MITHRIL SILVER AND GOLD LIMITED
(FORMERLY MITHRIL RESOURCES LIMITED)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED SEPTEMBER 30, 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 three months ended September 30, 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)

		September 30, 2024		June 30, 2024
Assets				
Current assets				
Cash and cash equivalents	$	2,994,391	$	1,496,392
Receivables (Note 6)		301,849		178,293
Prepaids		357,287		436,192
		3,653,527		2,110,877
Non-current assets				
Receivables		1,103		1,229
Exploration and evaluation assets (Note 7)		30,269,392		30,811,554
		30,270,495		30,812,783
Total Assets	$	33,924,022	$	32,923,660
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	$	554,474	$	371,357
Loan payable		19,104		34,739
Employee benefits		37,832		40,649
Total liabilities		611,410		446,745
Equity				
Share capital (Note 9)		74,583,408		71,115,636
Reserves (Note 9)		2,629,629		2,532,829
Accumulated other comprehensive income		925,772		3,050,475
Accumulated deficit		(44,826,197)		(44,222,025)
Total equity		33,312,612		32,476,915
Total Liabilities and Equity	$	33,924,022	$	32,923,660

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

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 September 30, 2024	2023
Administration expenses	$ 144,147	$ 60,726
Depreciation and amortisation expense (Note 7)	14,372	16,059
Filing and listing fees	92,887	5,693
Interest expense	1,010	622
Investor relations	90,075	-
Legal expenses	54,667	-
Other income (Note 5)	(12,606)	(120,935)
Remuneration expenses (Note 10)	102,199	79,101
Scheme implementation costs	-	270,332
Share-based payments (Note 9)	96,800	-
Travel expenses	20,621	13,755
Net loss for the period	(604,172)	(325,353)
Other comprehensive income (loss):		
Foreign currency translation adjustment	(2,124,703)	95,043
Total comprehensive loss for the period	$ (2,728,875)	$ (230,310)
Basic and diluted loss per share	$ (0.06)	$ (0.01)
Weighted average number of shares outstanding – basic and diluted	101,913,179	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	Accumulated	
	Number	Amount	Reserves	Income	Deficit	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	-	-	-	95,043	-	95,043
Net loss and comprehensive loss for the period	-	-	-	-	(325,353)	(325,353)
Balance, September 30, 2023	33,688,822	66,250,053	2,417,829	4,675,462	(42,947,024)	30,396,320
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	-	-	-	(1,624,987)	-	(1,624,987)
Net loss and comprehensive loss for the period	-	-	-	-	(1,275,001)	(1,275,001)
Balance, June 30, 2024	84,576,222	71,115,636	2,532,829	3,050,475	(44,222,025)	32,476,915
Private placement	18,500,000	3,700,000	-	-	-	3,700,000
Share issuance costs	-	(232,228)	-	-	-	(232,228)
Share-based compensation	-	-	96,800	-	-	96,800
Foreign currency translation adjustment	-	-	-	(2,124,703)	-	(2,124,703)
Net loss and comprehensive loss for the period	-	-	-	-	(604,172)	(604,172)
Balance, September 30, 2024	103,076,222	$ 74,583,408	$ 2,629,629	$ 925,772	$ (44,826,197)	$ 33,312,612

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 three months ended September 30,		2024		2023
Cash flows from operating activities				
Payment to suppliers and employees (inclusive of GST)	$	(564,907)	$	(229,000)
Interest paid		(1,010)		-
Mexico VAT refunds and tax adjustments		-		348,108
Net cash provided by (used in) operating activities		(565,917)		119,108
Cash flows from investing activities				
Payments for exploration assets		(1,391,341)		(563,742)
Payments for term deposits		(1,000,000)		-
Net cash used in investing activities		(2,391,341)		(563,742)
Cash flows from financing activities				
Private placements		3,700,000		-
Share issuance costs		(228,138)		-
Proceeds from loans		-		150,000
Repayment of loans		(15,636)		(11,046)
Net cash provided by financing activities		3,456,226		138,954
Impact of foreign exchange rate on cash		(969)		1,376
Change in cash during the period		497,999		(304,304)
Cash, beginning of the period		1,496,392		568,530
Cash, end of the period	$	1,994,391	$	264,226
Supplemental cash flow information				
Interest paid	$	1,010	$	-
Taxes paid	$	-	$	-

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 September 30, 2024, the Company has not achieved profitable operations, has accumulated losses of $44,826,197 and working capital of $3,042,117 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 November 14, 2024.

<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 September 30, 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

<u>Foreign currency translation functional and presentation currency</u>
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.

<u>Transactions and balances</u>
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.

<u>Translation to the presentation currency</u>
- 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 September 30, 2024, the Company had a cash balance of $1,994,391 to settle liabilities of $611,410.

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

	Three months period ended September 30, 2024	Three months period ended September 30, 2023
Interest revenue	$ 11,836	$ -
Mexico tax adjustment	-	120,936
Other income	770	-
	$ 12,606	$ 120,936

(Expressed in Australian Dollars)

6. Receivables

	September 30, 2024	June 30, 2024
GST and overseas taxes receivable	$ 290,013	$ 178,293
Accrued interest income	11,836	-
	$ 301,849	$ 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	13,987	-	13,987
Depreciation	(14,372)	-	(14,372)
Translation adjustment	(541,777)	-	(541,777)
September 30, 2024	$ 30,139,248	$ 130,144	$ 30,269,392

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 September 30, 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 full warrant will entitle the holder to purchase one share at an exercise price of $0.30 until September 5, 2026.

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

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 September 30, 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 $96,800.

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 September 30, 2024 and June 30, 2024 is as follows:

	Period ended September 30, 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 September 30, 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 September 30, 2024, the Company's options had a weighted average remaining life of 2.51 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 September 30, 2024 and year ended June 30, 2024, respectively, are as follows:

	Period ended September 30, 2024	**Year ended June 30, 2024**
Weighted average grant date stock price	$0.20	$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 September 30, 2024 and year ended June 30, 2024 is as follows:

	Period ended September 30, 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	18,500,000	$ 0.30	37,656,200	$ 0.34
Outstanding, end of period	58,299,057	$ 0.36	39,799,057	$ 0.34
Exercisable, end of period	58,299,057	$ 0.36	39,799,057	$ 0.34

The following table summarizes information about warrants outstanding and exercisable at September 30, 2024:

Exercise price	Number outstanding	Expiry date	Number exercisable
$0.70	2,142,857	December 9, 2025	2,142,857
$0.30	18,000,000	September 5, 2026	18,000,000
$0.30	500,000	September 5, 2026	500,000
$0.10	10,000,000	May 14, 2027	10,000,000
$0.20	27,656,200	May 14, 2027	27,656,200
	58,299,057		58,299,057

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).

	Three months period ended September 30, 2024	Three months period ended September 30, 2023
Director fees		
Garry Thomas, Director	$ 10,762	$ 10,909
John Skeet, CEO and Director	45,000	45,000
Stephen Layton, Director	12,000	12,000
Craig Sharpe, Director	10,762	-
Post-employment benefits		
Garry Thomas, Director	1,238	1,091
Craig Sharpe, Director	1,238	-
	$ 81,000	$ 69,000

(Expressed in Australian Dollars)

10. Related party transactions

During the three months ended September 30, 2024, the spouse of the CEO was employed in an administration and legal role related to Mexico requirements and incurred salary costs of $21,199 (2023: $21,104).

As at September 30, 2024, the Company had $34,066 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.

11. Operating segments

Operating segment information

September 30, 2024	Mexican operations $	Australian operations $	Total $
Revenue			
Other revenue	770	-	770
Interest revenue	-	11,836	11,836
Total revenue	770	11,836	12,606
Net loss	(20,398)	(526,974)	(547,372)
Assets			
Segment assets	30,647,346	3,276,676	33,924,022
Liabilities			
Segment liabilities	305,275	306,135	611,410
September 30, 2023			
Revenue			
Other revenue	120,936	-	120,936
Interest revenue	-	-	-
Total revenue	120,936	-	120,936
Net loss	99,723	(425,076)	(325,353)
Assets			
Segment assets	30,776,123	347,028	31,123,151
Liabilities			
Segment liabilities	103,340	623,491	726,831

12. Subsequent events

Subsequent to September 30, 2024, the Company:

i) issued 16,489,300 common shares pursuant to exercise of warrants for gross proceeds of $4,256,740.

ii) completed a private placement for 24,600,000 units at a price of $0.50 per share for aggregate gross proceeds of $12,300,000. 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.