

7 February 2022

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

**Operational Update**

Mila Resources Plc (LSE:MILA), the post-discovery gold exploration accelerator, is pleased to confirm that the project team have mobilised on site and final preparations are now near complete as it prepares to recommence drilling at its Kathleen Valley Gold Project in Western Australia (‘Kathleen Valley’ or the ‘Project’) as part of its ~13,500m programme. 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, and the gold producing Wiluna Mining located ~60km to the north. Initial drilling has confirmed consistent, high-grade mineralisation (including hole KVR019 at the Coffey deposit) and Mila is now focussed on expanding this to define a sizeable gold-silver resource.

**Overview**

- Project team mobilised on site and final preparations for ~11,000m drill programme near complete, with exploration site coreyard-office constructed, drill rig delivered and drilling due to commence later this week
- Drilling to primarily focus on the Coffey deposit (‘Coffey’), in the southern area of the Project, with ~9,000m to be drilled
- Following the initial 12 hole defined JORC Inferred resource of 21,000oz at Coffey, the team have defined a first stage JORC Exploration Target (‘JET’) of 145,000-280,000 through down hole Electro Magnetic surveys. This initial footprint will be drill tested before further step out work is conducted to test the full extent of the system
- Drilling will build upon successful execution of an initial 11-hole drill programme (1,755.9m) in December 2021, which returned exceptional results, including a 10m wide zone of mineralisation with multiple +10g/t Au & Ag grades at Coffey (hole KVR019)
- ~2,000m of exploration drilling to also be undertaken at one northern target, Sturrock, where zones of highly anomalous gold grades have been identified
- Two untested anomalous gold target areas, which includes Powell, will be further field investigated for potential future drill testing
- Pictures from site will be shared on social media as and when they become available
- Results expected late Q1 2022, which will then be used to define future activity as part of its fully funded 2022 exploration and development programme
- On drill completion, Mila has the right to purchase a further 25% interest in the Kathleen Valley, taking total project holding to 45%

**Mark Stephenson, Executive Chairman of Mila commented:** “We have so far only drilled circa 1,750m and we have identified consistent and exceptionally high-grade mineralisation, so we are incredibly excited to resume on-site activity and see what a further ~11,000m worth of drilling will generate.

“We are dedicating most of the drilling programme to the Coffey deposit given we have already established an impressive maiden resource from just 12 drill holes, with significant expansion potential. Our focus is to further test the known mineralisation at the target, building upon the impressive 10m zone with +10g/t Au result we announced in December 2021, and then conduct step out work to test the full extent of the system. Alongside this we will look at new targets in the northern area of the licence, which have the potential to significantly expand the resource footprint of the Project as zones of highly anomalous gold grades have been identified.

“We look forward to sharing updates with you in due course and will be adding pictures of activities on our social media channels.”

**Neil Hutchison, Chief Geologist of Mila Resources, commented:** “The last set of drill results returned the most consistent and best overall gold intersections I've seen in my 30-year career, and I firmly believe Coffey is a standout deposit within a highly prospective project. With an initial 21,000 oz gold JORC Inferred resource defined and 145-280koz gold JORC Exploration Target from only 2,160m RC drilling we believe this is just the ‘tip of the iceberg’ and accordingly are excited to get to work to increase resource confidence and build ounces. Given the quality of the results and our confidence in the Project, we are looking to increase the size of the permitted work area in the upcoming Heritage Survey so we can maximise the full potential of the Project. We look forward to sharing further details on this and the drill programme.”

### **Further Information**

Kathleen Valley is located on the Wiluna-Norseman gold belt in Western Australia, which is among the most prolific gold regions in Australia. It hosts several tier one mining companies, including Bellevue Gold Ltd (‘Bellevue’), which has built a 3.0Moz @ 9.9g/t Au resource at its adjacent project, and Wiluna Mining’s 6.4Moz @ 2.13g/t Au mine, located ~60km to the north of the Project, which is growing production from ~52koz to ~250koz per annum.

An initial 11-hole Drill Programme totalling 1,755.9m was completed at Kathleen Valley in December 2021 as part of a planned ~13,500m drill programme. This identified high-grade quartz-sulphide bearing mineralisation at the Coffey deposit in the southern area of the Project, similar to the style of mineralisation at Bellevue. Following the success of this initial drill programme, which returned a stellar hole of **10m @ 8.38g/t Au, 13.96g/t Ag & 0.89% Zn** from 165-175m, **including 1m @ 14.61g/t Au, 20.17g/t Ag & 2.92% Zn**, ~9,000m worth of drilling will now be undertaken at Coffey. The intention is that this drilling will improve confidence in and understanding of the structures forming this high-grade zone and define an interpreted north-plunging shoot in order to deliver more high-grade mineralisation.

~2,000m of exploration drilling will also be undertaken at the Sturrock Prospect, located ~3.5km NNW of Coffey, to better determine the resource potential. Auger soil sampling at Sturrock has highlighted a 700m x 250m zone of anomalous gold in soils whilst shallow historical aircore drilling has returned zones of highly anomalous gold grades of between 0.1-1.1g/t Au. Two untested anomalous gold target areas will be further field investigated for potential future drill testing. This includes the Powell Prospect located 3.1km NNE of Coffey and 2.0km ESE of Sturrock, where auger soil sampling has highlighted a 500m x 500m "X" shaped zone of anomalous gold in soils where it appears that two shear zones intersect.

The Project currently has an initial JORC Inferred resource of 21,000 oz gold and a JORC Exploration Target of 145,000-280,000 oz gold. This has been defined solely at Coffey from 12 reverse circulation drill holes totalling 2,160m. The current ~13,500m drill programme is designed to improve resource confidence and unlock the Project's intrinsic value. Drill results are expected late Q1 2022 and will be used to form the basis for future exploration and development work.

Mila currently has a 30% interest in Kathleen Valley, which it acquired in November 2021. On the successful completion of 11,000 metres drilling at Kathleen Valley, the Company will have a right to purchase a further 25% interest in the Project for consideration of £2,343,750 by way of issuing 97,656,750 new Ordinary Shares at a price of £0.024 per Ordinary Share in the Company.

**\*\*ENDS\*\***

For more information visit [www.milaresources.com](http://www.milaresources.com) or contact:

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