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Mila Resources Plc / Index: LSE / Epic: MILA / Sector: Natural Resources

11 October 2023

Mila Resources Plc
("Mila" or "the Company")

Liontown Lithium JV Update & RC Drilling Programme Results

Mila Resources Plc (LSE:MILA), the post-discovery exploration accelerator, is pleased to update shareholders on progress with Liontown Resources Limited (ASX:LTR) ("Liontown") regarding its arrangements to enter into a joint venture ("JV") and assay results from the recent RC drilling programme at the Company's Kathleen Valley Gold Project in Western Australia ('Kathleen Valley' or the 'Project').

Overview

- Good progress being made with Liontown to commence its phased work on the JV.
- Work is now well underway with Liontown to source water and secure heritage survey clearances ahead of exploration work including soil sampling and trenching at target areas.
- Liontown lithium exploration work is planned in the northwest, northeast and central areas of Kathleen Valley.
- Recent assays from the six-hole reverse circulation ('RC') programme completed in late June 2023 for 820m uncovered critical structural features and supergene mineralisation that provides further indications of the Project's mineralisation potential width.

Mark Stephenson, Executive Chairman of Mila commented: "Since securing our recent funding, we are excited to have kicked off several key preliminary work streams with Liontown ahead of the lithium exploration programme. We are very fortunate, as a junior exploration company, to be surrounded by leading mining groups in Australia and having the opportunity to work with and harness the expertise of a multi-billion-dollar mining company. The required social and environmental work is now underway in earnest and once completed it will allow Liontown to begin its exploration work targeting lithium mineralisation in the northwest, northeast and central areas of the Project where pegmatite swarms are evident that may be part of the same mineralisation corridor as Liontown, immediately to the North of our project.

"Separately, on the gold exploration, the recent assays from our relatively limited drilling programme have helped us to better understand the direction and diameters of the gold mineralisation at the Project. These suggest that the gold is focused, aiding our understanding of

the structure. We embarked on this drilling campaign to understand the structure of the orebody and each drill hole provides further intelligence to prove up our geological model that it is highly structured, featuring concentrated zones of high-grade mineralisation.”

JV arrangements with Liontown

The Company and Liontown have held a number of meetings to establish a critical path towards commencing lithium exploration at Kathleen Valley. Due to a scarcity of water within the region and as part of the preliminary work programme, Liontown will sink a number of drill holes to test for water imminently. This is with a view to securing future water supply for its forthcoming mining operations at its significant Kathleen Valley Lithium Mine, due to commence production in mid-2024.

Liontown has identified several lithium targets in the northern and central areas of the Project, which coincide with the gold target areas previously identified by Mila (Figures 1 & 2). Mila and Liontown are working jointly on conducting Heritage Surveys across these areas. Under the JV, Mila will be able to access and conduct gold and base metal test work from the drilling core provided by Liontown drill programme. The board of Mila expects that this will significantly reduce the overall cost and timeframe of Mila’s exploration activities within the coincident areas.

Liontown is also planning extensive low impact soil geochemistry and surface geophysical surveys over the Project and is in discussions with The Tjiwarl Aboriginal Corporation (“TAC”), the traditional land owners, to ensure that it avoids any sensitive heritage areas. This work should provide further data to complement the soils work previously conducted by Mila, which identified the northern and central gold targets (Figure 2) and allow geochemical analysis in untested areas within the Licence area. Further progress updates will be provided in due course.

ASX code	Company Name
BGL	Bellevue Gold
LTR	Liontown
IGO	IGO Group
BHP	BHP Group

Figure 1: Kathleen Valley regional geology map showing the north-south corridor of Liontown mapped pegmatite swarms (magenta), minesites (red) and tenure holding outlines. Liontown’s main areas of pegmatite focus are highlighted by yellow circles and the water search areas are highlight in light blue.



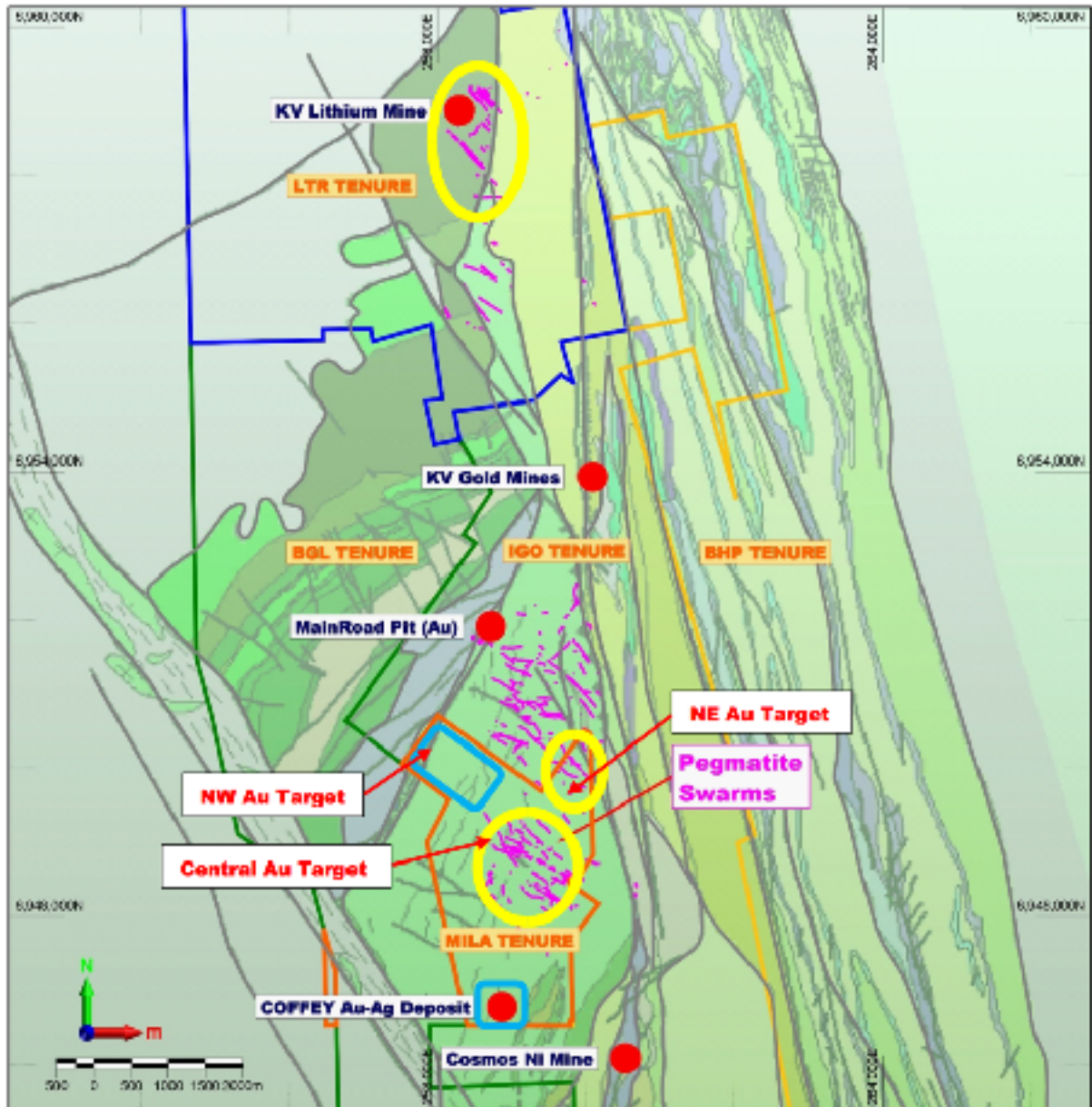
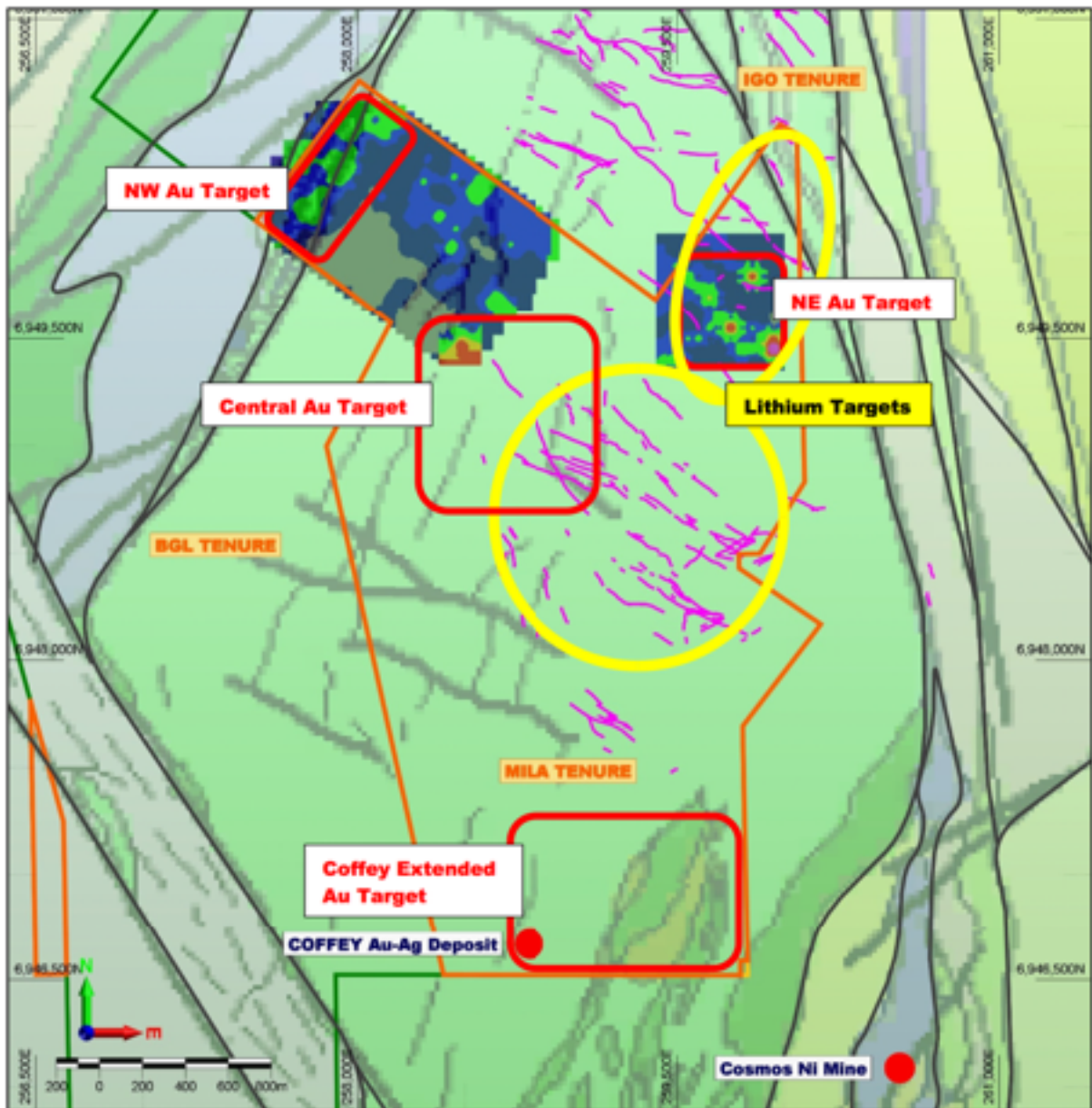


Figure 2: Kathleen Valley local geology map showing LTR mapped pegmatite swarms and Mila's gold anomaly target areas defined by auger soil sampling.

Gold Drilling results



The recent drilling of six reverse circulation (“RC”) holes for a total of 820m in June 2023 was undertaken to test and assess the resource by stepping out into a previously untested northwestern border. The drilling campaign has uncovered structural features and supergene mineralisation providing further indications of the Project’s mineralisation potential. These findings will be integrated into a comprehensive geological-structural review of the property, which should reduce the exploration risk associated with further work on the property.

Two drill lines were completed testing the strike extent of mineralisation 50m and 100m along strike to the northwest where it was open and untested (Figure 3). A best assay intersection of 4m at 0.36 g/t Au from 36-40m depth was returned from KVRC0044 (Figure 4). This intersection sits high up in the drill hole and is most likely associated with supergene mineralisation from the Coffey system or potentially a second nearby system. Further work is required to identify the source of this supergene anomaly.

The drilling campaigns have revealed critical insights about the Kathleen Valley Gold project, in particular that it is characterised by a highly structured orebody featuring concentrated zones of high-grade mineralisation shoots (notably **6.6m at 14.9 g/t** gold and **10.0m at 8.38 g/t** gold) within a sulphide bearing shear structure (Figure 4).

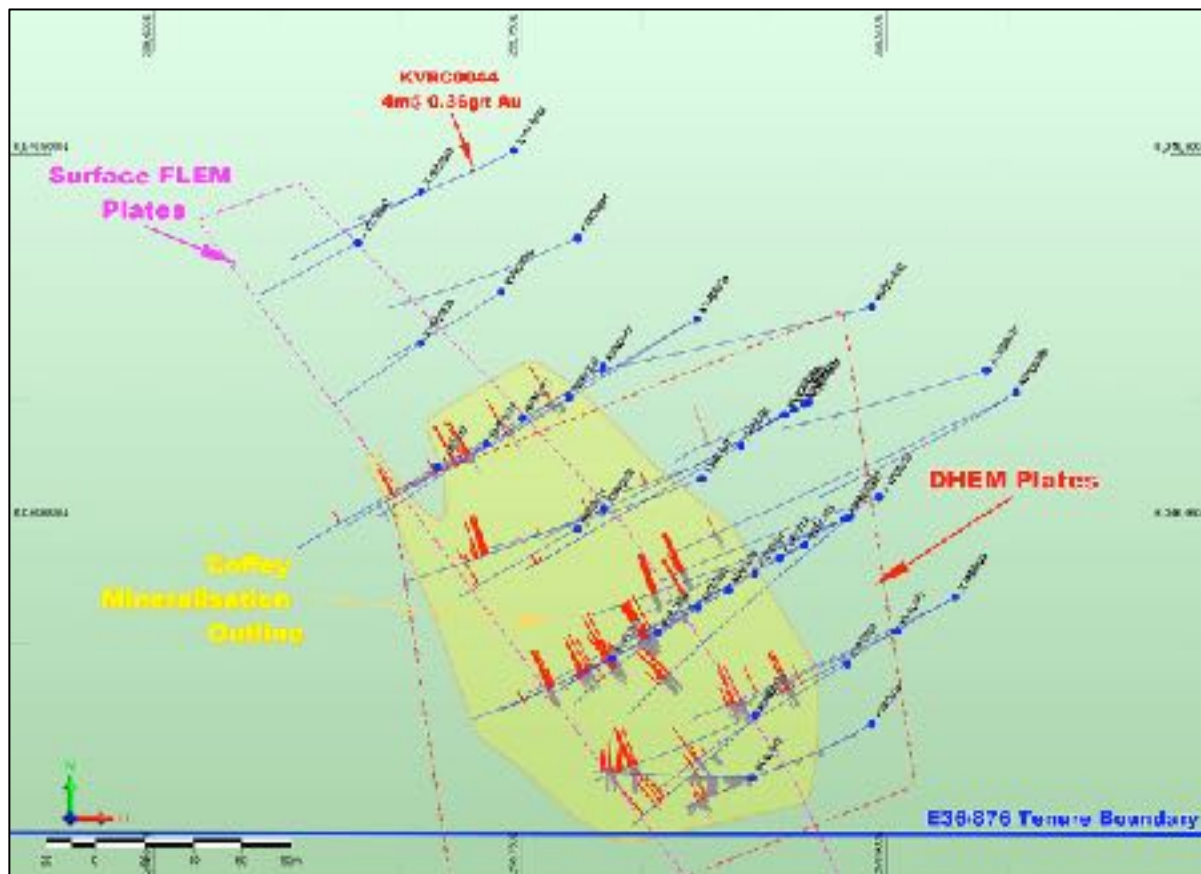
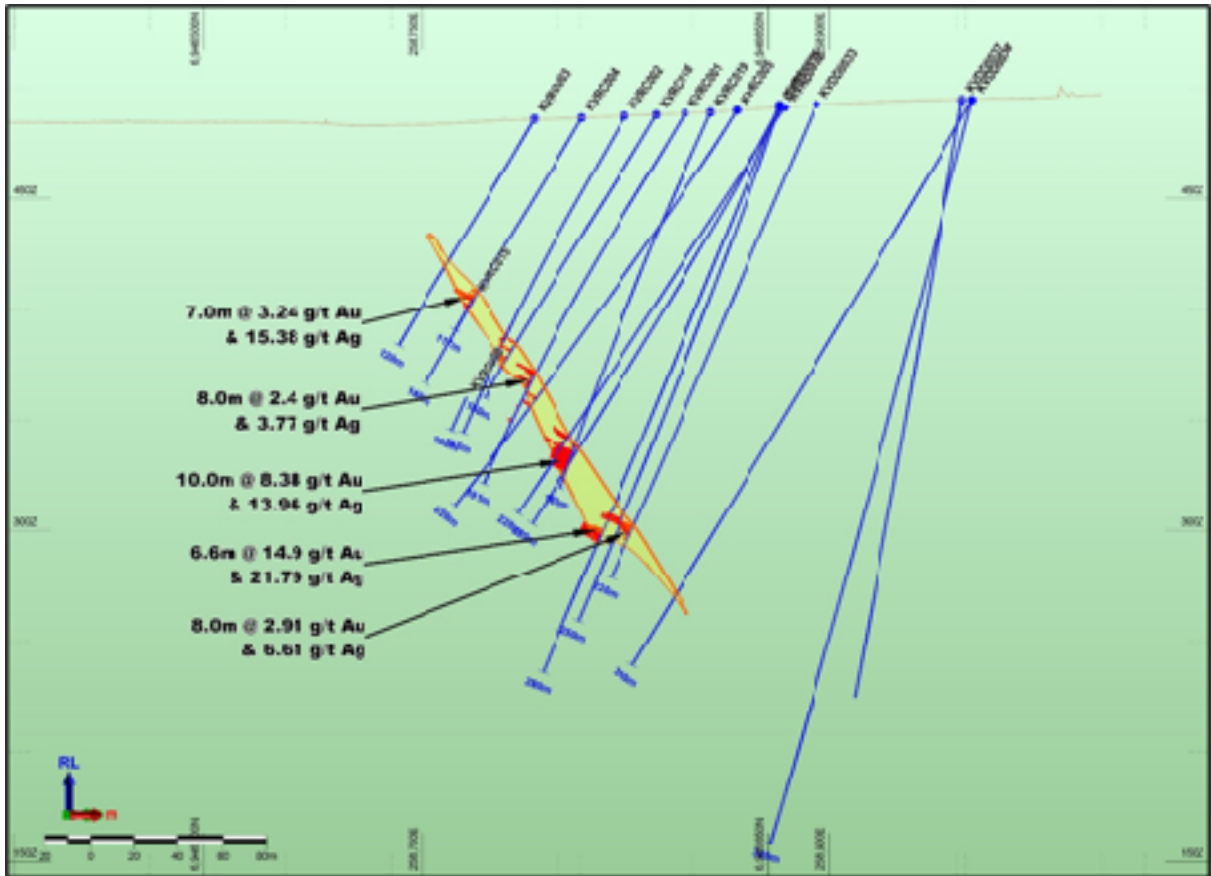


Figure 3: Drill hole plan showing gold intersection (red bars) and silver intersections (grey bars) on drill hole traces. The Coffey Deposit mineralisation is outlined (yellow) as well as the defined positions of the DHEM and FLEM geophysical plates. The recent assay returned from KVRC0044 is shown in the north of the map.

Figure 4: Cross Section through the core of the Coffey Deposit showing high-grade gold & silver intersections (red) within the mineralisation outline (yellow).



****ENDS****

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