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Mila Resources PLC
31 October 2023

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31 October 2023

Mila Resources Plc
('Mila' or the 'Company')

Final Results

Mila Resources Plc (LSE:MILA), the post-discovery gold exploration accelerator, is pleased to announce its final results for the year ended 30 June 2023.

Highlights

- Significant progress towards achieving strategy of becoming a post discovery exploration accelerator
- Advanced the geological model for gold at the Company's first asset, the Kathleen Valley Project
- Entered into JV arrangement with leading ASX lithium company, Liontown Resources, to begin exploration of lithium at Kathleen Valley Project
- Raised gross proceeds of £2m post year end to support work at Kathleen Valley and assess additional development opportunities
- Bolstered technical team post year end with appointment of Alastair Goodship, an exploration geologist with significant experience in leading discovery-focussed exploration teams in a diverse range of environments and jurisdictions globally
- Cash position of £448,063 as at 30 June 2023
- Loss for the financial year ended 30 June 2023 of £549,487 (2022: £1,011,445).

Statement from the Board

Dear Shareholder

We have made solid progress this year both on a corporate and asset level. Since the financial year end, we have entered into an exciting partnership with Australia's leading lithium company, Liontown Resources, who will explore for lithium targets on our acreage and (subject to shareholder approval on the 8th of November), we will then complete the £2m fund raise (before expenses) which will provide the Company with a robust balance sheet. Our strategy is to build value from both the gold and lithium at our Kathleen Valley Project in Western Australia (the "Project") and move ahead with a number of new business opportunities that have presented themselves this year.

We want Mila to become the "best in class" post-discovery exploration accelerator through the careful identification and development of proven projects that cannot access the traditional routes of funding in the capital markets due to market conditions for IPOs and equities generally. We recently added Alastair Goodship, an exploration geologist with significant experience in leading discovery-focussed exploration teams in a diverse range of environments and jurisdictions globally, to bolster the team.

We have been approached by several business development opportunities and continue to review these as we firmly believe that we can mitigate risk by broadening the portfolio of projects. The biggest single risk facing most junior mining companies is that they are reliant on the success of a sole project, and we want to differentiate Mila by providing companies and management with proven projects with the support structure of a public company and access to capital. By definition, exploration is high risk and high reward, therefore, we want to mitigate and diversify risk by building Mila particularly at the time where high quality exploration and development projects are attractively valued with limited scope to access the closed IPO market.

Gold

During this financial year, we have been highly active at the Project. In the year ending 30 June 2022 we acquired 30% of the Project with the ability to move up to 80% and we continue to retain that flexibility.

We have now completed several drilling phases 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, we are building a better and more complete picture of the geological system which we believe is highly structured, featuring concentrated zones of high-grade mineralisation.

With the benefit of a clearer picture, our next objective will be to conduct more low-cost exploration prior to conducting costly drill programmes. We now believe we know the system sufficiently well to be far more focused and efficient with the exploration budget. Also, I believe we will be able to obtain technical and operational efficiencies by working with the Liontown team. Whilst they are focused on finding lithium they will be able to share geological insights to assist our team on gold exploration.

We have a number of development routes given the Project is surrounded by gold mining infrastructure and some of Australia's leading gold companies.

Lithium

Earlier this year we were approached by Liontown, our neighbours to the north, to explore for lithium on our Project. Liontown was recently subject to a A$6.6bn takeover bid by American lithium giant, Albemarle Corp. (NYSE: ALB) and is developing Australia's leading lithium project, the Kathleen Valley Lithium Project ahead of targeted production in 2024. Liontown has offtake agreements to supply lithium to companies including LG, Ford and Tesla.

Liontown has mapped pegmatite swarms extending south from its own project and the hypothesis is that this mineralisation corridor covers our own licence area. With the identification of these pegmatite swarms extending on to our own property, we reasoned that it makes commercial sense to work with Liontown to explore for lithium on our project. In addition, they bring a lot of intangible value to our project by sharing geological and technical information and their expertise in the region generally. On the 16th of October 2023 we announced that work is now underway with Liontown on the acreage with the preliminary social and environmental programmes before they can commence their exploration which will initially entail mapping, trenching and sampling in areas of the Project known to host lithium pegmatites.

Finance Review

In October 2022, the Company announced that it had 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 the Placing will also receive one three-year warrant per Placing Share to subscribe for one new ordinary share at a cost of 4.8p per share. The Company will also issue 524,000 broker warrants that are exercisable at 3p for a period of 3 years. The issue of the Investor Warrants and Broker Warrants is conditional on shareholder approval to increase the Company's share authorities.

Post year- end, in October 2023, the Company 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. The Placing is conditional on approval by Shareholders of resolutions at a General Meeting ("GM").

Cash Position

At 30 June 2023, cash and cash equivalents amounted to £448,063 (2022: £1,096,084).

Outlook

Mila is now in the most solid position of its brief life since we listed in November 2021. This of course assumes that the shareholders vote in favour of the £2m fund raise on the 8th of November.

We have a clear strategy and are well capitalised to deliver the strategy to fruition. We expect the next 12 months to be highly active on both a corporate and asset level as we continue to assess business development opportunities and how to deliver value from both the gold and lithium at our project.

Whilst the financial period has proven to be difficult for junior mining companies given the challenges in the capital markets, we now look forward to building Mila from the opportunities that present themselves from such circumstances. Ultimately, Mila will continue to be highly entrepreneurial, and I would like to take this opportunity to thank our existing shareholders, and those new to our register, as we look forward with excitement and confidence, to a period of increased activity in the forthcoming financial year.

Mark Stephenson

Executive Chairman

31 October 2023

Statements of Comprehensive Income

For the year Ended 30 June 2023

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 £
Administrative expenses		(549,487)	(518,213)
Share warrant and options expense	3	-	(493,232)
Loss on ordinary activities before taxation		**(549,487)**	**(1,011,445)**
Income tax expense	6	-	-
Loss and total comprehensive income for the year attributable to the owners of the company		**(549,487)**	**(1,011,445)**
Earnings per share (basic and diluted) attributable to the equity holders (pence)	7	(0.17)	(0.52)

Statements of Financial Position

For the year Ended 30 June 2023

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 £
NON-CURRENT ASSETS			
Exploration and evaluation assets	8	5,605,870	4,698,625
		5,605,870	4,698,625
CURRENT ASSETS			
Trade and other receivables	9	135,459	22,568
Cash and cash equivalents	10	448,063	1,096,084
		583,522	1,118,652
TOTAL ASSETS		**6,189,392**	**5,817,277**
CURRENT LIABILITIES			
Trade and other payables	11	312,938	210,760
TOTAL LIABILITIES		**312,938**	**210,760**
NET ASSETS		**5,876,454**	**5,606,517**
EQUITY			
Share capital	12	3,368,177	3,065,511
Share premium	12	4,784,603	4,267,846
Share based payment reserve	13	539,093	543,813
Retained loss		(2,815,420)	(2,270,653)
TOTAL EQUITY		**5,876,454**	**5,606,517**

Statements of Cash Flow

For the year Ended 30 June 2023

	12 months to 30 June	12 months to 30 June

	2023	2022
	£	£
Cash flows from operating activities		
Loss for the year	(549,487)	(1,011,445)
Adjustments for:		
Warrants / Options expense (non-cash)	-	493,232
Operating cashflow before working capital movements	(549,487)	(518,213)
(Increase)/Decrease in trade and other receivables	(112,891)	1,616
Increase in trade and other payables	102,178	4,427
Shares issued for services	-	30,000
Interest expense	-	3,801
Net cash outflow from operating activities	(560,200)	(478,369)
Cash flow from investing activities		
Acquisition of Kathleen Valley - cash component	-	(300,000)
Acquisition costs	-	(336,732)
Funds used for drilling and exploration (net of GST recovered)	(907,245)	(1,408,108)
Net cash outflow from investing activities	(907,245)	(2,044,840)
Cash flow from financing activities		
Proceeds from share issues	908,000	3,358,740
Issue costs paid in cash	(88,576)	(69,075)
Net cash inflow from financing activities	819,424	3,289,665
Net (Decrease)/Increase in cash and cash equivalents	(648,021)	766,456
Cash and cash equivalents at beginning of the year	1,096,084	329,628
Cash and cash equivalents at end of the year	448,063	1,096,084

Statements of Changes in Equity

For the year Ended 30 June 2023

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
Balance at 30 June 2021	**232,000**	**849,300**	**4,720**	**(1,259,208)**	**(173,188)**
Total comprehensive income for the year	-	-	-	(1,011,445)	(1,011,445)
Capital Raising - Issue of shares	1,458,333	2,041,667	-	-	3,500,000
Capital Raising - Issue of shares in lieu of fees	59,792	83,708	-	-	143,500
Capital Raising - Issue Costs	-	(221,135)	-	-	(221,135)
Acquisition of Kathleen Valley	835,432	1,169,605	-	-	2,005,037
Conversion of convertible loan notes	477,754	382,203	-	-	859,957
Conversion of warrants	2,200	8,360	-	-	10,560
Share warrants and options expense	-	(45,861)	539,093	-	493,232
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)
Transactions with Shareholders					

Expired Warrants	-	-	(4,720)	4,720	-
Capital Raising - Issue of shares	302,667	605,333	-	-	**908,000**
Capital Raising - Issue costs	-	(88,576)	-	-	(88,576)
Balance at 30 June 2023	**3,368,178**	**4,784,603**	**539,093**	**(2,815,420)**	**5,876,454**

Notes to the Financial Statements
For the year Ended 30 June 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 have 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.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared on a going concern basis using the historical cost convention and in accordance with the UK-Adopted International Accounting Standards, and in accordance with the provisions of the Companies Act 2006.

The Company's financial statements for the year ended 30 June 2023 were authorised for issue by the Board of Directors on 31 October 2023 and were signed on the Board's behalf by Mr L Daniels.

The Company's financial statements are presented in pounds Sterling and presented to the nearest pound.

2.2 Business Combinations

Acquisitions of business are accounted for using the acquisition method. At the acquisition date, the identifiable assets acquired, and the liabilities assumed are recognised at their fair value.

Consideration is also measured at fair value at the acquisition date. This is calculated as the sum of the fair values of assets transferred less the fair value of the liabilities incurred by the Company.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non controlling interests in the acquiree, and the fair value of the acquirers previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired, and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirers previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Acquisition related costs are recognised in profit or loss as incurred.

2.3 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 for the year of £648,021 (2022: inflow of £766,456) and at 30 June 2023 had cash and cash equivalents balance of £448,063 (2022: £1,096,084).

An operating loss of £549,487 has been made and although the Company was in a net current asset position at 30 June 2023 and has raised £908,000 (before expenses).

Post year end, the Company announced (2 October 2023) that it raised £2m (before expenses) through a Placing of 200m New Ordinary Shares of GBP0.01 each. This placing is subject to the approval by shareholders at a general meeting to be held on 8 November 2023.

The Company's current cash reserves are less than the forecasted expenditure over the 12 months from the date of this report and therefore further funding needs to be received in this period to enable the Company to continue to meet its obligations as they fall due. Due to the aforementioned £2m raise, which is subject to approval by shareholders at a general meeting being obtained, management are confident that the required funding will be obtained. For this reason, the Directors continue to adopt obtained, management are confident that the required funding will be obtained. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. However, the Directors acknowledge that the receipt of the funding is contingent on the approval by shareholders at a general meeting and therefore a material uncertainty exists which may cause significant doubt about the ability to continue to trade as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within the financial statements.

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

New standards, amendments to standards and interpretations:

No new standards, amendments or interpretations, effective for the first time for the financial year beginning on or after 1 January 2022 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.

Standard	Impact on initial application	Effective date
IAS 1	Amendments- presentation and classification of liabilities as current or non current	TBC
IAS 8	Amendments - Definition of accounting policies	01 January 2023
IAS 1	Amendments - Disclosure of accounting policies	01 January 2023
IFRS 17	Insurance Contracts	01 January 2023
IFRS 17 (amendments)	Insurance contracts	01 January 2023

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

2.5 Asset acquisition

Where an acquisition transaction constitutes the acquisition of an asset and not a business, the consideration paid is allocated to assets and liabilities acquired based on their relative fair values, with transaction costs capitalised. No gain or loss is recognised.

Consideration paid in the form of equity instruments is measured by reference to the fair value of the asset acquired. The fair value of the assets acquired would be measured at the point control is obtained.

The Company recognises the fair value of contingent consideration in respect to an asset acquisition, where it is probable that a liability has been incurred, and the amount of that liability can be reasonably estimated. Such contingent consideration is recognized at the time control of the underlying asset is obtained, and such an amount is included in the initial measurement of the cost of the acquired assets.

The Company recognises contingent consideration in the form of cash, and contingent consideration in the form of equity instruments. Contingent consideration in the form of cash is recognised as a liability, and contingent consideration in the form of equity instruments is recognised in the contingent share reserve.

For contingent cash consideration milestones, the Company estimates a probability for the likelihood of completion to estimate the total liability for the expected variable payments. The probability estimated for the likelihood of completion is considered at each reporting period. Movements in the fair value of contingent cash consideration payable is capitalised as part of the asset.

For contingent share consideration milestones, the Company estimates a probability for the likelihood of completion to estimate the total contingent share consideration payable. The probability estimated for the likelihood of completion is not reassessed in subsequent reporting periods.

Deferred tax is not recognised upon an asset acquisition.

2.6 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.

2.7 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 de-recognised, 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 de-recognised 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.

2.8 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 statement of comprehensive income.

2.9 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.

2.10 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.

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

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.

2.12 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.

2.13 Critical accounting judgements and key sources of 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 areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

Impairment of intangible assets

For details on the accounting policy for the impairment of exploration and evaluation assets, see note 2.12 "Impairment of Exploration and Evaluation Assets" in the "Notes to the Financial Statements" on page 40.

The first stage of the impairment process is the identification of an indication of impairment. Such indications can include significant geological or geophysical information which may negatively impact the existing assessment of a project's potential for recoverability, significant reductions in estimates of resources, significant falls in commodity prices, a significant revision of the Company Strategy, operational issues which may require significant capital expenditure, political or regulatory impacts and others. This list is not exhaustive and management judgement is required to decide if an indicator of impairment exists.

The Company regularly assesses the intangible assets for indicators of impairment. For more information on impairment indicators see note 2.12 "Impairment of Exploration and Evaluation Assets" in the "Notes to the Financial Statements" on page 40. Also see IFRS 6 'Exploration for and Evaluation of Mineral Resources'

When an impairment indicator exists an impairment test is performed; the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

2.14 Earnings per share

Basic earnings per share is calculated as profit or loss attributable to equity holders of the Company 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. The diluted profit per share is the same as the basic profit per share for 2023 because, although certain warrants and options in issue were in the money as at the year end, the Company reported a loss, hence including the additional dilution would have resulted in a reduction of the loss per share.

2.15 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 therefore at present there is only one reportable operating segment.

The Company's strategy is to act as a post discovery accelerator, where the Company identifies target(s) that have already had an early-stage geological discovery. To date the Company has identified and invested on one target, namely the Kathleen Valley Project. Hence at the moment there is only one reportable operating segment.

3. OPERATING LOSS

This is stated after charging:

	2023	2022
	£	£
Auditor's remuneration		
Audit of the Company	40,000	30,000
Other services	-	2,000
Directors' remuneration	250,000	266,585
Stock exchange and regulatory expenses	10,536	47,486
Share warrant and options expense (1)	-	493,232
Other expenses	248,951	172,142
Operating expenses	549,487	1,011,445

(1) This is a non-cash accounting expense for the issue of share warrants and options.

4. AUDITOR'S REMUNERATION

	2023	2022
	£	£
Fees payable to the Company's current auditor:		
- audit of the Company's financial statements	40,000	30,000
- other services	-	2,000
	40,000	32,000

5. 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 below. For Directors costs see the Directors remuneration report from page 21.

	2023	2022
	£	£
Salaries	250,000	266,585
Social security costs	25,369	29,016
Share based payments	-	59,658
	275,369	355,259

6. TAXATION

	2023	2022

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

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	(549,487)	(1,011,445)
Tax credit at the standard rate of corporation tax in the UK of 19% (2022: 19%)	(104,403)	(192,175)
Impact of costs disallowed for tax purposes	2,809	17,919
Deferred tax in respect of temporary differences	-	-
Impact of unrelieved tax losses carried forward	101,594	174,256
	-	-

Estimated tax losses of £2,651,344 (2022: £2,116,641) are available for relief against future profits and a deferred tax asset of £503,756 (2022: £402,162) 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 for Companies making less than £250,000 annual profit is 19%. Accordingly, the Company's effective tax rate for the period was 19% (2022: 19%).

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 6 above sets out the estimated tax losses carried forward

7. EARNINGS PER SHARE

The calculation of the earnings per share is based on the loss for the financial period after taxation of £549,487 (2022: £1,011,445) and on the weighted average of 327,554,881 (2022: 193,873,021 ordinary shares in issue during the period.

The diluted profit per share is the same as the basic profit per share because 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
30 June 2023: Loss per share attributed to ordinary shareholders	(549,487)	327,554,881	(0.17)
30 June 2022: Loss per share attributed to ordinary shareholders	(1,011,445)	193,873,021	(0.52)

8. EXPLORATION AND EVALUATION ASSETS

	At 30 June 2023 £	At 30 June 2022 £
Opening balance	4,698,625	-
Cost of acquisition including transaction costs	-	3,290,517
Exploration costs capitalised in the year	1,092,201	1,408,108
Other movements	(184,956)	-
Net book value	5,605,870	4,698,625

In November 2021, the Company acquired a 30% interest in the Kathleen Valley (Gold) Project for £2,812,500. The consideration was £300,000 in cash and the balance in new Mila shares. Transaction costs of £478,017 have also been capitalised. The principal assets are leases with rights to exploration of those leases in Western Australia. At the year end the capitalised exploration and evaluation assets totalled £5.6m (2022: £4.7m). All Exploration costs capitalised in the year relate to the Kathleen Valley Project.

During the year the Company was able to register for Australian "GST" (Goods and Services Tax). Unfortunately, registration was a long drawn out process, however, as this has now been completed the Company can recover the GST paid. This has been show in "Other movement" in the table above.

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 year.

9. TRADE AND OTHER RECEIVABLES

	2023	2022
	£	£
Prepayments and other receivables	135,459	22,568
	135,459	22,568

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

10. CASH AND CASH EQUIVALENTS

	2023	2022
	£	£
Cash at bank	448,063	1,096,084
	448,063	1,096,084

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

11. TRADE AND OTHER PAYABLES

	2023	2022
	£	£
Trade payables	55,457	36,722
Accruals and other payables	257,481	174,038
	312,938	210,760

12. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Balance as at 30 June 2021	23,200,000	232,000	849,300	1,081,300
Capital Raising	151,812,495	1,518,125	1,904,240	3,422,365
Acquisition of Kathleen Valley	83,543,197	835,432	1,169,605	2,005,037
Conversion of convertible loan notes	47,775,365	477,754	382,203	859,957
Conversion of warrants	220,000	2,200	8,360	10,560
Warrants issued in lieu of share issue costs	-	-	(45,861)	(45,861)
Balance as at 30 June 2022	306,551,057	3,065,511	4,267,846	7,333,357
Capital Raising	30,266,651	302,667	516,757	819,424
Balance as at 30 June 2023	336,817,708	3,368,178	4,784,603	8,152,781

The Company issued a total of 30,266,651 new fully paid ordinary shares during the year.

In October and November 2022, the Company completed a placing of 30,266,651 new fully paid ordinary shares with a nominal value of £0.01, raising gross proceeds of £908,000 before expenses.

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

Director	At 30 June 2022(1)	Granted during the year	At 30 June 2023	Exercise price	Earliest date of exercise	Last date of exercise
M. Stephenson	7,500,000	-	7,500,000	£0.024	22 Nov 2021	31 Dec 2026
L. Daniels	7,500,000	-	7,500,000	£0.024	22 Nov 2021	31 Dec 2026
N. Hutchison	5,000,000	-	5,000,000	£0.024	22 Nov 2021	31 Dec 2026
L. Mair	2,000,000	-	2,000,000	£0.024	22 Nov 2021	31 Dec 2026
		-	22,000,000			

(1) as outlined in the prospectus dated 29 October 2021.

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

Director	At 30 June 2022	Granted during the year	At 30 June 2023	Exercise price	Earliest date of exercise	Last date of exercise
M. Stephenson	3,500,000	-	3,500,000	£0.024	10 Dec 2021	10 Dec 2026
L. Daniels	2,500,000	-	2,500,000	£0.024	10 Dec 2021	10 Dec 2026
	6,000,000	-	6,000,000			

13. SHARE BASED PAYMENT RESERVE AND SHARE BASED PAYMENTS

SHARE BASED PAYMENT RESERVE

	2023 £	2022 £
At 1 July	543,813	4,720
Issue of Warrants per prospectus	-	479,435
Issue of EMI Options per prospectus	-	59,658
Expired Warrants	(4,720)	543,813
At 30 June	539,093	543,813

Warrants and Options in Issue	Number of Options in Issue	Number of Warrants in Issue	Weighted average exercise price	Expiry date
Balance at 30 June 2021	-	11,425,000	£0.048	31 Dec 2022
Warrants issued during the year- per the prospectus	-	242,264,111	£0.0432	31 Dec 2026
EMI options scheme issued during the year - per the prospectus	6,000,000	-	£0.024	10 Dec 2026
Warrants exercised during the year	-	(220,000)		
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	

During the year the Company raised £908,000 (before expenses) through a Placing of 30,266,651 New Ordinary Shares of GBP0.01 each ("Placing Shares") at a price of 3 pence per Placing Share (the "Placing"). Investors in the Placing will also receive 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 has also issued 524,000 broker warrants that are exercisable at 3p for a period of 3 years. Both the investor warrants and broker warrants are conditional on shareholder approval to increase the Company's share authorities. At the time of writing, the Prospectus has been issued and the shareholder approval is being sought at a general meeting to be held on 8 November 2023.

The market price of the shares at year end was 1.2 pence per share.

During the year, the minimum and maximum prices were 0.825 pence and 4.25 pence per share respectively.

SHARE BASED PAYMENTS - WARRANTS AND OPTIONS

No Warrants or Options were issued during the period.

14. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2022 and 30 June 2023.

15. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2022 and 30 June 2023.

16. COMMITMENTS UNDER LEASES

There were no commitments under operating leases at 30 June 2023 and 30 June 2022.

17. 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

	2023	2022
	£	£
Current Assets:		
Cash and cash equivalents	448,063	1,096,084
Trade and other receivables	135,459	11,520
Categorised as financial assets at amortised cost	583,522	1,107,604

Financial liabilities by category

	2023	2022
	£	£
Current Liabilities:		
Trade and other payables	312,938	210,760
Categorised as financial liabilities measured at amortised cost	312,938	210,760

All amounts are short term and payable in 0 to 6 months.

Credit risk

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

	2023	2022
	£	£
Trade and other receivables	123,297	11,520
Cash and cash equivalents	448,063	1,096,084
	571,360	1,107,604

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:

	2023	2022
	£	£
Bank balances	448,063	1,096,084

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. A liquidity analysis is not therefore considered material to disclose.

Currency risk

The Company operates in a global market with income and costs possibly arising in a number of currencies. The Company's strategic aim of acquiring asset(s) or business(es) acting as a post discovery accelerator, is not limited to any specific geo-political area or jurisdiction. Currently the majority of the Company's overhead costs are incurred in £GBP. The Kathleen Valley Project is located in Western Australia, and hence the majority of the exploration and evaluation costs relating to this project are incurred in $AUD. The Company has not hedged against any currency depreciation but continues to keep the matter under review.

18. 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 21 - 23.
There were no other related party transactions.

19. EVENTS SUBESQUENT TO YEAR END

Fund Raise - post year end

Post year end, the Company announced on the 2nd of October 2023 that it 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 (the "Placing"). Investors in the Placing will also receive one two year warrant per Placing Share to subscribe for one new ordinary share at a cost of 2p per share ("Investor Warrants").

The Placing has not been underwritten and is conditional on approval by Shareholders of resolutions, inter alia, granting authority for the Directors to issue ordinary shares at a General Meeting ("GM") to be held on 8 November 2023 at 11.00 a.m. at 13th Floor, 88 Wood Street, London EC2V 7DA.

Appointment of Exploration Geologist

The Company 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.

Appointment of Joint Broker

Shard Capital Partners LLP was appointed as joint broker, alongside SI Capital.

Option Agreement with Liontown Resources to Explore for Lithium

Post year end the Company announced that, together with the other owners of the Kathleen Valley licence ("Licence"), it had entered into an option agreement with LBM (Aust) Pty Limited, a subsidiary of Liontown Resources Limited (ASX: LTR) ('Liontown'), granting Liontown the option to explore for lithium on the Kathleen Valley Licence Area in Western Australia ('KV Project').

Liontown to invest AUD$100,000 in Mila through a convertible loan

This is based on the following principal terms:

1. the Notes are repayable by conversion into Mila Shares at a price to be determined on Mila's next fundraise;
2. Mila may repay the Notes without penalty after 31 December 2023;
3. Liontown may redeem the Notes following the occurrence of usual events of default or if the Notes have not been converted into Mila Shares by 30 November 2023; and
4. the Notes carry no interest except on the occurrence an event of default, when interest at 10% per annum will become payable.

Amendments to Kathleen Valley Earn-In Agreement

Post year end the Company announced that it has entered into a deed of amendment with Trans Pacific Energy Group Pty Ltd ("TPE") and New Generation Minerals Limited ("NGM"), the other owners of the Licence, making certain amendments to the Earn-In Agreement between them dated 29 October 2021 ("Earn-In Agreement") as part of the re-listing of the Company on the LSE in November 2021.

Summary of key amendments

- increase its Participating Interest in the Licence from its current 30% to 80% on the issue of the Stage Two Consideration Shares;
- increase its ownership of the current Lithium rights from 50% to 80% on the issue of the Stage Three Consideration Shares, representing 16% of the Lithium Rights following full exercise by Liontown of its option; and
- at any time when the Parties are not conducting a physical drilling campaign, reduce Mila's liability for expenditure to maintain the Licence to its Participating Interest (currently 30%).

20. 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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