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

25 January 2021

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

Mila Resources Plc, a London listed natural resources company, is pleased to present its final results for the year ended 30 June 2020.

Statement from the Board

We have pleasure in presenting the financial statements for the year ended 30 June 2020.

The last year while challenging has created exceptional opportunities for investment in the resource sector. We were extremely disappointed that the transaction to acquire 100% of the share capital of E-Tech Metals Ltd was terminated without cause as we had materially advanced the due diligence process and the preparation of a prospectus. We however quickly identified New Generation Metals Limited (“NGM”) as an exceptional alternative and have managed to preserve much of the prospectus preparation that we had completed to smoothly change to the proposed new transaction.

New Generation Minerals

NGM is a UK private company, whose principal asset is the Kathleen Valley gold project ("Project") in Western Australia. The Project is located in the prolific Wiluna-Norseman gold belt which hosts several world-class mines owned by a number of premier Australian gold companies including Northern Star and St Barbara. NGM holds other nickel and cobalt assets in Western Australia including a JORC inferred resource of 3.8 Mt Nickel-Cobalt project and one copper-gold project in Argentina.

The Kathleen Valley gold project has been discovered next door and on strike to recent discoveries by ASX listed Bellevue Gold, a company that has made substantial discoveries in the region particularly with the Deacon and Viago extensions of the historic Bellevue mine located 7km south of the Project. In June 2020, Bellevue made a discovery at its Government Well prospect, which is on the western boundary of the NGM Project. Bellevue has grown substantially in the last year, and now has a market capitalisation of over A$1.1 billion.

NGM built its land package by consolidating control of several groups. In May 2019, NGM commenced drilling at the Project and made its first discovery holes. NGM carried out further drilling in September 2020 with peak gold grades of 13.95 g/t. NGM intends to continue to drill intensively and develop the mineral resource at the Project using funds raised from its existing shareholders and from a placing intended to take place at the time of the Proposed Transaction.

The Proposed Transaction remains subject to due diligence, completion of the acquisition and re-listing of the enlarged group on the Official List.

Financial

Funding

The Company is funded through investment from its Shareholders following the Company’s successful Standard Listing IPO onto the London Stock Exchange in 2016, raising £1.05 million before costs.

Expenditure

During the year, the Company has continued its fiscal discipline with the Company continuing to maintain low overheads. Any monies spent on business development opportunities has only occurred after a particular project has passed our initial technical review.

Current Assets

At 30 June 2020, the Company was owed £85,849 (2019: £Nil) in respect of a secured loan provided to the RTO target E-Tech Metals Limited ('E-Tech') during the year. This loan was fully repaid in November 2020, see note 22 Subsequent Events.

Liquidity, cash and cash equivalents

At 30 June 2020, the Company held £186,316 (2019: £428,673) of cash and cash equivalents, all of which are denominated in pounds sterling. It should be noted that the outstanding loan due from E-Tech was subsequently repaid after year and as a result does not form part of this balance of "Liquidity, cash and cash equivalents."

Mark Stephenson

Executive Director

25 January 2021

Strategic Report

Understanding our business

The Company was incorporated on 3 June 2015, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy, which is to acquire a business or asset.

This IPO was completed during 2016, with the Company successfully raising £1,050,000 before costs with Admission to the Main Market of the London Stock Exchange in October 2016.

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition. Given the current nature of the Company's business, the Directors are of the opinion that the primary performance indicator is the completion of an acquisition.

Business review

For a review of developments in the year, please see page 4, the "Statement from the board".

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met. The current global pandemic, Covid-19, may make obtaining of sufficient funds more challenging.

The Company's Relationship with the Directors and Conflicts of Interest

The Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition.

The Directors are not obliged to commit their whole time to the Company's business; they will allocate a portion of their time to other businesses which may lead to the potential for conflicts of interest in their determination as to how much time to assign to the Company's affairs.

Suitable Acquisition Opportunities may not be Identified or Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do not identify a suitable target, the Company may not acquire it at a suitable price or at all. In addition, if an acquisition identified and subsequently aborted the Company may be left with substantial transaction costs.

Risks Inherent in an Acquisition

Although the Company and the Directors will evaluate the risks inherent in a particular target, they cannot offer any further assistance that all of the significant risk factors can be identified or properly assessed. Furthermore, no assurance can be made that an investment in Ordinary Shares in the Company will ultimately prove to be more favourable to investors then a direct investment, if such an opportunity were available, in a target business.

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential acquisitions and there is a risk that suitable advisors cannot be placed under contract or that such advisors that are contracted to fail to perform as required.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business. The current global pandemic, Covid-19, may make obtaining of sufficient funds more challenging.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

For the further commentary on the Company's risk management policies.

Gender analysis

A split of our employees and directors by gender and average number during the year is shown below:

	Male	Female
Directors	2	nil

Corporate social responsibility

We aim to conduct our business with honesty, integrity and openness, respecting human rights and the interests of our shareholders and employees. We aim to provide timely, regular and reliable information on the business to all our shareholders and conduct our operations to the highest standards.

We strive to create a safe and healthy working environment for the wellbeing of our staff and create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Company.

We aim to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realise the objectives of the Company and their own potential.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the year.

Section 172 Statement

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's stakeholders, however it should be noted that because Mila is a small "shell" company; with only two directors; no employees and the impacts of its activities is limited. This statement forms part of the strategic report.

When making decisions the Company takes into account the impact of its activities on the community, the environment and the Company's reputation for good business conduct. In this context, acting in good faith and fairly, the Directors consider what is most likely to promote the success of the Company for its members in the long term.

The Directors are fully aware of their responsibilities to promote the success of the Company in accordance with section 172 of the Companies Act 2006. The Board continuously reflects on how the Company engages with its stakeholders and opportunities for enhancement in the future. As required, the Company's external lawyers and the Company Secretary will provide support to the Board to help ensure that enough consideration is given to issues relating to the matters set out in s172(1)(a)-(f).

The Board regularly reviews the Company's principal stakeholders and how it engages with them. This is achieved through information provided by management via Regulatory News Service announcements, Corporate Presentations, and Shareholder Meetings and teleconferences and also by direct engagement with stakeholders themselves.

We aim to work responsibly with our stakeholders, including suppliers. The key Board decisions made in the year and post year end are set out below:

Significant events/decisions	Key s172 matter(s) affected	Actions and Consequences
Entered into non-binding Head of Terms with regards to the possible acquisition of 100% of the share capital of E-Tech Metals.	Shareholders and Business Relationships	The consequences of this decision were to allocate capital to the RTO process to fully investigate the suitability of the RTO target.
Entered into non-binding Head of Terms with regards to the possible acquisition of 100% of the share capital of New Generation Mining – post year end	Business Relationships and Shareholders	This decision provides a pathway to a reverse takeover with NGM, which if successful, should meet the Company's strategy.

Finally, to you, our shareholders, thank you for your trust and support. I hope you stay safe and well and I look forward to meeting you face to face at a Company event when our world returns to what will be a 'new normal'.

This report was approved by the board on 25 January 2021 and signed on its behalf.

Mark Stephenson
Chief Executive Officer

Statement of Comprehensive Income
For the Year Ended 30 June 2020

	Notes	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Revenue		-	-
Administrative expenses		(220,220)	(259,395)
Operating loss		**(220,220)**	**(259,395)**
Interest receivable	7	849	-
Loss on ordinary activities before taxation	4	**(219,371)**	**(259,395)**
Tax on loss on ordinary activities	8	-	-
Loss and total comprehensive loss for the period attributable to the owners of the company		**(219,371)**	**(259,395)**
Earnings per share (basic and diluted) attributable to the equity holders (pence)	9	(0.95)	(1.12)

The above results relate entirely to continuing activities.

The accompanying notes form part of these financial statements.

Statement of Financial Position
As at 30 June 2020

	Notes	Year ended 30 June 2020 £	Year ended 30 June 2019 £
CURRENT ASSETS			
Trade and other receivables	10	23,705	17,642
Cash and cash equivalents	12	186,316	428,673
Loans receivable – E-Tech	11	85,849	-
		295,870	446,315
TOTAL ASSETS		**295,870**	**446,315**
CURRENT LIABILITIES			
Trade and other payables	13	86,671	17,745
TOTAL LIABILITIES		86,671	17,745
NET ASSETS		**209,199**	**428,570**
EQUITY			

Share capital	15	232,000	232,000
Share premium	15	849,300	849,300
Share based payment reserve	16	4,720	4,720
Retained loss		(876,821)	(657,450)
TOTAL EQUITY		**209,199**	**428,570**

The accompanying notes form part of these financial statements.

Statement of Cashflows
For the Year Ended 30 June 2020

	Year ended 30 June 2020 £	Year ended 30 June 2019 £
Cash flow from operating activities		
Loss for the year	(219,371)	(259,395)
Operating cashflow before working capital movements	(219,371)	(259,395)
Increase in trade and other receivables	(6,063)	(8,850)
Increase / (Decrease) in trade and other payables	68,926	(4,632)
Interest income	(849)	-
Net cash outflow from operating activities	(157,357)	(272,877)
Cash flow from investing activities		
Loan to E-Tech	(85,000)	-
Net decrease in cash and cash equivalents	(242,357)	(272,877)
Cash and cash equivalents at the beginning of the year	428,673	701,550
Cash and cash equivalents at the end of the year	186,316	428,673

Statement of Changes in Equity
For the Year Ended 30 June 2020

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
Balance at 1 July 2018	232,000	849,300	4,720	(398,055)	687,964
Total comprehensive loss for the year	-	-	-	(259,395)	(259,395)
Balance at 30 June 2019	**232,000**	**849,300**	**4,720**	**(657,450)**	**428,570**
Total comprehensive loss for the year	-	-	-	(219,371)	(219,371)
Balance at 30 June 2020	**232,000**	**849,300**	**4,720**	**(876,821)**	**209,199**

The accompanying notes form part of these financial statements.

1 GENERAL INFORMATION

Mila Resources Plc (the "Company'') looks to identify potential companies, businesses or asset(s) that will increase shareholder value.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is Lockstrood Farm, Ditchling Common, Burgess Hill, West Sussex, RH15 0SJ. The Company's registered number is 09620350.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared un the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

2.2 Going concern

The Financial Statements have been prepared under the going concern assumption, which presumes that the Company will be able to meet its obligations as they fall due for at least the next twelve months from the date of the signing of the Financial Statements.

The Company had a net cash outflow from operating activities for the year of £242,357 (2019: £272,877) and at 30 June 2020 had cash and cash equivalents balance of £186,316 (2019: £428,673).

Notwithstanding the loss incurred and net cash outflow during the year under review, the Directors are confident that the Company will be able to meet its obligations as they fall due for at least the next twelve months as they believe the Company will be able to raise further finance regardless of the completion of the proposed transaction or any other such transactions during this period.

The Directors do acknowledge that the dependence on obtaining finance leads to there being a material uncertainty regarding the Company's going concern status, however, they still believe the application of the going concern basis of preparation to be appropriate due to their confidence that further finance will be able to be obtained as required during the going concern period.

The Directors have made enquires and assessed the potential impact of the COVID-19 virus on the Company. As such, whilst they acknowledge that COVID-19 could continue to have long lasting and significant impacts on the global economy, the Directors believe that the Company will be able to raise sufficient finance to meet their obligations as they fall due for a period of at least 12 months from the date of approval of the financial statements.

The Financial Statements do not include any adjustments that may be required should the Company be unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within their audit report.

2.3 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

New standards, amendments to standards and interpretations:

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

Standard	Impact on initial application	Effective date
IFRS 16	Leases	1 January 2019
IFRIC Interpretation 23	Uncertainty over Income Tax Treatments	1 January 2019
IFRS 9 (Amendments)	Prepayment Features with Negative Compensation	1 January 2019
IAS 28 (Amendments)	Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual improvements	2015-2017 Cycle	1 January 2019
IAS 19 (Amendments)	Plan Amendment, Curtailment or Settlement.	1 January 2019

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 July 2019 have had a material impact on the Company.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Company and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

Standard	Impact on initial application	Effective date
IFRS 3 (amendments)	Definition of a Business	1 January 2020
IFRS standards (amendments)	References to the Conceptual Framework	1 January 2020
IAS 1 (amendments)	Definition of Material	1 January 2020
IAS 8 (amendments)	Definition of Material	1 January 2020
IFRS 9, IAS 39 and IFRS 7 (amendments)	Interest Rate Benchmark Reform	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

The directors do not consider that these standards will impact the financial statements of the Company.

2.4 Foreign currency translation

The financial information is presented in Sterling which is the Company's functional and presentational currency.

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

2.5 Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cash flows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is derecognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.6 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.7 Share-based payments

The Company has issued warrants to the initial investors and certain counter parties and advisers.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions. Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.8 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.9 Critical accounting judgements and key sources of estimation uncertainty

In the process of applying the entity's accounting policies, management makes estimates and assumptions that have an effect on the amounts recognised in the financial information. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Directors consider that there are no critical accounting judgements or key sources of estimation uncertainly relating to the financial information of the Company.

2.10 Earnings per share

Basic earnings per share is calculated as profit or loss attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2.11 Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board as a whole.

All operations and information are reviewed together so that at present there is only one reportable operating segment.

3. SEGMENT REPORTING

As identifying and assessing investment projects is the only activity the Company is involved in and is therefore considered as the only operating/reporting segment. Therefore the financial information of the single segment is the same a set out in the statement of comprehensive income and statement of financial position.

4. OPERATING LOSS

This is stated after charging:

	2020 £	2019 £
Auditor's remuneration		

audit of the Company	16,000	15,000
corporate finance services	-	4,000
Directors' remuneration	48,000	112,215
Stock exchange and regulatory expenses	36,142	29,407
Other expenses	120,078	98,773
Operating expenses	220,220	259,395

5. AUDITOR'S REUMERATION

	2020 £	2019 £
Fees payable to the Company's current auditor:		
- audit of the Company's financial statements	16,000	15,000
- taxation compliance services	-	-
- corporate finance services	-	4,000
	16,000	19,000

6. DIRECTORS AND STAFF COSTS

During the year the only staff of the Company were the Directors and as such key management personnel. Management remuneration, other benefits supplied and social security costs to the Directors during the year was as follows:

	2020 £	2019 £
Salaries	48,000	64,215
Severance Payments	-	48,000
Social security costs	-	9,775
	48,000	121,990

7. INTEREST RECEIVABLE

	2020 £	2019 £
Interest due on Loan to E-Tech	849	-

8. TAXATION

	2020 £	2019 £
The charge / credit for the year is made up as follows:		
Current tax	-	-
Deferred tax	-	-
Taxation charge / credit for the year	-	-

	2020 £	2019 £
A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:		
Loss per accounts	(219,371)	(259,395)
Tax credit at the standard rate of corporation tax in the UK of 19% (2019: 19%)	(41,680)	(49,285)
Impact of costs disallowed for tax purposes	74	95
Deferred tax in respect of temporary differences	-	-
Impact of unrelieved tax losses carried forward	41,606	49,190
	-	-

Estimated tax losses of £817,118 (2019: £597,747) are available for relief against future profits and a deferred tax asset of £155,252 (2019: £109,381) has not been provided for in the accounts due to the uncertainty of future profits.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK is 19%. Accordingly, the Company's effective tax rate for the period was 19% (2019: 19%).

9. EARNINGS PER SHARE

The calculation of the earnings per share is based on the loss for the financial period after taxation of £219,371 (2019: loss £259,395) and on the weighted average of 23,200,000 (2019: 23,200,000) ordinary shares in issue during the period.

The warrants outstanding at 30 June 2020 and 30 June 2019 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, there is no diluted earnings per share to report for the period.

10. TRADE AND OTHER RECEIVABLES

	2020	2019
	£	£

Prepayments and other receivables	23,705	17,642
	23,705	17,642

The Directors consider that the carrying value amount of trade and other receivables approximates to their fair value.

11. OTHER CURRENT ASSETS

	2020 £	2019 £
Loan to E-Tech Metals Limited	85,849	-
	85,849	-

The Loan to E-Tech Metals ('E-Tech') Limited was a secured loan that was provided to allow E-Tech to fund its working capital requirements through the RTO process. When E-Tech terminated the discussions, the loan was called in and was subsequently repaid in full in November 2020, see note 22 - Events subsequent to year end.

The Directors consider that the carrying value amount of trade and other receivables approximates to their fair value.

12. CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash at bank	186,316	428,673
	186,316	428,673

Cash at bank comprises balances held by the Company in current bank accounts. The carrying value of these approximates to their fair value.

13. TRADE AND OTHER PAYABLES

	2020 £	2019 £
Trade payables	16,087	1,524
Accruals and other payables	70,584	16,221
	86,671	17,745

Trade payables and accruals principally comprise amounts outstanding in respect of costs incurred in the Company's endeavours to find a suitable target and execute a relating transaction.

14. DEFERRED TAXATION

No deferred tax asset has been recognised by the Company due to the uncertainty of generating sufficient future profits and tax liability against which to offset the tax losses. Note 8 above sets out the estimated tax losses carried forward and the impact of the deferred tax asset not accounted for.

15. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Balance as at 1 July 2018	23,200,000	232,000	849,300	1,081,300
Balance as at 30 June 2019	23,200,000	232,000	849,300	1,081,300
Balance as at 30 June 2020	23,200,000	232,000	849,300	1,081,300

The Company has only one class of share. All ordinary shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

At 30 June 2020, there were warrants and options over 15,825,000 unissued ordinary shares (2019: 15,825,000).Details of the warrants outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
16 October 2015	From date of issue	31 December 2020	4,400,000	£0.05
12 September 2016	From date of issue	31 December 2020	350,000	£0.05
26 September 2016 *	7 October 2016	31 December 2020	11,075,000	£0.10
			15,825,000	

** The warrants were issued conditional upon the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities which occurred on 7 October 2016.*

The Directors held the following warrants at the beginning and end of the year:

Director	At 30 June 2019	Granted during the year	At 30 June 2020	Exercise price	Earliest date of exercise	Latest date of exercise

M Stephenson	1,200,000	-	1,200,000	£0.05	16 Oct 2016	20 Dec 2020
	1,200,000	-	1,200,000			

Warrants held by former Directors have been set out on page 16.

The market price of the shares at year end was £0.016 per share.

During the year, the minimum and maximum prices were £0.0125 and £0.0245 per share respectively.

16. SHARE BASED PAYMENT RESERVE

	2020 £	2019 £
At 1 July	4,720	4,720
Share based payments expense recognised during the period	-	-
At 30 June	4,720	4,720

The Company did not issue any warrants during the current or prior year.

	Number	Fair Value £	Weighted average exercise price
At 1 July 2018	15,825,000	4,720	£0.085
Balance at 30 June 2019	15,825,000	4,720	£0.085
Balance at 30 June 2020	15,825,000	4,720	£0.085

The warrants outstanding at the year-end have a weighted average remaining contractual life of 0.5 years. The exercise prices of the warrants are £0.05 and £0.10 per share.

17. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2019 and 30 June 2020

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2019 and 30 June 2020

19. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 30 June 2019 and 30 June 2020

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Company's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	2020 £	2019 £
Current Assets:		
Trade and other receivables (excluding prepayments)	-	1,642
Cash and cash equivalents	186,316	428,673
Loan to E-Tech Metals Limited	85,849	-
Categorised as financial assets at amortised cost	272,165	430,315

The Loan to E-Tech Metals ('E-Tech') Limited was a secured loan that was provided to allow E-Tech to fund its working capital requirements through the RTO process. When E-Tech terminated the discussions, the loan was called in and repaid in full in November 2020, see note 22 - Events subsequent to year end.

Financial liabilities by category

	2020 £	2019 £
Current Liabilities:		
Trade and other payables	16,113	17,745
Categorised as financial liabilities measured at amortised cost	16,113	17,745

All amounts are short term and payable in 0 to 3 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	2020 £	2019 £
Trade and other receivables	-	1,642
Loan to E-Tech Metals Limited	85,849	-
	85,849	1,642

Capital management

The Company considers its capital to be equal to the sum of its total equity. The Company monitors its capital using a number of key performance indicators including cash flow projections, working capital ratios, the cost to achieve development milestones and potential revenue from partnerships and ongoing licensing activities.

The Company's objective when managing its capital is to ensure it obtains sufficient funding for continuing as a going concern. The Company funds its capital requirements through the issue of new shares to investors.

Interest rate risk

The maximum exposure to interest rate risk at the reporting date by class of financial asset was:

	2020	2019
	£	£
Bank balances	186,316	428,673

The nature of the Company's activities and the basis of the funding are such that until a suitable target is acquired, the Company raises finance as and when required to meet its obligations as they fall due.

The Company is not financially dependent on the income earned on these resources and therefore the risk of interest rate fluctuations is not significant to the business and the Directors have not performed a detailed sensitivity analysis.

All deposits are placed with main clearing banks, with 'A' ratings, to restrict both credit risk and liquidity risk. The deposits are placed for the short term, between one and three months, to provide flexibility and access to the funds.

Credit and liquidity risk

Credit risk is managed on a Company basis. Funds are deposited with financial institutions with a credit rating equivalent to, or above, the main UK clearing banks. The Company's liquid resources are invested having regard to the timing of payment to be made in the ordinary course of the Company's activities. All financial liabilities are payable in the short term (between 0 to 3 months) and the Company maintains adequate bank balances to meet those liabilities.

20. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge due to the Company incurring very few foreign currency denominated costs and thus the cost and time taken to hedge would be far greater than the benefit. The Company did not have foreign currency exposure at year end.

21. RELATED PARTY TRANSACTIONS

Key management personnel compensation

The Directors are considered to be key management personnel. Detailed remuneration disclosures are provided in the remuneration report on pages 14 – 16.

Amounts due from/to related parties

There were amounts due to directors totalling £11,954 as at 30 June 2020 (2019: £3,185). No amounts were due from directors as at 30 June 2020 (2019: £1,642)

There were no other related party transactions.

22. EVENTS SUBESQUENT TO YEAR END

Collapse of Negotiations with E-Tech Metals Limited ('E-Tech') Limited and recovery of outstanding loan.

The transaction with E-Tech Metals Limited was materially advanced following due diligence and the preparation of a prospectus; however, E-Tech gave notice that they wished to terminate the transaction without cause. Mila is receiving legal advice with regard to the termination notice provided by E-Tech. Mila has recovered the loan of £87,402 (which includes all accrued interest) advanced to E-Tech.

Suspension and Heads of Terms with New Generation Minerals Limited ("NGM')

Mila entered into non-binding Heads of Terms with regard to the possible acquisition of 100% of the share capital of New Generation Minerals Limited ("NGM') to be satisfied by the issue of New Ordinary Shares of the Company.

NGM is a UK private company, whose principal asset is the Kathleen Valley gold project ("Project") in Western Australia. The Project is located in the prolific Wiluna-Norseman gold belt which hosts several world-class mines owned by a number of premier Australian gold companies including Northern Star and St Barbara. NGM holds other nickel and cobalt assets in Western Australia including a JORC inferred resource of 3.8 Mt Nickel-Cobalt project and one copper-gold project in Argentina.

Extension of Warrants

Mila announced that it has amended the terms of certain warrants granted at the time of its IPO on 7 October 2016 by extending the life of certain warrants. The series 1 warrants granted to the founders will expire on 31 December 2020 as scheduled.

Warrant Amendments

Warrant	Current terms	Revised terms
Series 1 (Founders)	Exercise price of 5p and due to expire on 31 December 2020	No revision – will lapse on 31 December 2020
Series 2	Exercise price of 5p and due to expire on 31 December 2020	Expiration extended 31 December 2022
IPO Investors	Exercise price of 10p and due to expire on 31 December 2020	Expiration extended to 31 December 2022

23. CONTROL

In the opinion of the Directors there is no single ultimate controlling party.

ENDS

For more information visit www.milaresources.com or contact:

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