

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

18 March 2025

Mila Resources Plc
("Mila" or "the Company")
Interim Results

Mila Resources Plc, the post-discovery gold exploration accelerator, is pleased to present its interim results for the six-month period ended 31 December 2024.

Highlights:

- Option to purchase three highly prospective projects with proven gold mineralisation in Queensland, Australia
- Mila 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 has initially paid A 25,000 in cash and the issue of 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.
- Mila has defined a targeted development strategy which is initially focussed on Yarrol; the project hosts a non-JORC compliant gold resource and has been historically under-explored.
- Geophysics studies have provided valuable insight into key mineralised features along a 2km section of the ~20km-long Yarrol Fault.
- Targeted drilling campaign planned to commence in Q2 to test priority areas at Yarrol.
- Acquisition complements existing interest in the Kathleen Valley Gold Project in Western Australia.
- Cash position of £951,845 as at 31 December 2024.
- Loss for the six-month period ended 31 December of £360,727 (2023: £321,436).

Chairman Statement

Mila's strategy has been focused on targeting mining projects with robust geological potential in proven mining regions, which we can then advance and ultimately build value. During the six months ended 31 December 2024, the Company identified an opportunity and entered into an option agreement to explore three highly prospective gold and copper projects in Queensland to complement our existing interest in the Kathleen Valley Gold Project ('Kathleen Valley') in Western Australia.

This acquisition was carefully structured to minimise upfront costs for Mila, so that our investment was focussed on exploration whilst milestone acquisition payments are linked to subsequent geological success and development.

The new projects in Queensland, Yarrol, Mt Steadman and Monal, provide Mila are gold and copper led projects. Yarrol is currently our primary focus and has a non-JORC compliant gold resource. We are particularly drawn to the significant upside potential along the ~20km-long Yarrol Fault that is believed to be associated with a larger gold mineralising system and accordingly we are now focusing our exploration activity on this area. Historical geophysical data covering a 2km section of this fault has been reviewed and analysed by our technical team, and priority drilling targets are now being confirmed for Q2 this year. The upcoming Phase 1 drill programme at Yarrol is fully funded from existing cash resources.

On a wider corporate level, we have undertaken a review of our cost base and since the beginning of 2025 our cost base has been reduced materially. We are fully funded to progress the EMX Option (see RNS dated 31 October 2024) and will continue to update shareholders as exploration activity unfolds in Queensland.

Post period end, as shareholders will be aware, we received notification that Lontown Resources Limited is no longer pursuing the lithium rights at our Kathleen Valley Project. Whilst this news was understandably disappointing, they have provided us with a significant amount of information and data, which we are in the process of evaluating and will be of great value as we determine best next steps at the project. Kathleen Valley has proven gold occurrences, offers promising

lithium and tantalum grades, and is located in the tier-one Wiluna-Norseman gold belt surrounded by major mining operators.

Looking ahead, the upcoming months are set to be increasingly active as we commence drilling at Yarrol. We have worked hard to ensure our Company has strong foundations for growth and with our multi-commodity portfolio, targeted development approach and solid cash position we are now ready to deliver results and build value. I look forward to sharing our progress with you and would like to take this opportunity to thank our shareholders for their continued support.

Finance and Corporate

Results

The interim results for the six months to 31 December 2024 show a loss of £360,727 (2023: £321,436).

Cash Position

At 31 December 2024, cash and cash equivalents amounted to £951,845 (2023: £1,684,073).

Directors

Mark Stephenson

Neil Hutchison

Jonathan Evans (appointed 19 December 2024)

Lee Daniels (resigned 5 November 2024)

Lindsay Mair (resigned 19 December 2024)

Corporate Governance

The UK Corporate Governance Code (September 2014) ("the Code"), as appended to the Listing Rules, sets out the Principles of Good Corporate Governance and Code Provisions which are applicable to listed companies incorporated in the United Kingdom. As a standard listed company, the Company is not subject to the Code, but the Board recognises the value of applying the principles of the Code where appropriate and proportionate and has endeavoured to do so where practicable.

On behalf of the board

Mark Stephenson

Director

17 March 2025

MILA RESOURCES PLC

Interim Statement of Comprehensive Income (Unaudited)

For the six months ended 31 December 2024

	Notes	Six months ended 31 December 2024 Unaudited	Six months ended 31 December 2023 Unaudited	Year ended 30 June 2024 Audited
		£	£	£
Administrative expenses		(360,727)	(321,436)	(689,298)
Operating loss		(360,727)	(321,436)	(689,298)
Interest receivable		-	-	-
Income tax expense	4	-	-	21
Loss for the period		(360,727)	(321,436)	(686,277)
Other comprehensive income / (loss)		-	-	-
Total comprehensive income for the		(360,727)	(321,436)	(686,277)

income for the period attributable to equity holders				
Earnings per share (basic and diluted) attributable to equity holders (p)	5	(0.07)	(0.09)	(0.15)

The income statement has been prepared on the basis that all operations are continuing operations.

MILA RESOURCES PLC
Interim Statement of Financial Position
(Unaudited) As at 31 December 2024

		At 31 December 2024 Unaudited	At 31 December 2023 Unaudited	At 30 June 2024 Audited
	Notes	£	£	£
ASSETS				
Non-current assets				
Exploration and evaluation assets	6	5,805,261	5,682,925	5,761,853
		<u>5,805,261</u>	<u>5,682,925</u>	<u>5,761,853</u>
Current assets				
Trade and other receivables		46,597	129,176	31,521
Cash at bank and in hand		951,845	1,684,073	1,417,710
		<u>998,442</u>	<u>1,813,249</u>	<u>1,449,231</u>
Total assets		<u>6,803,703</u>	<u>7,496,174</u>	<u>7,211,084</u>
LIABILITIES				
Current liabilities				
Trade and other payables		212,624	179,526	259,277
Convertible loan notes		-	51,475	-
		<u>212,624</u>	<u>231,001</u>	<u>259,277</u>
Total liabilities		212,624	231,001	259,277
Net assets		<u>6,591,079</u>	<u>7,265,173</u>	<u>6,951,807</u>
EQUITY				
Share capital	7	5,419,653	5,368,178	5,419,653
Share premium	7	4,494,522	4,494,758	4,494,522
Share based payment reserve		539,329	539,093	539,329
Retained losses		(3,862,424)	(3,136,856)	(3,501,697)
Shareholders' equity		<u>6,591,079</u>	<u>7,265,173</u>	<u>6,951,807</u>

MILA RESOURCES PLC
Statements of changes in equity (Unaudited)
For the six months ended 31 December 2024

Share Capital	Share Premium Account	Share Based Payment Reserve	Retained Loss	TOTAL
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	£	£	£	£	£
Balance at 31 Dec 2023	5,368,178	4,494,758	539,093	(3,136,856)	7,265,173
Total comprehensive income for the period	-	-	-	(364,841)	(364,841)
Capital Raising - Issue of shares	51,475	-	-	-	51,475
Share based payments	-	(236)	236	-	-
Balance at 30 June 2024	5,419,653	4,494,522	539,329	(3,501,697)	6,951,807
Total comprehensive income for the period	-	-		(360,727)	(360,727)
Balance at 31 Dec 2024	5,419,653	4,494,522	539,329	(3,862,424)	6,591,079

MILA RESOURCES PLC

Statement of cash flow (Unaudited)

For the six months ended 31 December 2024

	Six months to 31 December 2024 £	Six months to 31 December 2023 £	12 months to 30 June 2024 £
Cash flows from operating activities			
Loss for the period	(360,727)	(321,436)	(686,277)
Adjustments for:			
Less: Interest Received	-	-	(21)
Foreign exchange Gains / (Losses)	-	-	1,823
Operating cashflow before working capital movements	(360,727)	(321,436)	(684,475)
Decrease / (Increase) in trade and other receivables	(15,076)	6,283	17,183
Decrease in trade and other payables	(44,153)	(133,412)	(108,155)
Net cash flow from operating activities	(419,956)	(448,565)	(775,447)
Cash flow from investing activities			
Funds used for drilling and exploration	(45,909)	(77,055)	(16,558)
Interest received	-	-	21
Net cash outflow from investing activities	(45,909)	(77,055)	(16,537)
Cash flow from financing activities			
Proceeds from share issues	-	2,000,000	2,000,000
Issue costs paid in cash	-	(289,845)	(289,845)
Convertible Loan Note	-	51,475	51,475
Net cash inflow from financing activities	-	1,761,630	1,761,630
Net Increase / (Decrease) in cash and cash equivalents	(465,865)	1,236,010	969,647
Cash and cash equivalents at beginning of the period	1,417,710	448,063	448,063

Cash and cash equivalents at end of the period	951,845	1,684,073	1,417,710
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MILA RESOURCES PLC

Notes to the financial statements

For the six months ended 31 December 2024

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. In October 2024, the Company signed an exploration and option agreement relating to three highly prospective gold projects in Queensland, Australia with EMX Broken Hill Pty Ltd and EMX - NSW 1 Pty Ltd, both wholly owned subsidiaries of EMX Royalty Corp ("EMX") which is listed on the Toronto and New York Stock Exchanges.

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales, with registration number 09620350.

The Company's registered office is Level 1 Devonshire House, Mayfair Place, London, W1J 8AJ.

2 Accounting policies

The principal accounting policies applied in preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

Basis of preparation

The interim unaudited financial statements for the period ended 31 December 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. This interim financial information is not the Company's statutory financial statements and should be read in conjunction with the annual financial statements for the period ended 30 June 2024, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been delivered to the Registrar of Companies. The auditors have reported on those accounts; their report was unqualified and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information for the six months ended 31 December 2024 is unaudited. In the opinion of the Directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period.

The Directors have made an assessment of the Company's ability to continue as a going concern and the interim report has been prepared on the going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business. The Company, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

The financial information of the Company is presented in British Pounds Sterling (£).

Critical accounting estimates and judgements

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the reported amounts of income and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, the resulting accounting estimates will, by definition, seldom equal related actual results.

In preparing the interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty

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

Expenditure on the construction, installation and completion of infrastructure facilities including service, is capitalized initially within intangible fixed assets and when the asset has formally commenced commercial production, then it is

initially within intangible fixed assets and when the asset has formally commenced commercial production, then it is transferred to property, plant and equipment and is depreciated from the commencement of production as described in the accounting policy for property, plant and equipment.

Drilling costs and intangible licenses

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.

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.

3 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.

4 Taxation

No tax is applicable to the Company for the six months ended 31 December 2023. No deferred income tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Company will generate sufficient future profits in the foreseeable future to prudently justify this.

5 Earnings per share

Basic earnings per ordinary share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

The diluted profit per share is the same as the basic profit per share because all warrants and options in issue were out of the money at 31 December 2024 and 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
Loss per share attributed to ordinary shareholders	(360,727)	541,965,183	(0.07)p

6 Exploration and evaluation assets

	At 31 December 2024 Unaudited £	At 31 December 2023 Unaudited £	At 30 June 2024 Audited £
Cost			
Opening balance	5,761,853	5,535,102	5,605,870
Exploration costs capitalised in the period	43,408	147,823	155,983
Other movements	-	-	--
Net book value	5,805,261	5,682,925	5,761,853

In October 2024, the Company signed an exploration and option agreement relating to three highly prospective gold projects in Queensland, Australia with EMX. At the period end the capitalised exploration and evaluation assets totalled £5.8m (31 December 2023: £5.7m) and all such costs capitalised related to exploration and evaluation activities conducted in relation to Kathleen Valley.

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 period.

7 Share capital

	Number of shares In issue	Share capital £	Share premium £	Total £
Balance at 30 June 2024	541,965,183	5,419,653	4,494,522	9,914,175
Capital Raise	-	-	-	-
Issue Costs	-	-	-	-
Balance at 31 December 2024	541,965,183	5,419,653	4,494,522	9,914,175

As at 31 December, 2024 the Company also has the following options and warrants:

Warrants and Options in Issue	Number of Options in Issue	Number of Warrants in Issue	Weighted average exercise price	Expiry date
At 31 December 2024	6,000,000	242,044,111	£0.0432	

Warrants issued to investors as part of
£2m Capital Raise in Nov 2023 - per
the prospectus

- 200,000,000 £0.02 9 Nov 2025

Warrants issued as part of previous

Capital Raise in Oct / Nov 2022 ⁽¹⁾	-	30,983,982	£0.048	14 Nov 2025
Warrants issued relating to conversion of Lontown Convertible Loan	-	5,147,475	£0.02	29 Jan 2027
At 31 December 2024	6,000,000	478,175,568	£0.034	
	-	-	-	
At 31 December 2024	6,000,000	478,175,568	£0.034	

8 Subsequent events

In October 2024, the Company signed an exploration and option agreement relating to three highly prospective gold projects in Queensland, Australia with EMX Broken Hill Pty Ltd and EMX - NSW 1 Pty Ltd, both wholly owned subsidiaries of EMX Royalty Corp ("EMX") which is listed on the Toronto and New York Stock Exchanges.

In November 2024 Lee Daniels and Lindsay Mair resigned from the Board, being replaced by Jonathan Evans, as non-executive director, shortly thereafter.

Mila completed a detailed review of historic data at the Yarrol site in EMX which has now provided a clearer understanding of key mineralized features focusing along a 2km section of the broader ~20km-long Yarrol fault. The analysis confirms well-defined low-magnetic zones to the east of an intrusive orebody, with historic high-grade gold intercepts closely associated with these zones.

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