

28 March 2024

Mila Resources Plc
(“Mila” or “the Company”)
Interim Results

Mila Resources Plc, the post-discovery gold exploration accelerator, is pleased to present its interim results for the six-month period ended 31 December 2023.

Highlights:

- Advanced post-discovery exploration accelerator business model through targeted exploration work and value accretive partnerships.
- Exploration progress made at initial asset, the Kathleen Valley Gold Project in Western Australia, a premier mining destination.
- Mutually beneficial partnership agreed with Australia’s leading lithium company, Liontown Resources, to explore for lithium extensions at Kathleen Valley Gold Project.
- Project generator team expanded through appointment of Alastair Goodship – a highly experienced exploration geologist with a proven track record of exploration success.
- Successfully raised gross proceeds of £2m to support work at Kathleen Valley Gold Project and advance additional valuable development opportunities.
- Cash position of £1,684,073 as at 31 December 2023.
- Loss for the six-month period ended 31 December of £321,436 (2022: £205,404).

Chairman Statement

The period under review has been seen Mila’s strategy advance and mature, most excitingly through Mila’s partnership with Australia’s leading lithium company, Liontown Resources (“Liontown”). As shareholders will be aware, our first asset within our post-discovery exploration accelerator model, the Kathleen Valley Gold Project, has yielded highly encouraging gold results since our work programme began in 2021, however it was lithium, not gold, that attracted Liontown to us in 2023, as they are confident about the lithium mineralisation on their licence which extends south into Kathleen Valley. This resulted in a mutually beneficial partnership between Mila and Liontown, through which exploration for both gold and lithium will be carried out on our tenement throughout 2024. This partnership also serves to underscore the value of our accelerator model as we look to broaden our horizons to potential new projects.

Kathleen Valley

Mila has now completed several drilling phases at Kathleen Valley, designed to test the known mineralisation and test the "unknown" by drilling at depth and stepping out from the previously tested mineralisation. With each drilling phase, the Company is generating a clearer picture of this highly structured geological system, featuring concentrated zones of high-grade gold mineralisation, potentially mirroring Bellevue’s system to the west of us.

Our focus over the coming months will be to capitalise on the operational and technical efficiencies of working with Liontown. Post period end, Liontown commissioned an aerial image survey for its baseline studies and to comply with heritage and environmental regulations, ahead of commencing sampling and

drilling works on the project. Liontown has now completed the aerial image survey and a soil sampling programme is underway. The assay results will then be used by Liontown to determine drilling targets for lithium, and also by Mila for precious and base metals to provide a more complete picture of the geological model for Kathleen Valley and determine any new targets outside of the recent focus on the Coffey deposit.

As previously reported, Mila benefits from a number of development routes given Kathleen Valley is surrounded by gold mining infrastructure and some of Australia's leading gold companies. We are committed to moving Kathleen Valley forward, leveraging the geological information and technical/Heritage Survey expertise of Liontown.

Project Generator Opportunities

Our over-arching strategy remains to become a "best in class" post-discovery exploration accelerator through the careful identification and development of proven projects, which we believe is imperative now given the continued pressure on the IPO market and traditional routes of finance. To this end, we have looked to build our technical team during the period and were delighted to announce the appointment of Alastair Goodship to the Mila team in Q4 2023. Alastair is an exploration geologist with significant experience in leading discovery-focussed exploration teams in a diverse range of environments and jurisdictions globally, and he has proved an impressive and valuable member of our group.

Alastair has been working on various potential new opportunities, assessing their relative merits in order to generate a shortlist of potential assets through which to broaden our portfolio. The biggest single risk facing most junior mining companies is that they are reliant on the success of a sole project, something that the Board of Mila are keen to avoid. With this in mind, the team are making solid progress on a number of potential opportunities, however there can be no guarantee that these will come to fruition. The Board are hopeful that through the continued focus on quality and whilst retaining the internal expertise to rapidly add value to a project, we will be able to make further updates on the advancement of Mila's project generator strategy during the current period.

Finance and Corporate

Results

The interim results for the six months to 31 December 2023 show a loss of £321,436 (2022: £205,404).

Fund Raise

In October 2023, the Company published a prospectus and announced the placing of 200,000,000 new ordinary shares at a price of 1 pence per ordinary share to raise £2m. The placing shares have one warrant attached with an exercise price of 2 pence for a period of two years from the date of admission, which was 9 November 2023. The Placing was approved by Shareholders at a General Meeting on 8 November 2023.

Cash Position

At 31 December 2023, cash and cash equivalents amounted to £1,684,073 (2022: £832,275).

Directors

The following Directors have held office during the period:

Mark Stephenson
Lee Daniels
Neil Hutchison
Lindsay Mair

Corporate Governance

The UK Corporate Governance Code (September 2014) (“the Code”), as appended to the Listing Rules, sets out the Principles of Good Corporate Governance and Code Provisions which are applicable to listed companies incorporated in the United Kingdom. As a standard listed company, the Company is not subject to the Code, but the Board recognises the value of applying the principles of the Code where appropriate and proportionate and has endeavoured to do so where practicable.

On behalf of the board

Mark Stephenson
Director
27 March 2024

MILA RESOURCES PLC
Interim Statement of Comprehensive Income (Unaudited)
For the six months ended 31 December 2023

	Notes	Six months ended 31 December 2023 Unaudited £	Six months ended 31 December 2022 Unaudited £	Year ended 30 June 2023 Audited £
Administrative expenses		(321,436)	(205,404)	(549,487)
Operating loss		(321,436)	(205,404)	(549,487)
Loss on ordinary activities before taxation		(321,436)	(205,404)	(549,487)
Income tax expense	4	-	-	-
Loss for the period		(321,436)	(205,404)	(549,487)
Other comprehensive income / (loss)		-	-	-
Total comprehensive income for the period attributable to equity holders		(321,436)	(205,404)	(549,487)
Earnings per share (basic and diluted) attributable to equity holders (p)	5	(0.09)	(0.07)	(0.17)

The income statement has been prepared on the basis that all operations are continuing operations.

MILA RESOURCES PLC
Interim Statement of Financial Position (Unaudited)
As at 31 December 2023

	Notes	At 31 December 2023 Unaudited £	At 31 December 2022 Unaudited £	At 30 June 2023 Audited £
ASSETS				
Non-current assets				
Exploration and evaluation assets	6	5,682,925	5,535,102	5,605,870
		<u>5,682,925</u>	<u>5,535,102</u>	<u>5,605,870</u>
Current assets				
Trade and other receivables		129,176	33,925	135,459
Cash at bank and in hand		1,684,073	832,275	448,063
		<u>1,813,249</u>	<u>866,200</u>	<u>583,522</u>
Total assets		<u>7,496,174</u>	<u>6,401,302</u>	<u>6,189,392</u>
LIABILITIES				
Current liabilities				
Trade and other payables		179,526	180,766	312,938
Convertible loan notes		51,475	-	-
		<u>231,001</u>	<u>180,766</u>	<u>312,938</u>
Total liabilities		<u>231,001</u>	<u>180,766</u>	<u>312,938</u>
Net assets		<u>7,265,173</u>	<u>6,220,536</u>	<u>(5,876,454)</u>
EQUITY				
Share capital	7	5,368,178	3,368,178	3,368,178
Share premium	7	4,494,758	4,784,603	4,784,603
Share based payment reserve		539,093	543,813	539,093
Retained losses		(3,136,856)	(2,476,057)	(2,815,420)
Shareholders' equity		<u>7,265,173</u>	<u>6,220,536</u>	<u>(5,876,454)</u>

MILA RESOURCES PLC
Statements of changes in equity (Unaudited)
For the six months ended 31 December 2023

	Share Capital £	Share Premium Account £	Share Based Payment Reserve £	Retained Loss £	TOTAL £
Balance at 30 June 2022	3,065,511	4,267,846	543,813	(2,270,653)	(5,606,517)
Total comprehensive income for the year	-	-	-	(549,487)	(549,487)
Capital Raising - Issue of shares	302,667	605,333	-	-	908,000
Capital Raising - Issue Costs	-	(88,576)	-	-	(88,576)
Expired Warrants	-	-	(4,720)	4,720	-
Balance at 30 June 2023	3,368,178	4,784,603	539,093	(2,815,420)	5,876,454
Total comprehensive income for the period	-	-	-	(321,436)	(321,436)
Capital Raising - Issue of shares	2,000,000	-	-	-	2,000,000
Capital Raising - Issue Costs	-	(289,845)	-	-	(289,845)
Balance at 31 Dec 2023	5,368,178	4,494,758	539,093	(3,136,856)	7,265,173

MILA RESOURCES PLC
Statement of cash flow (Unaudited)
For the six months ended 31 December 2023

	Six months to 31 December 2023 £	Six months to 31 December 2022 £	12 months to 30 June 2023 £
Cash flows from operating activities			
Loss for the period	(321,436)	(205,404)	(549,487)
Operating cashflow before working capital movements	(321,436)	(205,404)	(549,487)
Decrease / (Increase) in trade and other receivables	6,283	(11,357)	(112,891)
Decrease in trade and other payables	(133,412)	(29,994)	102,178
Net cash flow from operating activities	(448,565)	(246,755)	(560,200)
Cash flow from investing activities			
Funds used for drilling and exploration	(77,055)	(836,477)	(907,245)
Net cash outflow from investing activities	(77,055)	(836,477)	(907,245)
Cash flow from financing activities			
Proceeds from share issues	2,000,000	863,839	908,000
Issue costs paid in cash	(289,845)	(44,416)	(88,576)
Convertible Loan Note	51,475	-	-
Net cash inflow from financing activities	1,761,630	819,423	819,424
Net Increase / (Decrease) in cash and cash equivalents	1,236,010	(263,809)	(648,021)
Cash and cash equivalents at beginning of the period	448,063	1,096,084	1,096,084
Cash and cash equivalents at end of the period	1,684,073	832,275	448,063

MILA RESOURCES PLC
Notes to the financial statements
For the six months ended 31 December 2023

1 General information

Mila Resources Plc (the “Company”) was listed on the London Stock Exchange in 2016 with a view to acquiring projects in the natural resources sector that had a significant innate value that could be unlocked without excessive capital. In November 2021, the Company acquired an interest in a gold exploration project in Western Australia.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales, with registration number 09620350.

The Company’s registered office is 6th Floor, 65 Gresham Street, London, EC2V 7NQ.

2 Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation

The interim unaudited financial statements for the period ended 31 December 2023 have been prepared in accordance with IAS 34 Interim Financial Reporting. This interim financial information is not the Company’s statutory financial statements and should be read in conjunction with the annual financial statements for the period ended 30 June 2023, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information for the six months ended 31 December 2023 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period.

The Directors have made an assessment of the Company’s ability to continue as a going concern and the interim report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Company, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial information of the Company is presented in British Pounds Sterling (£).

Critical accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management’s best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal related actual results.

In preparing the interim financial information, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty.

Intangible assets – Exploration and evaluation expenditures (E&E) Development expenditure

Expenditure on the construction, installation and completion of infrastructure facilities including service, is capitalized initially within intangible fixed assets and when the asset has formally commenced commercial production, then it is transferred to property, plant and equipment and is depreciated from the commencement of production as described in the accounting policy for property, plant and equipment.

Drilling costs and intangible licenses

The Company applies the successful efforts method of accounting, having regard to the requirements of IFRS 6 'Exploration for and Evaluation of Mineral Resources'. Costs incurred prior to obtaining the legal rights to explore an area are expensed immediately to the Statement of Comprehensive Income.

Expenditure incurred on the acquisition of a licence interest is initially capitalised within intangible assets on a licence by licence basis. Costs are held, unamortised, until such time as the exploration phase of the field area is complete or commercial reserves have been discovered. The cost of the licence is subsequently transferred into property, plant and equipment and depreciated over its estimated useful economic life.

Exploration expenditure incurred in the process of determining exploration targets is capitalised initially within intangible assets as drilling costs. Drilling costs are initially capitalised on a licence by licence basis until the success or otherwise has been established. Drilling costs are written off unless the results indicate that reserves exist and there is a reasonable prospect that these reserves are commercially viable. Drilling costs are subsequently transferred into 'Drilling expenditure' within property, plant and equipment and depreciated over their estimated useful economic life.

Impairment of Exploration and Evaluation assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. This includes consideration of the IFRS 6 impairment indicators for any intangible exploration and evaluation expenditure capitalised as intangible assets. Examples of indicators of impairment include whether:

- (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed.
- (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

If any such indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount, which is the higher of its fair value less costs to sell and its value in use. Any impairment identified is recorded in the statement of comprehensive income.

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Notes to the financial statements
For the six months ended 31 December 2023

3 Share-based payments

The Company records charges for share-based payments.

For warrant-based or option-based share-based payments, to determine the value of the warrants or options, management estimate certain factors used in the Black Scholes Pricing Model, including volatility, vesting date exercise date of the warrants or option and the number likely to vest. At each reporting date during the vesting period management estimate the number of shares that will vest after considering the vesting criteria. If these estimates vary from actual occurrence, this will impact on the value of the equity carried in reserves.

4 Taxation

No tax is applicable to the Company for the six months ended 31 December 2023. No deferred income tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Company will generate sufficient future profits in the foreseeable future to prudently justify this.

5 Earnings per share

Basic earnings per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The diluted profit per share is the same as the basic profit per share because all warrants and options in issue were out of the money at 31 December 2023 and the Company reported a loss, hence including the additional dilution would have resulted in a reduction of the loss per share.

	Earnings £	Weighted average number of shares unit	Per-share amount pence
Loss per share attributed to ordinary shareholders	(321,436)	365,310,859	(0.09)p

6 Exploration and evaluation assets

	At 31 December 2023 Unaudited £	At 31 December 2022 Unaudited £	At 30 June 2023 Audited £
Cost			
Opening balance	5,535,102	4,698,625	4,698,625
Exploration costs capitalised in the period	147,823	836,477	1,092,201
Other movements	-	-	(184,956)
Net book value	<u>5,682,925</u>	<u>5,535,102</u>	<u>5,605,870</u>

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In November 2021, the Company acquired a 30% interest in the Kathleen Valley (Gold) Project. The principal assets are leases with rights to exploration in Western Australia. At the period end the capitalised exploration and evaluation assets totalled £5.7m (31 December 2022: £5.5m) and all such costs capitalised related to exploration and evaluation activities conducted in relation to the Kathleen Valley Project.

Exploration and evaluation assets are regularly reviewed for indicators of impairment. If an indicator of impairment is found an impairment test is required, where the carrying value of the asset is compared with its recoverable amount. The recoverable amount is the higher of the assets fair value less costs to sell and value in use. The Directors are satisfied that no impairments are required for the current period.

7 Share capital

	Number of shares In issue	Share capital £	Share premium £	Total £
Balance at 30 June 2023	336,817,708	3,368,178	4,784,603	8,152,781
Capital Raise	200,000,000	2,000,000	-	2,000,000
Issue Costs	-	-	(289,845)	(289,845)
Balance at 31 December 2023	536,817,708	5,368,178	4,494,758	9,862,936

The Company issued a total of 200,000,000 new fully paid ordinary shares during the period.

In November 2023, the Company completed a placing of 200,000,000 fully paid ordinary shares with a nominal value of £0.01, raising gross proceeds of £2m before expenses.

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As at 31 December, 2023 the Company also has the following options and warrants:

Warrants and Options in Issue	Number of Options in Issue	Number of Warrants in Issue	Weighted average exercise price	Expiry date
At 30 June 2022	6,000,000	253,469,111	£0.0429	
Expired during the year	-	(11,425,000)	£0.048	31 Dec 2022
At 30 June 2023	6,000,000	242,044,111	£0.0432	
Warrants issued to investors as part of £2m Capital Raise in Nov 2023 – per the prospectus	-	200,000,000	£0.02	7 Nov 2025
Warrants issued as part of previous Capital Raise in Oct / Nov 2022 ⁽¹⁾	-	30,983,982	£0.048	4 Oct 2025
At 31 December 2023	6,000,000	473,028,093	£0.035	

During the period the Company raised £2m (before expenses) through a Placing of 200m New Ordinary Shares of GBP0.01 each ("Placing Shares") at a price of 1 pence per Placing Share. Investors in the Placing also received one two-year warrant per Placing Share to subscribe for one new ordinary share at a cost of 2p per share.

(1) In October & November 2022 the Company raised £908,000 (before expenses) through a Placing of 30,266,651 New Ordinary Shares of GBP0.01 each at a price of 3 pence per Placing Share. Investors in this Placing also received one three-year warrant per Placing Share to subscribe for one new ordinary share at a cost of 4.8p per share. In addition, the Company also issued 717,331 broker warrants that are exercisable at 3p for a period of 3 years. Both the investor warrants and broker warrants were conditional on shareholder approval to increase the Company's share authorities. This approval was granted on the 8th of November 2023.

8. Subsequent events

Conversion of AUD\$100,000 convertible loan note into Mila ordinary shares

In July 2023 the Company announced that, together with the other owners of the Kathleen Valley licence, it had entered into an option agreement with a subsidiary of Liantown Resources Limited (ASX: LTR), granting Liantown the option to explore for lithium on the Kathleen Valley Licence Area in Western Australia.

As part of that arrangement Liantown invested A\$100,000 in Mila through a convertible loan.

Following an amendment of the terms of the Convertible Loan Note in January 2024, Liantown agreed that Mila would convert the A\$100,000 into 5,147,475 fully paid Mila Ordinary Shares at a conversion price of 1 pence per share. In addition, Mila has also agreed to issue Liantown warrants to subscribe for up to a further 5,147,475 Ordinary Shares exercisable at a price of 2 pence per share at any time until 29 January 2027.