

# **Mila Resources Plc**

## **Financial Statements**

**For the year ended  
30 June 2023**

**Registered number 09620350 (England and Wales)**

**MILA RESOURCES PLC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**MILA RESOURCES PLC  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

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**DIRECTORS AND ADVISORS**

<b>Directors</b>	Mark Stephenson Lee Daniels Neil Hutchison Lindsay Mair
<b>Company Secretary</b>	Nick Foster
<b>Registered Office</b>	65 Gresham Street London EC2V 7NQ
<b>Independent Auditor</b>	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
<b>Solicitors</b>	Kepstorn 7 St James Terrace Lochwinnoch Road Kilmacolm PA13 4HB
<b>Bankers</b>	HSBC 50 Church Road Burgess Hill RH15 9AE
<b>Registrars and Transfer Office</b>	Link Market Services (trading as Link Group) 6 <sup>th</sup> Floor 65 Gresham Street London EC2V 7NQ
<b>Financial Public Relations</b>	St Brides Partners Limited 22 Bishopsgate London EC2N 4BQ
<b>Registered Number</b>	09620350
<b>Website</b>	<a href="http://www.milaresources.com">www.milaresources.com</a>

**MILA RESOURCES PLC**  
**STATEMENT FROM THE BOARD**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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 8<sup>th</sup> 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.

**MILA RESOURCES PLC**  
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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 16<sup>th</sup> 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 8<sup>th</sup> 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

The directors present the strategic report for the year ended 30 June 2023.

**Understanding our business**

The Company was incorporated on 3 June 2015, with the view of pursuing an initial public offering of its securities onto the London Stock Exchange through a Standard Listing to raise the necessary funds required for the execution of the business strategy, which is to buy asset(s) or business(es) acting as a post discovery accelerator. The Company identifies target(s) that have already had an early-stage geological discovery. To date one successful acquisition has been made, an initial 30% interest in the Kathleen Valley Gold Project in Western Australia. Whilst additional targets will be sought, the current priority is to develop and unlock the potential in the initial gold exploration project.

**Review of the business and Key Performance Indicators (KPIs)**

<b>FY2023 KPIs</b>	<b>Measurement</b>	<b>2023 Performance</b>
Identify business(s) / asset(s) that meet the Company's strategic objectives and investment criteria.	Successful identification and development of proven projects	Added Alastair Goodship, an exploration geologist with significant experience in leading discovery-focused exploration teams in a diverse range of environments and jurisdictions globally, to the team. Targets continue to be identified as to potential suitability.
Ensure business adequately funded.	The Company's cash reserves	The Company successfully raised £908,000 (before costs) in Oct/Nov 2022, and an additional £2m (before expenses) in October 2023 (this is contingent on shareholder approval at the General Meeting on 8 Nov 2023) hence, until the fund raise is approved a material uncertainty exists which may cause significant doubt about the ability to continue to trade as a going concern. The company continues to explore all funding options to ensure the Company is adequately funded.
Continued Operational activity in the gold exploration project in Western Australia.	Delivering results from Drilling / Assays.	The Company continued the drilling campaign building a better and more complete picture of the geological system

**Business review**

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

**Principal risks and uncertainties**

Exploration and development of a project can be adversely affected by environmental legislation and the unforeseen results of environmental studies carried out during that evaluation.

As the Company undertakes mineral exploration, any disturbance to the environment during this phase is required to be rehabilitated, with the prevailing regulations of the country in which we operate as well as to international best-practice.

Given the Company's size and scale it is not considered practical or cost effective to collect and report data on carbon emissions.

**MILA RESOURCES PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The principal risks currently faced by the Company relate to:

*Loss of Key Personnel*

The Company has three Executive Directors and one Non-Executive Directors. It does not have any other employees. The executive function of the Company is conducted by the three Executive Directors; hence due to the small number people performing the executive function there is a risk that the execution of this function is considerably effected should one or more directors resign from the board. The Company has established a Remuneration Committee that monitors the Directors remuneration packages and seeks to ensure that said packages are competitive in contrast to market peers.

*Acquiring Less than Controlling Interests*

Regarding future potential acquisition targets, the Company may acquire less than whole voting control of, or less than a controlling equity interest, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

The Company has acquired less than a controlling equity interest in the Kathleen Valley Project. The Company acquired an initial 30% interest, which was the first stage of a three-part earn in agreement. This does not limit the Company's operational strategies as the Company has full control over the operations and maintains the ability to earn a controlling stake.

*Inability to Fund Operations Post-Acquisition*

The Company may be unable to fund the operations at the Kathleen Valley Project or other projects it invests in if it does not obtain additional funding, however, the Company will ensure that appropriate funding measures are taken to ensure minimum commitments are met. See the going concern assessment on page 24.

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

Regarding future potential acquisitions, the Company is dependent on the Directors to identify potential acquisition opportunities and to execute an acquisition.

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

*Risks Inherent in an Acquisition*

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

*Reliance on External Advisors*

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

*Reliance on Income from the Acquired Activities*

Following an acquisition of an initial 30% interest in the Kathleen Valley Project, the Company may be dependent on the income generated by the acquired project or from the subsequent divestment of the acquired business to meet the Company's expenses. If the acquired business is unable to provide the

**MILA RESOURCES PLC**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares. This risk can be mitigated by sourcing money through other means, eg. capital raisings.

*Political conditions and government regulations could change and have a material effect on the Company's results of operations*

Political conditions in jurisdictions in which the Company currently operates its exploration and evaluation activities, namely Western Australia, are generally stable. However, changes may occur in their political, fiscal and/or legal systems, which might adversely affect the Company's operations.

Although the Company believes that its activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules, laws and regulations will not be enacted, or that existing or future rules and regulations will not be applied in a manner which could serve to limit or curtail exploration or development of the Company's business or have an otherwise negative impact on its activities.

**Gender analysis**

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

	Male	Female
Directors	4	nil

**Corporate social responsibility**

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

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

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

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**FOR THE YEAR ENDED 30 JUNE 2023**

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**Section 172 Statement**

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders and other matters in their decision making. The Directors continue to have regard to the interests of the Company's stakeholders, however it should be noted that Mila is a relatively small company; with the full complement of staff consisting of only three executive directors and one non-executive director; no employees and the impacts of its activities is currently limited to a single gold exploration project in Western Australia. This statement forms part of the strategic report.

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

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

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

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

<b>Significant events/decisions</b>	<b>Key s172 matter(s) affected</b>	<b>Actions and Consequences</b>
Fund Raise of £0.9m (excluding costs). After year end an additional Fund Raise of £2.0m (excluding costs), subject to ratification by shareholders at a General Meeting	Business Relationships and Shareholders.	This has enabled the exploration and development of the Kathleen Valley Project asset in the year. The post year end raise, once approved, will allow the Company to advance the project
Advancement of geological understanding of the region of the Company's current acreage	Shareholders, staff and Business Relationships.	The Company continued the drilling campaign; building a better and more complete picture of the geological system

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**STRATEGIC REPORT**  
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Enhanced interaction with the Traditional Land Owners.

Local Community and Environment.

The Company has invested time and effort to engage with the Tjiwarl group to assist with ground clearance, operational standards and improvement drill contractor induction procedures.

Post year end - entered into a partnership with Australia's leading lithium company, Liontown Resources, who will explore for lithium targets on our project

Shareholders, staff and Business Relationships.

Liontown are to explore for lithium on our project. In addition, they bring a lot of intangible value to project by sharing geological and technical information and their expertise in the region generally. Liontown will undertake preliminary social and environmental programmes before commencement of the exploration. The Company will have access to all assay information developed.

Enhanced environmental monitoring

Local Community and Environment.

The Company continued to engage the services of a local ecology company to assist with field audits, flora and fauna studies and monitoring and general advice to meet regulatory requirements.

Finally, to you, our shareholders, thank you for your trust and support. I hope you stay safe and well and I look forward to meeting you face to face at the next Company event.

This report was approved by the board on 31 October 2023 and signed on its behalf.



Mark Stephenson  
Executive Director

**MILA RESOURCES PLC**  
**KEY PERSONNEL**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The only employees in the Company are the Directors, who are all considered to be key management personnel. Those employed by the Company during the year were as follow:

**Mark Stephenson (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.

**Neil Hutchison (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).

**Lee Daniels (Chief Financial Officer)**

Lee is an experienced qualified accountant (Australian Certified Practising Accountant). He has worked in London over the last two decades and has held senior finance roles with HSBC (Global Markets), Credit Suisse, ABN AMRO (Wholesale Markets) and LTSB (Group) (Distressed Debt Division). He has an established track record in Finance and Accounting, Change Management, Project Evaluation & Financial Modelling. Most recently, in the last few years, he has been working in the Oil and Gas industry for a public E&P company.

**Lindsay Mair (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, including SP Angel (which has a broad range of clients in the mining sector). He and has been a director of a number of listed and unlisted businesses and is non-executive chairman of Macaulay Capital plc, which is listed on Aquis.

**MILA RESOURCES PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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The Directors present their report and the audited financial statements for the year ended 30 June 2023. The Company was incorporated on 3 June 2015. For the subsequent events that occurred after the year end please refer to note 19.

**Principal Activity**

The principal activity of the Company during the year period was continued exploration and developments of the Kathleen Valley acreage. In addition, the Company continues the search of identifying potential companies, businesses or asset(s) for acquisition acting as a post discovery accelerator.

**Results**

The Company made a loss for the financial year ended 30 June 2023 of £549,487 (2022: £1,011,445).

**Dividends**

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend (2022: £nil).

**Directors**

The Directors who served at any time during the year were:

- Mark Stephenson      Executive Chairman
- Neil Hutchison        Chief Technical Officer
- Lee Daniels            Chief Financial Officer
- Lindsay Mair          Non-Executive Director

Details of the Directors' holding of Ordinary Shares, Warrants and Options are set out in the Directors' Remuneration Report from page 21.

**Capital Raise**

During the year the Company concluded a £908,000 fund raising (before costs) by issuing 30,266,651 new ordinary shares ("Investor Shares") at 3p each. The shares carry equal voting rights and rank pari passu for the distribution of dividends and repayment of capital. 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.

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**DIRECTORS' REPORT**  
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### Share Capital

Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 12.

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

### Substantial Shareholdings

At 27 October 2023, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
TRANS PACIFIC ENERGY GROUP PTY LTD	83,543,197	24.8%
THE BANK OF NEW YORK (NOMINEES)	48,736,349	14.5%
JIM NOMINEES LIMITED	19,074,132	5.7%
DIVERSIFIED MINERALS PTY LTD	15,448,370	4.6%
HARGREAVES LANSDOWN (NOMINEES)	13,652,632	4.1%
HARGREAVES LANSDOWN (NOMINEES)	13,246,069	3.9%
AURORA NOMINEES LIMITED	11,840,175	3.5%
INTERACTIVE INVESTOR SERVICES	11,676,837	3.5%
CANTOR FITZGERALD EUROPE	10,752,665	3.2%
HSDL NOMINEES LIMITED	10,151,416	3.0%

### CORPORATE GOVERNANCE STATEMENT

The Company has chosen not to follow the UK Code of Corporate Governance due to the size of the Company and consider the "Quoted Companies Alliance (QCA)" code more appropriate for a Company of its size.

The Company has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (the "QCA Code"). This statement sets out how the Company complies with the 10 principles of the QCA Code.

The Board recognises the principles of the QCA Corporate Governance Code, which focus on the medium to long term value for shareholders, without stifling the entrepreneurial spirit in which small sized Companies such as Mila Resources have been created. The Company sets out below its annual update on its compliance with the QCA Code.

The QCA Code outlines 10 core principles that should be applied. These are listed below together with a short explanation of how the Company applies each of the principles. The Company has adopted a share dealing code for the Board and future employees that may join the Company.

### MILA RESOURCES QCA CORPORATE GOVERNANCE COMPLIANCE

#### STRATEGY & BUSINESS MODEL

The Company's strategy is to identify, evaluate and acquire, asset(s) or business(s) acting as a post discovery accelerator. The Company identifies target(s) that have already had an early-stage geological discovery. To date one successful acquisition has been made, an initial 30% interest in the Kathleen

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Valley Gold Project in Western Australia. Whilst additional targets will be sought, the current priority is to develop and unlock the potential in the initial gold exploration project.

Since the IPO the Company has been engaged in searching for and evaluating specific targets (business or asset) that were compatible with the Company's Business Strategy. During this time suitable businesses and assets were initially identified, however, other than the transaction on Kathleen Valley, these other proposed transactions were abandoned for specific reasons relating to each individual proposed transaction.

The Company has structured a lean organisation that is focused on maximising the potential returns to shareholders through carefully targeted acquisition(s), and future development with the aim of accelerated exploration and evaluation. The Company, as appropriate, uses a combination of in-house expertise and external consultants to manage operations.

Mila seeks to keep general and administrative overhead costs to a minimum, whilst balancing the need to hire and retain the most suitable personnel, advisors and contractors, to maximise the future potential returns to shareholders. Given the small size of the Company, corporate and operating costs are closely monitored by management to ensure appropriate levels of spending.

The Board of Directors participate in a formal board meeting at the end of each calendar month. In addition, and due to the small size of the Company and corresponding board (three executive directors plus one non-executive director), the Board often communicate daily or even semi-daily. During these formal and informal meetings, they discuss, amongst other items, the strategic direction and operational status of the Company. As a result, all significant deviations are highlighted to the Board promptly.

#### **UNDERSTANDING AND MEETING SHAREHOLDER NEEDS AND EXPECTATIONS**

Company progress on achieving its key targets are regularly communicated to investors through stock exchange announcements, i.e Regulatory News Service ("RNS"). These can also be found under the 'News and Media' section of the Company's website. The Company retains the services of a professional corporate communications firm who actively engages with the press, investors, analysts, to ensure shareholders understand the Company's operations and activities.

The Company also uses professional advisors such as a Corporate Broker, Corporate Advisor, Corporate Communications specialists, Company Secretarial services and General Legal Counsel to advise and make recommendations on various shareholder considerations as they arise.

As the directors remain in close contact with each other any shareholder considerations identified can be quickly identified, discussed and shared with the other professional advisors ensuring that all are responded to in an efficient and timely manner.

The Annual General Meeting is one of the most important events for the Company and its shareholders. The Company sees this occasion as an important opportunity to communicate directly with shareholders via detailed presentations and an open question and answer session. Additionally, the Company holds regular investor seminars. These are open to current and prospective shareholders. They are an effective way for shareholders to meet the management team and provides an opportunity for Q&A.

Over the past year, the Company considers that it has communicated with a significant portion of its shareholder base and has a clear understanding of shareholder expectations. Contact details are provided

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**DIRECTORS' REPORT**  
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on the Company's website and within public documents, should shareholders wish to communicate with the Company.

**TAKING INTO ACCOUNT WIDER STAKEHOLDER & SOCIAL RESPONSIBILITIES AND THEIR IMPLICATIONS FOR LONG-TERM SUCCESS**

The Directors recognise their responsibilities to stakeholders including the State of Western Australia, Wiluna-Norseman gold belt, staff, partners, suppliers, vendors, residents and local traditional landowners within the areas it operates. Given the Company's modest size at present, stakeholders are easily able to communicate directly with executive management and the public relations company, allowing the Board to act quickly and appropriately on such communication.

The Company is very sensitive of its impact on the environment in its current and all future operating environments. Measures have been implemented to ensure that each person working on our projects - whether company staff, contractors or subcontractors - are informed of the environmental, social and cultural concerns that relate to that region / project, with the obvious aim of minimizing any adverse impacts. Regarding the Kathleen Valley Project, the Company has engaged the services of a local ecology company to assist with field audits, flora and fauna studies and monitoring and general advice to meet regulatory requirements. In addition, the Company has established significant interaction with the traditional land owners (Tjiwarl Group) seeking their assistance with ground clearance, operational standards and improvement drill contractor induction procedures.

Stakeholders can contact the Company via the website or can contact the Company's retained corporate communications advisers when required.

**EMBEDDING EFFECTIVE RISK MANAGEMENT**

The Board has regular calls to discuss operational issues and key risks, amongst other relevant topics. Where applicable the Company's corporate advisor, general counsel and / or corporate communications adviser will attend. Fortnightly operational and management conference calls are conducted (during periods of exploration and evaluation activity) to identify and discuss key business challenges and risk areas. The Board believes that this regular program of internal communications provides an effective opportunity for potential or real-time risks to be identified, considered and addressed in a timely manner.

The Company's exploration and evaluation activities are subject to a variety of risks, both financial and operational, more information on risk can be found on pages 8 to 9 .

Given the Company's current size and stage of its development, the Board considers that the executive management team, including oversight from the non-executive Director and the Company's professional advisers, are sufficient to identify risks applicable to the Company and its operations and to implement an appropriate system of controls. It should be noted that currently the Company contracts all of its exploration activities to an experienced operator in Western Australia. The directors are of the opinion that the established systems for internal control within the Company are appropriate for the size and cost structure of the business.

An internal audit function is not considered necessary or practical at present due to the size of the Company and the close day-to-day control exercised by the executive directors. However, the need for an internal audit function will continue to be considered as the Company grows.

**MILA RESOURCES PLC  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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The audit committee meets at least twice per year where the internal and financial controls are reviewed as required and assets are also assessed for impairment considerations.

## **MAINTAINING A BALANCED AND WELL-FUNCTIONING BOARD**

The Directors acknowledge the importance of, and their collective responsibility for, implementing and maintaining high standards of corporate governance. The Board is responsible for establishing and maintaining the system of internal controls. The effectiveness of the Company's system of internal control is reviewed annually by the Audit Committee of the Board.

### **The Board**

The Board is currently comprised of three executive directors and one non-executive Director. The independent Company Secretary is a partner in a law firm and who is a specialist in providing company secretarial services to listed companies. This composition is considered to be an appropriate balance given the Company's current size; however, the Board may look to appoint an additional independent director in due course if considered appropriate. The Board is responsible to the shareholders for the proper management of the Company. It meets regularly to set and monitor strategy, examine commercial opportunities, identify and consider key risks, consider capital expenditure projects and other significant financing matters and report to shareholders.

Biographical details of the directors can be found on the Company's website and on page 12.

The QCA Code does not offer a definition of independence with respect to directors, so in forming a view on the independence of directors the Company has sought guidance by reference to the guidelines outlined in the FCA's UK Corporate Governance Code. In any event, the Board exercises discretion in making the determination of director independence which is kept under review on an annual basis. The non-executive director, Lindsay Mair, is currently considered to be independent.

The Board has a number of committees as explained below.

### **Audit Committee**

A formal Audit Committee was established in the year ending 30 June 2022. The Committee consists of Lindsay Mair (Chairman) and Mark Stephenson. The Committee provides a forum through which the Company's finance functions and auditors report to the Directors. Meetings may be attended, by invitation, by the Company Secretary, other directors and the Company's auditors.

The Audit Committee meets at least twice a year. Its terms of reference include the review of the Annual and Interim Accounts, consideration of the Company's accounting policies, the review of internal control, risk management and compliance procedures, and consideration of all issues surrounding publication of interim and annual financial results and the annual audit. The Audit Committee will also interact with the auditors and review their reports relating to accounts and internal control systems.

### **Remuneration Committee**

A formal Remuneration Committee has been established. The Committee consists of Mark Stephenson (Chairman) and Lindsay Mair. The Committee meets as required. Its role is to determine the remuneration of the Directors and any senior employees. In addition, the committee has the responsibility for performance review of the executive Directors and Senior Management, and for oversight of the Company's incentive schemes. No Director is involved in deciding their own remuneration.

### **Nominations Committee**

A formal Nominations Committee has been established. The Committee consists of Mark Stephenson (Chairman) and Lee Daniels. The Committee meets as required. Its role is to consider the Company's potential board of directors and other key management roles and the appointment or re-appointment of Directors.

### **HAVING APPROPRIATE EXPERIENCE, SKILLS AND CAPABILITIES ON THE BOARD**

The Board of directors has a mix of experience, skills—both technical and commercial—and personal qualities that seek to deliver the strategy of the Company. The Company will ensure that the directors have the necessary up-to-date experience, skills and capabilities to deliver the Company's strategy and targets. If the Company identifies an area where additional skills are required, the Company will often contract an appropriately qualified third party to advise as required. Each director is listed on the Company's website and in the annual report, along with a clear description of their role and experience. The Company recognises that it currently has a limited diversity, including a lack of gender balance, and this will be considered in future recruitment decisions if the board decides that additional directors are required.

### **EVALUATING BOARD PERFORMANCE**

Given the Company's current size, the Board has not considered it necessary to undertake a formal assessment of the Board performance and effectiveness, however, any deficiencies in Board performance and effectiveness would be identified on an ad hoc basis.

### **ETHICAL VALUES & BEHAVIOURS**

The Company has developed a corporate culture that is founded on ethical values and behaviours and treats stakeholders fairly and with respect. The Company does not yet have any employees apart from the Board, however, should such a circumstance arise the Board would be expected to communicate regularly with staff, through meetings, conference calls, presentations, etc. The Company strongly advocates a respectful, dialogue with employees, consultants and other stakeholders.

### **MAINTAINING GOVERNANCE STRUCTURES AND PROCESSES**

Ultimate authority for all aspects of the Company's activities resides with the Board, with the respective responsibilities of the Chairman, the Executive Directors and the various committees arising as a result of delegation by the Board. Given the constraints of balancing a small, cost-conscious Board with a desire to maintain high standards of Corporate Governance, the Board has active, structured and regular internal communication, including regular conference calls where significant matters are tabled and discussed. All the executive directors have designated roles and areas of responsibility and engage with the Company's shareholders and stakeholders in accordance with relevant regulatory guidelines. There are a number of matters reserved for the Board's review and approval including, strategy, approval of major capital expenditure projects, approval of the annual and interim results, fundraising, dividend policy and Board structure. It monitors the exposure to key business and operational risks and reviews the strategic direction of the Company and its operations. The Board considers its current governance structures and processes as appropriate in the context of its current size, headcount and complexity. The audit committee meets at least twice per year where internal and financial controls are reviewed as required and assets are also assessed for impairment considerations.

## **COMMUNICATING WITH SHAREHOLDERS AND OTHER RELEVANT STAKEHOLDERS**

Page 10 of the Financial Statements presents the section 172 statement which discusses how the Company considers the interests of shareholders and other relevant stakeholders in the decision making process.

In addition, the Company publishes historical annual reports, notices of meetings and other publications, including regular operational updates, since the original IPO. These can be found on the Company's website.

The Board is committed to maintaining good communication and having dialogue with private and institutional shareholders, as well as analysts. In addition to the Annual General Meeting, the Company endeavours to arrange shareholder presentations (in person or via Webinar, Zoom or Microsoft Teams), allowing shareholders to discuss issues and provide feedback as appropriate. The Company also retains the services of a specialist corporate communications advisor to assist in promoting awareness of the Company's activities to its shareholders and wider audience.

The Board have not published an audit committee or remuneration committee report, which the Board considers to be appropriate given the size and stage of development of the Company.

Regarding a general meeting of the Company, upon the conclusion of that meeting the results of the meeting are released through a regulatory news service and a copy of the announcement is posted on the Company's website. In a situation such as where there is a significant proportion of votes cast against a resolution then, where relevant, an explanation would be provided.

### **Market Abuse (Amendment) (EU Exit) Regulations 2019**

The EU Market Abuse Regulation came into effect in the UK on 3 July 2016 and the Company has implemented relevant policies and procedures to ensure compliance with the requirements of the regime. The Company administers compliance in-house, consulting with the company secretary and legal counsel regularly.

**Statement of Directors' Responsibilities in respect of the Annual Report and the financial statements**

The Directors are responsible for preparing this report and the financial statements in accordance with applicable United Kingdom law and regulations and the UK adopted International Accounts Standards ("UK-adopted IAS")

Company law requires the Directors to prepare financial statements for each financial period which present fairly the financial position of the Company and the financial performance and cash flows of the Company for that period.

In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK adopted IAS have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Company financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that comply with that law and those regulations, and for ensuring that the Annual report includes information required by the Listing Rules of the Financial Conduct Authority.

The financial statements are published on the Company's website <http://www.milaresources.com/> The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom covering the preparation and dissemination of the financial statements may differ from legislation in their jurisdiction.

The Directors confirm that to the best of their knowledge:

- the Company financial statements, prepared in accordance with UK adopted IAS, give a true and fair view of the assets, liabilities, financial position and profit of the Company;
- this Annual report includes the fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that it faces; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide information necessary for shareholders to assess the Company's performance, business and strategy.

**MILA RESOURCES PLC**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Auditors and disclosure of information to auditors**

The Directors who held office at the date of approval of the Directors' Report confirm that:

- so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware; and
- each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

The auditors, PKF Littlejohn LLP, were appointed by the Directors of the Company on 22 November 2018. They have expressed their willingness to continue in office and a resolution to reappoint them will be proposed at the Annual General Meeting.

**Directors' Remuneration Report**

***Remuneration Policies (unaudited)***

Following the completion of the acquisition in November 2021, Remuneration and Nominations Committees were established. The purpose of the remuneration policy is to attract, retain and motivate Executive Directors and senior management of a high calibre with a view to encouraging commitment to the development of the Company and for long term enhancement of shareholder value.

Directors also receive reimbursement for expenses incurred whilst performing services for the Company.

**Service contracts (unaudited)**

The Executive Directors have entered into Service Agreements with the Company and continue to be employed until terminated by the Company.

In the event of termination or loss of office the Director is entitled only to payment of his basic salary in respect of his notice period. In the event of termination or loss of office in the case of a material breach of contract the Director is not entitled to any further payment.

Executive Directors are allowed to accept external appointments with the consent of the Board, provided that these do not lead to conflicts of interest. Executive Directors are allowed to retain fees paid.

The contracts are available for inspection at the Company's registered office.

***Implementation Report***

**Particulars of Directors' Remuneration (audited)**

Particulars of directors' remuneration, including directors' warrants which, under the Companies Act 2006 are required to be audited, are given in Notes 5 and 12 and further referenced in the Directors' report.

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**DIRECTORS' REPORT**  
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Remuneration paid to the Directors' during the year ended 30 June 2023 was:

Directors	Total £
Mark Stephenson	80,000
Lee Daniels	80,000
Neil Hutchison	50,000
Lindsay Mair (Non-executive director)	40,000
	250,000

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

Director	At 30 June 2022	Granted during the year <sup>(1)</sup>	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	-	22,000,000			

Bonus and incentive plans (audited)

The Company has established an EMI Option Scheme.

On the 10th of December 2021 the Company announced that it had established the EMI share option scheme (the "EMI Options") as outlined in the prospectus dated 29 October 2021 ("Prospectus").

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			

Percentage change in the remuneration of the Chief Executive (unaudited)

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The Company does not have a Chief Executive and therefore no CEO disclosure has been presented.

Other matters (unaudited)

The Company does not have any pension plans for any of the Directors and does not pay contributions in relation to their remuneration. The Company has not paid out any excess retirement benefits to any Directors.

Directors' interests in shares (audited)

The Company has no Director shareholder requirements.

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2023 was:

	Number	% of issued share capital
Mark Stephenson	6,116,761	1.82%
Lee Daniels	1,541,667	0.46%
Lindsay Mair	1,041,666	0.31%
	<hr/>	
	8,700,094	2.59%

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2022 was:

	Number	% of issued share capital
Mark Stephenson	6,116,761	2.00%
Lee Daniels	1,541,667	0.50%
Lindsay Mair	1,041,666	0.34%
	<hr/>	
	8,700,094	2.84%

**Disclosure and Transparency Rules**

Details of the Company's share capital and warrants are given in Notes 15 and 16. There are no restrictions on transfer or limitations on the holding of the ordinary shares. None of the shares carry any special rights with regard to the control of the Company. There are no known arrangements under which the financial rights are held by a person other than the holder and no known agreements or restrictions on share transfers and voting rights.

As far as the Company is aware there are no persons with significant direct or indirect holdings other than the Directors and other significant shareholders as shown on page 14.

The provisions covering the appointment and replacement of directors are contained in the Company's articles, any changes to which require shareholder approval. There are no significant agreements to which the Company is party that take effect, alter or terminate upon a change of control following a takeover bid and no agreements for compensation for loss of office or employment that become effective as a result of such a bid.

### **Requirements of the Listing Rules**

Listing Rule 9.8.4 requires the Company to include certain information in a single identifiable section of the Annual Report or a cross reference table indicating where the information is set out. The Directors confirm that there are no disclosures required in relation to Listing Rule 9.8.4.

### **Financial Instruments**

The Company has exposure to credit risk, liquidity risk and market risk. Note 17 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

### **Energy and carbon report**

The company is aware that it is required to measure its operational carbon footprint in order to limit and control the impact on the environmental. During the year under review, the Company's operations were limited to drilling exploration holes. Hence, given the very limited nature of these operations, it has not been practical to measure its carbon footprint.

Going forward in the future, the company will only measure the impact of its direct activities, as the full impact of the entire supply chain of its suppliers cannot be measured practically.

The company is exempt from the Streamlined Energy & Carbon Reporting (SECR) requirements since energy consumption is less than 40,000 kWh of energy in the reporting year.

The Task Force on Climate-related Financial Disclosures (TCFD) aim to provide investors, lenders, and other stakeholders with information necessary to assess climate-related risks and opportunities. The Company takes various actions throughout our local operations to mitigate the potential impacts of our activities. We recognise the benefits of disclosing climate-related financial information, but due to our small scale and early stage of development, have not yet fully implemented the TCFD recommendations.

### **Events after the reporting period**

Details on events after the reporting period please see note 19 of the Notes to the Financial Statements.

### **Directors' Indemnity Provisions**

The Company has implemented Directors and Officers Liability Indemnity insurance.

### **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 although the Company was in a net current asset position at 30 June 2023 and has raised £908,000 (before expenses) during the year.

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Post year end, the Company announced (2<sup>nd</sup> of 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 approval by shareholders at a general meeting.

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 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.

Further details are given in Note 2.3. to the Financial Statements.

**Donations**

The Company made no political donations during the year (2022: £nil).

**ON BEHALF OF THE BOARD**



Lee Daniels

Executive Director

31 October 2023

**MILA RESOURCES PLC**  
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**Opinion**

We have audited the financial statements of Mila Resources Plc (the 'company') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Material uncertainty related to going concern**

We draw attention to note 2.3 in the financial statements, which indicates that the company incurred a loss for the year of £549,487 during the year ended 30 June 2023 and that the company is dependent on raising further finance in order to fund its forecasted expenditures 12 months from the anticipate date of sign off. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included reviewing and challenging cashflow forecasts prepared by management covering the 12 months from the approval of these financial statements and the related key assumptions and inputs, ascertaining the company's current financial position and cash reserves, checking the mathematical accuracy of the forecasts and discussing their strategies regarding future fund raises.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILA RESOURCES PLC**  
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**Our application of materiality**

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the financial statements was set at £122,000 (2022: £116,000) based upon 2% of gross assets (2022: 2% of gross assets). Materiality has been based upon gross assets due to the significant asset balances in the Statement of Financial Position, including the exploration and evaluation asset.

Performance materiality and the triviality threshold for the financial statements was set at £91,500 (2022: £87,000) and £6,100 (2022: £5,800) respectively due our accumulated knowledge of the company.

We also agreed to report to the Audit Committee any other audit misstatements, below the triviality threshold established above, which we believe warranted reporting on qualitative grounds.

**Our approach to the audit**

In designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular we looked at areas involving significant accounting estimates and judgements by the directors and considered future events that are inherently uncertain, such as the recoverability of intangible assets. We also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material uncertainty related to going concern section we have determined the matters described below to be the key audit matters to be communicated in our report.

<b>Key Audit Matter</b>	<b>How our scope addressed this matter</b>
<b>Valuation of intangible assets (note 11)</b>	
<p><b>As at 30 June 2023, the company's capitalised exploration and evaluation costs had a carrying value of £5,606k (2022:£4,699k). The associated costs capitalised in the year ended 30 June 2023 totalled £1,092k (2022: £1,408k).</b></p> <p><b>Given the carrying value of intangible assets as at 30 June 2023 and the significant judgement required by the directors when assessing for</b></p>	<p>Our work in this area included but was not limited to:</p> <ul style="list-style-type: none"> <li>• Testing a sample of additions and vouching them to supporting documentation to ensure costs have been accurately capitalised in accordance with IFRS 6 and the company's accounting policies;</li> </ul>

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<p><b>impairment, there is a risk that intangible assets may be impaired and thus materially misstated.</b></p> <p><b>Additionally, due to the value of costs capitalised in the year and the judgement required in assessing whether those capitalised meet the recognition criteria per IFRS 6, there is a risk that some costs capitalised in the year do not meet the recognition criteria per IFRS 6 <i>Exploration for and Evaluation of Mineral Resources</i> and therefore intangible assets are materially misstated.</b></p>	<ul style="list-style-type: none"><li>• Obtaining confirmation that the company has good title to the applicable exploration licences, including new licences obtained during the year; and</li><li>• Obtaining the directors' review of indicators of impairment and considering whether any of the impairment indicators as per IFRS 6 have been met and if so whether any impairment was deemed necessary.</li><li>• Reviewing and challenging management's assessment that no impairment indicators have been met.</li></ul> <p><i>Key observations</i></p> <p>The exploration expenditure in the year has been appropriately capitalised in accordance with IFRS 6 and management's assessment of the recoverability of the intangible assets was deemed to be reasonable.</p>
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**Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the directors' remuneration report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and our cumulative audit knowledge and experience of the sector.

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- We determined the principal laws and regulations relevant to the company in this regard to be those arising from UK Company Law, rules applicable to issuers on the London Stock Exchange Standard List Main Market, including the Financial Conduct Authority Listing Rules and the Disclosure Guidance and Transparency Rules.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
  - Discussions with management regarding compliance with laws and regulations by the company;
  - Review of board minutes; and
  - Review of Regulatory News Service announcements made throughout the reporting period and post year-end.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was potential for management bias in relation to the valuation of the intangible assets and whether any impairment indicators were present. We addressed these risks by challenging the assumptions and judgements made by management when auditing these significant accounting estimates (see the Key audit matters section of our report).
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Other matters which we are required to address**

We were appointed by the Board of directors on 22 November 2018 to audit the financial statements for the period ending 30 June 2019 and subsequent financial periods. Our total uninterrupted period of engagement is 5 years, covering the periods ending 30 June 2019 to 30 June 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

**Use of our report**

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This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**Daniel Hutson (Senior Statutory Auditor)**  
**For and on behalf of PKF Littlejohn LLP**  
**Statutory Auditor**

15 Westferry Circus  
Canary Wharf  
London E14 4HD

*31 October 2023*

**MILA RESOURCES PLC**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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	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)
<b>Loss on ordinary activities before taxation</b>		<b>(549,487)</b>	<b>(1,011,445)</b>
Income tax expense	6	-	-
<b>Loss and total comprehensive income for the year attributable to the owners of the company</b>		<b>(549,487)</b>	<b>(1,011,445)</b>
Earnings per share (basic and diluted) attributable to the equity holders (pence)	7	(0.17)	(0.52)

The above results relate entirely to continuing activities.

The accompanying notes on pages 36 to 53 form part of these financial statements.

**MILA RESOURCES PLC**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Notes	Year ended 30 June 2023 £	Year ended 30 June 2022 £
<b>NON-CURRENT ASSETS</b>			
Exploration and evaluation assets	8	5,605,870	4,698,625
		<u>5,605,870</u>	<u>4,698,625</u>
<b>CURRENT ASSETS</b>			
Trade and other receivables	9	135,459	22,568
Cash and cash equivalents	10	448,063	1,096,084
		<u>583,522</u>	<u>1,118,652</u>
<b>TOTAL ASSETS</b>		<b><u>6,189,392</u></b>	<b><u>5,817,277</u></b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	312,938	210,760
<b>TOTAL LIABILITIES</b>		<b><u>312,938</u></b>	<b><u>210,760</u></b>
<b>NET ASSETS</b>		<b><u>5,876,454</u></b>	<b><u>5,606,517</u></b>
<b>EQUITY</b>			
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)
<b>TOTAL EQUITY</b>		<b><u>5,876,454</u></b>	<b><u>5,606,517</u></b>

The accompanying notes on pages 36 to 53 form part of these financial statements.

These financial statements were approved by the Board of Directors on 31 October 2023 and were signed on its behalf by:



Lee Daniels

Executive Director

**Company number: 09620350**

**MILA RESOURCES PLC**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	12 months to 30 June 2023 £	12 months to 30 June 2022 £
<b>Cash flows from operating activities</b>		
Loss for the year	(549,487)	(1,011,445)
Adjustments for:		
Warrants / Options expense (non-cash)	-	493,232
Operating cashflow before working capital movements	<u>(549,487)</u>	<u>(518,213)</u>
(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	<u>(560,200)</u>	<u>(478,369)</u>
<b>Cash flow from investing activities</b>		
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	<u>(907,245)</u>	<u>(2,044,840)</u>
<b>Cash flow from financing activities</b>		
Proceeds from share issues	908,000	3,358,740
Issue costs paid in cash	(88,576)	(69,075)
Net cash inflow from financing activities	<u>819,424</u>	<u>3,289,665</u>
Net (Decrease)/Increase in cash and cash equivalents	(648,021)	766,456
Cash and cash equivalents at beginning of the year	<u>1,096,084</u>	<u>329,628</u>
<b>Cash and cash equivalents at end of the year</b>	<u>448,063</u>	<u>1,096,084</u>

**MILA RESOURCES PLC**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
<b>Balance at 30 June 2021</b>	<b>232,000</b>	<b>849,300</b>	<b>4,720</b>	<b>(1,259,208)</b>	<b>(173,188)</b>
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
<b>Balance at 30 June 2022</b>	<b>3,065,511</b>	<b>4,267,846</b>	<b>543,813</b>	<b>(2,270,653)</b>	<b>5,606,517</b>
Total comprehensive income for the year	-	-	-	(549,487)	(549,487)
<b>Transactions with Shareholders</b>					
Expired Warrants	-	-	(4,720)	4,720	-
Capital Raising - Issue of shares	302,667	605,333	-	-	<b>908,000</b>
Capital Raising - Issue costs	-	(88,576)	-	-	(88,576)
<b>Balance at 30 June 2023</b>	<b>3,368,178</b>	<b>4,784,603</b>	<b>539,093</b>	<b>(2,815,420)</b>	<b>5,876,454</b>

The accompanying notes on pages 36 to 53 form part of these financial statements.

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**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).

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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<sup>nd</sup> of 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 the 8<sup>th</sup> of November.

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 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

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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- (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.

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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### **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

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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.

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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 <sup>(1)</sup>	-	493,232
Other expenses	248,951	172,142
Operating expenses	<u>549,487</u>	<u>1,011,445</u>

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

**4. AUDITOR'S REMUNERATION**

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

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**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.

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

**6. TAXATION**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
The charge / credit for the year is made up as follows:		
Current tax	-	-
Deferred tax	-	-
	<hr/>	<hr/>
Taxation charge / credit for the year	-	-
	<hr/>	<hr/>

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)
	<hr/>	<hr/>
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
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

**MILA RESOURCES PLC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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	<u>5,605,870</u>	<u>4,698,625</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Prepayments and other receivables	135,459	22,568
	<u>135,459</u>	<u>22,568</u>

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

**10. CASH AND CASH EQUIVALENTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Cash at bank	448,063	1,096,084
	<u>448,063</u>	<u>1,096,084</u>

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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Trade payables	55,457	36,722

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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 <sup>(1)</sup>	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

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6,000,000                      -                      6,000,000

**13. SHARE BASED PAYMENT RESERVE AND SHARE BASED PAYMENTS**

**SHARE BASED PAYMENT RESERVE**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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

<b>Warrants and Options in Issue</b>	<b>Number of Options in Issue</b>	<b>Number of Warrants in Issue</b>	<b>Weighted average exercise price</b>	<b>Expiry date</b>
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 GBPO.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

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Prospectus has been issued and the shareholder approval is being sought at a general meeting to be held on the 8<sup>th</sup> of 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**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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	<u>583,522</u>	<u>1,107,604</u>

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**Financial liabilities by category**

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

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:

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

**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:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Bank balances	448,063	1,096,084
	<u>448,063</u>	<u>1,096,084</u>

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 SUBSEQUENT TO YEAR END**

### **Fund Raise – post year end**

Post year end, the Company announced on the 2<sup>nd</sup> 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.

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**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.