MITHRIL SILVER AND GOLD LIMITED
(FORMERLY MITHRIL RESOURCES LIMITED)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED DECEMBER 31, 2024

(Expressed in Australian Dollars)

(Unaudited – Prepared by Management)

NOTICE OF NO AUDITOR REVIEW

Under National Instrument 51-102, Part 4 subsection 4.3 (3), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that the unaudited condensed interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim financial statements of Mithril Silver and Gold Limited. have been prepared by and are the responsibility of management.

These condensed interim financial statements for the six months ended December 31, 2024 have not been reviewed or audited by the Company's independent auditors in accordance with standards established by the Chartered Professional Accountants of Canada.

MITHRIL SILVER AND GOLD LIMITED (FORMERLY MITHRIL RESOURCES LIMITED)
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Australian Dollars)
(Unaudited – Prepared by Management)

		December 31, 2024		June 30, 2024
Assets				
Current assets				
Cash and cash equivalents	$	16,757,242	$	1,496,392
Receivables (Note 6)		666,960		178,293
Prepaids		340,755		436,192
		17,764,957		2,110,877
Non-current assets				
Receivables		1,178		1,229
Exploration and evaluation assets (Note 7)		33,140,012		30,811,554
		33,141,190		30,812,783
Total Assets	$	50,906,147	$	32,923,660
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (Note 10)	$	667,651	$	371,357
Loan payable		3,468		34,739
Employee benefits		35,830		40,649
Total liabilities		706,949		446,745
Equity				
Share capital (Note 9)		86,674,865		71,115,636
Reserves (Note 9)		6,628,029		2,532,829
Accumulated other comprehensive income		2,222,711		3,050,475
Accumulated deficit		(45,326,407)		(44,222,025)
Total equity		50,199,198		32,476,915
Total Liabilities and Equity	$	50,906,147	$	32,923,660

Nature of operations and going concern (Note 1)
Subsequent event (Note 12)

Approved by the Board of Directors on February 14, 2025

"*John Skeet*"	"*David Toyota*"
John Skeet, Director	David Toyota, Director

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

MITHRIL SILVER AND GOLD LIMITED (FORMERLY MITHRIL RESOURCES LIMITED)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Australian Dollars)
(Unaudited – Prepared by Management)

	For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the six months ended December 31, 2024	For the six months ended December 31, 2023
Administration expenses	$ 161,999	$ 97,004	$ 306,146	$ 171,485
Depreciation and amortisation expense (Note 7)	14,632	15,648	29,004	31,707
Filing and listing fees	131,395	9,206	224,282	14,899
Interest expense	1,026	3,650	2,036	4,272
Investor relations	106,299	-	196,374	-
Legal expenses	37,207	-	91,874	-
Other income (Note 5)	(103,380)	(1,784)	(115,986)	(122,719)
Remuneration expenses (Note 10)	149,646	100,093	251,845	179,194
Scheme implementation costs	-	68,618	-	338,950
Share-based payments (Note 9)	-	-	39,400	-
Travel expenses	58,786	-	79,407	-
Net loss for the period	(557,610)	(292,435)	(1,104,382)	(617,788)
Other comprehensive income (loss):				
Foreign currency translation adjustment	1,296,939	(488,915)	(827,764)	(393,872)
Total comprehensive income (loss) for the period	$ 739,329	$ (781,350)	$ (1,932,146)	$ (1,011,660)
Basic earning (loss) per share	$ 0.01	$ (0.02)	$ (0.02)	$ (0.03)
Diluted earning (loss) per share	$ 0.01	$ (0.02)	$ (0.02)	$ (0.03)
Weighted average number of shares outstanding – pre dilution	132,061,402	33,688,822	116,658,567	33,688,822
Dilutive effect - options	1,927,820	-	-	-
Dilutive effect - warrants	24,617,181	-	-	-
Weighted average number of shares outstanding – post dilution	158,606,403	33,688,822	116,658,567	33,688,822

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

MITHRIL SILVER AND GOLD LIMITED (FORMERLY MITHRIL RESOURCES LIMITED)
Condensed Interim Consolidated Statements of Changes in Equity
(Expressed in Australian Dollars)
(Unaudited – Prepared by Management)

	Share Capital			Accumulated Other Comprehensive Income	Accumulated Deficit	
	Number	Amount	Reserves			Total
Balance, June 30, 2023	33,688,822	$ 66,250,053	$ 2,417,829	$ 4,580,419	$ (42,621,671)	$ 30,626,630
Foreign currency translation adjustment	-	-	-	(393,872)	-	(393,872)
Net loss and comprehensive loss for the period	-	-	-	-	(617,788)	(617,788)
Balance, December 31, 2023	33,688,822	66,250,053	2,417,829	4,186,547	(43,239,459)	29,614,970
Private placement	50,887,400	5,088,740	-	-	-	5,088,740
Share issuance costs	-	(223,157)	-	-	-	(223,157)
Share-based compensation	-	-	115,000	-	-	115,000
Foreign currency translation adjustment	-	-	-	(1,136,072)	-	(1,136,072)
Net loss and comprehensive loss for the period	-	-	-	-	(982,566)	(982,566)
Balance, June 30, 2024	84,576,222	71,115,636	2,532,829	3,050,475	(44,222,025)	32,476,915
Private placements	43,500,000	12,325,000	3,875,000	-	-	16,200,000
Share issuance costs	-	(1,182,411)	180,800	-	-	(1,001,611)
Exercise of warrants	17,022,300	4,416,640	-	-	-	4,416,640
Share-based compensation	-	-	39,400	-	-	39,400
Foreign currency translation adjustment	-	-	-	(827,764)	-	(827,764)
Net loss and comprehensive loss for the period	-	-	-	-	(1,104,382)	(1,104,382)
Balance, December 31, 2024	145,098,522	$ 86,674,865	$ 6,628,029	$ 2,222,711	$ (45,326,407)	$ 50,199,198

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

MITHRIL SILVER AND GOLD LIMITED (FORMERLY MITHRIL RESOURCES LIMITED)
Condensed Interim Consolidated Statements of Cash Flow
(Expressed in Australian Dollars)
(Unaudited – Prepared by Management)

For the six months ended December 31,		2024		2023
Cash flows from operating activities				
Payment to suppliers and employees (inclusive of GST)		(1,135,697)		(409,173)
Interest paid		(2,036)		(522)
Mexico VAT refunds and tax adjustments employee benefits		-		334,901
Net cash used in operating activities		(1,137,733)		(74,794)
Cash flows from investing activities				
Payments for exploration assets		(3,085,073)		(911,784)
Net cash used in investing activities		(3,085,073)		(911,784)
Cash flows from financing activities				
Private placements		16,200,000		-
Share issuance costs		(1,001,611)		-
Exercise of warrants		4,416,640		-
Proceeds from loans		850,000		850,000
Repayment of loans		(881,271)		(10,524)
Net cash provided by financing activities		19,583,758		839,476
Impact of foreign exchange rate on cash		(100,102)		1,400
Change in cash during the period		15,260,850		(145,702)
Cash and cash equivalents, beginning of the period		1,496,392		568,530
Cash and cash equivalents, end of the period	$	16,757,242	$	422,828
Supplemental cash flow information				
Interest paid	$	2,036	$	522
Taxes paid	$	-	$	-
Fair value of warrants component - private placements	$	3,875,000	$	-
Fair value of broker’s warrants	$	180,800	$	-

The notes to the condensed interim consolidated financial statements are an integral part of these statements.

1. Nature of operation and going concern

Mithril Silver and Gold Limited. (formerly Mithril Resources Limited.) (the "Company") was incorporated under the law of Australian on April 26, 2002. At the shareholder meeting held on September 2, 2024 (the "Meeting"), The Company obtained shareholder approval to change its name to Mithril Silver and Gold Limited. The name change took effect on September 5, 2024. The Company is dual listed on the Australian Stock Exchange ("ASX") since 2002 under the symbol "MTH" and Toronto Stock Exchange Venture ("TSXV") on September 27, 2024 under the symbol "MSG".

On April 22, 2024, the Company consolidated its common shares on hundred for one basis. These condensed interim consolidated financial statements reflect the share consolidation on a retrospective basis

These condensed interim financial statements have been prepared on the assumption that the Company will continue as a going concern, meaning it will continue in operation for twelve months and will be able to realize its assets and discharge its liabilities in the ordinary course of operations. Different bases of measurement may be appropriate if the Company was not expected to continue operations for the foreseeable future. At December 31, 2024, the Company has not achieved profitable operations, has accumulated losses of $45,326,407 and working capital of $17,058,008 and anticipates that it will need to raise additional funds in order to meet its expenditure commitments for the next 12 months, all of which indicate a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The Company's continuation as a going concern is dependent upon successful results from its exploration and evaluation activities, its ability to attain profitable operations to generate funds and/or its ability to raise equity capital or borrowings sufficient to meet its current and future obligations. Although the Company has been successful in the past in raising funds to continue operations, there is no assurance it will be able to do so in the future.

The Company's business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Recent geopolitical events and potential economic global challenges such as the risk of higher inflation and energy crises, may create further uncertainty and risk with respect to the prospects of the Company's business.

The registered and head office of the Company is located at The Block Arcade, Suite 324, Level 3, 96 Elizabeth Street, Melbourne, Victoria, Australia.

2. Basis of preparation

The Company's condensed interim consolidated financial statements are for the group consisting of Mithril Silver and Gold Limited and its subsidiaries.

These condensed interim consolidated interim financial statements, including comparatives, have been prepared in accordance with IFRS Accounting Standards ("IAS") 34 "Interim Financial Reporting" ("IAS 34") using accounting policies consistent with the IFRS issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The disclosures provided below are incremental to those included with the annual financial statements. Certain information and disclosures normally included in the notes to the annual financial statements have been condensed or have been disclosed on an annual basis only. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year June 30, 2024, which have been prepared in accordance with IFRS as issued by the IASB.

These condensed interim consolidated financial statements were approved and authorized for release by the Board of Directors ("the Board") on February 14, 2025.

<u>Basis of consolidation</u>

These condensed interim consolidated financial statements include the financial statements of the Company and the entities controlled by the Company. The financial statements of subsidiaries are included in the condensed interim consolidated financial statements from the date that control commences until the date that control ceases. All significant intercompany transactions and balances have been eliminated.

2. Basis of preparation (continued)

The condensed interim consolidated financial statements include the financial information of the Company and its subsidiaries listed in the following table:

Name of subsidiary	Country of incorporation	Ownership interest at December 31, 2024	Ownership interest at June 30, 2024
Minex (Aust) Pty Ltd	Australia	100%	100%
Minex (West) Pty Ltd	Australia	100%	100%
Mithril Resources Investments Pty Ltd.	Australia	100%	100%
Sun Minerals Pty Ltd	Australia	100%	100%
Drummond Gold S.A. de C.V.	Mexico	100%	100%
Carlton Gold S.A. de. C.V.	Mexico	100%	100%

The condensed interim consolidated financial statement include Mithril Silver and Gold Limited, and its wholly owned subsidiary, Sun Minerals Pty. Ltd. incorporated under Australian law in 2017, which in turn holds a 100% Mexican subsidiary, Drummond Gold S.A. de C.V. ("Drummond") which holds an option right to the Copalquin Gold – Silver project in Durango state, Mexico.

Basis of measurement

These condensed interim consolidated financial statements are expressed in Australian Dollars, the Company's presentation currency and have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information. The accounting policies used in the preparation of these condensed interim consolidated financial statements are the policies listed in the Note 3. These accounting policies have been applied consistently to all periods presented in these condensed interim consolidated financial statements as if the policies have always been in effect.

Significant accounting judgments and estimates

The preparation of these condensed interim consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed interim consolidated financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company has applied the following critical accounting judgments:

Impairment of exploration and evaluation assets
The net carrying value of each mineral property is reviewed regularly for conditions that suggest impairment. This review requires significant judgment. Factors considered in the assessment of asset impairment include, but are not limited to, whether there has been a significant adverse change in the legal, regulatory, accessibility, title, environmental or political factors that could affect the property's value; whether there has been an accumulation of costs significantly in excess of the amounts originally expected for the property's acquisition, development or cost of holding; and whether exploration activities produced results that are not promising such that no more work is being planned in the foreseeable future. If impairment is determined to exist, a formal estimate of the recoverable amount is performed, and an impairment loss is recognized to the extent that the carrying amount exceeds the recoverable amount.

Going concern risk assessment
The assessment of the Company's ability to continue as a going concern involves significant judgment. Refer to our discussion in Note 1.

3. Material accounting policies

Cash and cash equivalents

Cash and cash equivalents consist of cash in bank and short-term investments with a maturity of less than six months.

Exploration and Evaluation Assets

All costs related to the acquisition are capitalized by property. Exploration and evaluation costs are expensed. These expenditures include costs for consulting geologists, surveying, geophysics, sampling, drilling, assaying, unrecoverable taxes and depreciation on equipment during the exploration phase.

Option payments to acquire an exploration and evaluation asset, made at the sole discretion of the Company under an option agreement, are capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the exploration and evaluation assets until the payments are in excess of acquisition costs, at which time they are then credited to profit or loss. Option payments are at the discretion of the optionee and, accordingly, are accounted for when payment is received.

The Company is in the exploration stage and is in the process of determining whether its exploration and evaluation assets contain ore reserves that are economically recoverable. The recoverability of amounts recorded as exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, maintenance of the Company's legal interests in its mineral claims, obtaining further financing for exploration and development of its mineral claims and commencement of future profitable production, or receiving proceeds from the sale of all or an interest in its mineral properties. Management reviews the carrying value of exploration and evaluation assets on a periodic basis and will recognize impairment in value based upon current exploration results, the prospect of further work being carried out by the Company, the assessment of future probability of profitable revenues from the property or from the sale of the property. Amounts shown for exploration and evaluation assets represent costs incurred, net of write-downs and recoveries, are not intended to represent present or future values.

Capitalized exploration and evaluation costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work being carried out by the Company or its partners on a property, when a property is abandoned or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount. The recoverability of the carrying amount of mineral properties is dependent on the successful development and commercial exploitation or the sale of the respective areas of interest.

Foreign exchange translation

Foreign currency translation functional and presentation currency
Items included in the condensed interim consolidated financial statements of the Company is measured using the currency of the primary economic environment in which the entity operates (the functional currency). These condensed interim consolidated financial statements are presented in Australian Dollars. The functional currency of Mithril Silver and Gold Limited and its subsidiaries is the Australian Dollars, except for Drummond Gold S.A. de C.V. which has a functional currency of Mexican Peso.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency monetary items are translated at the period-end exchange rate. Non- monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise.

Translation to the presentation currency
- assets and liabilities are translated at period-end exchange rates prevailing at that reporting date; and
- income and expenses are translated at the average exchange rates for the period when the rates approximate the exchange rates at the date of the transactions.

Exchange differences are transferred directly to other comprehensive income (loss) and are included in a separate component of equity "Accumulated other comprehensive income or loss – currency translation adjustment". These differences are recognized in profit or loss in the period in which the operation is disposed of.

3. Material accounting policies (continued)

Valuation of equity units issued in private placements

The Company records proceeds from issuances of equity net of issue costs and any related tax effects. The Company has adopted the residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first attributes value to the shares based on their quoted trading price at issuance, and the residual amount, if any, is attributed to the value of the warrants. Any fair value attributed to the warrants is recorded within the warrant reserve.

Share-issuance costs

Share issue costs are deferred and charged directly to share capital on completion of the related equity financing. If the financing is not completed, share issue costs are charged to profit or loss. Costs directly identifiable with the raising of capital is charged against share capital.

Share-based payment

In situations where equity instruments are issued to non-employees and the fair value of some or all of the goods or services received by the Company as consideration cannot be reliably estimated, they are measured at the fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

The fair value of stock options granted to employees is recognized as an expense over the vesting period with a corresponding increase in contributed surplus account. The fair value is measured at the grant date using the Black-Scholes option-pricing model, taking into account the terms and conditions upon which the options were granted. At each statement of financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

All share options and warrants are included in reserves, a component of shareholders' equity, until exercised. Upon exercise, the consideration received plus the amounts in reserves attributable to the options and/or warrants being exercised are credited to share capital. If the options expire or are cancelled, the corresponding amount previously recorded remains in contributed surplus.

Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation, and environmental costs arise when an environmental disturbance is caused by the exploration, development, or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization, using either the unit-of-production or the straight-line method. The related liability is adjusted each period for the unwinding of the discount rate and for changes to the current market-based discount rate, and amount or timing of the underlying cash flows needed to settle the obligation. Costs for the restoration of subsequent site damage, which is created on an ongoing basis during production, are provided for at their net present values and charged against profits as extraction progresses.

The Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date is minimal.

Basic and Diluted Earnings (Loss) Per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the earnings (loss) attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

3. Material accounting policies (continued)

Impairment of non-financial assets

At the end of each reporting period the carrying amounts of the Company's long-lived assets, including mineral property interests, are reviewed to determine whether there is any indication that those assets are impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

i) Financial assets

All financial assets are measured at fair value on initial recognition. Measurement in subsequent periods depends on the financial assets' classification, as described below:

Fair value through profit or loss ("FVTPL"): Financial instruments designated at FVTPL are initially recognized and subsequently measured at fair value with changes in those fair values charged immediately to net earnings. Financial instruments under this classification include marketable securities.

Amortized cost: Financial instruments designated at amortized cost are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at amortized cost using the effective interest method. Financial instruments under this classification include cash.

Fair value through other comprehensive income ("FVOCI"): Financial instruments designated at FVOCI are initially recognized at fair value, net of directly attributable transaction costs, and are subsequently measured at fair value with changes in fair value recognized in other comprehensive income, net of tax.

ii) Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or amortized cost. Financial liabilities classified at amortized cost are initially recognized at fair value less directly attributable transaction costs. The Company's accounts payable, accrued liabilities and loan payable are classified at amortized cost. The Company does not currently have any FVTPL financial liabilities.

iii) Impairment of financial assets, accounts payable and accrued liabilities

An entity is required to recognize expected credit losses on financial assets carried at amortized cost, when financial instruments are initially recognized and to update the amount of expected credit losses recognized at each reporting date to reflect changes in the credit risk of the financial instruments.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods, if the amount of the loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognized.

3. Material accounting policies (continued)

Adoption of New Accounting Standards and New Accounting Pronouncements

The following amendments were adopted by the Company on May 1, 2023:

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) - the amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy.

Definition of Accounting Estimates (Amendments to IAS 8) - the amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in consolidated financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in consolidated financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

There was no impact on the Company's consolidated financial statements upon the adoption of these amendments.

Accounting Pronouncements Not Yet Adopted

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively.

The Company has reviewed new and revised accounting pronouncements that have been issued but are not yet effective. The Company does not expect any material impact from future accounting pronouncements.

4. Financial instruments

(a) Fair value estimation

The fair value of financial instruments are determined by valuation methods depending on hierarchy levels as defined below:

1. Level 1 of the fair value hierarchy includes unadjusted quoted prices in active markets for identical assets or liabilities;
2. Level 2 of the hierarchy includes inputs that are observable for the asset or liability, either directly or indirectly; and
3. Level 3 includes inputs for the asset or liability that are not based on observable market data.

The Company does not have any financial instruments included in Level 1, 2 and 3 at March 31, 2024 and 2023. The carrying values of financial instruments maturing in the short term approximates their fair values.

(Expressed in Australian Dollars)

4. Financial instruments (continued)

(b) Financial risks

The Company may be exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives. The Company manages risks to minimize potential losses. The main objective of the Company's risk management process is to ensure that the risks are properly identified and that the capital base is adequate in relation to those risks. The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The Company is exposed to credit risk with respect to its cash and commodity tax receivable. Management believes it has minimal significant credit risk to its cash. The majority of cash is held in a high credit quality financial institution. The Company also holds cash with banks in the Australia and Mexico. The Company's maximum exposure to credit risk is their carrying amounts disclosed in these condensed interim consolidated statement of financial position.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. At December 31, 2024, the Company had a cash balance of $16,757,242 to settle liabilities of $706,949.

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market factors. Market risk comprises three types of risk: price risk, interest rate risk and currency risk.

Price risk
Price risk is the risk that the fair value of future cash flows of the Company's financial instruments will fluctuate because of changes in market prices. The Company is not exposed to price risks.

Interest rate risk
Interest rate risk is the risk that the fair values and future cash flows of the Company will fluctuate because of changes in market interest rates. The Company is not exposed to interest rate risk.

Currency risk
Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency exchange rates. Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The Company has determined that the current level of foreign currency risk resulting from its operations in Mexico is not material.

5. Other income

	Six months period ended December 31, 2024	Six months period ended December 31, 2023
Interest revenue	$ 115,216	$ -
Mexico tax adjustment	-	122,719
Other income	770	-
	$ 115,986	$ 122,719

(Expressed in Australian Dollars)

6. Receivables

		December 31, 2024		June 30, 2024
GST and overseas taxes receivable	$	551,744	$	178,293
Accrued interest income		115,216		-
	$	666,960	$	178,293

7. Exploration and evaluation assets

		Copalquin Gold Silver Project, Mexico		Australian Projects		Total
June 30, 2023	$	29,984,641	$	108,854	$	30,093,495
Additions		2,225,259		21,290		2,246,549
Translation adjustment		(1,528,490)		-		(1,528,490)
June 30, 2024		30,681,410		130,144		30,811,554
Additions		3,080,328		4,745		3,085,073
Depreciation		(29,004)		-		(29,004)
Translation adjustment		(727,611)		-		(727,611)
December 31, 2024	$	33,005,124	$	134,889	$	33,140,012

Copaquin Gold Silver Project, Mexico

The Company's rights to the Copalquin Project were acquired through its announced acquisition on November 25, 2019 of Sun Minerals, and the interest Sun Minerals holds in the Copalquin Project is through Sun Minerals' Mexican subsidiary Drummond Gold S.A. de C.V. ("Drummond"). Drummond entered into an Option Agreement dated August 7, 2017, as amended April 24, 2019, August 30, 2019, July 14, 2022, August 7, 2023 and February 28, 2024 (the "Option Agreement") with Compania Minera Copalquin S.A. de C.V, an arm's-length Mexican corporation ("CMC"). By assignment agreements dated July 1, 2020 (initial 10%), September 14, 2021 (an additional 15%) and July 14, 2022 (an additional 25%), Drummond now holds a 50% beneficial interest in the Copalquin Project, subject to fulfillment of the Option Agreement. In order to acquire the current 50% interest, Mithril issued 673,852,281 (pre-consolidated) shares on the acquisition of Sun Minerals and 30,000,000 (pre-consolidated) shares post-acquisition to CMC, spent US$8,000,000 on exploration and paid cash of US$1,675,000 to CMC.

On May 21, 2024, the Company issued 1,500,000 common shares and 750,000 warrants exercisable at AUS$0.20 expiring on May 14, 2027 to CMC as consideration for the amendment and in lieu of semi-annual property payments that were outstanding.

To earn the remaining 50% interest in Copalquin, the Company must pay US$10,000,000 by August 7, 2028 (which may be paid by shares in whole or in part at a 10% discount to the 20 day volume weighted average price (the "VWAP") at the election of CMC provided that the VWAP is equal to or greater than US$1.00 per share and the number of shares does not exceed 10,000,000 shares) and pay US$150,000 every six months until the option is exercised.

Once the 100% interest is acquired, a Net Smelter Royalty ("NSR") of 2.5% on production from the property will be granted to the owner. 1.5% of the NSR can be purchased at any time during the option period by payment of US$4,500,000. When the 100% interest is acquired, and prior to production, pre-NSR payments of US$50,000 per 1% of NSR will be paid every 6 months until production is established.

Australian Projects

The Company has interests in some legacy non-core Australian properties: a 10% free carried interest in the Limestone Well vanadium-titanium tenements in Western Australia with Auteco Minerals Limited; and in Western Australia an interest in the Lignum Dam tenements via a farm out agreement with Great Boulder Resources and a 100% interest in the Kurnalpi tenements.

The plan is to divest these legacy, non-material property interests. certain minerals which do not include lithium. The Company must also pay an additional $1,000,000 if the property is included in a definitive feasibility study within 30 days from the announcement of a construction decision or the beginning of commercial production at any scale, whichever happens earlier.

8. Capital management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Company depends on external financing to fund its activities and there can be no guarantee that external financing will be available at terms acceptable to the Company. Additional funding will be required by the Company to complete its strategic objectives and continue as a going concern. There is no certainty that additional financing at terms that are acceptable to the Company will be available. The capital structure of the Company currently consists of share capital. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new debt, new shares or warrants. The Company is not subject to externally restricted capital requirements. Management reviews its capital management approach on a regular basis. There were no changes in the Company's approach to capital management during the period.

9. Share capital

Authorized:

The Company's authorized share capital consists of an unlimited number of common shares without par value.

During the period ended December 31, 2024, the Company:

i) closed a private placement of 18,000,000 units at $0.20 per share for total gross proceeds of $3,600,000. Each unit is comprised of one common share and one common share purchase warrant of the Company. Each full warrant will entitle the holder to purchase one share at an exercise price of $0.30 until September 5, 2026.

ii) closed a private placement of 500,000 units at $0.20 per share for total gross proceeds of $100,000. Each unit is comprised of one common share and one common share purchase warrant of the Company. Each warrant will entitle the holder to purchase one share at an exercise price of $0.30 until September 5, 2026.

iii) completed a private placement for 25,000,000 units at a price of $0.50 per share for aggregate gross proceeds of $12,500,000, of which $3,875,000 was allocated to the warrant component of the financing. Each unit is comprised of one share and one-half warrant. Each warrant is exercisable into one common share at an exercise price of $0.75 for a two-year period from the date of issue. The Company also issued 1,500,000 finders warrants valued at $180,800. Each broker's warrant is exercisable into one common share at an exercise price of $0.75 for a two-year period from the date of issue.

iv) incurred share issuance costs of $232,228 relating to the above private placements.

v) issued 17,022,300 common shares pursuant to exercise of warrants for gross proceeds of $4,416,640.

Stock options

Mithril has adopted a stock option plan (the "Plan") which states that the Board may, from time to time, in its discretion, grant to directors, officers, employees, consultants and other personnel of the Company and its subsidiaries or affiliates, options to purchase Shares. The Plan is a "rolling" stock option plan, whereby the aggregate number of Shares reserved for issuance, together with any other Shares reserved for issuance under any other plan or agreement of the Company, shall not exceed ten (10%) percent of the total number of issued Shares (calculated on a non-diluted basis) at the time an option is granted.

During the period December 31, 2024, the Company granted 800,000 stock options to a consultant exercisable at $0.20 per common share until May 14, 2027. The fair value of these options was calculated to be $39,400.

During the year June 30, 2024, the Company:

i) granted 1,500,000 stock options to directors exercisable at $0.20 per common share until May 14, 2027. The fair value of these options was calculated to be $75,000.

ii) granted 800,000 stock options to an officer exercisable at $0.20 per common share until May 14, 2027. The fair value of these options was calculated to be $40,000.

(Expressed in Australian Dollars)

9. Share capital (continued)

Stock options (continued)

A summary of stock option activity for the period ended December 31, 2024 and June 30, 2024 is as follows:

	Period ended December 31, 2024		**Year ended June 30, 2024**	
	Number of options	Weighted avg. exercise price	Number of options	Weighted avg. exercise price
Outstanding, beginning of the period	2,550,000	$ 0.33	250,000	$ 1.50
Granted	800,000	$ 0.20	2,300,000	$ 0.20
Outstanding, end of period	3,350,000	$ 0.30	2,550,000	$ 0.33
Exercisable, end of period	3,350,000	$ 0.30	2,550,000	$ 0.33

The following table summarizes information about stock options outstanding and exercisable at December 31, 2024:

Exercise price	**Number outstanding**	**Expiry date**	**Number exercisable**
$1.50	250,000	November 16, 2025	250,000
$0.20	1,500,000	May 14, 2027	1,500,000
$0.20	800,000	May 14, 2027	800,000
$0.20	800,000	May 14, 2027	800,000
	3,350,000		3,350,000

As at December 31, 2024, the Company's options had a weighted average remaining life of 2.26 years (June 30, 2024 – 1.50 years).

The Company uses the Black-Scholes option pricing model to estimate the fair value for all share-based compensation. The weighted average assumptions used in this pricing model during the period ended December 31, 2024 and year ended June 30, 2024, respectively, are as follows:

	Period ended December 31, 2024	**Year ended June 30, 2024**
Weighted average grant date stock price	$0.105	$0.10
Weighted average risk-free interest rate	3.18%	3.88%
Expected dividend yield	0%	0%
Weighted average stock price volatility	100.00%	100.00%
Weighted average forfeiture rate	-	-
Weighted average expected life of options in years	2.69 years	3.00 years

Volatility is determined based on an industry benchmark of 100.00%.

(Expressed in Australian Dollars)

9. Share capital (continued)

Warrants

A summary of warrants activity for the period ended December 31, 2024 and year ended June 30, 2024 is as follows:

	Period ended December 31, 2024		**Year ended June 30, 2024**	
	Number of warrants	Weighted avg. exercise price	Number of warrants	Weighted avg. exercise price
Outstanding, beginning of the period	39,799,057	$ 0.34	2,142,857	$ 0.70
Granted	32,500,005	$ 0.49	37,656,200	$ 0.34
Exercised	(17,022,300)	$ 0.26	-	-
Outstanding, end of period	55,276,762	$ 0.36	39,799,057	$ 0.34
Exercisable, end of period	55,276,762	$ 0.36	39,799,057	$ 0.34

The following table summarizes information about warrants outstanding and exercisable at December 31, 2024 :

Exercise price	**Number outstanding**	**Expiry date**	**Number exercisable**
$0.70	2,142,857	December 9, 2025	2,142,857
$0.30	5,878,200	September 5, 2026	18,000,000
$0.30	500,000	September 5, 2026	500,000
$0.75	12,500,005	December 19, 2026	12,500,005
$0.75	1,500,000	December 19, 2026	1,500,000
$0.10	8,000,000[ii]	May 14, 2027	10,000,000
$0.20	24,755,700[i]	May 14, 2027	27,656,200
	55,276,762		55,276,762

[i] 65,000 warrants subsequently exercised
[ii] 500,000 warrants subsequently exercised

The Company uses the Black-Scholes option pricing model to estimate the fair value for the broker's warrants. The weighted average assumptions used in this pricing model during the period ended December 31, 2024 and year ended June 30, 2024, respectively, are as follows:

	Period ended December 31, 2024	**Year ended June 30, 2024**
Weighted average grant date stock price	$0.345	-
Weighted average risk-free interest rate	3.06%	-
Expected dividend yield	0%	-
Weighted average stock price volatility	100.00%	-
Weighted average forfeiture rate	-	-
Weighted average expected life of options in years	2.00 years	-

Volatility is determined based on an industry benchmark of 100.00%.

(Expressed in Australian Dollars)

10. Related party transactions

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Summary of key management personnel compensation (includes officers and directors of the Company).

		Six months period ended December 31, 2024		Six months period ended December 31, 2023
Remuneration expenses				
Garry Thomas, Director	$	21,525	$	21,622
John Skeet, CEO and Director		110,000		90,000
Stephen Layton, Director		24,000		24,000
Craig Sharpe, Director		21,525		-
David Toyota, Director		13,315		-
Leon Ho, CFO		8,811		-
Post-employment benefits				
John Skeet, CEO and Director		5,750		-
Garry Thomas, Director		2,474		2,378
Craig Sharpe, Director		2,475		-
	$	209,875	$	138,000

During the six months ended December 31, 2024, the spouse of the CEO was employed in an administration and legal role related to Mexico requirements and incurred salary costs of $42,398 (2023: $42,398).

During the six months ended December 31, 2024, a company controlled by a director of the Company has provided consulting legal services of $22,979 (2023: $nil) since his appointment as Director.

As at December 31, 2024, the Company had $106,349 in accounts payable related to amounts owing to the CEO, directors and the spouse of the CEO.

11. Operating segments

Identification of reportable operating segments
The Board has considered the requirements of AASB 8 Operating Segments and has determined that the Group has two operating segments: Mexican operations and Australian operations.

In determining these operating segments, the Board has considered the location of the Group's exploration activities which represent its principal operations. The results of these operating segments are monitored by the Board and form the basis for which strategic decisions are made.

The Copalquin Gold Silver Project in Durango, Mexico constitutes a separately identifiable operating segment to the Group's Australian operations given the Board's intention to regularly review the financial information from its Mexican operations to determine the future allocation of resources.

Intersegment receivables, payables and loans
Intersegment loans are initially recognised at the consideration received. Intersegment loans receivable and loans payable that earn or incur non-market interest are not adjusted to fair value based on market interest rates. Intersegment loans are eliminated on consolidation.

(Expressed in Australian Dollars)

11. Operating segments

Operating segment information

December 31, 2024	Mexican operations $	Australian operations $	Total $
Revenue			
Other revenue	770	-	770
Interest revenue	-	115,216	115,216
Total revenue	770	115,216	115,986
Net loss	(43,309)	(1,118,473)	(1,161,782)
Assets			
Segment assets	33,005,124	17,901,023	50,906,147
Liabilities			
Segment liabilities	382,591	324,358	706,949
December 31, 2023			
Revenue			
Other revenue	120,744	1,975	122,719
Interest revenue	-	-	-
Total revenue	120,744	1,975	122,719
Net loss	78,666	(696,454)	(617,788)
Assets			
Segment assets	30,659,623	484,283	31,143,906
Liabilities			
Segment liabilities	149,002	1,379,934	1,528,936

12. Subsequent event

Subsequent to December 31, 2024, the Company:

i) issued 565,000 common shares pursuant to exercise of warrants for gross proceeds of $63,000.

Mithril Silver and Gold Limited

Management's Discussion and Analysis

For six months ended December 31, 2024

General

The following Mithril Silver and Gold Limited ("Mithril" or the "Company") Management's Discussion and Analysis ("MD&A") has been prepared as of February 14, 2025. This MD&A is intended to supplement the condensed interim consolidated financial statements for the six month period ended December 31, 2024, and related notes thereto ("Financial Statements"), which have been prepared in accordance with the Australian Accounting Standards Board ("AASB") 134 / International Accounting Standards ("IAS") 34, Interim Financial Reporting, and should be read in conjunction with the Company's audited annual financial statements and MD&A for the financial year ended June 30, 2024.

The Financial Statements and other information pertaining to the Company are available on SEDAR+ at www.sedarplus.ca, the ASX at www.asx.com.au and the Company's website at https://mithrilsilvergold.com

All dollar figures included therein and in the following discussion analysis are quoted in Australian Dollars unless otherwise noted.

Overview

Mithril is a junior exploration company which has been listed on the ASX since 2002 and completed a transformational transaction in May 2020 to become a gold-silver explorer focused on the district scale Copalquin Project in Durango State, Mexico. Mithril's core focus has been this flagship Copalquin Project, delivering a maiden JORC mineral resource estimate (MRE) in November 2021 at the first target area in the Copalquin Project area. The Company is listed for trading on the Australian Securities Exchange (ASX) under the symbol MTH and listed on the TSX Venture Exchange on September 27, 2024 under the symbol MSG.

Corporate and Exploration Activities

Copalquin Project, Mexico

In October 2022, released results from petrographic work on drill core and rock chip samples from across the Copalquin district. The very high-grade and significant drill intercepts from holes CDH-077 (8.26m @ 80.3 g/t gold, 705 g/t silver from 468.34m) and CDH-094 (18.67m @ 9.64 g/t gold, 278.8 g/t silver from 144.0m), raised questions regarding the 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 drilling and development work progress in this key area in the Copalquin District. In summary, the work concludes the majority of the El Refugio drilling is in an upper brecciation zone which broke up the high-grade veins (current maiden JORC resource). Deeper and peripheral to the breccia zone, drilling will target veins like those intercepted by holes CDH-077 and CDH-094

A drill core relogging program was completed and considerable work done to update the drill database and district wide vein modelling, which are key to understanding, progressing and demonstrating the exceptional growth potential for the Copalquin district scale property

First holes from deep drilling at El Refugio confirmed 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

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

Supporting the local community, the all-terrain vehicle track advanced, connecting key areas of the Copalquin District with the nearby regional town of El Durazno opening up future transport and development options to advance exploration and a future development in the Copalquin district.

Mapping and soil sampling for target generation progressed during the dry season months (Jan – Jun). Additional areas west of the high-grade El Refugio resource and south at San Manuel progressed further developing the targets across the Copalquin gold-silver mining district.

Using all drilling and exploration data to date, drill plans have progressed with the objectives to increase resource confidence, expansion along strike of the El Refugio resource and progress the multiple district targets at Copalquin with drilling planned to resume in the next financial year 2023-2024.

<u>Copalquin Project, Mexico</u>

Diamond core drilling commenced in June 2024 for an initial 4,000m programme, later expanded to 9,000 metres with the closing of a capital raising in July 2024. The initial drill programme includes drilling at the maiden resource at district Target 1 area at El Refugio and La Soledad, aiming to expand the resource by approximately 2X with anticipated update in Q1 2025.

A light detection and ranging (LiDAR) survey was flown over the Copalquin mining concession area. Initial results identified important geological features plus 93 historic mine adits (tunnels), 7 mine shafts and 198 surfaces workings/prospecting pits.

Access road upgrade design work progressed with commencement of work at the beginning in October 2024 following the end of the rainy season.

The completion of the drill core relogging program review provides improved focus on defined structures (faults, dykes, stockwork and quartz vein breccias) and lithological contacts for improved interpretation and geologic modelling.

Geologic mapping around the high-grade maiden JORC resource at El Refugio – La Soledad continued throughout the year, identifying new structures, veins and historic workings. The company successfully trialled the use of a battery powered hand-held rock saw to provide rock chip channel samples from underground workings and surface structures.

The sampling programme used a diamond saw to cut underground and outcropping veins in a geologically unbiased manner as a method to support detailed mapping and interpretation of various structures. For future resource estimation work at the Target 1 area, these results may be included in JORC resource estimates with survey and proper QAQC carried out to JORC 2012 Standards.

El Refugio mine – main level	El Refugio Surface Prospect
3.5m @ 8.30 g/t gold, 239 g/t silver (L1)	1.7m @ 5.68 g/t gold, 106 g/t silver
2.5m @ 7.99 g/t gold, 191 g/t silver (L2)	1.9m @ 9.56 g/t gold, 215 g/t silver
3.0m @ 5.52 g/t gold, 154 g/t silver (L3)	1.8m @ 11.5 g/t gold, 226 g/t silver

3.0m @ 6.01 g/t gold, 156 g/t silver (L4)	1.3m @ 4.76 g/t gold, 100 g/t silver
El Refugio mine – second level	480 Cometa Surface Structure
1.5m @ 8.96 g/t gold, 325 g/t silver (L11)	10.5m @ 4.47 g/t gold, 121 g/t silver
1.5m @ 9.33 g/t gold, 173 g/t silver (L12)	Cometa 2 Working
1.5m @ 34.4 g/t gold, 372 g/t silver (L25)	1.0m @ 1.74 g/t gold, 914 g/t silver
1.5m @ 4.20 g/t gold, 129 g/t silver (L26),	La Soledad Mine Level 4
2.0m @ 6.91 g/t gold, 148 g/t silver (L28),	2.8m @ 6.92 g/t gold, 133 g/t silver (L3)
3.0m @ 11.0 g/t gold, 250 g/t silver (L29),	Copalquin Creek Line
2.0m @ 39.2 g/t gold, 401 g/t silver (L30), including 1.0m @ 70.7 g/t gold, 710 g/t silver	3.0m @ 8.02 g/t gold, 78 g/t silver
	Copalquin Mine
	2.0m @ 5.32 g/t gold, 245 g/t silver

Table 1 Highlight channel sampling results reported in June 2024.

The mapping and channel sampling assays show there are structures interacting with the broad east-west low angle structure that extends for several kilometres across the district. The various mapped structures sampled in underground workings and surface structures show significant gold and silver mineralisation. The results support drilling in different orientations in the Target 1 area to intersect the various mineralised structures and provides some visual evidence of faulting.

On the eastern side of Target 1 JORC resource area at El Cometa, high-grade diamond saw sampling assays returned from a working (Cometa 2 - 1.0m @ 1.74 g/t gold, 914 g/t silver) down slope of the El Cometa mine plus a 10.5 metre wide NW trending cross cutting surface structure (Cometa 480 - 10.5m @ 4.47 g/t gold, 121 g/t silver). Previous drilling into a NW trending structure at El Cometa intercepted very high-grade near surface (CDH-072 6.8m @74 g/t gold, 840 g/t silver from 35.2m).

The historic Copalquin mine workings are located 900m south east of the Target 1 resource area. The diamond saw sampling and mapping results are significant in supporting the concept of a major east-west vent system responsible for the widespread surface alteration and gold-silver mineralisation across the district.

The Copalquin mine workings have been developed on two levels along a quartz vein. No mine stoping has been done. The main vein is 50cm to 1m wide and comprises a multiphase quartz vein that exhibits well developed epithermal banding textures, including colloform banding and thin bands of sulphides. Copper oxide minerals are also observed. Inspection of a cross cut underground and the outcrop along the creek at the entrance to the workings shows that the main vein is associated with a 6m wide zone of similar but thinner veins. This structure is hosted in granodiorite and extends west into the Los Pinos alteration zone. A 9.0m wide diamond saw sample was taken across the structure yielding 9.0m @ 2.72 g/t gold, 34.4 g/t silver, including 3.0m @ 8.02 g/t gold, 78 g/t silver.

2025 Financial Year (July 2024 – Feb 2025)

Drilling commenced late June 2024 and continued throughout the half-year in and adjacent to the Target 1 area (El Refugio) in the Copalquin District, Mexico. Results from a LiDAR survey show the historic mining activity to be even more widespread than previously known, with over 100% increase in the known historic mines and workings, further emphasising the district scale of the Copalquin property. Geologic features across the 10km wide district mining concessions together with the high-grade gold and silver mineralisation identified by the LiDAR support the existence of a major vein system.

Drill hole CDH-159 was drilled into a structure on the eastern side of the Target 1 area (El Cometa) returning the highest-grade intercept drilled at the property to date (1,180 g/t x m AuEq[1]):

- 33.00m @31.8 g/t gold, 274 g/t silver from surface, including
  7.00m @ 144 g/t gold, 1,162 g/t silver from 18m Including
  2.00m @ 495 g/t gold, 3,765 g/t silver from 20m plus including

[1] see 'About Copalquin Gold Silver Project' section for JORC MRE details and AuEq. calculation.

1.00m @ 26.9 g/t gold, 201 g/t silver from 28m

- Target 1 Area (El Refugio) CDH-150 was drilled to test mineralisation and extend the underground resource into an area that has a 150m gap in between drill intercepts, returning:
  - 17.95m @ 5.16 g/t gold, 78.0 g/t silver from 265.55m Including
    - 5.45m @ 9.89 g/t gold, 171 g/t silver from 265.55m plus including
    - 1.50m @ 11.7 g/t gold, 103 g/t silver from 276.0m, plus including
    - 1.00m @ 9.77 g/t gold, 42.5g/t silver from 282.5m
- Copalquin Mine Area CDH-152, first drilling in this area 900m southeast of current resource area:
  - 5.66m @ 2.58 g/t gold, 230 g/t silver from 18.5m including
    - 1.98m @ 4.59 g/t gold, 520 g/t silver from 18.5m plus including
    - 1.32m @ 4.08 g/t gold, 185 g/t silver from 22.28m
- Copalquin Mine Area CDH-154, 50m northwest and along strike from CDH-152, above
  - 2.90m @ 1.86 g/t gold, 240 g/t silver from 75.1m including
    - 1.90m @ 1.83 g/t gold, 305 g/t silver from 75.1m

Results from the LiDAR survey reported over 100% increase in the known historic mines and working within the Company's full 70km2 of mining concessions that cover the Copalquin gold-silver district in Durango State, Mexico.

The LiDAR survey provided high-resolution aerial photography and bare-earth digital terrain model (DTM) that virtually 'strips away' the vegetation, revealing amazing geology and structural detail beneath. Highlights include:

- Historic mine shafts 7, previously known 0
- Historic adits (mine tunnels) 93, previously known ~50
- Historic mine and prospecting pits 198, previously known ~30
- Two additional 'corridors' of historic workings across the district (now four)

Conclusions from the external consultant GeoCloud Analytics show numerous WNW to NW trends, interpreted vein structures and faults across the district.

Drilling paused at the end of September 2024 for drill maintenance and for receipt of assays prior to recommencing drilling, in November 2024.

Drilling continued at the Target 1 area of the Copalquin gold-silver district in Mexico, expanding the maiden resource footprint ahead of a resource update in 2025. Highlight drill results include[2]

- **4.60 m @ 5.51 g/t gold, 182.4 g/t silver,** from 99m **(CDH-162),** including
  - **2.40m @ 10.24 g/t gold, 335 g/t silver,** from 100.40m, including
    0.60m @ 28.0 g/t gold, 997 g/t silver, from 100.40m

  CDH-162 was part of the first drilling into an area **shallower** than the maiden resource model, at the **historic El Refugio** mine workings on the western side of the Target 1 resource area.
- **9.00m @ 2.06 g/t gold, 90.26 g/t silver,** from 98m **(CDH-161)**
  - **Including 1.00m @ 2.14 g/t gold, 259 g/t silver** from 99m plus
- **1.60m @ 5.09 g/t gold, 299 g/t silver** from 125.60m including
  - **0.50m @ 12.15 g/t gold, 758 g/t silver** from 126.7m

  CDH-161 was drilled at **El Cometa** on the eastern side of the Target 1 resource area, again adding to the expanded resource footprint.

- The second stage of the 9,000m drill program commenced on the eastern side of the Target 1 resource area at El Cometa where recent drill hole CDH-159 intercepted 33m from surface at 31.8 g/t gold and 274 g/t silver[3] with almost 4,000 metres of core drilling during the September 2024 quarter

- The Target 1 area maiden resource[4] update drilling is on schedule for end of Q1 2025

[2] See ASX announcement ASSAYS UP TO 997 G/T SILVER, 28 G/T GOLD dated 18 October 2024

[3] See ASX announcement MTH Drills 144 g/t Gold, 1,162 g/t Silver over 7.0 metres dated 20 September 2024

[4] See 'About Copalquin Gold Silver Project' section for JORC MRE details and AuEq. calculation.

- The municipal access road upgrade progressed and is on schedule for completion late March 2025 by which time drilling is scheduled to commence with the addition of a second drill at the first of two further advanced target areas in the district

- The road upgrade and current site preparations will facilitate the significantly expanded and fully funded exploration activities throughout 2025, including **35,000 metres of additional drilling**

CDH-159 reported in September 2024 (**33.00m @31.8 g/t gold, 274 g/t silver from surface[1])** became a **global top 20 gold-silver intercept** reported in **2024** (app.mininghub.com)

By the end of the December 2024 half year, a total of 7,138 metres were drilled since commencing in June 2024, testing Soledad, Cometa and Refugio to better define dimensions along strike and depth of the mineral evidence that already has shown exceptional silver and gold potential and multi-event quartz deposition. Additionally, the first holes drilled at the historic Copalquin mine, 300m lower elevation and 900m SE of the Target 1 area. These holes provided evidence of an epithermal, multi-phase banded quartz vein, interpreted to be part of the conduit system responsible for the widespread gold-silver mineralization throughout the district and supporting our model of a large and long lived epithermal gold-silver system.

CDH-161 intersected 9.00m @ 2.06 g/t gold, 90.26 g/t silver, from 98m, including
1.00m @ 2.14 g/t gold, 259 g/t silver from 99m plus
1.60m @ 5.09 g/t gold, 299 g/t silver from 125.60m including
0.50m @ 12.15 g/t gold, 758 g/t silver from 126.7m

In order to establish the vertical and horizontal continuity of **Cometa Zone** (Refugio E-W Structure and crosscutting of NW structures) drill testing at depth and along strike of both **CDH-159** (33.00m @31.8 g/t gold, 274 g/t silver from surface) and **CDH-161** progressed.
After completion of detailed mapping and sampling in the underground workings at El Cometa, we can now say that Fault/Breccias and Fault/Veins along drift are occurring both as high and low angle structures. There is a dominant 220-250 degrees oriented, 50-70 degrees angle SE structure offset by a NW structure that has been developed with channel sample assays pending.

CDH-162 intersected 4.60 m @ 5.51 g/t gold, 182.43 g/t silver, from 99m, including
2.40m @ 10.24 gold g/t gold, 335.03 g/t silver, from 100.40m, plus including
0.60m @ 28 gold g/t gold, 997 g/t silver, from 100.40m
CDH-164 intersected 6.80 m @ 0.70 g/t Au, 36.98 g/t silver, from 87.20m
CDH-162, CDH-163 and CDH-164 were drilled in Refugio historic workings shallower than the maiden resource. A wide quartz breccia zone was intercept along a hydrothermal breccia in all holes. **CDH-162** hit Refugio Structure 4.60m @ 5.51 g/t Au, 182.43 g/t Ag, from 99m. **CDH-163** hit the El Refugio historic workings from 86.60m to 88.30m returning with anomalous intercepts of 2.70m @ 0.28 g/t Au, 19.28 g/t Ag from 88.30m, CDH-164 also hit a breccia zone intercepting 6.80m @ 0.70 g/t Au, 36.98 g/t Ag from 87.20m, including 4m @ 0.93 g/t Au, 45.83 g/t Ag, from 88.00 m

CDH-165 and CDH-166 both holes were drilled on the western margin to provide geological information to support the development of the geological model. No reportable intercepts from these exploration holes.

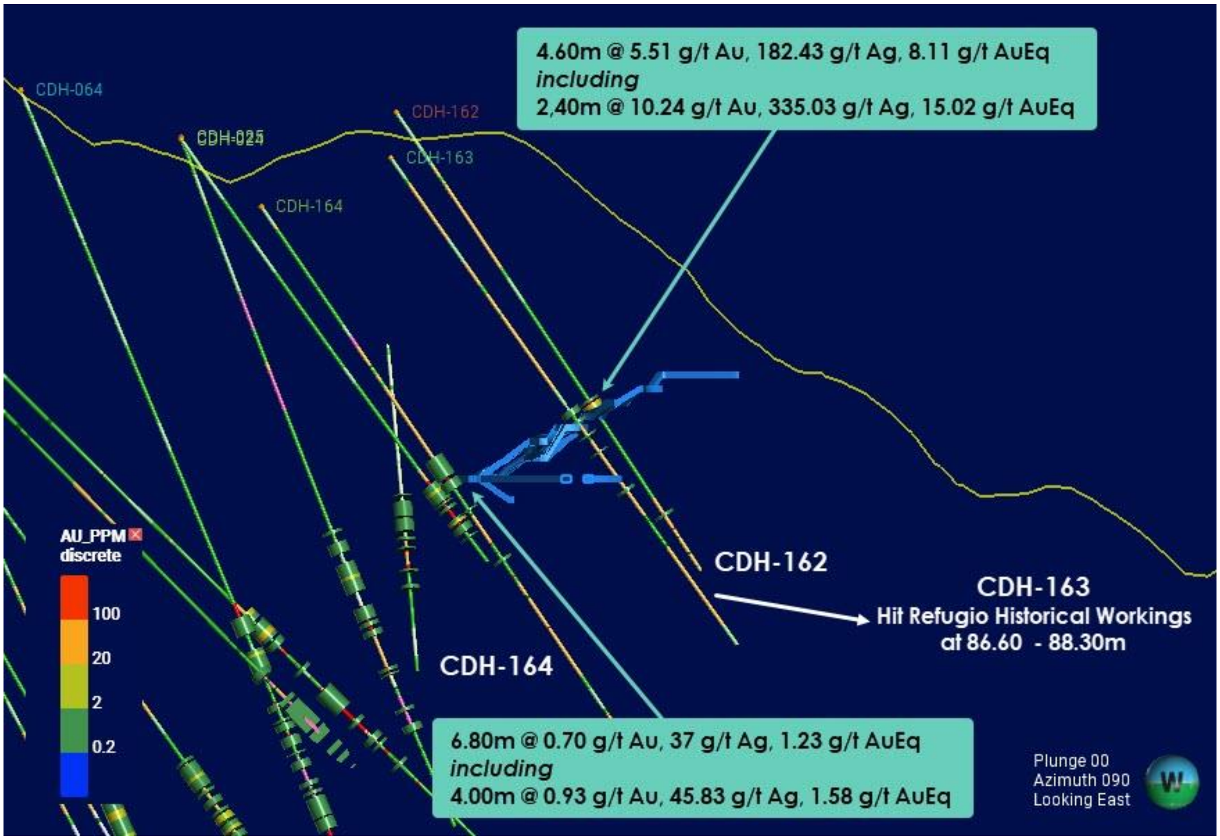


Figure 1 Cross-section at the historic El Refugio mine workings where the first drilling has been recently completed (CDH-162 to 164).

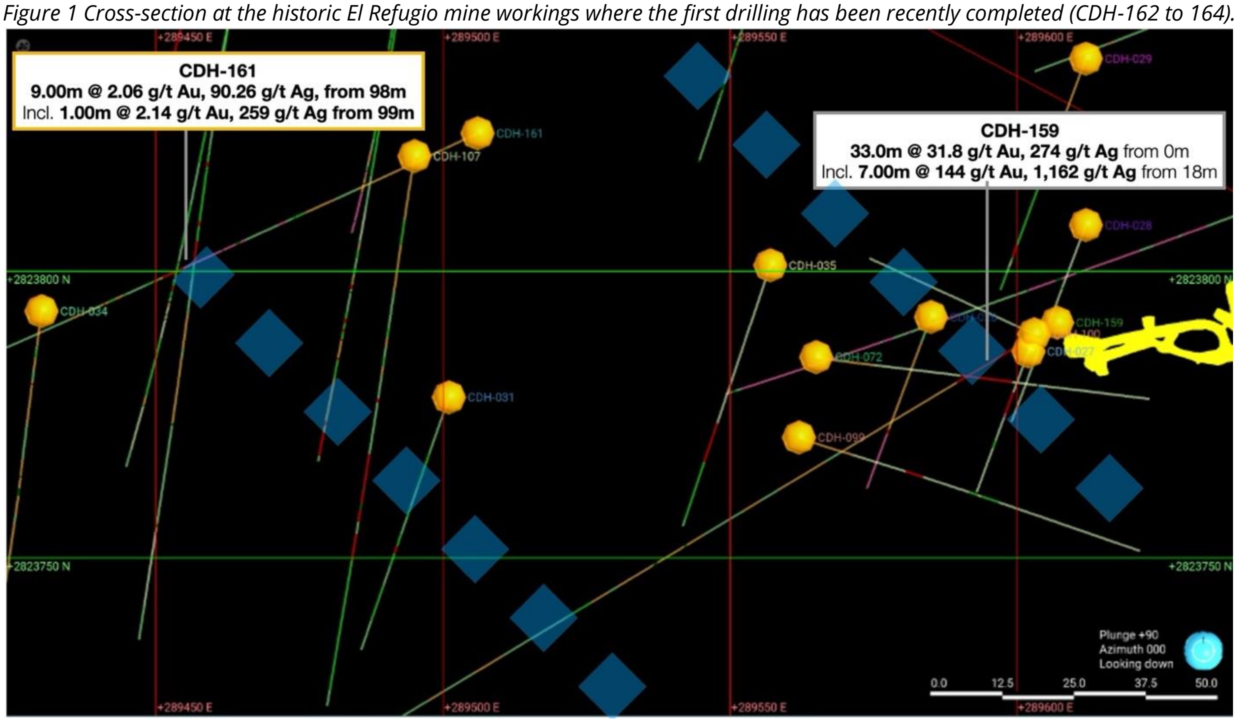


Figure 2 Plan view of drilling at El Cometa in the eastern side of the Target 1 resource area showing the recent drill intercepts into two separate and parallel structures 100m apart. Further drilling is planned to establish the continuity the mineralisation in this area.

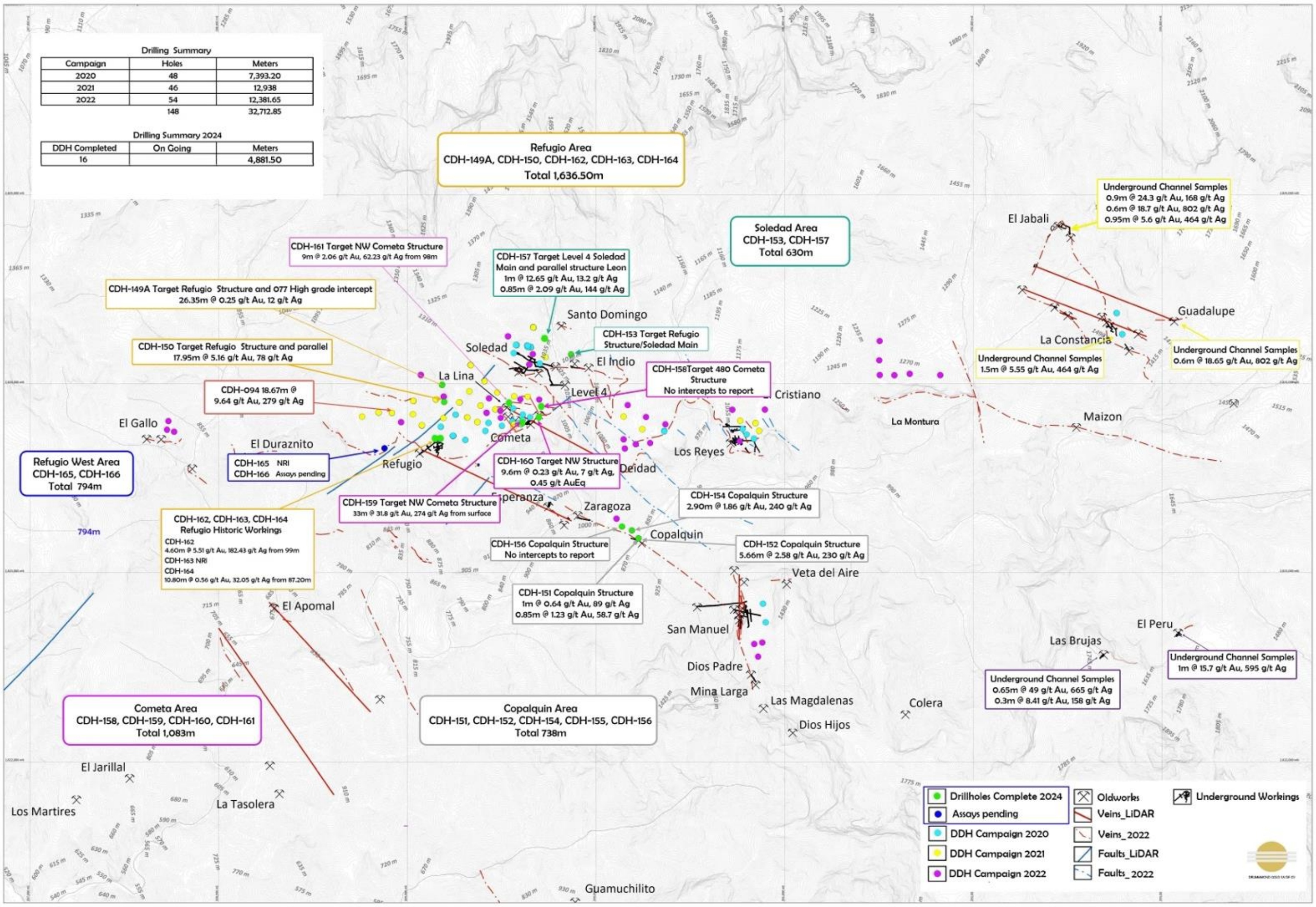


Figure 3 Central area around the Target 1 Maiden JORC resource area, where all the drilling to date has been completed.

Channel Sampling results at Target 1 Area reported: (Lumbrera, La Soledad, El Cometa underground workings)[5]

Lumbrera Vein
- **1.75m @ 9.19 g/t gold, 653 g/t silver** (5070-5071) L1
- **1.50m @ 13.6 g/t gold, 545 g/t silver** (5072-5073) L2

Lumbrera Pit:
- **1.00m @ 0.70 g/t gold, 61.0 g/t silver** (5069)

Soledad Level 1:
- **2.00 m @ 8.99 g/t gold, 736 g/t silver** (5074-5075) L3
- **0.90m @ 9.57 g/t gold, 361 g/t silver** (5076)
- **0.80m @ 6.87 g/t gold, 267 g/t silver** (5077)
- **1.50m @ 1.72 g/t gold, 22.2 g/t silver** (5079-5080) L4

Soledad Level 2:
- **0.94 m @ 8.81 g/t gold, 51.0 g/t silver** (5087)
- **0.80 m @ 5.36 g/t gold, 143 g/t silver** (5088)
- **1.80m @ 4.58 g/t gold, 193.3 g/t silver** (5090-5091) L5
- **1.50m @ 2.46 g/t gold, 141.5 g/t silver** (5092-5093) L6

[5] See ASX announcement UP TO 736 G/T SILVER, 8.99 G/T GOLD IN CHANNEL SAMPLES dated 22 October 2024

- **1.50m @ 0.84 g/t gold, 99.2 g/ t silver** (5094-5095) L7
- **3.40m @ 1.56 g/t gold, 100.8 g/t silver** (5096-5099) L8
- **2.00 m @ 4.23 g/t gold, 481 g/t silver** (5500-5501) L9
- **0.70m @ 3.42 g/t gold, 251 g/t silver** (5502)
- **2.80m @ 1.62 g/t gold, 106.1 g/t silver** (5503,5505-5506) L10

Soledad Level 3:

- **1.90m @ 0.38 g/t gold, 16.9 g/t silver** (5509-5510) L11
- **1.80m @ 0.83 g/t gold, 42.5 g/t silver** (5511-5512) L12
- **2.70m @ 1.21 g/t gold, 56.0 g/t silver** (5513, 5515-5516) L13

Leon Vein

- **0.70m @ 6.00 g/t gold, 75.6 g/t silver** (5517)

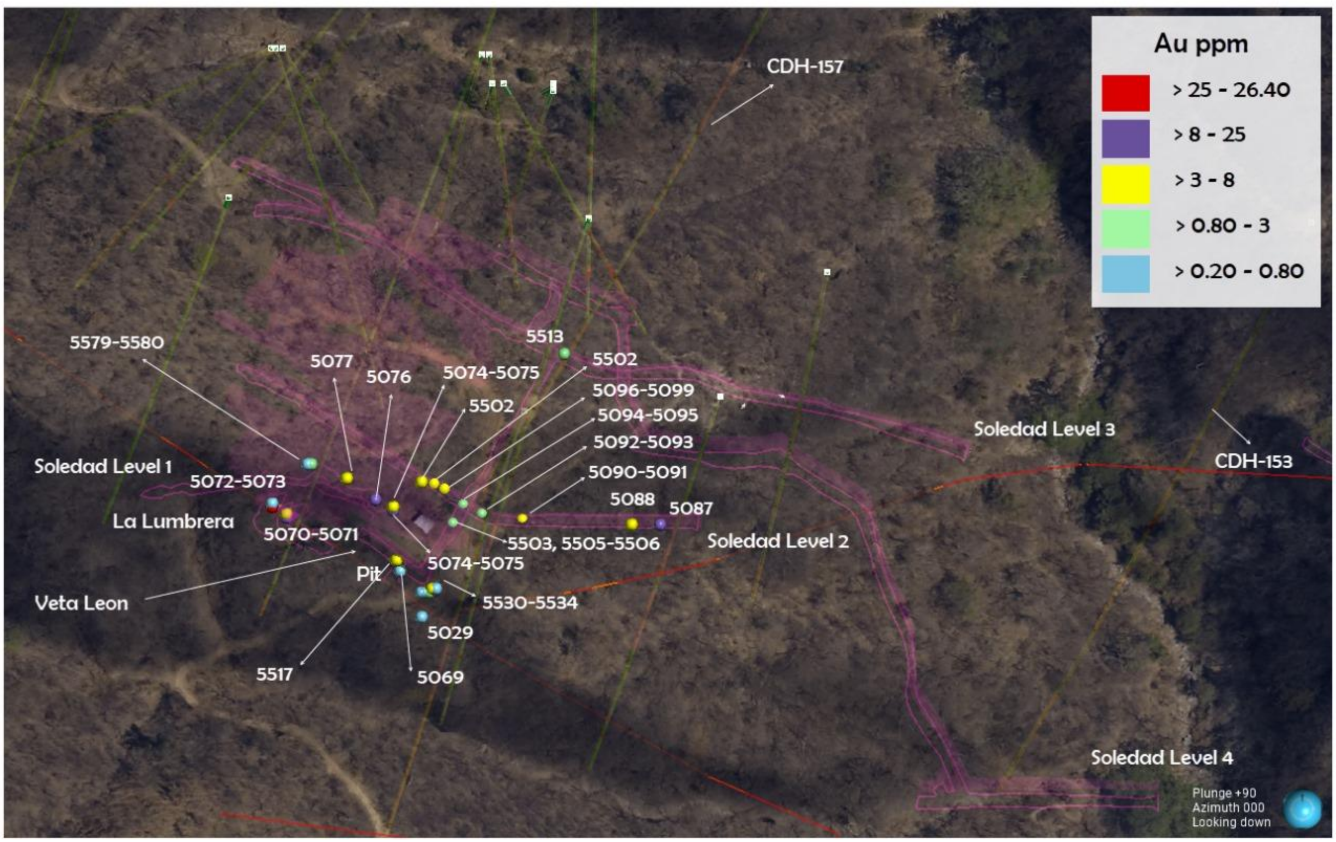
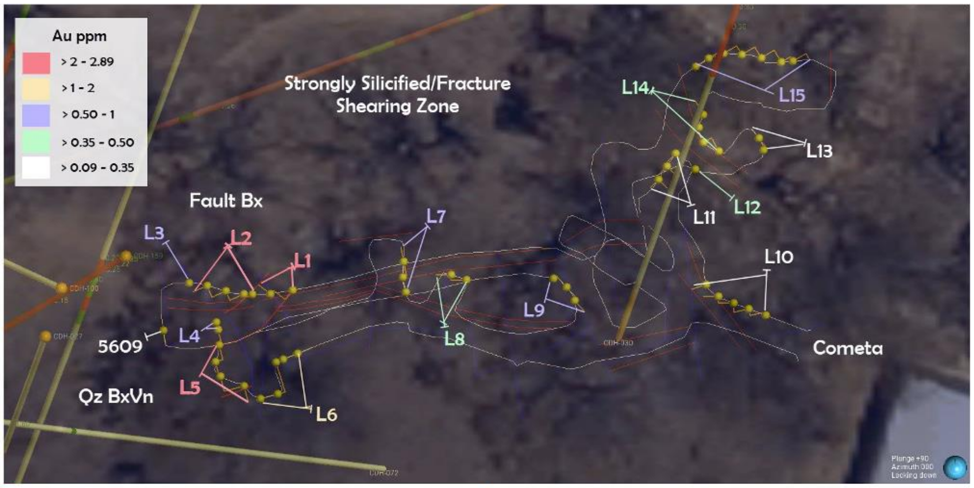


Figure 4~~3~~ La Soledad workings underground channel sampling (Target 1 area)

El Cometa underground workings:

The mapping and sampling within the El Cometa underground workings, with recent dewatering of the lower level of workings (from accumulated rainfall), provides vein and structure data to develop the geologic model for this important and complex, shallower mineralisation on the eastern side of the Target 1 resource area where significant high-grade drill intercepts have been reported.



L1	2.00 m @ 2.10 g/t Au, 94.20 g/t Ag, 3.45 AuEq g/t, 241.20 g/t AgEq	L9	3 m @ 0.67 g/t Au, 41.90 g/t Ag, 1.27 AuEq g/t, 88.80 g/t AgEq
L2	3.50 m @ 2.89 g/t Au, 179.70 g/t Ag, 5.45 AuEq g/t, 381.70 g/t AgEq	L10	5 m @ 0.15 g/t Au, 10.98 g/t Ag, 0.31 AuEq g/t, 21.42 g/t AgEq
L3	2.00 m @ 0.94 g/t Au, 42.30 g/t Ag, 1.54 AuEq g/t, 107.82 g/t AgEq	L11	2.80 m @ 0.14 g/t Au, 11.31 g/t Ag, 0.30 AuEq g/t, 20.87 g/t AgEq
L4	1.50 m @ 0.67 g/t Au, 58.27 g/t Ag, 1.51 AuEq g/t, 105.38 g/t AgEq	L12	2 m @ 0.39 g/t Au, 20.35 g/t Ag, 0.68 AuEq g/t, 47.69 g/t AgEq
L5	4 m @ 2.28 g/t Au, 77.68 g/t Ag, 3.39 AuEq g/t, 237.42 g/t AgEq	L13	1.60 m @ 0.09 g/t Au, 28.60 g/t Ag, 0.50 AuEq g/t, 35.04 g/t AgEq
L6	4 m @ 1.15 g/t Au, 42.48 g/t Ag, 2.12 AuEq g/t, 148.22 g/t AgEq	L14	3.60 m @ 0.36 g/t Au, 48.44 g/t Ag, 1.06 AuEq g/t, 73.87 g/t AgEq
L7	3 m @ 0.52 g/t Au, 49.13 g/t Ag, 1.22 AuEq g/t, 85.58 g/t AgEq	L15	6.70 m @ 0.51 g/t Au, 15.47 g/t Ag, 0.73 AuEq g/t, 50.99 g/t AgEq
L8	2 m @ 0.46 g/t Au, 23.55 g/t Ag, 0.80 AuEq g/t, 55.96 g/t AgEq	5609 1m @ 0.26 g/t Au, 28 g/t Ag, 0.67 AuEq g/t, 47 AgEq g/t	

Figure 54 El Cometa workings underground channel sampling (Target 1 area)

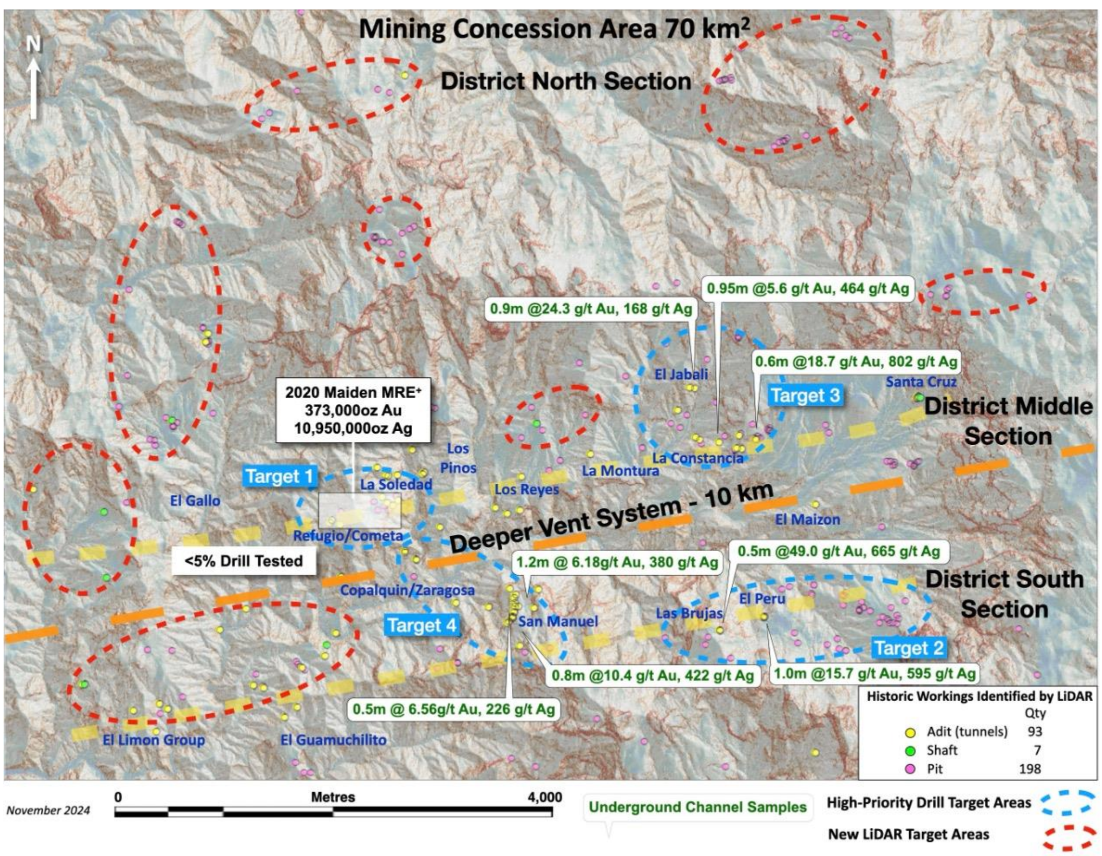


Figure 64 LiDAR hill shade image with the historic workings identified across the district and 2020-2022 highlight channel sample results. Target 1 area current drilling location, channel sampling area and the high priority drill target areas of Las Brujas-El Peru and La Constancia-El Jabali. Several new areas highlighted across the district for follow-up work.

Figure 7~~5~~ left and right – municipal road upgrade works, facilitating the expanded exploration program for the Copalquin District in 2025

Corporate

Change of Company Name – During half year, the Company changed its name to Mithril Silver and Gold Limited.

Dual Listing on TSX Venture Exchange – Mithril received approval for its dual listing on the Canadian TSX Venture Exchange (TSXV) and was listed to trade on September 27, 2024 under the TSXV ticker MSG.

Appointment of Non-Executive Director – Mr David Toyoda, Vancouver based corporate and securities lawyer, was appointed Non-Executive Director. Mr Toyoda is an experienced Canadian public company director.

Appointment of Chief Financial Officer – Mr Leon Ho, a chartered profession accountant in Vancouver, was appointed Chief Financial Officer.

Quality Control and Quality Assurance

The scientific and technical content and interpretations contained in this MD&A have been reviewed and approved by John Skeet B. App. Sc. and Fellow of the AusIMM, CP., Managing Director and CEO of Mithril Silver and Gold Limited and a 'qualified person' within the meaning of NI 43-101.

The Company's mineral projects are in the exploration stage and, to date, the Company has generated no operating revenue from these mineral projects.

As at December 31, 2024, the Company has accumulated losses of $45,326,407 (June 30, 2024 – $42,947,024) since inception. For the six-month period ended December 31, 2024, the Company had a net basic and diluted loss per share of $0.02 (2023 – $0.03).

Operations

As an exploration company, the Company has generated no revenue from operations on mineral projects and has, to date, incurred losses from operating and administrative expenses.

About the Copalquin Project

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km^2 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*)^ and a **NI43-101 Technical Report**, "Copalquin Property Mineral Resource Estimate", filed on SEDAR+, July 2024.

- **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 Eq.* (g/t)	Gold (koz)	Silver (koz)	Gold Eq.* (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 2~~1~~ - Mineral resource estimate El Refugio – La Soledad using a cut-off grade of 2.0 g/t AuEq**

* The gold equivalent (AuEq.) values are determined from gold and silver values and assume the following: 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. Metallurgical recoveries are assumed to be approximately equal for both gold and silver at this early stage. Actual metallurgical recoveries from test work to date are 96% and 91% for gold and silver, respectively. In the Company's opinion there is reasonable potential for both gold and silver to be extracted and sold. Actual metal prices have not been used in resource estimate, only the price ratio for the AuEq reporting. Formula for AuEq. = Au grade + ((Ag grade/gold:silver price ratio) x (Ag recovery/Au recovery))

^ The information in this report that relates to Mineral Resources or Ore Reserves is based on information provided in the following ASX announcement: 17 Nov 2021 - MAIDEN JORC RESOURCE 529,000 OUNCES @ 6.81G/T (AuEq^), which includes the full JORC MRE report, also available on the Mithril Resources Limited Website.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Mining study and metallurgical test work supports the development of the El Refugio-La Soledad resource with conventional underground 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, demonstrating its multi-million-ounce gold and silver potential.

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 extended by 3 years). Mithril has reached an agreement with the vendor for an extension of the payment date by a further 2 years (bringing the payment date to 7 August 2028).

Six Months ended December 31, 2024

During the six months ended December 31, 2024, the Company recorded a net loss of $1,104,382 (2023: $617,788). Significant fluctuations include the following:

- other income decreased to $115,986 from $122,719 in 2023 due to less income from Mexico tax adjustments arising from refunds of Mexican VAT claims;
- operating and administrative expenses totalled $1,277,768 (2023 - $446,288), such as:
  i) share-based compensation of $39,400 (2023 - $nil) incurred for value of stock option granted during the period.
  ii) travel expenses of $79,407 (2023 -$nil) for costs incurred in business meetings during the period.
  iii) Legal expenses of $91,874(2023 -$nil) for corporate services rendered meetings during the period.
  iv) investor relations of $196,374 (2023 -$nil) for promotion of the Company to increase market awareness during the period.
  v) filing and listing fees of $224,282 (2023 -$14,899) for costs related to dual listing on TSX Venture Exchange during the period.

- scheme implementation costs totalled $nil (2023 - $338,950). The Company executed a Scheme Implementation Deed under which Pinnacle was to acquire 100% of the issued capital of Mithril. The Scheme was subject to various conditions which were not satisfied; and
- foreign currency translation loss totalled $827,794 (2023 - $393,872) due to the translation into Australian dollars at balance date of the assets and liabilities and the result for the year then ended recorded in the Mexico controlled entities.

Three Months ended December 31, 2024

During the three months ended December 31, 2024, the Company recorded a net loss of $557,610 (2023: $292,435). Significant fluctuations include the following:

- other income decreased to $103,380 from $1,784 in 2023 due to interest received from term deposits;
- operating and administrative expenses totalled $660,990 (2023 - $294,219), such as:
  i) travel expenses of $58,786 (2023 - $nil) costs incurred in business meetings during the period.
  ii) Legal expenses of $37,207 (2023 - $nil) for corporate services rendered meetings during the period.
  iii) investor relations of $106,299 (2023 - $nil) for promotion of the Company to increase market awareness during the period.
  iv) filing and listing fees of $131,395 (2023 - $9,206) for costs related to dual listing on TSX Venture Exchange during the period.
- scheme implementation costs totalled $nil (2023 - $68,618). The Company executed a Scheme Implementation Deed under which Pinnacle was to acquire 100% of the issued capital of Mithril. The Scheme was subject to various conditions which were not satisfied; and
- foreign currency translation gain totalled $1,296,939 (2023 – loss of $488,915) due to the translation into Australian dollars at balance date of the assets and liabilities and the result for the year then ended recorded in the Mexico controlled entities.

Quarterly Information

The following table sets out selected information for the prior eight quarters.

Quarter Ended	Dec-24	Sept-24	Jun-24	Mar-24
	$AUD	$AUD	$AUD	$AUD
Other income	103,380	12,606	-	221
General and administration expenses	(660,990)	(559,378)	(589,533)	(388,725)
Scheme implementation costs	-	-	-	-
Impairment of exploration assets	-	-	-	(4,529)
Net loss	(557,610)	(546,772)	(589,533)	(393,033)
Basic earnings/(loss) per share	(0.0060)	(0.0059)	(0.0099)	(0.0117)
Diluted earnings/(loss) per share	(0.0050)	(0.0059)	(0.0099)	(0.0117)

Quarter Ended	Dec-23 $AUD	Sep-23 $AUD	Jun-23 $AUD	Mar-23 $AUD
Other income	1,784	120,936	77,488	63,196
General and administration expenses	(225,601)	(175,956)	(293,507)	(210,508)
Scheme implementation costs	(68,618)	(270,332)	(211,613)	(51,810)
Impairment of exploration assets	-	-	(278,231)	(771,205)
Net loss	(292,435)	(325,353)	(705,863)	(970,327)
Basic earnings/(loss) per share	(0.0087)	(0.0097)	(0.0213)	(0.0297)
Diluted earnings/(loss) per share	(0.0087)	(0.0097)	(0.0213)	(0.0297)

Liquidity and Capital Resources

The Company's liquidity and capital resources are as follows:

	Dec-24 $AUD	June-24 $AUD
Cash and cash equivalents	16,757,242	1,496,392
Trade and other receivables	666,960	178,293
Prepayment	340,755	436,192
Total current assets	17,764,957	2,110,877
Trade and other payables	667,651	371,357
Borrowings	3,468	34,739
Employee benefits	35,830	40,649
Total current liabilities	706,949	446,745
Working capital	17,058,008	1,664,132

During the six-month period ended December 31, 2024:

i) Cash flows used in operating activities of $1,137,733 (2023 - $74,794) were due to adjustment for non-cash items and changes in working capital items.

ii) Cash flows used in investing activities was $3,085,073 (2023 - $911,784). The change was due to the increased exploration expenditure during the period and a new term deposit of $14 million.

iii) Cash flows provided by financing activities of $19,583,758 (2023 - $839,476) consisted primarily of cash received for private placements and exercise of warrants.

As at December 31, 2024, the Company had a cash and cash equivalents balance of $16,757,242 and working capital of $17,058,008. The Company's ability to continue as a going concern is dependent upon successful results from its exploration and evaluation activities and its ability to attain profitable operations and generate funds therefrom and/or raise equity capital or borrowings sufficient to meet current and future obligations.

The Company's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to it or at all. If the Company raises additional financing through the issuance of shares from its treasury, control of the Company may change and existing shareholders will suffer additional dilution.

Financing and Use of Proceeds

During the period ended December 31, 2024 and up to the date of this MD&A, the Company completed the following financings:

- In July 2024, the Company completed a placement to investors and issued 18,000,000 fully paid shares at a price of $0.20 per share for aggregate gross proceeds of $3,600,000.
- In September 2024, the Company completed a placement to directors following shareholder approval and issued 500,000 fully paid shares at a price of $0.20 per share for aggregate gross proceeds of $100,000.
- Participants in the above placements received one free attaching warrant for every share subscribed for under the placement. The warrants have an exercise price of $0.30 and an expiry date of 2 years from the date of issue.
- In November 2024, the Company completed a placement to investors and issued 24,600,000 fully paid shares at a price of $0.50 per share for aggregate gross proceeds of $12,300,000.
- In December 2024, the Company completed a placement to directors following shareholder approval and issued 400,000 fully paid shares at a price of $0.50 per share for aggregate gross proceeds of $200,000.
- Participants in the above placements received one-half free attaching warrant for every share subscribed for under the placement. The warrants have an exercise price of $0.75 and an expiry date of 2 years from the date of issue. The Company also granted 1,500,000 broker's warrants with an exercise price of $0.75 and an expiry date of 2 years from the date of issue.
- During the period ended December 31, 2024 and up to the date of this MD&A, the Company issued 17,587,300 fully paid shares from the exercise of warrants for aggregate gross proceeds of $4,479,640.

The following table sets out a comparison of how the Company used the proceeds following the closing date, an explanation of the variances and the impact of the variance on the ability of the Company to achieve its business objectives and milestones.

July to December 2024 Financing	
Fund the Company's exploration activities on its existing project portfolio and for general working capital.	The funds have been partially spent to date on exploration costs for the Company's properties and general operating costs.
Explanation of variances and the impact of variances on the ability of the Company to achieve its business objectives and milestones.	No material variances have yet been identified by the Company. Proceeds have been used as intended to date and on exploration of the Company's properties while meeting administrative requirements.

Risks and Uncertainties

The business and operations of Mithril are subject to numerous risks, many of which are beyond Mithril's control. Mithril considers the risks set out below to be some of the most significant to investors in the Company, but not all of the risks associated with an investment in securities of the Company. If any of these risks materialize into actual events or circumstances or other possible additional risks and uncertainties of which Mithril is currently unaware or which it considers to be material in relation to Mithril's business actually occur, the Company's assets, liabilities, financial condition, results of operations (including future results of operations), business and business prospects, are likely to be materially and adversely affected. In such circumstances, the price of Mithril's securities could decline and investors may lose all or part of their investment.

(a) Mithril has limited financial resources and limited operating revenues. To earn and/or maintain its interest in its mineral properties, the Company has contractually agreed or is required to make certain payments and expenditures for and on such properties. Mithril's ability to continue as a going concern is dependent upon, among other things, Mithril establishing commercial quantities of mineral reserves on its properties and obtaining the necessary financing and permits to develop and profitably produce such minerals or, alternatively, disposing of its interests on a profitable basis, none of which is assured.

(b) Mithril has only generated losses to date and will require additional funds to further explore its properties. The only sources of funds for exploration programs, or if such exploration programs are successful for the development of economic ore bodies and commencement of commercial production thereon, presently available to Mithril are the sale of equity capital or farming out its mineral properties to third party for further exploration or development. Mithril's ability to arrange financing in the future will depend, in part, upon the prevailing capital market conditions as well as its business performance. There is no assurance such additional funding will be available to Mithril when needed on commercially reasonable terms or at all. Additional equity financing may also result in substantial dilution thereby reducing the marketability of Mithril's shares. Failure to obtain such additional financing could result in the delay or indefinite postponement of further exploration and the possible, partial or total loss of the Company's interest in its properties.

(c) Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge and careful evaluation may fail to overcome. These risks may be even greater in Mithril's case given its formative stage of development and the fact that its mineral properties are still in their exploration stage. Furthermore, exploration activities are expensive and seldom result in the discovery of a commercially viable resource. There are no known resources or reserves on its mineral properties and the Company's proposed exploration programs are exploratory searches for commercial quantities of ore. There is no assurance that Mithril's exploration will result in the discovery of an economically viable mineral deposit.

(d) Mithril activities are subject to the risks normally encountered in the mining exploration business. The economics of exploring, developing and operating resource properties are affected by many factors including the cost of exploration and development operations, variations of the grade of any ore mined and the rate of resource extraction and fluctuations in the price of resources produced, government regulations relating to royalties, taxes and environmental protection and title defects.

(e) Mithril's mineral properties may be subject to prior unregistered agreements, interests or land claims and title may be affected by undetected defects. In addition, the Company's exploration activities will require certain licenses and permits from various governmental authorities. There is no assurance that Mithril will be successful in obtaining the necessary licenses and permits on a timely basis or at all to undertake its exploration activities in the future or, if granted, that the licenses and permits will be on the basis applied or remain in force as granted.

(f) The mining industry is capital intensive and subject to fluctuations in metal prices, market sentiment, foreign exchange and interest rates. It is also highly competitive in all its phases and Mithril will be competing with other mining companies, many with greater financial, technical and human resources, in the search for, and the acquisition of, mineral resource properties and in the marketing of minerals.

(g) Certain of Mithril's directors and officers also serve as directors or officers of other public and private resource companies, and to the extent that such other companies may participate in ventures in which Mithril may participate, such directors and officers of Mithril may have a conflict of interest.

(h) Mithril has not declared or paid any dividends on its common shares and does not expect to do so in the foreseeable future. Future earnings, if any, will likely be retained to finance growth. Any return on investment in Mithril's shares will come from the appreciation, if any, in the value thereof. The payment of any future dividends will depend upon the Company's earnings, if any, its then-existing financial requirements and other factors, and will be at the discretion of the Company's Board.

(i) Mithril must comply with environmental laws and regulations governing air and water quality and land disturbance and provide for reclamation and closure costs in addition to securing the necessary permits to advance exploration activities at is mineral properties. Environmental legislation is evolving in a manner that will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. Compliance with environmental laws and regulations may require significant capital outlays on behalf of the Company and may cause material changes or delays in the Company's intended activities. Furthermore, environmental hazards may exist on the Company's properties that are unknown to the Company at present and that have been caused by the Company or by previous owners or operators of the properties, or that may have occurred naturally. The Company may be liable for remediating such damages. Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities, causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Future production, if any, at the Company's properties will involve the use of hazardous materials. Should these materials leak or otherwise be discharged from their containment systems, the Company may become subject to liability. In addition, neighboring landowners and other third parties could file claims based on environmental statutes and common law for personal injury and property damage allegedly caused by permitting and/or exploration activities including the release of hazardous substances or other waste material into the environment on or around the Company's properties. There can be no assurance that the Company's defence of such claims will be successful and a successful claim against the Company could have a material adverse effect on its business prospects, financial condition and results of operations. In addition, Mithril may become subject to liability for hazards against which it is not insured.

Readers are cautioned that the foregoing list of risks, uncertainties and other factors is not exhaustive.

Related Party Transactions and Balances

Key management personnel includes those persons having authority and responsibility for planning, directing, and controlling of the activities of the Company and include both executives and non-executive directors, and entities controlled by such persons. The Company considers all directors and officers of the Company to be key management personnel.

Summary of key management personnel compensation (includes officers and directors of the Company):

	Six months period ended December 31, 2024	Six months period ended December 31, 2023
Remuneration expenses		
Garry Thomas, Director	$ 21,525	$ 21,622
John Skeet, CEO and Director	110,000	90,000
Stephen Layton, Director	24,000	24,000
Craig Sharpe, Director	21,525	-
David Toyota, Director	13,315	-
Leon Ho, CFO	8,811	-
Post-employment benefits		
John Skeet, CEO and Director	5,750	-
Garry Thomas, Director	1,238	2,378
Craig Sharpe, Director	1,238	-
	$ 209,875	$ 138,000

During the six months ended December 31, 2024, the spouse of the CEO was employed in an administration and legal role related to Mexico requirements and incurred salary costs of $42,398 (2023: $42,398).

During the six months ended December 31, 2024, a company controlled by a director of the Company has provided consulting legal services of $22,979 (2023: $nil) since his appointment as Director.

As at December 31, 2024, the Company had $106,349 in accounts payable related to amounts owing to the CEO, directors and the spouse of the CEO.

Off- Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Changes in Accounting Policies and Future Accounting Pronouncements

Please refer to the condensed interim consolidated unaudited financial statements for the period ended December 31, 2024.

Critical Accounting Estimates

The preparation of the Financial Statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities, as well as the reported revenues and expenses during the reporting period. Based on historical experience and current conditions, management makes assumptions that are believed to be reasonable under the circumstances. These estimates and assumptions form the basis for judgments about the carrying value of assets and liabilities and reported amounts for revenues and expenses. Different assumptions would result in different estimates, and actual results may differ from results based on these estimates. These estimates and assumptions are also affected by management's application of accounting policies. Critical accounting estimates are those that affect the financial statements materially and involve a significant level of judgment by management.

Although management uses historical experience and its best knowledge of the amount, events or actions to form the basis for judgments and estimates, actual results may differ from these estimates.

A detailed summary of the Company's significant accounting estimates is included in Note 3 to the June 30, 2024 Financial Statements.

Disclosure of Data for Outstanding Common Shares, Stock Options, and Warrants

The following table summarizes the outstanding common shares, stock options, and warrants of the Company:

	As at December 31, 2024	Date of this MD&A
Common shares	145,098,522	145,663,522
Options	3,350,000	3,350,000
Warrants	55,276,762	54,711,762

Details of the outstanding options as at the date of this MD&A:

Number of Options outstanding	Number of Options exercisable	Exercise price	Expiry date
250,000	250,000	$1.50	November 16, 2025
1,500,000	1,500,000	$0.20	May 14, 2027
800,000	6,911,200	$0.20	May 14, 2027
800,000	27,855,700	$0.20	May 14, 2027
3,350,000	3,350,000		

Details of the outstanding warrants as at the date of this MD&A:

Number of Warrants outstanding	Number of Warrants exercisable	Exercise price	Expiry date
2,142,857	2,142,857	$0.70	December 9, 2025
6,411,200	6,411,200	$0.30	September 5, 2026
500,000	500,000	$0.20	September 5, 2026
12,500,005	12,500,005	$0.75	December 19, 2026
1,500,000	1,500,000	$0.75	December 19, 2026
7,500,000	7,500,000	$0.10	May 14, 2027
24,690,700	24,690,700	$0.20	May 14, 2027
54,711,762	54,711,762		

Change in Management

On September 20, 2024, David Toyoda was appointed as a director of the Company.

On September 20, 2024, Leon Ho was appointed as the Chief Financial Officer of the Company.

Internal Control over Financial Reporting Procedures

Under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* ("**NI 52-109**"), the Company's certifying officers are required to make representations relating to the establishment and maintenance of disclosure controls and procedures ("**DC&P**") and internal control over financial reporting ("**ICFR**"), as defined in NI 52-109.

Forward-Looking Statements

Certain sections of this MD&A contain forward-looking statements and forward-looking information.
All statements, other than statements of historical fact, made by the Company that address activities, events or developments that the Company expects or anticipates will or may occur in the future are forward-looking statements or forward-looking information, including, but not limited to, statements preceded by, followed by or that include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words.

Forward-looking statements and forward-looking information contained or incorporated by reference in this MD&A may relate to the Company's future financial condition, results of operations, plans, objectives, performance or business developments including, among other things, potential property acquisitions, exploration and work programs, drilling plans and timing of drilling, the performance characteristics of the Company's exploration and evaluation assets, exploration results of various projects of the Company, projections of market prices and costs, supply and demand for gold, silver and other precious metals, expectations regarding the ability to raise capital and to acquire resources and/or reserves through acquisitions and/or development, treatment under governmental regulatory regimes and tax laws, and capital expenditure programs and the timing and method of financing thereof. Forward-looking statements and forward-looking information are necessarily based upon a number of estimates and assumptions that, while considered reasonable by the Company as of the date of such statements and information, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The estimates and assumptions of the Company contained or incorporated by reference in this MD&A, which may prove to be incorrect, include, but are not limited to: (1) there being no significant disruptions affecting operations, whether due to labour disruptions, supply disruptions, power disruptions, damage to equipment, adverse weather conditions or otherwise; (2) permitting, access, exploration, expansion and acquisitions at our projects (including, without limitation, land acquisitions for and permitting of exploration plans) being consistent with the Company's current expectations; (3) the viability, permitting, access, exploration and, if warranted, development of its mineral property being consistent with the Company's current expectations; (4) political developments in Canada, United States, the State of Alaska including, without limitation, the implementation of new mining laws and related regulations being consistent with the Company's current expectations; (5) the exchange rate between the Canadian dollar and the U.S. dollar being approximately consistent with current levels; (6) certain price assumptions for gold, silver and other precious metals; (7) prices for and availability of equipment, labor, natural gas, fuel oil, electricity, water and other key supplies remaining consistent with current levels; (8) the results of the Company's exploration programs on its mineral properties being consistent with the Company's expectations; (9) labour and materials costs increasing on a basis consistent with the Company's current expectations; and (10) the availability and timing of additional financing being consistent with the Company's current expectations. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking statements and forward-looking information. Such factors include, but are not limited to: the timing and availability of additional capital, fluctuations in the currency markets; fluctuations in the spot and forward price of gold, silver, or other commodities (such as diesel fuel and electricity); changes in national and local government legislation, taxation, controls, regulations and political or economic developments in Canada, the United States, or other countries in which the Company may carry on business in the future; business opportunities that may be presented to, or pursued by, us; our ability to successfully integrate acquisitions; operating or technical difficulties in connection with exploration activities; employee relations; the speculative nature of gold and silver exploration and development, including the risks of obtaining necessary licenses and permits; competition for, among other things, capital, acquisitions of resources and/or reserves, undeveloped lands and skilled personnel, incorrect assessments of the value of acquisitions, geological, technical, drilling and processing problems, fluctuations in foreign exchange or interest rates and stock market volatility, changes in income tax laws or changes in tax laws and incentive programs relating to the mineral resource industry; and contests over title to properties, particularly title to undeveloped properties. In addition, there are risks and hazards associated with the business of mineral exploration, development and mining, including environmental hazards, industrial accidents, unusual or unexpected formations, pressures, cave-ins, flooding and gold and/or silver bullion losses (and the risk of inadequate insurance, or the inability to obtain insurance, to cover these risks). Many of these uncertainties and contingencies can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statements or forward-looking information made by, or on behalf of, the Company. There can be no assurance that forward-looking statements and forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements and information. Forward-looking statements and forward-looking information are provided for the purpose of providing information about management's expectations and plans relating to the future. All of the forward-looking statements and forward-looking information made in this MD&A are qualified by these cautionary statements and those made in our other filings with applicable securities regulators in Canada including, but not limited to, the Financial Statements. These factors are not intended to represent a complete list of the factors that could affect the Company and readers should not place undue reliance on forward-looking statements or forward-looking information in this MD&A. The Company disclaims any intention or obligation to update or revise any forward-looking statements and forward-looking information, whether as a result of new information, future events or otherwise, or to explain any material difference between subsequent actual events and such forward-looking statements and forward-looking information, except to the extent required by applicable law.

The forward-looking statements and forward-looking information contained herein are based on information available as of November 14, 2024.

Other MD&A Requirements

Additional information relating to the Company may be found at www.asx.com.au including, but not limited to:

- The Company's audited consolidated financial statements for the year ended June 30, 2024.

This MD&A has been approved by the Board effective February 14, 2025.