

Certain information contained within this Announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014 ("MAR") as applied in the United Kingdom. Upon publication of this Announcement, this information is now considered to be in the public domain.

2 October 2023

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

Placing to Raise £2m & Appointment of Joint Broker

Mila Resources Plc (LSE:MILA), is delighted to announce that it has raised £2,000,000 before expenses, through a conditional placing by its existing broker SI Capital, and Shard Capital, which has been appointed as joint broker with immediate effect, (the **"Placing"**), of 200,000,000 new ordinary shares (**"Placing Shares"**) at the closing offer price of 1 pence per ordinary share (**"Placing Price"**). The Placing Shares shall have one warrant attached with an exercise price of 2 pence for a period of two years from the date of admission (**"Placing Warrants"**).

The Placing has not been underwritten and is conditional on, amongst other things:

- i) the publication of a Prospectus by the Company to be approved by the Financial Conduct Authority of the United Kingdom (**"FCA"**). The Company and its advisers have been working on obtaining such approvals from the FCA in recent weeks and anticipate being able to publish the Prospectus in the next 10 days; and
- ii) approval by Shareholders of resolutions, inter alia, granting authority for the Directors to issue ordinary shares at a General Meeting (**"GM"**) expected to be held before the end of October 2023.

The Placing Shares, when issued, will be credited as fully paid and will be issued subject to the Articles of Association of the Company and rank *pari passu* in all respects with the Ordinary Shares currently in issue, including the right to receive all dividends and other distributions declared, made or paid on or in respect of the Ordinary Shares after the date of issue of the Placing Shares and will, on issue, be free of all claims, liens, charges and encumbrances.

Use of Proceeds

Further to the announcement of 27 July 2023 relating to the option agreement with Liontown Resources Limited (ASX: LTR) ('Liontown'), the Liontown team are on the ground on the Mila's Kathleen Valley licence area, and management expects that a lithium work programme will commence shortly to identify drill targets, to validate the theory that spodumene-bearing pegmatites occur within the substantial pegmatite swarms already identified at surface. As previously announced, Liontown will fund all lithium exploration activities on Mila's Kathleen Valley licence area.

The Company intends to utilise the placing funds to conduct further gold exploration work alongside Lontown's lithium exploration in the northern part of the Kathleen Valley licence area. By capitalising on work permits and heritage surveys that the Company expects to be granted in the near future, drilling costs will be significantly reduced, maximising drill metres and funds into the ground at this exciting gold project.

Finally, the Company has received several proposals to partner on other projects and funds will be applied to reviewing business development opportunities. Alastair Goodship, an exploration geologist, has joined the team as noted below to assist the board and provide technical oversight on the current portfolio and new opportunities.

Appointment of Exploration Geologist

The Company has appointed Alastair Goodship, an exploration geologist with over 14 years of industry experience of leading discovery-focussed exploration teams in a diverse range of environments and jurisdictions globally.

Alastair has worked across the exploration spectrum from greenfield and brownfield exploration to resource definition and feasibility studies. Alistair most recently worked as a Senior Exploration Consultant with RSCMME Ltd and technical advisor to Trinity Metals Group.

Background to the Placing

Mila's principal activity is to develop mining projects following initial exploration through to development with the aim of creating value as the assets are de-risked and capable of economic development.

The Company's portfolio currently consists of one project, being a 30% interest in the Kathleen Valley gold project ("Kathleen Valley Project" or the "Project") and the exploration licence E36/876 in the Kathleen Valley ("Kathleen Valley Licence") located in the +40Moz Wiluna Jundee gold belt which hosts some of Australia's largest gold mines.

In December 2021, the Company commenced drilling at the Coffey deposit ("Coffey") which already hosts an existing JORC Inferred Resource of 21koz gold. Mila subsequently committed to a more extensive drilling programme between February and April 2022 ("First Stage"). With a total of 31 holes that encountered gold mineralisation, the First Stage drilling results were considered a success, reporting wide intersections of mineralisation and some very high gold grades including 6.6m at 14.86g/t Au and 21.79g/t Ag from 209.4m (reported 25/4/2022).

In October 2022, the Company followed up with the second stage ("Second Stage") of drilling at Coffey designed to test the mineral deposit at further depths than those conducted in the First Stage. Despite intersecting promising alteration and limited low grade gold mineralisation, the drilling did not intersect the anticipated high-grade gold mineralisation at this target depth. However, with reference to the style

of mineralisation at other major Western Australian gold deposits such as Bellevue Gold's 3.1Moz Bellevue project (contiguous to Mila's licence area), the Company believes that these results could provide evidence of a 'ladder system', commonly found in Western Australia, which is strongly encouraging for further discovery potential at the project.

Since the beginning of 2023, the Company has been reviewing a range of geological tools and data to build a more precise geological model of the Coffey Deposit and enhance targeting in order to mitigate risk ahead of its next exploration phase. Whilst the Company awaits the results of six drill holes, designed to test the thinner section of mineralisation, where it expects to find narrower widths of mineralisation, progress has been made to explore the target zones in the North, exploring the favoured part of the acreage based on magnetic survey results.

Alongside this, on 27 July 2023 the Company announced that, together with the other owners of the Kathleen Valley Licence, it had entered into an option agreement with LBM (Aust) Pty Limited, a subsidiary of Liontown, a A\$6bn business currently subject to a takeover bid by Albemarle. Liontown is developing the significant Kathleen Valley lithium project nearby that is due to commence production in 2024 and currently has offtake agreements signed with Ford, Tesla and LG. The agreement grants Liontown the option to explore for lithium on Mila's Kathleen Valley Licence area where, despite being proximal to Liontown's project and having numerous pegmatite swarms identified, the licence has not been systematically explored for lithium.

Importantly this gives Mila a A\$2.2m free carry over initial exploration. If successful and all option agreements are taken up, Mila will retain a 16% stake in the lithium rights, which could prove significantly more valuable than the Company's current market capitalisation.

Following the decision to grant the option to Liontown, the Company has determined to continue exploration for gold by completing a drill programme to the north of the Coffey deposit. By capitalising on work permits and heritage surveys that it expects to be granted in the near future, drilling costs will be significantly reduced, maximising drill metres. The initial drill programme will consist of up to eight holes to determine the geological continuity of mineralisation. To date, the drilling has focused on the Coffey deposit, and so it will be the first time that a drilling programme has been conducted in the preferred target zone which remains highly prospective based on geophysical results.

Appointment of Joint Broker

The Company is pleased to announce the appointment of Shard Capital Partners LLP as joint broker, alongside SI Capital, with immediate effect. Tavira Financial Limited remains the Company's financial adviser.

Admission

An application will be made for the Placing Shares to be admitted to trading on the Official List and the London Stock Exchange ("**Admission**") within two business days of the GM.

In accordance with the FCA's Disclosure Guidance and Transparency Rules, the Company confirms that following Admission, the Company's enlarged issued ordinary share capital will comprise 526,817,108 Ordinary Shares. The Company does not hold any Ordinary Shares in Treasury. Therefore, following Admission, the above figure may be used by shareholders in the Company as the denominator for the calculations to determine if they are required to notify their interest in, or a change to their interest in the Company, under the FCA's Disclosure Guidance and Transparency Rules.

Mark Stephenson, Chairman of Mila, commented:

"I am delighted with the strong level of support we've received in this fundraising from both existing and new investors, particularly given the difficult market conditions, and we are grateful for the enthusiastic support from the market to continue advancing our post-discovery exploration accelerator model.

"Our gold exploration activities at Kathleen Valley have been encouraging, and, in tandem with the option agreement with Lioneaton to explore and fund the lithium exploration at the project, our initial asset has the potential to deliver significant value for Mila.

"Our immediate objective now is to push forward with our gold exploration work, specifically to fully understand the mineralisation dynamics, particularly along the unexplored north-western stretch. In addition, we will prioritise the assessment of deeper mineralisation layers, which, investors will remember, have already illuminated the presence of high-grade mineralisation, and the continuation of a mineralising system at significant depths, exemplified by instances like 1 metre @ 27.60 g/t Au and 47.50 g/t Ag down to a depth of 211 metres.

"Furthermore, this fundraising provides the Mila team with the ability to evaluate and capitalise on new opportunities during what remains a difficult market for junior exploration businesses. We now have a strong balance sheet behind us, and a team of industry experts to review and benefit from new value accretive business development opportunities.

"I would like to thank our shareholders, both new and existing, as we look to a highly active phase of our journey at Mila and I look forward to reporting further news in the coming weeks."

A further announcement will be made on the publication of the Company's prospectus.

****ENDS****

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