Mithril Silver and Gold Ltd. Target 2: High-Grade Samples & Second Drill Starts

11.04.2025 | The Newswire

Mithril Silver and Gold Ltd.

High-grade channel sample results and the second drill commenced drilling at the Target 2 area in Mithril's Copalquin silver and gold district property, Durango State, Mexico.

EXCEPTIONAL TARGET 2 CHANNEL SAMPLING HIGHLIGHTS INCLUDE:

La Brujas workings area: 1.00m @ 21.5 g/t gold, 337 g/t silver, (LB001)

1.00m @ 7.71 g/t gold, 170 g/t silver, (LB002)

3.00m @ 3.70 g/t gold, 67.1 g/t silver, (LB006)

2.00m @ 8.80 g/t gold, 74.2 g/t silver, (LB007)

2.00m @ 7.85 g/t gold, 128 g/t silver, (LB008)

1.00m @ 28.7 g/t gold, 356 g/t silver, (LB009)

1.00m @ 15.3 g/t gold, 127 g/t silver, (LB010)

1.00m @ 21.8 g/t gold, 156 g/t silver, (LB013)

1.00m @ 4.77 g/t gold, 94.1 g/t silver, (LB015)

El Peru workings area: 9.50m @ 5.66 g/t gold, 155 g/t silver, (MEP001)

2.00m @ 26.8 g/t gold, 1,004 g/t silver, (MEP002)

1.00m @ 31.8 g/t gold, 233 g/t silver, (MEP003)

- Today (Mexico time), the second drill commenced drilling at the Target 2 area of El Peru/Las Brujas as part of Mithril's 2025, 'district defining' 35,000 metre drill programme, at Copalquin
- Drilling at Target 1 resource area successfully intercepted the El Refugio structure 120 metres down dip on the eastern side, returning a high-grade result:

2.90m @ 9.06 g/t gold, 10.6 g/t silver, from 339.6 m (MTH-LS25-20), including

0.50m @ 44.7 g/t gold, 42.7 g/t silver, from 342m

- The first of a series of deep (500 metre) drill holes has been completed on the eastern side of the Target 1 resource area, successfully intercepting the projected structure at depth. With the successful ongoing drilling at the Target 1 area, the resource drilling cut-off has been extended to late May 2025

Mithril Silver and Gold Limited ("Mithril" or "the Company") (MTH:ASX, MSG:TSXV) announces high-grade channel results for the Target 2 area at its Copalquin District project, Mexico.

John Skeet, Mithril's Managing Director and CEO commented:

"The very high-grade channel sampling results and mapping work at the Copalquin District, Target 2 area enhances the initial assessment of the high prospectivity of the next target area in the district. Drilling has commenced around the two main historic workings of Las Brujas and El Peru before expanding into adjacent areas of significant historic mining activity. Drilling at the Target 1 resource area, continues to intercept targeted structures from deep drilling on the eastern side. We are currently drilling the second of a series of +500m holes in this area, expanding the resource update drill programme with anticipated cut-ff date late May 2025. This may be further extended with continued success intercepting projected structures defined by our geologic modelling.

COPALQUIN GOLD-SILVER DISTRICT, DURANGO STATE, MEXICO

With 100 historic underground gold-silver mines and workings plus 198 surface workings/pits throughout 70km2 of mining concession area, Copalquin is an entire mining district with high-grade exploration results and a maiden JORC resource. To date there are several target areas in the district with one already hosting a high-grade gold-silver JORC mineral resource estimate (MRE) at the Target 1 area (El Refugio-La Soledad)1 and a NI 43-101 Technical Report filed on SEDAR+, supported by a conceptional underground mining study completed on the maiden resource in early 2022 (see ASX announcement 01 March 2022 and metallurgical test work (see ASX Announcement 25 February 2022). There is considerable strike and depth potential to increase the resource at El Refugio and at other target areas across the district, plus the underlying geologic system that is responsible for the widespread gold-silver mineralisation.

With the district-wide gold and silver occurrences and rapid exploration success, it is clear the Copalquin District is developing into another significant gold-silver district like the many other districts in this prolific Sierra Madre Gold-Silver Trend of Mexico.

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Figure 1 LiDAR identified historic workings across the 70km2 district. Target 1 area current drilling location, channel sampling area and the high priority drill target areas of Las Brujas-El Peru (Target 2) and La Constancia-El Jabali (Target 3). Several new areas highlighted across the district for follow-up work.

Channel Sample Results Discussion

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Figure 2 Area (18km2) within 70km2 Copalquin District showing the current drill targets and channel ongoing channel sampling locations

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Figure 3 Target 2 Area with channel sample locations and initial planned drill holes

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Figure 4 El Peru mine workings in the Target 2 area and channel sample locations

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Figure 5 Las Brujas mine workings in the Target 2 area and channel sample locations

Drill Results Discussion

Drilling at La Soledad, the north-westerly tending structure on the north-eastern side of the Target 1 resource area, has returned excellent results.

- 2.90m @ 9.06 g/t gold, 10.6 g/t silver, from 339.6 m (MTH-LS25-20), including
    - 0.50m @ 44.7 g/t gold, 42.7 g/t silver, from342m,

MTH-LS25-20 was drilled 120 metres down dip of previous drilling in the area, producing a significant step out result down dip on the eastern end of the main Refugio structure.

Drill holes MTH-LS25-18 and MTH-LS25-19 did not return reportable intercepts.

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Figure 6

ABOUT THE COPALQUIN GOLD SILVER PROJECT

The Copalquin mining district is located in Durango State, Mexico and covers an entire mining district of 70km2 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 NI 43-101 Technical Report filed on SEDAR+

- 2,416,000 tonnes4.80 g/t gold, 141 g/t silver for 373,000 oz gold plus 10,953,000 oz silver 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 1 - Mineral resource estimate El Refugio - La Soledad using a cut-off grade of 2.0 g/t AuEq*

* In determining the gold equivalent (AuEq.) grade for reporting, a gold:silver price ratio of 70:1 was determined, using the formula: AuEq grade = Au grade + ((Ag grade/70) x (Ag recovery/Au recovery)). 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. At this early stage, the metallurgical recoveries were assumed to be equal. Subsequent preliminary metallurgical test work produced recoveries of 91% for silver and 96% for gold (ASX Announcement 25 February 2022). In the Company's opinion there is reasonable potential for both gold and silver to be extracted and sold.

^ 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).

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Figure 7 - Copalquin District location map, locations of mining and exploration activity and local infrastructure

-ENDS-

Released with the authority of the Board.

For further information contact:

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Competent Persons Statement - JORC

The information in this announcement that relates to metallurgical test results, mineral processing and project development and study work has been compiled by Mr John Skeet who is Mithril's CEO and Managing Director. Mr Skeet is a Fellow of the Australasian Institute of Mining and Metallurgy. This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Skeet has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Skeet consents to the inclusion in this report of the matters based on information in the form and context in which it appears. The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

The information in this announcement that relates to sampling techniques and data, exploration results and geological interpretation for Mithril's Mexican project, has been compiled by Mr Patrick Loury who is Mithril's Project Consultant. Mr Loury is a member of the American Institute of Professional Geologists and a Certified Professional Geologist (CPG). This is a Recognised Professional Organisation (RPO) under the Joint Ore Reserves Committee (JORC) Code.

Mr Loury has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Loury consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is reported by Mr Rodney Webster, Principal Geologist at AMC Consultants Pty Ltd (AMC), who is a Member of the Australasian Institute of Mining and Metallurgy. The report was peer reviewed by Andrew Proudman, Principal Consultant at AMC. Mr Webster is acting as the Competent Person, as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, for the reporting of the Mineral Resource estimate. A site visit was carried out by Jose Olmedo a geological consultant with AMC, in September 2021 to observe the drilling, logging, sampling and assay database. Mr Webster consents to the inclusion in this report of the matters based on information in the form and context in which it appears

The Australian Securities Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Qualified Persons - NI 43-101

Scientific and technical information in this Report has been reviewed and approved by Mr John Skeet (FAUSIMM, CP) Mithril's Managing Director and Chief Executive Officer. Mr John Skeet is a qualified person within the meaning of NI 43-101.

Table 2 Channel sampling results for the Target 2 area reported to date

Sample ID	location	Channel ID	x	y	z	Channel seq.	Channel length	Channel azi	Chan
798826	Las Brujas Workings	LB001	292,665	2,822,553	1,652	1	1	300	90
798827	Las Brujas Workings	LB002	292,665	2,822,555	1,654	1	1	310	90
798828	Las Brujas Workings	LB002	292,666	2,822,555	1,653	2	1	310	90
798829	Las Brujas Workings	LB002	292,666	2,822,554	1,652	3	1	310	90
798830	Las Brujas Workings	LB003	292,669	2,822,556	1,653	1	1	310	90
798831	Las Brujas Workings	LB003	292,668	2,822,557	1,652	2	1	310	90
798832	Las Brujas Workings	LB003	292,669	2,822,557	1,651	3	1	310	90
798833	Las Brujas Workings	LB004	292,671	2,822,560	1,654	1	1	350	90
798834	Las Brujas Workings	LB004	292,671	2,822,559	1,653	2	1	350	90
798835	Las Brujas Workings	LB005	292,671	2,822,557	1,649	1	1	20	90
798836	Las Brujas Workings	LB006	292,675	2,822,566	1,655	1	1	320	90
798837	Las Brujas Workings	LB006	292,676	2,822,565	1,654	2	1	320	90
798838	Las Brujas Workings	LB006	292,676	2,822,565	1,653	3	1	320	90
798840	Las Brujas Workings	LB007	292,679	2,822,565	1,653	1	1	320	90
798841	Las Brujas Workings	LB007	292,679	2,822,564	1,651	2	1	320	90
798842	Las Brujas Workings	LB008	292,679	2,822,561	1,652	1	1	250	0
798843	Las Brujas Workings	LB008	292,680	2,822,561	1,652	2	1	250	0
798844	Las Brujas Workings	LB009	292,670	2,822,556	1,650	1	1	20	90
798845	Las Brujas Workings	LB010	292,680	2,822,566	1,654	1	1	260	90
798846	Las Brujas Workings	LB011	292,678	2,822,570	1,655	1	1	300	90
798847	Las Brujas Workings	LB011	292,678	2,822,570	1,654	2	1	300	90
798848	Las Brujas Workings	LB012	292,682	2,822,566	1,653	1	1	20	90
798849	Las Brujas Workings	LB012	292,682	2,822,565	1,651	2	1	20	90
798850	Las Brujas area	LB013	292,688	2,822,571	1,652	1	1	320	90

798851	Las Brujas area	LB014	292,688 2,822,571 1,651 1	0.8	320	90
798852	Las Brujas area	LB015	292,706 2,822,571 1,654 1	1	270	90
798853	Las Brujas area	LB016	292,720 2,822,567 1,652 1	1	270	90
798854	Las Brujas area	LB017	292,736 2,822,564 1,645 1	1	20	90
798855	Las Brujas area	LB018	292,670 2,822,588 1,696 1	1	5	90
798856	Las Brujas area	LB019	292,666 2,822,580 1,700 1	1	40	90
798857	Las Brujas area	LB020	292,653 2,822,585 1,704 1	1	280	90
798858	Las Brujas area	LB021	292,632 2,822,596 1,711 1	1	20	90
798859	Las Brujas area	LB022	292,618 2,822,601 1,714 1	1	20	90
798860	Las Brujas area	LB023	292,602 2,822,599 1,713 1	1	310	90
798861	Las Brujas area	LB024	292,661 2,822,610 1,503 1	1	30	90
226073	Mina El Peru	MEP001	293,085 2,822,676 1,515 1	1	180	2
226074	Mina El Peru	MEP001	293,085 2,822,675 1,515 2	1	180	2
226076	Mina El Peru	MEP001	293,085 2,822,674 1,515 3	1	180	2
226077	Mina El Peru	MEP001	293,086 2,822,673 1,515 4	1	115	1
226078	Mina El Peru	MEP001	293,086 2,822,673 1,515 5	1	115	1
226079	Mina El Peru	MEP001	293,087 2,822,673 1,515 6	1	200	1
226081	Mina El Peru	MEP001	293,087 2,822,672 1,515 7	1	200	1
226085	Mina El Peru	MEP001	293,087 2,822,671 1,514 8	0.5	200	2
226086	Mina El Peru	MEP001	293,087 2,822,670 1,514 9	1	200	2
226087	Mina El Peru	MEP001	293,087 2,822,669 1,514 10	1	200	2
226082	Mina El Peru	MEP002	293,093 2,822,672 1,517 1	1	275	2
226083	Mina El Peru	MEP002	293,094 2,822,672 1,517 2	1	275	2
226084	Mina El Peru	MEP003	293,093 2,822,678 1,518 1	1	340	70
226088	Mina El Peru	MEP004	293,080 2,822,673 1,517 1	0.7	90	85
226089	Mina El Peru	MEP005	293,076 2,822,669 1,517 1	0.6	110	2
226090	Mina El Peru	MEP006	293,146 2,822,718 1,513 1	0.8	80	45
226091	Mina El Peru	MEP007	293,138 2,822,733 1,503 1	0.6	100	20

JORC Code, 2012 Edition - Table 1

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chi • Include reference to measures taken to ensure sample repre • Aspects of the determination of mineralisation that are Mate • In cases where 'industry standard' work has been done this
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, r
Drill sample recovery	• Method of recording and assessing core and chip sample re • Measures taken to maximise sample recovery and ensure re • Whether a relationship exists between sample recovery and
Logging	• Whether core and chip samples have been geologically and • Whether logging is qualitative or quantitative in nature. Core • The total length and percentage of the relevant intersections
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all • If non-core, whether riffled, tube sampled, rotary split, etc an • For all sample types, the nature, quality and appropriateness • Quality control procedures adopted for all sub-sampling stag • Measures taken to ensure that the sampling is representativ • Whether sample sizes are appropriate to the grain size of th

Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and • For geophysical tools, spectrometers, handheld XRF instrum • Nature of quality control procedures adopted (eg standards,
Verification of sampling and assaying	• The verification of significant intersections by either indepen • The use of twinned holes. • Documentation of primary data, data entry procedures, data • Discuss any adjustment to assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (co • Specification of the grid system used. • Quality and adequacy of topographic control.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to est • Whether sample compositing has been applied.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sam • If the relationship between the drilling orientation and the ori
Sample security	• The measures taken to ensure sample security.

Audits or reviews	• The results of any audits or reviews of sampling techniques

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation
Mineral tenement and land tenure status	• Type, reference name/number, location and ow • The security of the tenure held at the time of re
Exploration done by other parties	• Acknowledgment and appraisal of exploration b
Geology	• Deposit type, geological setting and style of mi

Drill hole Information	• A summary of all information material to the un • easting and northing of the drill hole collar • elevation or RL (Reduced Level - elevati • sea level in metres) of the drill hole collar • dip and azimuth of the hole • down hole length and interception depth • hole length. • If the exclusion of this information is justified or
Data aggregation methods	• In reporting Exploration Results, weighting ave • Where aggregate intercepts incorporate short l • The assumptions used for any reporting of met

Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important ir • If the geometry of the mineralisation with respe • If it is not known and only the down hole length
Diagrams	• Appropriate maps and sections (with scales) ar
Balanced reporting	• Where comprehensive reporting of all Explorati
Other substantive exploration data	• Other exploration data, if meaningful and mate
Further work	• The nature and scale of planned further work (e • Diagrams clearly highlighting the areas of poss

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