, brecciated portion of Target 1 with deeper, ~650 m long planned holes.
- **We see Mithril as an undervalued early-stage explorer with the technical expertise and property-wide potential to grow resources ~4x over the next year.** Comparable deposits in the Sierra Madre include Coeur Mining's Palmarejo mine (7.2 MMoz AuEq M&I+I est. historical + current) and Vizsla Silver's advanced Panuco deposit (4.3 MMoz AuEq M&I+I). The company is currently trading at an EV/oz multiple of US\$73/oz AuEq at the low end of peers, vs. Vizsla Silver's US\$211/oz AuEq.
- A total of ~10,000 m of the 35,000 m planned and fully funded 2025 program has been completed to date. Recall Mithril had A\$14.2 MM in cash at March 31, 2025. **First results from Target 5 drilling are anticipated in early Q3, with Target 3 drilling to follow.**
- For additional background on Mithril and the current stage of mining in Mexico, see our initial Emerging Idea from [May 12, 2025](#).

Figure 1: Copalquin Property Map Of Priority Targets Along E-W Structures

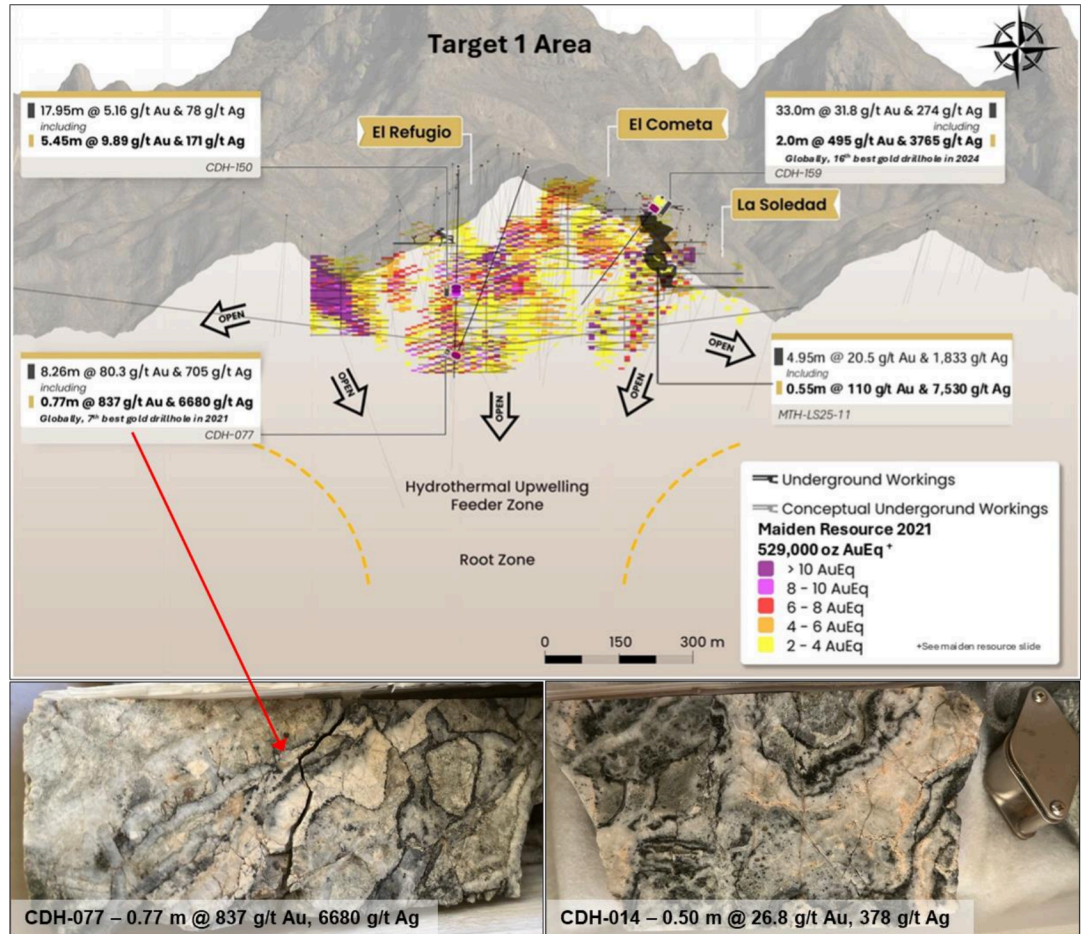


Source: Mithril Silver and Gold Ltd.

In 2025, Mithril expects to prepare and drill test 3 additional targets to its Target 1 deposit as part of its fully-funded 35,000 m drill program. The targets represent an ~1,000 m change in elevation across an ~5 km E-W strike ranging from Au-dominant in the east to Ag-dominant in the west (Fig. 1). ***Mithril anticipates a +50% increase in its Target 1 529 koz AuEq Ind+Inf resource @ 6.8 g/t AuEq by the end of Q3/25, and the company sees a clear path to defining a +2 MMoz AuEq resource from the work to be completed in 2025.*** From E to W, the company's priority targets are as follows:

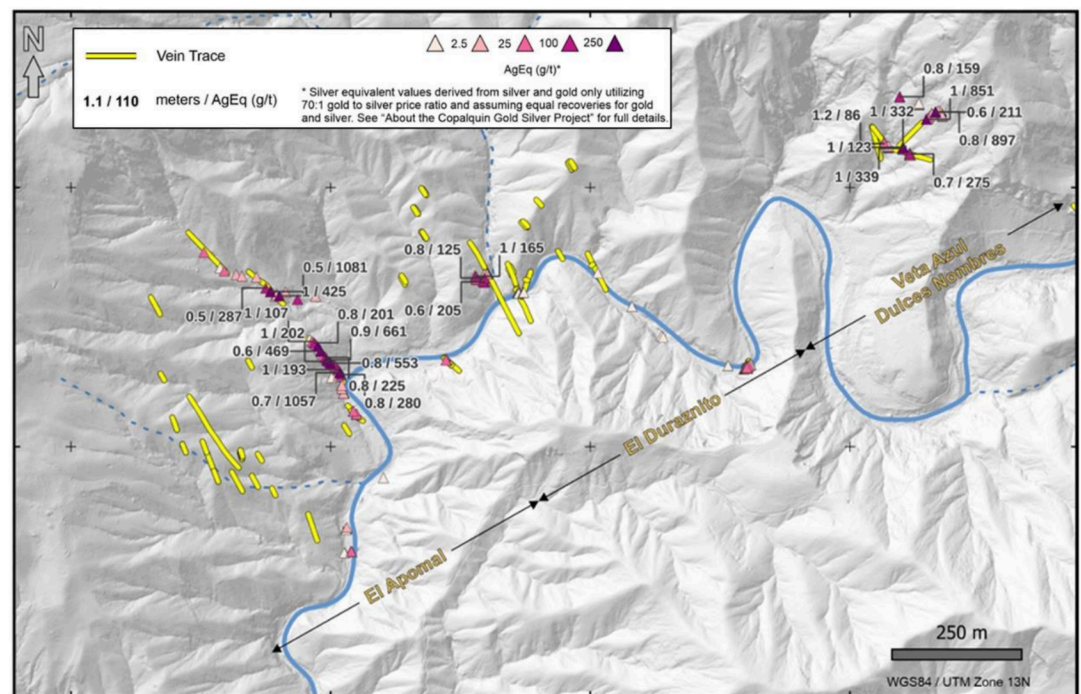
- **Targets 2 and 3** – highest elevation targets (up to 1,700 m) with high gold grades returned from shallow drilling (recently at Target 2 with 11.5 m in hole T2DH25-006 @ 8.61 g/t Au and 57.6 g/t Ag from 44.5 m depth) and grab sampling of vein breccias and vein sets. Interpretation of surface and drill results is ongoing at Target 2 where drilling is complete, and mapping and sampling are ongoing at Target 3 drilling in preparation for drilling in Q3/25.
- **Target 1** – drill testing below historical El Refugio and La Soledad workings (up to 4 UG levels) has returned high-grade gold and silver in hydrothermal breccias containing abundant ginguero-banded, multiphase (?) veins (Fig. 2). Currently, one drill rig is conducting infill drilling in preparation for the targeted Q3/25 resource update, while a second rig at Los Reyes to the east is drilling deeper (~650 m angled holes) to test consolidation of vein/continuity at depth – see below.
- **Target 5** – lowest elevation target (~700 m) has returned high-grade silver and increased base metals from channel sampling in a historical 130 m adit (including 0.7 m @ 4.64 g/t Au and 732 g/t Ag, Fig. 3). Mapping and surface sampling demonstrate dense vein sets with the same mineralogy in up to 1.5 m veins in granodiorite. Drill testing is planned to begin by the end of Q2/25.

Figure 2: Long Section (looking north) Of Target 1 Resource, Exemplary Drill Core



Source: Mithril Silver and Gold Ltd. (top, long section) and Cormark Securities Inc. (bottom, drill core photos)

Figure 3: Map Of Target 5 Recent Surface And Channel Sample Results



Source: Mithril Silver and Gold Ltd.

The Copalquin property contains abundant evidence supporting a large, prolific (potentially multi-phase) epithermal system across the ~70 km² land package. Outside of Targets 1 to 5, parallel E-W structural breaks in the southern half of the project are interpreted over an ~10 km strike, with mineralization appearing to concentrate at cross-cutting, NW-trending faults typical of the Sierra Madre Occidental (Fig. 1). In addition to defining Targets 1 to 5, the company is working on a district-scale model to locate a source (feeder) to the abundant epithermal mineralization in the area – currently undergoing testing with the drill rig at Los Reyes (Target 1, Fig. 4). Mithril is looking for a wide, competent 'feeder' style vein-system, similar to the relatively small but continuous, multi-phase, ginguro-banded vein set up to 6 m wide at the historic Copalquin mine, ~900 m southeast of Target 1.

Satellite imagery highlighting alteration and historical grab samples (up to 37 g/t Au) from the northern portion of Copalquin indicate potential repetition of mineralization along E-W structural breaks, similar to targets in the south. In the future, the company plans to advance follow up surface exploration here as well.

Despite the somewhat difficult access to site, Management is led by experienced Mexico operators (ex-Palmarejo, Ocampo, and Cerro de Gallo), and upgrading of an ~8 km access road to the southwestern section of the project (Target 5) is nearing completion.

Figure 4: Drill Rig At Los Reyes (in red) Below Airstrip (mid-right)



Source: Cormark Securities Inc.

Figure 5: Regional Map Of Significant Gold & Silver Sierra Madre Deposits



Source: Mithril Silver and Gold Ltd.

While abundant drilling will be required for the company to demonstrate future growth of the emerging Copalquin 'district', we see Mithril as an undervalued early-stage explorer with a vision to grow resources +4x over the next year. With high gold and silver grades, negligible antimony and arsenic indicating a potentially straightforward flowsheet similar to Coeur Mining's Palmarejo operation (7.2 MMoz AuEq M&I+I est. historic & current), and +150-year-old workings that remain open demonstrating very good rock competency, it is likely that future underground opex costs would be on the low-end of the cost curve. While Copalquin Targets 1 to 3 appear to be relatively higher elevation in an epithermal system, Vizsla Silver's advanced Panuco project (4.3 MMoz AuEq M&I+I) is good developer comparison in the prolific Sierra Madre Belt (Fig. 5). Mithril is currently trading at an EV/oz multiple of US\$73/oz AuEq, at the low end of peers, vs Vizsla's US\$211/oz AuEq.

A total of ~10,000 m of the 35,000 m planned and fully funded 2025 drill program has been completed to date. Recall Mithril had A\$14.2 MM in cash at March 31, 2025. Drill results are anticipated to be published every 2-4 weeks through Q2 and Q3. First results from Target 5 drilling are anticipated in early Q3, with Target 3 drilling to follow. **For additional background on Mithril and the current stage of mining in Mexico, see our initial Emerging Idea from [May 12, 2025](#).**

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