

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

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31 October 2024

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

**Mila to Acquire Three Highly Prospective Gold Exploration Projects in Queensland, Australia
& Kathleen Valley Gold Project Update & Investor Presentation**

Mila Resources Plc (LSE:MILA), the post-discovery gold exploration accelerator, is pleased to announce that it has signed an exploration and option agreement (the 'Option Agreement') relating to three highly prospective gold projects in Queensland, Australia (the 'Exploration Portfolio') with EMX Broken Hill Pty Ltd and EMX - NSW 1 Pty Ltd (both wholly owned subsidiaries of EMX Royalty Corp (TSX-V:EMX and NYSE AMERICAN: EMX)) ('EMX'). The Exploration Portfolio is intended to complement Mila's primary asset, the Kathleen Valley Gold Project ('Kathleen Valley'), located in Western Australia.

Highlights

- Option to purchase three highly prospective projects with proven gold mineralisation, each with the potential to materially expand Mila's mineral resource inventory.
- The Company is fully funded to undertake the exploration work, with A 450,000 (approx. £230,000) to be committed within one year of executing the Option Agreement.
- The Company will initially pay A 25,000 in cash and issue 16 million warrants exercisable at 1p per Ordinary Share for the Option Agreement. The Option must be exercised within 12 months. However, any further payments are subject to exploration and development success. (Further details of the Option Agreement are set out below.)
- The Option Agreement underlines the Company's post-discovery gold exploration accelerator model with the aim of building value from applying systematic exploration work, metallurgical studies and initial ESG work to best determine the optimum path to production.
- The Company's priority remains the advancement of Kathleen Valley, together with its partner, ASX listed Liontown Resources Ltd ("Liontown"), to unlock value from both the lithium and gold mineralisation identified at the project.
- Following the commencement of spodumene production at Liontown's Kathleen Valley Project in July 2024, engagement with local stakeholders with regard to ongoing exploration activities is continuing with further news expected in Q4 2024.

Mark Stephenson, Executive Chairman of Mila Commented: "We are looking forward to advancing these projects alongside Kathleen Valley, as we continue to build critical mass within our exploration accelerator portfolio. Importantly, we have structured a transaction to ensure that new funds are "going in the ground" and milestone payments are linked to geological success and development. Mila will now employ a targeted and strategic work programme across all of the properties to further prioritise the Company's resources.

"We expect ground exploration work to commence at Yarrol, the most advanced of the three projects within the Exploration Portfolio, within the coming weeks whilst the team plan for geophysical surveys across Mt Steadman and Mt Weary in early 2025. Our technical team, led by Neil Hutchison and Alistair Goodship, have been on site earlier this month and are extremely enthusiastic about the potential across the Exploration Portfolio.

"Alongside this new work, our attention remains very much focussed on our Kathleen Valley project, and, following Liontown's announcement confirming that it commenced production of spodumene concentrate in July, engagement with local Tjiwarl people has continued to progress and we look forward to our advancing dialogue. It remains our primary objective to advance and unlock value from this project, in respect to both lithium and gold development, and we will update shareholders in due course with expected timetables."

The Yarrol Project

Gold mineralisation at Yarrol has several geological expressions, including IRGS-type vein swarms developed in and around Permian-aged dioritic intrusions, as well as sediment-hosted gold mineralisation. Elsewhere on the property, mineralisation appears to be developed along cross structures that intersect the regional structural trends.

There is significant upside potential that exists along the 10-15-kilometre trend of gold mineralisation that has been historically under-explored. EMX re-processed the historical geophysical data from the project area, which highlighted additional targets along strike of, and below, the historically defined zones of mineralisation.

Exploration programmes conducted by EMX in 2021 included the collection of 544 soil samples, which identified two new gold-in-soil anomalies. The northern anomaly, known as the Limestone Creek area, lies approximately five kilometres northwest of the historical Yarrol gold resources. This new anomaly has dimensions of 200 by 600 metres, with the strongest results along the southernmost line. The area was identified as a target by EMX on the basis of magnetic inversion geophysical models, previous geochemical results and the presence of numerous historical prospecting pits. The Limestone Creek anomaly also coincides with a zone of albite-silica-goethite alteration developed adjacent to a monzonite porphyry and remains open to the south. The anomaly has a scale and tenor that resembles those over the historical gold resources on the Yarrol Project.

Other gold-in-soil anomalies have been delineated immediately northwest of the historical Yarrol resources, along a contact zone between geological formations within folded and faulted sediments, which also merit follow-up exploration.

In the process of carrying out the sampling programmes at the Yarrol Project, EMX geologists also noted boulders of dark manganiferous material in several drainages in the northern part of the exploration licence. The boulders were traced back to an outcropping stratigraphic horizon of dark, manganiferous material that has the appearance of a conglomeratic unit.

Nine rock chip samples collected from various boulders, float materials and outcrop exposures averaged 1.1% cobalt, 0.15 % nickel and 10.0% manganese, with a high of 1.6% cobalt with 0.25% nickel. This has the potential to be a significant discovery of additional mineral potential on the Yarrol Project, as previous efforts had strictly focused on Yarrol's intrusion-related gold mineralisation.

A drill campaign was conducted in Q4 2023 by Many Peaks Minerals Limited, which was at that time had secured the right to acquire a 100% interest in the Yarrol Project. The drilling included initial drill tests on two targets generated from reprocessing and inversion modelling of aerial magnetic data and historical IP ground geophysics. Drilling successfully identified new zones of mineralisation and alteration at both targets located approximately 1.6km apart along the eastern margin of the 4km long intrusion related gold system.

Despite very encouraging results from this drill programme and the additional work conducted in 2023 and 2024 by Many Peaks, the company was required to reallocate its resources to its West African portfolio at that time, and Many Peaks concluded that they would not exercise its right to acquire the Yarrol Project.

Mt Steadman Project

The 57km² Mt Steadman project is an intrusion-related gold system ("IRGS") in the New England Orogenic Belt in Queensland, Australia, a province that hosts IRGS-type gold, porphyry and epithermal deposits. Mt Steadman is located along the Perry Fault system, a major structural feature in the area. The Mt Steadman project was the focus of exploration in the 1990s when shallow reconnaissance drilling programmes led to the recognition and definition of historical gold resources at the Fitzroy prospect, however there has been limited exploration since then.

Examples of historical reverse circulation drill intercepts at Mt Steadman's Fitzroy prospect include 23 metres averaging 1.04 g/t gold in RC95MS7, 24 metres averaging 1.13 g/t gold in RC85MS10, and 21 metres averaging 1.15 g/t gold in RC95MS11 5 (true widths unknown). The zones of drill defined mineralisation at Fitzroy are shallow (generally less than 60 metres from surface) and remain open in multiple directions.

Gold mineralization at the Fitzroy prospect is developed in the near surface environment as sheeted quartz veins hosted within a granitic intrusion and is associated with broad zones of sericitic alteration. Similar styles of gold mineralisation, alteration and geologic occurrences are developed in numerous locations elsewhere along the trace of the Perry Fault on the property. Several of these peripheral target areas have never been drill tested.

In 2021, EMX conducted a broad soil geochemical survey to the north of the Fitzroy historical resource. A total of 351 samples were collected on 200 metre and 400 metre spaced traverses with samples collected every 50 metres along each line. This programme resulted in the delineation of multiple anomalous gold-in-soil trends. The most prominent anomaly extends for 400 metres along trend and

reaches a maximum width of 200 metres at its northern extent. The anomaly remains open to the north and includes a sample of 2.17 ppm gold. This soil anomaly is similar in scale and tenor to those around the historic Fitzroy prospect located 1km to the southeast. This anomaly also exhibits coincident anomalous molybdenum and tellurium geochemistry, similar to geochemical signatures seen at Fitzroy, and closely correlates with the mapped extent of a zone of hydrothermal breccias, quartz veining and alteration.

A drill campaign was conducted in Q4 2023 by Many Peaks Minerals Limited, which was at that time had secured the right to acquire a 100% interest in the Mt Steadman Project. The RC drilling results included an intercept of 8m @ 2.63g/t gold from 8m drill depth, and demonstrated a significant extension to the footprint of gold mineralisation, intersecting the targeted gold corridor at the Fitzroy prospect more than 120m south from a 300m zone of outcropping mineralisation confirmed in historical drilling with intercepts including 22m @ 1.21g/t gold from surface, 25m @ 1.02g/t gold from surface, and 19m @ 1.25g/t gold. The results highlighted the higher tenor gold grades at the Fitzroy prospect within a corridor of gold mineralisation that remains open in all directions within a more than 3km long surface gold anomaly.

Despite very encouraging results from this drill programme and the additional work conducted in 2023 and 2024 by Many Peaks, the company was required to reallocate its resources to its West African portfolio at that time, and Many Peaks concluded that they would not exercise its right to acquire the Mt Steadman Project.

Mt Weary Project

The 476km² Mt Weary Project is located in southern Queensland and covers multiple exploration targets with styles of mineralisation including IRGS, skarn, reef-type veins, and sediment hosted copper-silver mineralisation. Many of the exploration targets are associated with suites of Permian-Triassic aged volcanic and intrusive rocks.

The Mt Weary Project has been the site of historical mining and exploration activities for over a century. The project last saw intensive exploration in the mid-1990s, when CRA Exploration and North Ltd (both precursor companies to what is now Rio Tinto Exploration Pty Limited) drilled the Boggy Creek prospect, intersecting long intervals (i.e., >25 metres) of near surface gold mineralisation associated with quartz vein stockworks in rhyolitic-dacitic intrusions, which is typical of IRGS systems. Multiple historical gold mines are located elsewhere on the project, including the Monal Goldfields, which saw production from 1892 through the 1930s.

Rock chip samples from the Rawlins prospect at the "Apple Tree" target area include a grab sample assaying 31.1 g/t gold (n=5, min 0.015 g/t Au, max 31.1 g/t Au, avg 12.74 g/t Au). Two grab samples from the Eastern Star workings returned with multi-gram gold (1.12 g/t Au and 9.55 g/t Au) and multi-percent copper (2.84% Cu and 10.07% Cu, respectively). At the Malakoff sediment-hosted copper prospect, rock chip samples from outcrop returned multi-gram gold (n=7, min <0.005g/t Au, max 2.49g/t Au, avg 0.71g/t Au) and multi-percent copper (min 0.001% Cu, max 12.15% Cu, avg 2.61% Cu) (see comments on sampling protocols below)

Option Agreement Terms

Mila has signed an exploration and option agreement to purchase a 100% interest over three project areas: Yarrol (EPM8402, EPM27561, EPM28230 and EPM28658), Mt Steadman (EPM12834 and EPM27750) and Mt Weary (EPM26317 and EPM27252) (collectively the 'Exploration Portfolio').

The consideration for the Option Agreement is as follows:

- a) A cash payment of A 25,000;
- b) The issue of 16,000,000 warrants at an exercise price of £0.01 to EMX exercisable within 12 months; and
- c) The issue of £50,000 of new Mila ordinary shares to EMX if the Mila share price exceeds 1.0p for more than 12 continuous trading days.
- d) a payment of A 125,000 on the second anniversary of the Option Agreement payable in cash or by the issue of new Mila ordinary shares valued by reference to the volume weighted average price of the shares during thirty consecutive trading days prior to the day of issue.

Work Commitments

- a) Under the terms of the Option Agreement, Mila has committed to undertake a minimum work programmes spending A 450,000 collectively across all three project areas by the first anniversary of the Option Agreement with a commitment to meet the minimum work programmes required to keep each licence in good standing.

Exercise of the Option

In the event that Mila wishes to exercise the Option (on or before 31 October 2025) Mila will issue £110,000 of new ordinary shares valued by reference to the volume weighted average price of the shares during thirty consecutive trading days prior to the day of issue.

Mila is fully funded to deliver this work programme and earn into the Exploration Portfolio.

Milestone/Performance related payments

In the event the Option is exercised there is a commitment:

- a) to complete an upgraded resource by the second anniversary of signature of the Option Agreement;
- b) to complete 30,000 metres of drilling across the project areas and/or establish resources of >400k oz with at least 40% being indicated resources with the remainder as inferred resources by the fifth anniversary of signature of the Option Agreement;
- c) to pay an annual advance royalty of 20oz gold, increasing to 35oz from the fifth anniversary of signature of the Option Agreement and to 50 oz on the delivery of a scoping study (payable in cash, gold, or ordinary shares of the Company); and
- d) on completion of a scoping study, to pay A 250,000 in cash or new ordinary shares;
- e) on completion of a feasibility study, to pay A 500,000 in cash or new ordinary shares of the Company.

Each of the Tenements is subject to a 2.5% Net Smelter Royalty, payment of which will be secured. Annual advance royalties will be set off against any Net Smelter Royalty due. On completion of a feasibility study on a project, Mila will have the right to reduce the Net Smelter Royalty to 1.25% on payment of 65% of the post-tax royalty net present value (NPV) of the project.

Corporate Presentation:

An updated corporate presentation which provides further details on the Queensland Gold properties can be found using the following link: http://www.rns-pdf.londonstockexchange.com/rns/3176K_1-2024-10-30.pdf.

Investor Presentation via Investor Meet Company:

Mila Resources is pleased to announce that Mark Stephenson and Alastair Goodship will provide a live presentation via Investor Meet Company on Tuesday 5 November 2024 at 12:00 GMT.

The presentation is open to all existing and potential shareholders. Questions can be submitted pre-event via the Investor Meet Company dashboard up until 4 November 2024 at 09:00 GMT, or at any time during the live presentation.

Investors can sign up to Investor Meet Company for free and add to meet Mila Resources Plc via:
<https://www.investormeetcompany.com/mila-resources-plc/register-investor>

Investors who already follow Mila Resources Plc on the Investor Meet Company platform will automatically be invited.

****ENDS****

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