

15 November 2022

**Mila Resources Plc
(‘Mila’ or the ‘Company’)**

Kathleen Valley Drilling Results and Operational Update

Mila Resources Plc (LSE:MILA), the post-discovery gold exploration accelerator, wishes to inform that drilling for 2022 is now complete at its Kathleen Valley Gold Project in Western Australia (‘Kathleen Valley’ or the ‘Project’) and assays for the first three of the four drill holes completed have been received.

Kathleen Valley is located in a region that hosts some of the largest gold projects in Australia, including the adjacent, high-grade Bellevue Gold Project, the high-grade producing Agnew Gold Mine located ~50km to the south and the Bronzewing Gold Mine 50km to the northeast. Initial drilling has confirmed consistent, high-grade mineralisation and Mila has been focussed on expanding this to define a sizeable gold-silver resource.

Overview

- All samples have been submitted for laboratory analysis and assays received for the first three holes of the drill programme (KVDD0035-0037)
- The three holes did not return economic widths and grade but have provided strong evidence of pathfinder elements to define the root zone of the system
- The Company will now undertake structural, geophysical and geochemical analysis to better understand the system trending NW ahead of further drilling in Q1 2023
- KVDD0038 was completed to a depth of 365.5m and is awaiting assay
- Down Hole Electromagnetic (DHEM) survey completed on two of the four recently completed holes with results and interpretation pending
- Drilling at Coffey now comprises a combined total of 38 reverse circulation (RC) and diamond drill (DD) holes for 8,171.35m which will be included in the planned resource estimation process
- Site rehabilitation completed in preparation for the summer rains to rejuvenate the native vegetation on site

Neil Hutchison, Technical Director of Mila commented: “It’s been a rewarding year of drilling since Mila’s listing on the LSE 12 months ago. We have completed three drilling campaigns comprising of an initial RC programme in late 2021 followed by two Diamond Drilling programmes in 2022. Drilling at the Coffey Deposit has returned some outstanding gold-silver results over broad widths which underpin the Company’s belief that the Coffey mineralisation will grow to a substantial sized resource.

“These new results, whilst clearly less impressive, are by no means a setback for the Coffey deposit. We now have strong pathfinder elements and visual structural corridor defining the root zone of the system which is showing structural complexity which is quite normal for gold systems in the Goldfields region. The drilling programme has given us important vectors for the forthcoming exploration season and now we will work with the team and consultants to better understand the system. Our programme for 2023 will focus on extending the mineralisation along strike to the NW where it is open and untested. Further supporting technical analysis works will be undertaken between the scheduled drilling programmes, with drilling to recommence in Q1 2023.”

Drilling Results Q4 2022

Mila has completed its final drilling campaign of 2022 with four diamond core holes for 1462.55m being completed during the September-November period. The final hole KVDD0038 was drilled to a depth of 365.5m bringing Mila’s total to 26 drill holes for 6,011.35m in the last 12 months since listing on the LSE at the start of November 2021.

DHEM has been completed inside holes KVDD0037 and KVDD0038 which are the two deepest holes drilled to date. DHEM results are currently being processed and interpreted by the Company’s consulting geophysicist. The data will be combined with the previous geophysical data and interpreted in conjunction with the existing geological model with the aim of located more sulphide mineralisation at depth and along strike from the defined mineralisation at the Coffey Deposit.

All samples have been cut and submitted for laboratory analysis with the results of the first three holes KVDD0035, KVDD0036 and KVDD0037 just returned from the laboratory (Table 1). The results of KVDD0038 are still outstanding and are currently in process at the laboratory.

Table 1: Intersections from Recent Diamond Core Drilling at the Coffey Deposit.

Hole ID	From (m)	To (m)	Width (m)	Gold (g/t)	Silver (g/t)	Copper (%)	Zinc (%)	Sulphur (%)
KVDD0035	259.55	263.50	3.95	0.33	4.21	0.13	0.20	2.4
<i>incl</i>	<i>261.85</i>	<i>262.35</i>	<i>0.50</i>	1.04	11.60	0.55	<i>0.07</i>	<i>7.6</i>
KVRD0036	316.0	318.0	2.0	0.15	1.22	0.05	0.03	5.1
And	346.0	347.0	1.0	0.30	0.25	0.01	0.02	2.2
KVRD0037	348.1	349.0	0.9	0.03	3.7	0.14	0.01	3.3
And	355.0	356.0	1.0	0.36	0.80	0.02	0.02	2.1
And	401.85	403.05	1.2	0.01	1.5	0.13	0.01	7.5

Interpretation of Results

Results from the deep holes matched the visual observations showing anomalous pathfinder and base metal elements associated with the observed shearing, alteration, sulphide mineralisation and quartz veined zones, defining the structural corridor and fluid pathways that host the Coffey mineralisation.

The assay results for these recent holes returned disappointing results through these structurally sheared zones. Ag-Cu-Pb-Zn were still anomalous through these zones along with the As-Ba-K-Sr pathfinder elements, however a maximum result of 0.5m at 1.04g/t Au, 11.60g/t Ag, and 0.55% Cu was returned in hole KVDD0035 from 261.85-262.35m (Table 1). This occurs within a broader 3.95m wide zone (259.55-263.5m) comprising 0.33g/t Au, 4.21g/t Ag, 0.13% Cu & 0.20% Zn. Silver (1.85g/t), Zinc (0.11%) and the pathfinder element were anomalous over an 11m wide zone defining the corridor from 257.55-269.0m.

Holes KVDD0036 and KVDD0037 returned 2 narrow upper and lower anomalous zones within the broader anomalous pathfinder structural corridors (Table 1). Hole KVDD0038 also intersected two visual structural shear zones in the NE corner of the drilling area and assays are awaiting to confirm if the shear is mineralised in the northern extension of the Coffey structure.

The fluid pathway reveals a strong geochemical fingerprint which is anomalous in As, Ba, K and Sr compared to the barren footwall and hanging wall basalts. This defines a strong structural corridor providing a good vector to mineralisation when mapping and interpreting the drilling results. Its normal for gold deposits to pinch and swell, form conjugate shear sets or step over to form new mineralised dilation zones within these structural corridors. The pathfinder elements and the visually deformed structures within the rocks are still present supporting the model that Mila are still in the “root zone” of the structural plumbing system and confident that additional lodes are likely to be present. Drill core has been sent off for thin section and petrographic works to determine the origin and structural signature of the Coffey Deposit.

Mila’s geologists are still confident that with the pending DHEM results, detailed structural analysis of the data and core collected to date, as well as detailed geochemical analysis of the full assay suite, that the next mineralised zone will be identified given the visual and pathfinder strength of the structural corridor defining the Coffey Shear zone.

The work programme for 2023 remains unchanged, with RC drilling and diamond tails planned along strike for ~350m towards the NW, potentially extending the shallow mineralisation which is untested and open. Deeper diamond drilling will commence following the geophysical, geochemical and structural analysis works, testing for extensions or additions to the mineralised system.

All site rehabilitation has been completed in preparation for the summer rain period which will assist in rejuvenating the native vegetation within the drilling area. All drill sumps, drill pads, sample spoils and closed-out access tracks have been rehabilitated and contoured with the assistance of the Tjiwarl Aboriginal Rangers.

During Mila’s three drilling campaigns, the Company is still seeing the greater potential of the Coffey Au-Ag Deposit. Coffey has grown significantly in size, width and grade compared to the initial predrilling resource that Mila listed on. The Company is still optimistic that it will be able to upgrade its JORC Resource

for Coffey next year to include Indicated as well as Inferred category JORC material and extending the mineralisation along strike to the NW where it remains open and untested.

Further Technical Discussion

Geochemical modelling of the Coffey deposit demonstrates a strong relationship between the pre-existing sulphide horizon which is interpreted to be a VMS-style horizon derived from a black-smoker on the ancient seafloor (Figure 1). The black-smoker deposited Ag-Cu-Pb-Zn bearing sulphide mineralisation between two hosting pillow basalt flows, which formed the Mt Goode Basalt unit that hosts the Coffey Deposit and the Bellevue Gold mineralisation within the Yakabindie Domain (Figure 2). The Yakabindie Domain correlates to the Kambalda Sequence of the Kalgoorlie Terrane to the south. To the east of the Yakabindie Domain, crustal scale structural deformation occurred along the Keith-Kilkenny Shear (Figure 3) which stretched over 700km from Norseman, through Kalgoorlie to Wiluna, forming the rich goldmines throughout the Goldfields region. The Miranda and Emu Shears formed as local structures paralleling the major Keith-Kilkenny Shear (Figures 3) with the Highway and Yakabindie Shears forming as local splays off the Miranda Shear, resulting in gold bearing fluids penetrating the Mt Goode Basalts.

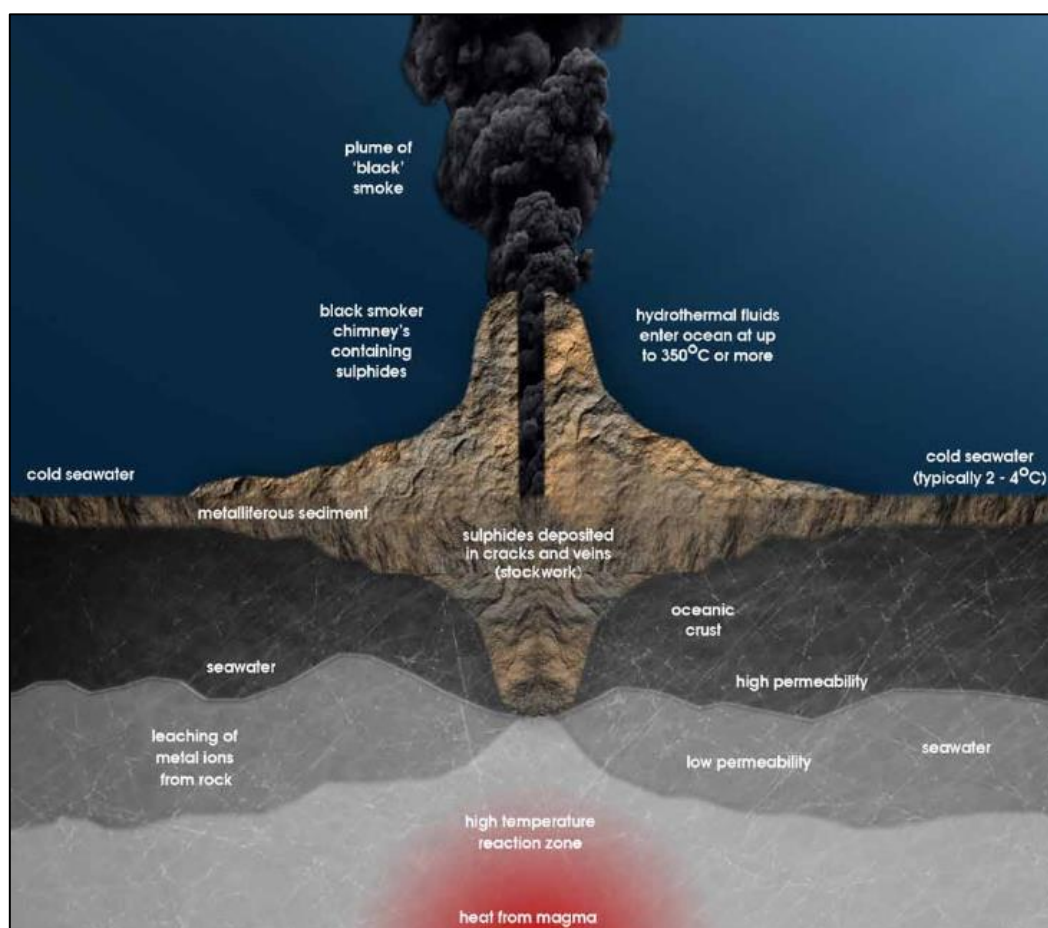


Figure 1: Simplified black smoker on the sea floor producing metalliferous sediments from sulphide bearing “black smoke”.

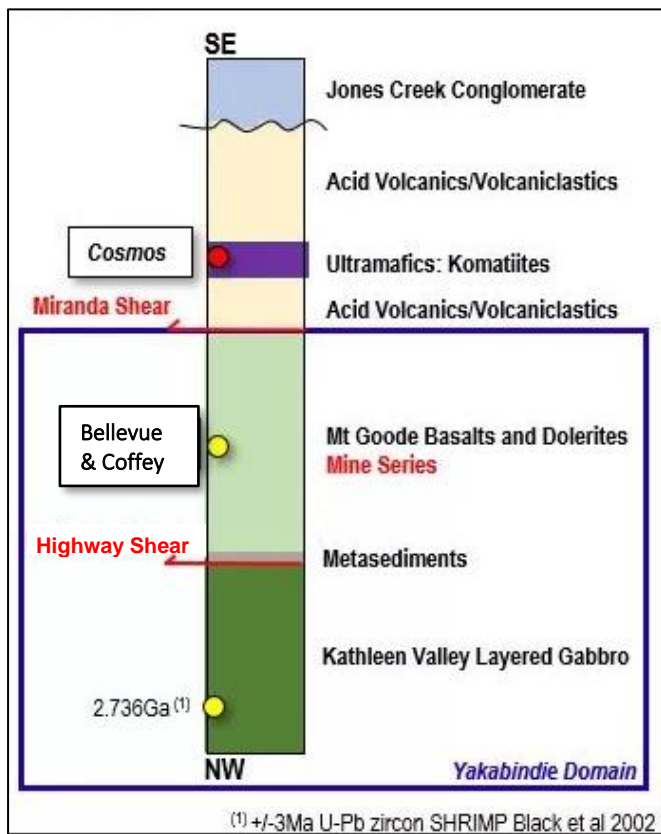


Figure 2: Simplified stratigraphic column for the Yakabindie Domain.

The belt has a complex deformation history with structural reactivation and switching kinematics resulting in Bellevue mineralisation being controlled by north-south shear zones as well as in sub-parallel and conjugate structures in the footwall and hanging wall rocks between these shear zone splays.

To the south of Mila's tenure, the NW-SE trending Yakabindie Shear developed off the Miranda Shear along the granite-greenstone contact (Figure 3). Subparallel shearing within the Mt Goode Basalts resulted in the introduction of gold bearing fluids which deposited gold mineralisation at the Coffey Deposit as well as Bellevue Gold's (ASX:BGL) Government Well Project 2km along strike to the NW (Figure 3).

Mila's geologists interpret that the pre-existing Ag-Cu-Pb-Zn bearing VMS style sulphide horizon at Coffey provided an ideal setting from the structural deformation to occur, carrying gold bearing fluids in, remobilising and concentrating the silver from the sulphide horizon and depositing the Au-Ag metals forming the Coffey Deposit. The fluid pathway reveals a strong geochemical fingerprint which is anomalous in As, Ba, K and Sr compared to the barren footwall and hanging wall basalts. This defines a strong structural corridor providing a good vector to mineralisation when mapping and interpreting the drilling results.

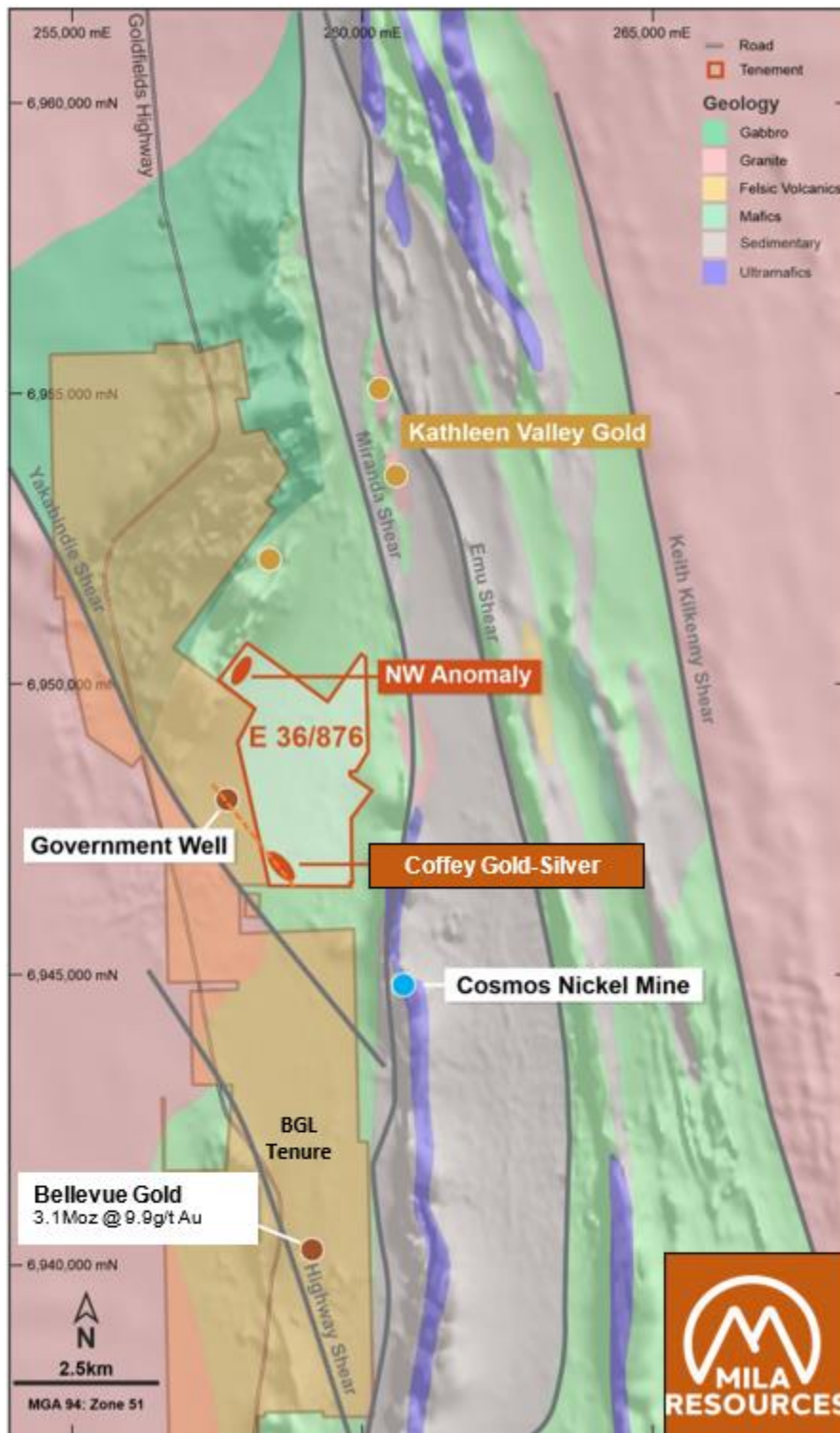


Figure 3: Local geological map with Coffey Deposit Location and controlling structural shear zones.

Competent Person Statement

The information in this announcement relating to Exploration Results is based on information compiled by Neil Hutchison, who is a Technical Director of Mila Resources, and a member of The Australasian Institute of Geoscientists. Mr Hutchison has sufficient experience relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves".

Mr Hutchison consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

****ENDS****

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