



RNS Initial admission to the Official List

Readmission to Trading & First Day of Dealings

MILA RESOURCES PLC

Released 07:00:06 23 November 2021

RNS Number : 1980T

Mila Resources PLC

23 November 2021

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

23 November 2021

Mila Resources Plc

("Mila" or "the Company")

Readmission to Trading & First Day of Dealings

Further to the announcement of 22 November 2021, the board of Mila is pleased to announce the readmission of its entire share capital, being 306,331,057 ordinary shares of £0.01 each ("Ordinary Shares") to the Official List (by way of a Standard Listing under Chapter 14 of the Listing Rules) and to trading on the London Stock Exchange's Main Market for listed securities (the "Readmission"). The Company's Readmission follows the acquisition of an initial 30% interest in the Kathleen Valley gold project and the exploration licence E36/876 in the Kathleen Valley (satisfied by the issue of 83,543,197 Ordinary Shares at a price of £0.024 per Ordinary Share, £300,000 in cash consideration, the issue of 15,448,370 Ordinary Shares to Diversified Minerals Pty Ltd ("DM") pursuant to the DM loan agreement dated 4 February 2021, and by novating the £229,393 Series 3 Loan Notes from New Generation Minerals Limited to the Company which converts to 12,744,032 Ordinary Shares on Readmission.). In addition, the Company has granted 242,264,111 warrants, on the terms and as set out in the Prospectus dated 29 October 2021 to, the directors, certain advisors, investors and shareholders, all of which are due to expire on 31 December 2026.

Dealings will commence at 8.00 a.m. today under the TIDM "MILA" with ISIN number GB00BD4FCK53.

Overview

Readmission to the Official List following the acquisition, by way of a reverse takeover, of an initial 30% interest in exploration licence E36/876 in the Kathleen Valley (the "Licence") and the Kathleen Valley gold project (the "Project") (collectively the "Acquisition") in Western Australia - with the intention to acquire an additional 50% interest in the Licence and the Project in two further tranches:

- Maiden gold discovery 2019 at Kathleen Valley
- 'Tip of the iceberg': initial 21,000oz gold JORC Inferred resource defined and 145,000-280,000oz gold JORC Exploration Target from only 2,160m RC drilling to date
- The Project is located in the Wiluna-Jundee belt and adjacent to Bellevue Gold
- The region hosts some of the largest gold projects in Australia
- Abundance of mining infrastructure in vicinity that may provide a number of commercial development routes without the requirement to build a stand-alone processing plant
- World class province for mining investment
- First drill programme of 11,000m - intended to provide a pipeline of high impact news flow
- Independent valuation of approximately £15,000,000 (based on a 100% interest in the Project)
- Raised gross proceeds of £3,500,000 through a Placing and Subscription at an offer price of 2.4p per share to support a comprehensive exploration and drilling programme at the Project, including the proposed first drill programme of 11,000m, and for further working capital
- Appointment of two new directors to execute the Company's operational and corporate objectives - Neil Hutchison as Chief Technical Officer and Lindsay Mair as Non-Executive Director

Mila Executive Director, Mark Stephenson, said:

"Today's readmission to trading marks the beginning of a new chapter for Mila as we look to quickly scale up activities at Kathleen Valley and establish ourselves as a post-discovery exploration accelerator focussed on this highly prospective, and productive, region of Western Australia.

We are confident that the Kathleen Valley Project is a valuable beachhead in this Tier One mining jurisdiction and with the application of a proven exploration model to this known gold discovery, we will prove up a larger gold resource inventory to take forward towards production.

I would like to take this opportunity to welcome Neil and Lindsay to the Board, and I look forward to working with them closely as we unlock the potential of Kathleen Valley and, in the future, look at additional value accretive opportunities through which to build scale. I would also like to thank all of our shareholders, including those new to our register and those with us since our initial IPO, as we all look forward now with enormous enthusiasm and a tailwind of gold prices at near record highs. I look forward to reporting our progress at Kathleen Valley over the coming weeks and months as we target a pipeline of high impact news during Q4 2021 and throughout 2022."

Change of registered office

The Company also confirms that its registered office has changed to:

6th Floor
 65 Gresham Street
 London
 EC2V 7NQ

Further Information

The Company was established to undertake an acquisition of a company or project in the natural resources sector. The Company was admitted to listing on the Official List of the FCA by way of a Standard Listing and to trading on the London Stock Exchange plc's Main Market on 7 October 2016 ("Initial IPO").

On 16 November 2020, the Company announced it had signed a non-binding Heads of Terms with New Generation Minerals Limited ("NGM"), a mining exploration company with mining exploration projects in Western Australia and Argentina.

The Company subsequently entered into a conditional agreement (the "Acquisition Agreement") to acquire an initial 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") from Trans Pacific Energy Group Pty Ltd ("TPE"), a wholly owned subsidiary of NGM, for consideration of £2,812,500 by way of issuing 83,543,197 new Ordinary Shares at a price of £0.024 per Ordinary Share in the Company (the "Initial Consideration Shares") to TPE, £300,000 in cash consideration, by allotting and issuing 15,448,370 new Ordinary Shares to Diversified Minerals Pty Ltd ("DM") pursuant to the DM Loan Agreement, and by novating the £229,393 Series 3 Loan Notes from NGM to the Company which will convert to 12,744,032 new Ordinary Shares on Readmission. On Readmission, the Company will list the Initial Consideration Shares and the Ordinary Shares issued pursuant to the Series 3 Loan Notes and the DM Loan Agreement.

Post-Readmission, and conditional 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 Kathleen Valley Project and the Kathleen Valley Licence from TPE 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 (the "Second Consideration Shares") to TPE. The Company will then seek to list the Second Consideration Shares.

Finally, and conditional on a second spend by the Company of not less than £1,500,000, the Company will have a right to acquire the remaining 25% interest in the Kathleen Valley Project and Kathleen Valley Licence from TPE for consideration of £2,343,750 by way of issuing 97,656,750 new Ordinary Shares in the Company at a price of £0.024 per Ordinary Share (the "Third Consideration Shares") to TPE. On completion of the allotment, the Company will also seek to list the Third Consideration Shares. There is no guarantee that the Company will issue the Second Consideration Shares and/or the Third Consideration Shares, as they are dependent on the aforementioned conditions being met in relation to the Project and pursuant to the Acquisition Agreement.

Kathleen Valley

Kathleen Valley lies approximately 20 kilometres south of BHP's Mount Keith nickel mine and within the Mount Keith-Kathleen Valley-Leinster minerals belt. Kathleen Valley is located close to the main goldfield highway and

the electrical grid, and there are several gold processing plants in the district. It is approximately 30 kilometres north of the town of Leinster, and close to pending and historical mines of BHP, Western Areas (nickel), Bellevue Gold (gold/copper) and Liontown Resources (lithium/tantalum).

Gold has been mined in the area since the 1890s, with most of the early production coming from the Kathleen Valley (4km north of the Kathleen Valley Project area) and Sir Samuel (Bellevue) (5km south of the Kathleen Valley Project area) mining centres.

A review of historic exploration work completed within the project area has indicated that the majority of exploration has been for gold and nickel. The most comprehensive work was completed by Barrick Gold and joint venture partners between 1992 and 2003. This exploration work largely focused on gold and included rock chip sampling, widespread auger soil sampling and RC drilling testing of some gold targets.

TPE has so far completed 12 RC drillholes. Drilling commenced in April 2019 with an initial two holes completed which included a discovery hole of 4g/t of gold. TPE recommenced drilling in September 2020 with a further 10 holes drilled. A total of 2,160m was drilled. The first two holes were drilled by Jarrafire and the remaining 10 by Ausdrill Ltd. Rig samples were collected on one-metre intervals after going through a rig mounted cyclone and cone splitter.

Areas where no mineralisation was identified were sampled with four-metre composites. Areas of interest were sampled on one-metre intervals. Four-metre composites were re-sampled, if required, by spear sampling the appropriate one-metre sample.

Strategy and Work Programme

The strategy of the Company is to deploy existing cash resources and the net proceeds of the placing and subscription towards exploration work at the Kathleen Valley Project. The Company intends to commence with an exploration drilling programme immediately following Readmission on the current target and proposes to drill new targets in the Northern portion of the Project (further details are outlined in the CPR in Part V of the Prospectus which can be found on the Company's website at www.milaresources.com).

The Company intends to seek to establish an updated JORC Mineral Resource following the drilling programme assuming further gold has been discovered. The overall strategy of the Company is to identify mineral resources sufficient to develop the Project into production. The Board believes that there are a number of development routes given the abundance of mining infrastructure locally, therefore, it does not envisage the requirement to build its own plant to process the mineral ore but rather proposes to enter into arrangements including joint ventures, toll treatment or the disposal of the Project to a mining company in the region.

The Company's initial target in the Kathleen Valley tenement will be to drill test the Inferred Mineral Resource Estimate and JORC Exploration Target. To further define the potential of the Inferred Mineral Resource

Estimate and JORC Exploration Target, with the aim of attempting to progress the Inferred Mineral Resource in size and confidence level in the Mineral Resource Estimate, the Board and CSA Global (the consultant that completed the Competent Persons Report on Kathleen Valley) recommend the following:

- To drill approximately 25 to 35 suitably spaced new holes with reverse circulation drilling and diamond tails where appropriate, with 8 to 10 of the new holes drilled to a depth of 400 meters. The new holes should both:
 - infill within the existing Inferred Mineral Resource Estimate and JORC Exploration Target to increase confidence levels in the continuity of mineralising; and
 - seek to extend the mineralising outside the current Inferred Mineral Resource Estimate and JORC Exploration Target area.
- To complete DHEM on selected holes to assist in guiding the deeper and extensional drilling.
- To conduct specific gravity measurements and metallurgical test work on the diamond drilling core to evaluate any potential future Mineral Resource Estimate.

Furthermore, the 2019 regolith shallow auger sampling campaign identified two additional structural gold trends in the north west and north of the Exploration Target. CSA Global recommends that these should also be explored and could cost efficiently be done in conjunction with the work above.

CSA Global recommends NGM complete the following:

- Drill approximately 6 to 10 suitably spaced new holes with reverse circulation drilling to a depth of 200 metres.
- DHEM be completed on selected holes to identify below-surface anomalies.

Second-stage investigation of the Project will focus on more detailed geological and Geochemical studies of targets for both mineralisation styles defined during the first stage, and on drilling (both percussion and diamond) to more fully define the potential for viable mineralisation.

The mineral property held by the Company is considered to be an "exploration project" that is intrinsically speculative in nature. The Project is at the "advanced exploration" stage. CSA Global considers, however, the Project to be of sound technical merit and to be sufficiently prospective, subject to varying degrees of exploration risk, and to warrant further exploration and assessment of its economic potential, consistent with the proposed programme.

The Company has prepared staged exploration and evaluation programmes, specific to the potential of the Project, which are consistent with the budget allocations, and warranted by the exploration potential of the Project. CSA Global considers that the relevant areas have sufficient technical merit to justify the proposed programmes and associated expenditure.

Board

Upon Readmission, the Board will comprise of four highly experienced directors:

Mark Stephenson (61 years old) (Executive Chairman)

Mark has over 30 years of capital markets experience working for Panmure Gordon, WestLB, Blue Oar Securities and NCL Investments (now a Smith & Williamson group company dedicated to raising both equity and debt capital for small and mid-cap companies listed on the London Stock Exchange). In recent years, Mark has focused on the natural resources sector and in 2015 he formed the Company, to capitalise on opportunities in the sector through his network in the capital markets and mining sector. Mark has developed relationships with a plethora of investors dedicated to natural resources including hedge funds, dedicated mining funds, high net worth investors and private client brokers.

Lee Daniels (51 years old) (Chief Financial Officer)

Lee is a highly experienced finance executive with over 20 years' experience developed from senior roles with HSBC (Global Markets), Credit Suisse, ABN AMRO (Wholesale Markets) and LTSB (Group) (Distressed Debt Division). He has an established track record across several finance functions including finance and accounting, change management, project evaluation and modelling. Most recently, he has been consulting with an AIM listed oil & gas company with regard to their finance function. Lee is a qualified accountant (Australian Certified Practising Accountant).

Neil Hutchison (51 years old) (Chief Technical Officer)

Neil has more than 25 years' experience in the mining industry, working throughout Australia and overseas. He has a track record of mineral discovery, resource and reserve definition, project development, evaluations and acquisitions. Neil was Exploration Superintendent at the Cosmos Nickel Project with Jubilee Mines and was part of the team that discovered the Alec Mairs, Prospero and Tapinos deposits which led to the AUD\$3.1 billion takeover of Jubilee Mines by Xstrata in 2007. Neil graduated with First Class Honours in Geology from the University of Southern Queensland and is a member of the Australian Institute of Geoscientists (AIG). He is also a non-executive director of ASX listed Kairos Minerals, a company with a gold project in Western Australia, and Estrella Resources Limited.

Lindsay Mair (63 years old) (Non-Executive Director)

Lindsay is an experienced investment banker with a 30-year career in the City. He qualified as a chartered accountant with Touche Ross (now Deloitte) in 1987. He then worked in the corporate finance departments of various City firms, most recently at SP Angel (which has a broad range of clients in the mining sector). From 2017 until 2019, he was a non-executive director of Kin Group plc, which acquired Bidstack Limited in a reverse takeover, where he assisted with the takeover and a number of fundraisings. He is the Chief Financial Officer of Low 6 Limited, which operates a B2B gamification platform for sports franchises.

****ENDS****

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