

24 March 2017

Mila Resources Plc
(“Mila” or “the Company”)
Interim Results

Mila Resources Plc, a London listed natural resources company, is pleased to present its interim results for the six-month period ended 31 December 2016.

Highlights:

- Listed on the Main Market of the London Stock Exchange in October 2016, following a £1 million fundraising, with a vision to build Mila into an established, mid-tier mining company
- Defined development strategy in place to identify effectively, acquire and scale projects – focused on:
 - Pre-development stage mining opportunities, which require minimal additional investment to unlock significant inherent value
 - Engaging with specialist development funding groups to secure both a source of attractive potential projects and to establish the framework for eliciting secondary project funding
 - Generating income from the full or partial divestment and/or farm-out of acquired projects, with the option to retain minority equity or royalty interests in order to recycle capital into the next acquisition project
- Currently in the process of screening a number of attractive acquisition opportunities with a view to entering into early stage discussions regarding potential future transactions

Statement from the Board

We have pleasure in presenting the condensed consolidated financial statements for Mila Resources Plc for the six-month period to 31 December 2016.

Operating Review

The period to the end of 2016 was dominated by the preparations for Mila’s listing on the London Stock Exchange and the search for a first acquisition.

We were delighted with the completion of our IPO in October 2016 and by the strong support received from investors. The Company successfully raised a little over £1 million to finance its strategy of identifying and investing in quality pre-development mining opportunities and the offering was over-subscribed. The support from our core investor base demonstrates both the resurgence of appetite for natural resources and the recognition of the quality of our management team. We are fortunate to boast an executive team with deep experience in natural resource corporate management and financing and privileged to be supported by an Advisory Committee (“AdCom”) comprised of world-class mining developers and investors. Together, we provide well in excess of 100 years of natural resources asset and corporate expertise.

Following our successful IPO, which was completed for a total cost of less than £50,000 – excluding capital raising fees – ensuring that none of the proceeds were spent on the listing itself, we have been dedicated to the search for projects for acquisition and investment, through which we believe we can generation substantial value for shareholders. The end of the commodity ‘super cycle’ and a wider decline in capital being invested in the exploration sector have left a number of highly attractive and prospective projects starved of funding in recent years; this presents an exciting opportunity for a new, well-supported entrant like Mila.

To date, the Board has assessed a large number of opportunities across the pre-development spectrum, from high-impact exploration, which offer huge value potential for typically minimal expenditure, to well-defined prefeasibility projects with strong underlying technical and commercial characteristics. Notwithstanding the stage of development, all opportunities are put through the same rigorous assessment procedure to determine shareholder value potential prior to the Company committing capital to begin detailed due diligence:

- Project status: assets are profiled based on location, commodity and stage of development. While Mila is not limited by geography or commodity, understanding the intrinsic technical and logistical demands of certain minerals is critical and having sufficient technical data is a key component in this analysis. Our goal is to make incisive investments to move high potential projects on to the next value milestone.
- Market and regulatory dynamics: mid-2016 has been viewed by many as the nadir of the recent natural resources cycle and impressive gains of unloved commodities like coal and iron ore, as well as new interest in certain speciality metals, has fuelled resurgent optimism in the market. However, this rebound has not extended to all metals and any recovery can only be described as nascent. While growth remains low in many key mineral-rich emerging economies, mining regulations may experience increased political interference and so appreciating future macro influences can be as important as understanding geology.
- Economic potential: prioritised opportunities are subject to financial screening to assess core asset value and determine key sensitives. While the principal goal of this exercise is to confirm economic potential and structure a suitable transaction, it also assists in formulation of future exploration programme planning.

The Company is committed to making an acquisition only once a project has demonstrated its potential for significant economic value enhancement. We believe strongly that the same principles of good capital discipline exercised during our listing should be exercised in our operation and minimising our cash burn during this appraisal process is paramount.

Like many of our peers, we believe that 2017 represents a turning point in the natural resources industry as investor interest returns to a long-deprived sector. We shall continue to be aggressive in our search for opportunities with high inherent value.

Financial Review

For the half year to 31 December 2016, the Company reports a net loss of £63,049 (2015: £13,546).

During the six-month period to 31 December 2016, the Company successfully completed its Standard Listing IPO onto the London Stock Exchange, raising £1.05m before costs.

Directors

The following directors have held office during the period:

George Donne

Anthony Eastman

Mark Stephenson

Corporate Governance

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

Responsibility Statement

The directors are responsible for preparing the Unaudited Interim Condensed Consolidated Financial Statements in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Conduct Authority (“DTR”) and with International Accounting Standard 34 on Interim Reporting (“IAS 34”). The directors confirm that, to the best of their knowledge, this condensed consolidated interim report has been prepared in accordance with IAS 34 as adopted by the European Union. The interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the six months ended 31 December 2016 and their impact on the condensed consolidated financial statements for the period, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Related party transactions that have taken place in the six months ended 31 December 2016 and that have materially affected the financial position of the performance of the business during that period.

Outlook

Over the next 12 months, we believe that the upturn in most commodities will be sustained and that investor interest in the natural resources sector should be maintained as underweight investors seek to rebalance their portfolios and benefit from a nascent recovery. However, the lessons of the wholesale value depletion of the end of the super cycle have been learned and companies will be judged not just the potential of their assets, but also on the quality of their management.

As your Board, our objectives for the rest of the year are:

- *Completion of our first acquisition:* As explained above, this is our primary goal, but any decisions on choice of target or transaction will be subject to thorough analysis by both the Board and AdCom. Mila is currently in discussions with a number of parties as part of its programme of assessing projects from early stage through to pre-feasibility and further disclosure will be made when appropriate;
- *Capital discipline:* We have demonstrated that as a team we are able to administer the Company and complete significant transactions with minimal expenditure. The intention when raising our new capital through our recent IPO was to reserve as much as possible for project investment and we shall adhere to that strategy as we seek to make opportunistic acquisitions; and
- *Strengthening corporate governance:* The current composition of an executive management team working with an independent AdCom is appropriate due to our current emphasis on business development. We are also committed to ensuring good governance practices and are moving to institute certain initiatives even in advance of an acquisition, including reviewing potential candidates for non-executive director roles.

With these core objectives at the centre of our strategy for 2017, we believe that during the next 12 months Mila can achieve its initial goal of completing a first acquisition and thereby making the opening steps of its development into a robust mining company. We look forward to sharing this journey with our shareholders.

On behalf of the board

George Donne

Director

23 March 2017

Unaudited Interim Statement of Comprehensive Income
For the six months ended 31 December 2016

	Notes	Six months to 31 Dec 2016 (unaudited) £	Period from 3 June 2015 to 30 Jun 2016 (audited) £	Six months to 31 Dec 2015 (unaudited) £
Revenue			-	-
Administrative expenses		(63,049)	(26,153)	(13,546)
Loss before taxation		(63,049)	(26,153)	(13,546)
Income tax expense	3	-	-	-
Loss for the year		(63,049)	(26,153)	(13,546)
Other comprehensive income / (loss)			-	-
Total comprehensive loss for the year attributable to equity holders		(63,049)	(26,153)	(13,546)
Loss per share (basic and diluted) attributable to equity holders (p)	4	(0.53)p	(0.74)p	(1.07)p

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

Unaudited Interim Statement of Financial Position
As at 31 December 2016

	Notes	31 Dec 2016 (unaudited) £	31 June 2016 (audited) £	31 Dec 2015 (unaudited) £
Current assets				
Cash at bank and in hand		1,018,806	62,368	70,760
		<u>1,018,806</u>	<u>62,368</u>	<u>70,760</u>
Current liabilities				
Trade and other payables		21,988	7,921	3,706
		<u>21,988</u>	<u>7,921</u>	<u>3,706</u>
Net current assets		<u>996,818</u>	<u>54,447</u>	<u>67,054</u>
Net assets		<u>996,818</u>	<u>54,447</u>	<u>67,054</u>
Equity				
Share capital	5	232,000	2,200	2,200
Share premium	5	849,300	78,400	78,400
Share based payment reserve		4,720	-	-
Retained losses		(89,202)	(26,153)	(13,546)
Equity attributable to the owners of the parent		<u>996,818</u>	<u>54,447</u>	<u>67,054</u>

Statements of changes in equity
For the six months ended 31 December 2016

	Share Capital	Share Premium Account	Share Based Payment Reserve	Retained Loss	TOTAL
	£	£	£	£	£
On incorporation	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(26,153)	(26,153)
Shares issued during the period	2,200	78,400	-	-	80,600
Balance at 30 June 2016	2,200	78,400	-	(26,153)	54,447
Total comprehensive loss for the period	-	-	-	(63,049)	(63,049)
Shares issued during the period	21,000	1,029,000	-	-	1,050,000
Effect of change to share nominal value – as approved 2016 AGM	208,800	(208,800)	-	-	-
Issue of warrants	-	-	4,720	-	4,720
Costs related to share issues	-	(49,300)	-	-	(49,300)
Balance at 31 December 2016	232,000	849,300	4,720	(89,202)	996,818

Statement of cash flow
For the six months ended 31 December 2016

	Period ended 31 December 2016 £
Cash flows from operating activities	
Loss for the period	(63,049)
<i>Add back non-cash items</i>	
Share based payments	4,720
Increase in trade and other payables	14,067
Net cash flow from operating activities	(44,262)
Cash flows from financing activities	
Net proceeds on issue of shares	1,000,700
Net cash flow from financing activities	1,000,700
Net increase in cash and cash equivalents	956,438
Cash and cash equivalents at beginning of the period	62,368
Cash and cash equivalents at end of the period	1,018,806

Notes to the financial statements

For the six months ended 31 December 2016

1 General information

Mila Resources Plc (the “Company”) looks to identify potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

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

The Company’s registered office is Lockstrood Farm, Ditchling Common, Burgess Hill, West Sussex RH15 0SJ.

2 Accounting policies

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

Basis of preparation

The interim unaudited financial statements for the period ended 31 December 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting. This interim financial information is not the Company’s statutory financial statements and should be read in conjunction with the annual financial statements for the period ended 30 June 2016, which have been prepared in accordance with International Financial Reporting Standards (IFRS) and have been delivered to the Registrars of Companies. The auditors have reported on those accounts; their report was unqualified, did not include references to any matters which the auditors drew attention by way of emphasis of matter without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006.

The interim financial information for the six months ended 31 December 2016 is unaudited. In the opinion of the directors, the interim consolidated financial information presents fairly the financial position, and results from operations and cash flows for the period.

The directors have made an assessment of the Company’s ability to continue as a going concern and are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company, therefore, continues to adopt the going concern basis in preparing its consolidated financial statements.

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

Critical accounting estimates and judgements

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

Notes to the financial statements

For the six months ended 31 December 2016 (cont.)

In preparing the interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 30 June 2016.

Income tax expense

No tax is applicable to the Company for the six months ended 31 December 2016. No deferred income tax asset has been recognised in respect of the losses carried forward, due to the uncertainty as to whether the Company will generate sufficient future profits in the foreseeable future to prudently justify this.

Loss per share

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

There are currently no dilutive potential ordinary shares.

	Earnings £	Weighted average number of shares unit	Per-share amount pence
Loss per share attributed to ordinary shareholders	(63,049)	11,901,087	(0.53)

3 Share capital

	Number of shares in issue	Share capital £	Share premium £	Total £
Ordinary shares of £0.001 each issued at par on 3 June 2015	600,000	600	-	600
Ordinary shares of £0.001 each issued at £0.05 on 16 October 2015	1,600,000	1,600	78,400	80,000
Ordinary shares of £0.001 each issued at £0.05 on 7 October 2016	21,000,000	21,000	1,029,000	1,050,000
Change in nominal value of ordinary shares to £0.01 as approved 2016 AGM	-	208,800	(208,800)	-
Cost of issue of shares	-	-	(49,300)	(49,300)
Balance at 31 December 2016	23,200,000	232,000	849,300	1,081,300

The Company has one class of ordinary share which carries no right to fixed income.

Notes to the financial statements

For the six months ended 31 December 2016 (cont.)

4 Related party disclosures

Remuneration of directors and key management personnel

The remuneration of the directors during the six-month period to 31 December 2016 amounted to £18,000 (30 June 2016: nil).

Shareholdings in the Company

Shares and warrants held by the directors of the Company.

	Shares	Warrants ¹
Mr George Donne	200,000	400,000
Mr Anthony Eastman	200,000	400,000
Mr Mark Stephenson	600,000	1,200,000
Balance at 30 June 2016	1,000,000	2,000,000

¹ Exercisable at £0.05, on or before 31 December 2020.