Mila Resources Plc

Financial Statements

For the year ended
30 June 2022

Registered number 09620350 (England and Wales)

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DIRECTORS AND ADVISORS

Directors	Mark Stephenson Lee Daniels Neil Hutchison (appointed 23 Nov 2021) Lindsay Mair (Non-executive Director) (appointed 23 Nov 2021)
Company Secretary	Nick Foster
Registered Office	65 Gresham Street London EC2V 7NQ
Independent Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD
Bankers	HSBC 50 Church Road Burgess Hill RH15 9AE
Registrars and Transfer Office	Link Market Services (trading as Link Group) 6th Floor 65 Gresham Street London EC2V 7NQ
Financial Public Relations	St Brides Partners Limited 3 St Michael's Alley London EC3V 9DS
Registered Number	09620350
Website	www.milaresources.com

Dear Shareholder

We have pleasure in presenting the financial statements for the year ended 30 June 2022. Mila has been off to a flying start since our readmission to trading in November 2021, following the acquisition of an initial 30% interest in the Kathleen Valley Gold Project in Western Australia. For further details on the acquisition please see the sub-section titled "Acquisition of an initial 30% interest in the Kathleen Valley Project" within the Directors Report on page 15.

We wasted no time in getting on the ground and began a 13,500m drill campaign within a fortnight of completing the transaction. This commitment to rapidly turning initial discoveries into major new resources is at the core of our investment philosophy, and we are delighted with the exploration successes we have reported so far during our development.

The first hurdle to success is of course identifying the right asset. The Kathleen Valley Project came to our attention in 2020, shortly after ASX-listed Bellevue Gold made a discovery at its Government Well prospect, which is on the western boundary of the Kathleen Valley licence area. Further evidencing the prospectivity of the area, Kathleen Valley is located in a Tier One region with proven production, including BHP's Mount Keith nickel mine (~20km to the north), and Kathleen Valley Gold (to the north), which in 2015 extracted 65,900 oz gold over an 18-month period. Kathleen Valley certainly has the right geological postcode and the previous operator had undertaken limited drilling at one of the three known targets which resulted in a maiden JORC Inferred gold resource of 21,000oz @ 2.1g/t Au.

Given the calibre of the geological setting and the initial success from a fairly modest drill campaign, the Mila team were confident that Kathleen Valley had the potential to reveal a much larger resource.

The first phase of drilling commenced in December 2021, with first assays being returned later that month. Drilling has continued intermittently since December, and indeed, the newest phase of drilling commenced again in early September 2022. This very comprehensive and targeted drilling has returned some exceptional results and grades, but perhaps most importantly for investors, has provided substantial evidence of consistent commercial grades and widths at Kathleen Valley.

Drilling has also revealed quartz-sulphide veining, referred to now as "Bellevue Style" mineralisation, which is significant. The presence of the sulphides, particularly pyrrhotite, provides a strong geophysical response and therefore responds very well to Down Hole Electro-magnetic surveys ("DHEM"). DHEM has worked extremely well at Bellevue, greatly assisting with their discovery success rate. Mila will use the same DHEM geophysical methods to test for extensions and accumulations of the sulphide mineralisation. The drill holes have been polyvinyl chloride ("PVC") cased in preparation for the DHEM surveying, which will highlight sulphide rich zones to further assist in targeting and locating the mineralisation at depth.

Drilling to date has focussed on the Coffey Deposit, one of three identified prospects in Kathleen Valley. Coffey is the most advanced target so far and has returned some very significant intersections to date including 6.6m @ 14.86 g/t Au and 21.79 g/t Ag from 209.40m, 5m @ 4.26 g/t Au & 13.35 g/t Ag from 198m, 1m @ 13.45 g/t Au & 37.70 g/t Ag from 202m, and 10m @ 8.38 g/t Au & 13.96 g/t Ag, from 165m, 11.28 g/t Au & 33.48 g/t Ag from 173m.

Results from the Stage 1 drilling surpassed internal expectations and importantly, demonstrated that the mineralisation at Coffey has improved in grade and continuity down dip of the original pre-Mila resource zone, confirming commercial grades over mineable widths. Our drilling has substantially extended mineralisation, which is now defined over a zone 200m long and 220m down dip, with the higher grades and multiple lodes having the potential to add significant grade, tonnage and higher-grade ounces to the Coffey Deposit once we complete a new resource estimate at the end of the Stage 2 & 3 drilling campaigns. Notably, the potential silver credits provide Mila with additional optionality over processing routes given the economic advantage of silver as a co-product.

The next hole in the programme was stepped out 100m below the previous hole, KVDD0035, and has the potential to extend the mineralised zone to 300m in length down dip and to 300m below surface, presenting a significant expansion in the footprint and tonnage of the Coffey Deposit. This drilling is on-going, and we will report more intersections to the market as they become available.

As referred to above, Coffey is only one of three known identified prospects at Kathleen Valley, and drilling at two new major targets is expected when the Company is ready to take a break from drilling at Coffey and once the Heritage Surveys over these prospects are completed. The Sturrock Prospect is located ~3.5km to the NNW of Coffey, on a sheared contact between mafic and ultramafic rocks which hosts the historical Main Road Au Pit, 2km along strike to the NE. Auger soil sampling completed in 2019 highlighted a 700m x 250m zone of anomalous gold in soils and shallow historical aircore drilling returned zones of highly anomalous gold grades of between 0.1-1.1g/t Au. 12 Reverse Circulation (“RC”) holes totalling 2,400m with downhole-electromagnetic surveying of the deeper holes are planned to test the anomaly to depth in an optimal direction to the shears.

The Powell Prospect is located 3.1km NNE of Coffey and 2km ESE of Sturrock in the northeast portion of the tenement. The auger soil sampling highlighted a 500m x 500m "X" shaped zone of anomalous gold in soils where it appears that two shear zones intersect. Field work located an historical shallow shaft and pit which has been dug in the area and further investigative work is required prior to drill testing.

Outlook

I am extremely optimistic about our ability to demonstrate Kathleen Valley’s commercial value to the market as we look to materially expand our JORC Resource inventory over the coming months. With the injection of £696,000 new capital (before expenses) post period end, Mila is well positioned to move forward with confidence in its objective to rapidly transition gold discoveries into significant resources, with Kathleen Valley as our first success story. Further funding will be needed to ensure that the exploration and evaluation activities can continue, and the project continues towards reaching its ultimate potential.

I would like to take this opportunity to thank our exploration and technical team on the ground at Kathleen Valley, together with the wider Mila team, and of course I would like to extend my sincere thanks to our shareholders – both new and old – for their continued support and vision.

Fund Raise – post year end

Post year end, on the 6th of October, the Company announced that it had raised £696,000 (before expenses) through a Placing of 23,199,984 New Ordinary Shares of GBP0.01 each ("Placing Shares") at a price of 3 pence per Placing Share (the "Placing"). Investors in the Placing will also receive one warrant per Placing Share to subscribe for one new ordinary share at a cost of 4.8p per share (“Investor Warrants”). The Company has also issued 524,000 broker warrants that are exercisable at 3p for a period of 3 years (“Broker Warrants”).

The Investor Warrants and Broker Warrants are conditional on the publication of a Prospectus by the Company, which it anticipates filing as soon as practicable, and shareholder approval to increase the Company's share authorities.

Mark Stephenson

M Stephenson

Executive Director

28 October 2022

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.

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, prior to the recently completed transaction on Kathleen Valley, these other proposed transactions were abandoned for specific reasons relating to each individual proposed transaction.

The impact of the Covid-19 pandemic has reduced significantly throughout the year. Although cases of covid remain in Western Australia, the impact on businesses and supply chains etc has significantly reduced. One of the key impacts to the Company over the last year was the delays in turning around assay results due to Covid related delays. However, we are now seeing these and other turn-around times approach times more in line with normal operating conditions. Management is monitoring the situation and to mitigate any future risk, we continue to order key equipment and materials on a timely basis to minimise any potential for supply chain disruption to operations. The directors are confident that with the current forward planning already in place the current and future impacts of supply disruption will now be minimal.

Review of the business and Key Performance Indicators (KPIs)

FY2022 KPIs	Measurement	2022 Performance
Identify business(s) / asset(s) that meet the Company's strategic objectives and investment criteria.	Successfully identify appropriate business / assets for investment.	Successfully identified the Kathleen Valley Project and undertook and initial 30% interest. Negotiated an earn in agreement with two additional stages that would, if completed, take the Company's interest to 80%
Ensure business adequately funded.	The Company's cash reserves	The Company successfully raised £3.5m (before costs) in Nov 2021, and an additional £0.7m in October 2022. The company continues to explore all funding options to ensure the Company is adequately funded.
Operation activity in the gold exploration project in Western Australia.	Positive results from Drilling / Assays.	The Company has successfully completed the Stage 1 drilling campaign and the next Stage is currently underway. Excellent Assay results including: 6.6m @ 14.86 g/t Au & 21.79 g/t Ag from 209.40m, including 1m @ 27.60 g/t Au & 47.50 g/t Ag from 211m (KVRD026) 5m @ 4.26 g/t Au & 13.35 g/t Agfrom 198m, including 1m @ 13.45 g/t Au & 37.70 g/t Ag from 202m (KVRD025) 10m @ 8.38 g/t Au & 13.96 g/t Ag, from 165m, including 11.28 g/tAu & 33.48 g/t Ag from 173m (KVRC019

Business review

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

Principal risks and uncertainties

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 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.

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 is 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 not 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 26.

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 assistance 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 then 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 sufficient amounts to the Company, the Company may be unable to pay its expenses or make distributions and dividends on the Ordinary Shares.

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

Political conditions in jurisdiction that 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.

The Board would like to take this opportunity to thank our shareholders, Board and advisors for their support during the year.

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:

Significant events/decisions	Key s172 matter(s) affected	Actions and Consequences
Acquired a 30% interest in the Kathleen Valley Project in Western Australia from TPE (3 stage earn in).	Business Relationships and Shareholders.	This decision provides a pathway to acquire further stakes in the project and thus leading to an 80% stake of an asset, which if successful, should significantly contribute towards the Company's strategy.
Fund Raise of £3.5m (excluding costs).	Business Relationships and Shareholders.	This has enabled the exploration and development of the Kathleen Valley Project asset in the year and post year-end with further amounts raised post year-end of £696,000 (before costs). See the going concern note on page 26
Advancement of geological understanding of the Coffey region of the Company's current acreage – Stage 1 Drilling & Results. Stage 2 Drilling underway.	Shareholders, staff and Business Relationships.	Results from the Stage 1 drilling demonstrate that the mineralisation at the Coffey Deposit has improved in grade and continuity, down dip of the original

		pre-Mila resource zone, demonstrating commercial grades over mineable widths. The drilling has substantially extended mineralisation, which is now defined over a zone 200m long and 220m down. The mineralisation is open at depth and along strike, with a second lode beginning to take shape underneath the main zone at depth The Board continued to refine its in-depth geological review of its acreage in Western Australia
Increased interaction with key stakeholders.	Existing Shareholders, Prospective Shareholders, Other Business Relationships.	The Board hosted an investor event in June 2022 in central London. The event was open to all existing and potential shareholders and provided an opportunity to meet with the Company's Board and management team. The consequence of this and future style events was / is to create a greater level of understanding of the Company's project(s) and to strengthen relationships with stakeholders.
Implementation of staff EMI share option plan.	Staff and in the future, the expanded management team including employees, long term consultants.	Implementation of staff EMI share option plan The consequence of this decision was to deliver a share option plan to allow staff to benefit from share price outperformance - aligning staff interests with that of shareholders - and to help

		management attract and then retain the highest quality personnel.
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.
Enhanced environmental monitoring (as the Company's drilling commenced this period).	Local Community and Environment.	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.
Post year end - Additional Fund Raise of £696,000 (before costs)	Business Relationships and Shareholders.	This decision provides a pathway to finance the next stage, Stage 3, of the continued exploration and development of the Kathleen Valley Project. See going concern note on page 26.

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 28 October 2022 and signed on its behalf.

M Stephenson

Mark Stephenson
Chief Executive Officer

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

Mark has over 30 years' experience of working for stockbrokers in the City of London including the Panmure Gordon, West LB, Blue Oar Securities and NCL Investments With the development of the AIM market, Mark has utilised his experience in equity, debt and convertibles to develop innovative financing solutions, for small and mid-size companies.

In recent years, he has built a liquidity platform in conjunction with several hedge funds, private client brokers and a syndicate of high net worth investors, which has successfully funded smaller companies during this difficult period.

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). He is also a non-executive director of ASX listed Kairos Minerals, a company with a gold project in Western Australia, and Estrella Resources Limited.

Lee Daniels

Lee is an experienced qualified accountant (Australian Certified Practicing 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, most recently at SP Angel (which has a broad range of clients in the mining sector). From 2017 until 2019, he was a non-executive director of Kin Group plc, which acquired Bidstack Limited in a reverse takeover, where he assisted with the takeover and a number of fundraisings. He is the Chief Financial Officer of Low 6 Limited, which operates a B2B gamification platform for sports franchises.

The Directors present their report and the audited financial statements for the year ended 30 June 2022. The Company was incorporated on 3 June 2015. For the subsequent events that occurred after the year end please refer to note 22.

Principal Activity

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) for acquisition acting as a post discovery accelerator. The first acquisition was completed in November 2021 and more details can be found in the Statement from the Board. The Group's principal activity now is that of mineral exploration.

Results

The Company made a loss for the financial year ended 30 June 2022 of £1,011,445 (2021: £382,387). This loss includes a non-cash accounting charge of £493,232 relating to the issuance of Warrants and Options as part of the capital raise in November 2021, as set out in the Prospectus dated 29 October 2021.

Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend (2021: £nil).

Directors

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

- Mark Stephenson Executive Director
- Neil Hutchison Executive Director (appointed 23 November 2021)
- Lee Daniels Executive Director
- Lindsay Mair Non-Executive Director (appointed 23 November 2021)

Details of the Directors' holding of Ordinary Shares, Warrants and Options are set out in the Directors' Remuneration Report from page 23.

Acquisition of an initial 30% interest in the Kathleen Valley Project

The Company acquired an initial 30% interest in the Kathleen Valley gold project and the exploration licence E36/876 in the Kathleen Valley satisfied by the issue of 83,543,197 Ordinary Shares at a price of £0.024 per Ordinary Share, £300,000 in cash consideration, the issue of 15,448,370 Ordinary Shares to Diversified Minerals Pty Ltd ("DM") pursuant to the DM loan agreement dated 4 February 2021, and by novating the £229,393 Series 3 Loan Notes from New Generation Minerals Limited to the Company which were converted to 12,744,032 Ordinary Shares on readmission.

Conditional on the successful completion of 11,000 metres drilling at Kathleen Valley, the Company will have a right to purchase a further 25% interest in the Kathleen Valley Project and the Kathleen Valley Licence from Trans Pacific Energy Group Pty Ltd ("TPE") for consideration of £2,343,750 by way of issuing 97,656,750 new Ordinary Shares at a price of £0.024 per Ordinary Share in the Company (the "Second Consideration Shares") to TPE. The Company will then seek to list the Second Consideration Shares.

Finally, and conditional on a second spend by the Company of not less than £1,500,000, the Company will have a right to acquire an additional 25% interest in the Kathleen Valley Project and Kathleen Valley Licence from TPE for consideration of £2,343,750 by way of issuing 97,656,750 new Ordinary Shares in the Company at a price of £0.024 per Ordinary Share (the "Third Consideration Shares") to TPE. On completion of the allotment, the Company will also seek to list the Third Consideration Shares. There is no guarantee that the Company will issue the Second Consideration Shares and/or the Third Consideration Shares, as they are dependent on the aforementioned conditions being met in relation to the Project and pursuant to the Acquisition Agreement.

Capital Raise

Concurrently with the acquisition of the Kathleen Valley Project the Company concluded a £3.5m fund raising (before costs) by issuing 145,833,329 new ordinary shares ("Investor Shares") at 2.4p each. The shares carry equal voting rights and rank pari passu for the distribution of dividends and repayment of capital. The Investor Shares each come with a 5-year warrant attached which has an exercise price of 4.8p.

Share Capital

Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 15.

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 2022, 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	25.3%
JIM NOMINEES LIMITED	63,596,992	19.3%
DIVERSIFIED MINERALS PTY LTD	15,448,370	4.7%
INTERACTIVE INVESTOR SERVICES	14,608,151	4.4%
VIDACOS NOMINEES LIMITED	13,613,770	4.1%
HARGREAVES LANSDOWN (NOMINEES)	12,430,038	3.8%
HARGREAVES LANSDOWN (NOMINEES)	11,958,633	3.6%

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 that 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 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, prior to the recently completed 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 a professional advisors' such as; a Corporate Broker, Corporate Advisor, Corporate Communications specialists, Company Secretarial services and General Legal Counsel to advice 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 event 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 has recently commenced holding 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 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 modest size of the current size of the Company, 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 10 .

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, 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.

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 14.

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 Chairman, Lindsay Mair, is currently considered to be independent.

The Board has a number of committees as explained below.

Audit Committee

A formal Audit Committee has been established in the year. The Committee consists of Lindsay Mair (Chairman) and Mark Stephenson. The Committee provides a forum through which the Group'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 in the Current Period. 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 in the year. 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 weekly 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 group 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 11 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 Financial Reporting Standards ("IFRS")

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 International Financial Reporting Standards 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 IFRS as adopted by the European Union, 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.

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, a Remuneration and Nominations Committee has been 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.

During the year, an Enterprise Management Incentive ("EMI") Options incentive plan was established, as set out in the prospectus dated 29 October 2021. Amendments to this scheme will be determined by the Remuneration and Nominations Committee. No Director will have a say in determining his or her own remuneration or bonus.

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 7, 15 and 16 and further referenced in the Directors' report.

Remuneration paid to the Directors' during the year ended 30 June 2022 was:

Directors	Base salary £	Completion Bonus (1) £	Total £
Mark Stephenson	68,308	25,000	93,308
Lee Daniels	68,354	25,000	93,354
Neil Hutchison	30,513	-	30,513
Lindsay Mair (Non-executive director)	24,410	25,000	49,410
	191,585	75,000	266,585

(1) As set out in the Prospectus dated 29 October 2021, certain Directors were awarded bonus shares in the Company at 2.4p each. To simplify the payroll mechanics, these amounts were paid in cash via the regular payroll process and the Directors then subsequently applied for the same Pound Sterling amount of shares in the Placing in November 2021

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

Director	**At 30 June 2021**	**Granted during the year (1)**	**At 30 June 2022**	**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			

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

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 newly established EMI share option scheme has granted options to two directors over 6,000,000 ordinary shares of 0.1 pence each in the capital of the Company. The EMI Options vested immediately and have an exercise price of 2.4p with a 5-year exercise period. The exercise price is with reference to the placing and subscription at the time of publishing the Prospectus.

Of the total EMI Options granted in this tranche, 2,500,000 have been granted to Lee Daniels, Chief Financial Officer and 3,500,000 have been granted to Mark Stephenson, Executive Chairman. No other EMI Options exist in the Company.

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

Director	At 30 June 2021	Granted during the year	At 30 June 2022	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)

The Company does not yet 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 2022 was:

	Number	% of issued share capital
Mark Stephenson	6,116,761	2.00%
Lee Daniels	1,541,667	0.50%
Lindsay Mair	1,041,667	0.34%
	8,700,095	2.84%

The beneficial interest of the Directors in the Ordinary Share Capital of the Company at 30 June 2021 was:

	Number	% of issued share capital
Mark Stephenson	1,200,000	5.17%
	1,200,000	5.17%

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 16.

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 20 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Greenhouse Gas (GHG) Emissions

The Company is aware that it needs to measure its operational carbon footprint in order to limit and control its environmental impact. However, given the very limited nature of its direct activities during the year under review, it has not been practical to measure its carbon footprint.

The Company only measures the impact of its direct activities, as the full impact of the entire supply chain of its suppliers and contracted operations cannot be measured practically.

Events after the reporting period

Details on events after the reporting period please see note 22 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 inflow for the year of £766,456 (2021: £143,312) and at 30 June 2022 had cash and cash equivalents balance of £1,096,084 (2021: £329,628).

An operating loss of £1,011,445 has been made and although the Company was in a net current asset position of £907,892 at 30 June 2022 and has raised £696,000 (before expenses) post year-end, the directors are aware the Company's ability to fund its forecasted expenditure and thus remain a going concern for at least 12 months from the approval of these financial statements is dependent on the raising of further equity and/or debt finance. Whilst the directors acknowledge this is uncertain, they have a reasonable expectation that necessary funds will be raised as required over this period.

For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements. The auditors have made reference to going concern by way of a material uncertainty within the financial statements.
Further details are given in Note 2.2 to the Financial Statements.

Donations

The Company made no political donations during the year (2021: £nil).

ON BEHALF OF THE BOARD

Lee Daniels

Executive Director

27 October 2022

Opinion

We have audited the financial statements of Mila Resources Plc (the 'company') for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cashflows, 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 2022 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 2.2 in the financial statements, which indicates that the company incurred a net loss of £1,011,445 during the year ended 30 June 2022 and is dependent on raising further financing to fund the forecasted expenditure over the next 12 months. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, 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 director's 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 going concern period and the relating key assumptions 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.

Our application of materiality

For the purposes of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of misstatement that makes it probable that the economic decisions of a reasonably knowledgeable person, relying on the financial statements, would be changed, or influenced. We also determine a level of performance materiality which we use to assess the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Materiality for the financial statements as a whole was set as £116,000 (2021: £19,000). This was calculated based on gross assets (2021: loss before tax) due to the company having generated no revenue in the year and still being in the exploration phase and thus the key balance of interest is the exploration and evaluation asset following the acquisition of the interest in the Kathleen Valley Project. Performance materiality and the triviality threshold for the financial statements was set at £87,000 (2021: £15,200) and £5,800 (2021: £950) respectively due to the assessed risk and our accumulated knowledge of the company and the number of significant risk areas identified.

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

Our approach to the audit

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.

In designing our audit, we considered areas involving significant accounting estimates and judgements by the directors as well as future events that are inherently uncertain such as the recoverable value of exploration and evaluation 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.

A full scope audit was performed on the complete financial information the company.

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.

Key Audit Matter	How our scope addressed this matter
Accounting for the acquisition of the 30% interest in the Kathleen Valley project.	
During the year, the Company acquired a 30% interest in the Kathleen Valley Project for a consideration of £2.8m (note 12).	Our work in this area included but was not limited to:

Due to the value of the consideration and the nature of the acquisition, there is a risk that the financial statements may be materially misstated if the acquisition has not been accounted for correctly.	• Obtaining the underlying purchase agreement and reviewing it to ascertain the key terms of the acquisition and consideration; • Discussing with Management and considering whether the acquisition falls within the scope of IFRS 3; • Ensuring that the initial consideration, any deferred and/or contingent consideration and any acquisition costs have been accounted for accurately and appropriately; and • Assessing whether the acquisition has been adequately and accurately disclosed within the financial statements. Through reviewing the underlying agreements and discussing with management the nature of the project in which an interest was acquired, the acquisition was deemed to have been appropriately assessed as falling outside the scope of IFRS 3 with the underlying projects not being deemed to be a business. As a result, and due to the underlying nature of the project, the consideration to acquire the aforementioned interest in the project and relating acquisition costs were capitalised and classified as an exploration and evaluation asset.

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
- 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 is 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.

- We determined the principal laws and regulations currently relevant to the company in this regard to be those arising from UK Company Law, rules applicable to issuers on the LSE Standard List Main Market, including the FCA 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 announcements made throughout the reporting period and post year-end.

- As in all of our audits, we addressed the risk of fraud arising from management override of controls or management bias 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*. 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 4 years, covering the periods ending 30 June 2019 to 30 June 2022.

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

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.

Joseph Archer

Joseph Archer (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

28~~XX~~ October 2022

MILA RESOURCES PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year ended 30 June 2022 £	Year ended 30 June 2021 £
Administrative expenses	5	(518,213)	(421,440)
Share warrant and options expense	16	(493,232)	-
Operating loss		**(1,011,445)**	**(421,440)**
Other income	4	-	37,500
Interest receivable	8	-	1,553
Loss on ordinary activities before taxation	5	**(1,011,445)**	**(382,387)**
Income tax expense	9	-	-
Loss and total comprehensive income for the period attributable to the owners of the company		**(1,011,445)**	**(382,387)**
Earnings per share (basic and diluted) attributable to the equity holders (pence)	10	(0.52)	(1.65)

The above results relate entirely to continuing activities.

The accompanying notes on pages 39 to 57 form part of these financial statements.

MILA RESOURCES PLC
STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Year ended 30 June 2022 £	Year ended 30 June 2021 £
NON-CURRENT ASSETS			
Exploration and evaluation assets	11	4,698,625	-
		4,698,625	-
CURRENT ASSETS			
Trade and other receivables	12	22,568	24,185
Cash and cash equivalents	13	1,096,084	329,628
		1,118,652	353,813
TOTAL ASSETS		**5,817,277**	**353,813**
CURRENT LIABILITIES			
Trade and other payables	14	210,760	178,309
Convertible Loan Notes		-	348,692
TOTAL LIABILITIES		**210,760**	**527,001**
NET ASSETS		**5,606,517**	**(173,188)**
EQUITY			
Share capital	15	3,065,511	232,000
Share premium	15	4,267,846	849,300
Share based payment reserve	16	543,813	4,720
Retained loss		(2,270,653)	(1,259,208)
TOTAL EQUITY		**5,606,517**	**(173,188)**

The accompanying notes on pages 39 to 57 form part of these financial statements.

These financial statements were approved by the Board of Directors on 28 October 2022 and were signed on its behalf by:

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Lee Daniels

Executive Director

Company number: 09620350

	12 months to 30 June 2022 £	12 months to 30 June 2021 £
Cash flows from operating activities		
Loss for the period	(1,011,445)	(382,387)
Adjustments for:		
Warrants / Options expense (non-cash)	493,232	-
Operating cashflow before working capital movements	(518,213)	(382,387)
Decrease / (Increase) in trade and other receivables	1,616	(480)
Increase in trade and other payables	4,427	91,638
Shares issued for services	30,000	-
Interest income	-	(1,553)
Interest expense	3,801	8,692
Net cash flow from operating activities	(478,369)	(284,090)
Cash flow from investing activities		
Acquisition of Kathleen Valley – cash component	(300,000)	-
Acquisition costs	(336,732)	-
Funds used for drilling and exploration	(1,408,108)	-
Repayment of loan from E-Tech	-	85,849
Interest Income received	-	1,553
Net cash (outflow) / inflow from investing activities	(2,044,840)	87,402
Cash flow from financing activities		
Proceeds from share issues	3,358,740	-
Issue costs paid in cash	(69,075)	-
Convertible Loan Notes	-	340,000
Net cash inflow from financing activities	3,289,665	340,000
Net Increase in cash and cash equivalents	766,456	143,312
Cash and cash equivalents at beginning of the period	329,628	186,316
Cash and cash equivalents at end of the period	1,096,084	329,628

Major non-cash transactions

During the year the Company acquired a 30% interest in the Kathleen Valley Project for a consideration of £2.8m. The consideration was; £0.3m in cash; the novation and settlement of two convertible loans £0.5m, settled in new Mila shares and in accordance with the loan terms; and the remaining balance settled by new Mila shares. In addition; £352,493 of convertible loan notes issued in the previous year were settled via the issue of shares and; £284,760 of debt was settled via the issuing of shares.

	Share Capital £	Share Premium £	Share Based Payment Reserve £	Retained Loss £	Total £
Balance at 1 July 2020	**232,000**	**849,300**	**4,720**	**(876,821)**	**209,199**
Total comprehensive income for the year	-	-	-	(382,387)	(382,387)
Balance at 30 June 2021	**232,000**	**849,300**	**4,720**	**(1,259,208)**	**(173,188)**
Total comprehensive income for the year	-	-	-	(1,011,445)	(1,011,445)
Capital Raising - Issue of shares	1,458,333	2,041,667	-	-	3,500,000
Capital Raising - Issue of shares in lieu of fees	59,792	83,708	-	-	143,500
Capital Raising - Issue Costs	-	(221,135)	-	-	(221,135)
Acquisition of Kathleen Valley	835,432	1,169,605	-	-	2,005,037
Conversion of convertible loan notes	477,754	382,203	-	-	859,957
Conversion of warrants	2,200	8,360	-	-	10,560
Share warrants and options expense	-	(45,861)	539,093	-	493,232
Balance at 30 June 2022	**3,065,511**	**4,267,846**	**543,813**	**(2,270,653)**	**5,606,517**

The accompanying notes on pages 39 to 57 form part of these financial statements.

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 2022 were authorised for issue by the Board of Directors on 28 October 2022 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 inflow for the year of £766,456(2021: £143,312) and at 30 June 2022 had cash and cash equivalents balance of £1,096,084 (2021: £329,628).

An operating loss of £1,011,445 has been made and although the Company was in a net current asset position of £907,892 at 30 June 2022 and has raised £696,000 (before expenses) post year-end, the directors are aware the Company's ability to fund its forecasted expenditure and thus remain a going concern for at least 12 months from the approval of these financial statements is dependent on the raising of further equity and/or debt finance. Whilst the directors acknowledge this is uncertain, they have a reasonable expectation that necessary funds will be raised as required over this period.

The Directors have made enquires and assessed the potential impact of the COVID-19 virus on the Company. As such, whilst they acknowledge that COVID-19 could continue to have long lasting and significant impacts on the global economy, the Directors believe that the Company has sufficient finance to meet their obligations as they fall due for a period of at least 12 months from the date of approval of 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 2021 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
IFRS 3 (amendments)	Business combinations	01 January 2022
IAS 37 (amendments)	Onerous contracts	01 January 2022
IAS 16 (amendments)	Proceeds before intended use	01 January 2022
IAS 8	Amendments – Definition e 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 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.

2.6 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 Group 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 Group 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 Group 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 Group 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.

2.7 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.

2.8 Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Company when it arises or when the Company becomes part of the contractual terms of the financial instrument.

Classification

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

(1) the asset is held within a business model whose objective is to collect contractual cash flows; and

(2) the contractual terms of the financial asset generating cash flows at specified dates only pertain to capital and interest payments on the balance of the initial capital.

Financial assets which are measured at amortised cost, are measured using the Effective Interest Rate Method (EIR) and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is de-recognised, modified or impaired.

Financial liabilities at amortised cost

Financial liabilities measured at amortised cost using the effective interest rate method include current borrowings and trade and other payables that are short term in nature. Financial liabilities are derecognised if the Company's obligations specified in the contract expire or are discharged or cancelled.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate ("EIR"). The EIR amortisation is included as finance costs in profit or loss. Trade payables other payables are non-interest bearing and are stated at amortised cost using the effective interest method.

Derecognition

A financial asset is de-recognised when:

(1) the rights to receive cash flows from the asset have expired, or

(2) the Company has transferred its rights to receive cash flows from the asset or has undertaken the commitment to fully pay the cash flows received without significant delay to a third party under an arrangement and has either (a) transferred substantially all the risks and the assets of the asset or (b has neither transferred nor held substantially all the risks and estimates of the asset but has transferred the control of the asset.

Impairment

The Company recognises a provision for impairment for expected credit losses regarding all financial assets. Expected credit losses are based on the balance between all the payable contractual cash flows and all discounted cash flows that the Company expects to receive. Regarding trade receivables, the Company applies the IFRS 9 simplified approach in order to calculate expected credit losses. Therefore, at every reporting date, provision for losses regarding a financial instrument is measured at an amount equal to the expected credit losses over its lifetime without monitoring changes in credit risk. To measure expected credit losses, trade receivables and contract assets have been grouped based on shared risk characteristics.

Trade and other receivables

Trade and other receivables are initially recognised at fair value when related amounts are invoiced then carried at this amount less any allowances for doubtful debts or provision made for impairment of these receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and are subject to an insignificant risk of changes in value.

Trade payables

These financial liabilities are all non-interest bearing and are initially recognised at the fair value of the consideration payable.

2.9 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.

2.10 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.

2.11 Taxation

Tax currently payable is based on taxable profit for the period. Taxable profit differs from profit as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2.9 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.

2.10 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 Group 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.

2.11 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

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 non-tangible assets for indicators of impairment. 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.

Share-based payments

When issuing warrant, options or other share based payment instruments that fall under the scope of IFRS 2, management are required to determine the value of the warrants or options. To calculate a fair value for such instrument, Management use the black scholes valuation model and must therefore estimate certain factors used in the option pricing model, including volatility, expected life of the option and the risk free rate. 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 the reserves. For further detail see note 16, in the notes to the financial statements.

2.12 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 has been is the same as the basic profit per share for 2022 because, although certain warrants and options in issue were in the money as at the year end, the Company reported a loss, hence including the additional dilution would have resulted in a reduction of the loss per share.

2.13 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.

3. SEGMENT REPORTING

The Companies 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. In the prior year the sole operating segment was that of searching for a potential acquisition target.

4. OTHER INCOME

For the year ending 30 June 2022 this was £nil (2021: £37,500).

5. OPERATING LOSS

This is stated after charging:

	2022	**2021**
	£	**£**
Auditor's remuneration		
Audit of the Company	30,000	16,500
Other services	2,000	-
Directors' remuneration	266,585	80,356
Stock exchange and regulatory expenses	47,486	55,597
Share warrant and options expense (1)	493,232	-
Other expenses	172,142	268,987
Operating expenses	1,011,445	421,440

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

6. AUDITOR'S REUMERATION

	2022 £	2021 £
Fees payable to the Company's current auditor:		
- audit of the Company's financial statements	30,000	16,500
- other services	2,000	-

7. 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 on page 27.

	2022 £	2021 £
Salaries	266,585	80,356
Social security costs	29,016	2,901
Share based payments	59,658	-
	355,259	83,257

8. INTEREST RECEIVABLE

	2022 £	2021 £
Interest due on Loans	-	1,553

9. TAXATION

	2022 £	2021 £
The charge / credit for the year is made up as follows:		

Current tax	-	-
Deferred tax	-	-
Taxation charge / credit for the year	-	-

A reconciliation of the tax charge / credit appearing in the income statement to the tax that would result from applying the standard rate of tax to the results for the year is:

Loss per accounts	(1,011,445)	(382,387)
Tax credit at the standard rate of corporation tax in the UK of 19% (2021: 19%)	(192,175)	(72,654)
Impact of costs disallowed for tax purposes	17,919	-
Deferred tax in respect of temporary differences	-	-
Impact of unrelieved tax losses carried forward	174,256	72,654
	-	-

Estimated tax losses of £2,116,641 (2021: £1,199,505) are available for relief against future profits and a deferred tax asset of £402,162 (2021: £227,906) 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 is 19%. Accordingly, the Company's effective tax rate for the period was 19% (2021: 19%). As announced post the unsuccessful Mini-budget in September 2022, the rate of corporation tax will increase to 25% from April 2023.

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 9 above sets out the estimated tax losses carried forward

10. EARNINGS PER SHARE

The calculation of the earnings per share is based on the loss for the financial period after taxation of £1,011,445 (2021: loss £382,387) and on the weighted average of 193,873,021 (2021: 23,200,000) ordinary shares in issue during the period.

The diluted profit per share is the same as the basic profit per share because, although certain warrants and options in issue were in the money as at 30 June 2022, 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	Per-share amount
	£	unit	pence
30 June 2022: Loss per share attributed to ordinary shareholders	(1,011,445)	193,873,021	(0.52)
30 June 2021: Loss per share attributed to ordinary shareholders	(382,387)	23,200,000	(1.65)

11. EXPLORATION AND EVALUATION ASSETS

	At 30 June 2022	At 30 June 2021
	£	£
Opening balance	-	-
Cost of acquisition including transaction costs	3,290,517	-
Exploration costs capitalised in the year	1,408,108	-
Net book value	4,698,625	-

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

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.

12. TRADE AND OTHER RECEIVABLES

	2022	**2021**
	£	**£**
Prepayments and other receivables	22,568	24,185
	22,568	24,185

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

13. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank	1,096,084	329,628
	1,096,084	329,628

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

14. TRADE AND OTHER PAYABLES

	2022 £	2021 £
Trade payables	36,722	43,038
Accruals and other payables	174,038	135,272
	210,760	178,309

15. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Balance as at 1 July 2020	23,200,000	232,000	849,300	1,081,300
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

The Company issued a total of 283,351,057 new fully paid ordinary shares during the year.

In November 2021, the Company completed a placing of 145,833,329 new fully paid ordinary shares with a nominal value of £0.01, raising gross proceeds of £3.5m before expenses. 5,979,166 ordinary shares were issued directors and certain advisors as set out in the Prospectus dated 29 October 2021.

In November 2021, the Company acquired an initial 30% interest in the Kathleen Valley Gold Project in Western Australia. As part of the purchase consideration the Company issued 83,543,197 ordinary shares.

In November 2021, the Company converted the outstanding convertible loan notes by issuing 47,775,365 ordinary shares in order to settle the outstanding loan notes.

In May 2022, the received a Warrant conversion request and subsequently converted 220,000 outstanding warrants to 220,000 new ordinary shares.

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

Director	At 30 June 2021	Granted during the year (1)	At 30 June 2022	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			

(1) 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 2021	Granted during the year	At 30 June 2022	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			

16. SHARE BASED PAYMENT RESERVE AND SHARE BASED PAYMENTS

SHARE BASED PAYMENT RESERVE

	2022	2021
	£	£
At 1 July	4,720	4,720

Issue of Warrants per prospectus	479,435	-
Issue of EMI Options per prospectus	59,658	-
At 30 June	543,813	4,720

Warrants and Options in Issue	Number of Options in Issue	Number of Warrants in Issue	Weighted average exercise price	Expiry date
At 1 July 2020 (1)	-	15,825,000	£0.048	
Expired during the year	-	4,400,000		
Balance at 30 June 2021 (2)	-	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	

1. On 4 December 2020 the expiration date of the Series 2 warrants (350,000 warrants) and the IPO Investor warrants (11,075,000 warrants) was extended to the 31st of December 2022. The 4,400,000 founder warrants expired on 31 December 2020
2. The strike price for all of the remaining warrants at 30 June 2021, namely the Series 2 warrants and the IPO Investor warrants, was reduced from 10 pence to 4.8 pence.

The market price of the shares at year end was £0.032 per share.

During the year, the minimum and maximum prices were £0.026 and £0.062 per share respectively.

SHARE BASED PAYMENTS – WARRANTS AND OPTIONS

The Warrants below were issued or amended during the period

Issued	Exercisable from	Expiry Date	Number outstanding	Exercise price	Share Based

					Payment Charge
Warrants - 12 September 2016 (1)	From date of issue	31 December 2022	350,000	4.8 pence	£ 60
Warrants - 26 September 2016 (2)	7 October 2016	31 December 2022	10,855,000	4.8 pence	-
Warrants - 22 November 2021	22 November 2021	31 December 2026	193,608,694	4.8 pence	-
Warrants - 22 November 2021 (3)	22 November 2021	31 December 2026	48,655,417	2.4 pence	£ 433,514
			253,469,111		**£ 433,574**

1. The warrants were issued conditionally upon the Ordinary Shares being admitted to trading on the London Stock Exchange's main market for listed securities which occurred on 7 October 2016. On 23 November 2021 the strike price for these warrants was reduced from 10 pence to 4.8 pence. The warrants are fully vested and expire on the 31st of December 2022. The Share Warrant expense charge to the Statement of Comprehensive income for the year ending 30 June 2022 was £60; this was calculated using the Black Scholes model utilising the inputs listed below:
   i. Number of warrants amended 0.35m
   ii. Date of Amendment – 23 Nov 2021
   iii. Expected Date of Exercise – 31 Dec 2022
   iv. Exercise price 4.8 pence
   v. Expiry – 31 December 2022
   vi. Risk free rate .930%
   vii. Volatility 66.24% (Historical Annualised Volatility). As the entity has been suspended periodically throughout its life we have selected exploration companies in the similar space to obtain our annual sample volatility.
   viii. Share price at measurement date 2.4 pence. This is the fair value of shares based on initial re-listing price
   ix. Dividend Yield 0%
   x. Expected life 1.10 years

2. On 23 November 2021 the strike price for these warrants was reduced from 10 pence to 4.8 pence.
3. On 23 November 2021, the Company granted 48,655,417 warrants, on the terms and set out in the Prospectus dated 29 October 2021 to brokers, certain advisors, and directors. The warrants are fully vested and expire on the 31st of December 2026. The Share Warrant expense charge to the Statement of Comprehensive income for the year ending 30 June 2022 was £433,514; this was calculated using the Black Scholes model utilising the inputs listed below:

i. Number of warrants issued 48.6m
ii. Date of Grant – 23 Nov 2021
iii. Expected Date of Exercise – 12 June 2024
iv. Exercise price 2.4 pence
v. Expiry – 31 December 2026
vi. Risk free rate .930%
vii. Volatility 66.24% (Historical Annualised Volatility). As the entity has been suspended periodically throughout its life we have selected exploration companies in the similar space to obtain our annual sample volatility.
viii. Share price at measurement date 2.4 pence. This is the fair value of shares based on initial re-listing price
ix. Dividend Yield 0%
x. Expected life 2.55 years

The Options below were issued during the period

Issued	Exercisable from	Expiry Date	Number outstanding	Exercise price	Share Based Payment Charge
Options - 10 December 2021[4]	10 December 2021	10 December 2026	6,000,000	2.4 pence	£ 59,658
			6,000,000		**£ 59,658**

4. Issued under the Company's EMI Scheme established on the 10th of December 2021, as set out in the Prospectus dated 29 October 2021. The options are fully vested and expire on the 10th of December 2026. The options expense charge to the Statement of Comprehensive income for the year ending 30 June 2022 was £59,658; this was calculated using the Black Scholes model utilising the inputs listed below:

i. Number of options issued 6m
ii. Date of Grant – 9 Dec 2021
iii. Expected Date of Exercise – 9 June 2024
iv. Exercise price 2.4 pence
v. Expiry – 10 December 2026
vi. Risk free rate .810%
vii. Volatility 65.12% (Historical Annualised Volatility). As the entity has been suspended periodically throughout its life we have selected exploration companies in the similar space to obtain our annual sample volatility.
viii. Share price at measurement date 2.45 pence.

ix. Dividend Yield 0%

x. Expected life 2.50 years

17. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2021 and 30 June 2022

18. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2021 and 30 June 2022

19. COMMITMENTS UNDER LEASES

There were no commitments under operating leases at 30 June 2021 and 30 June 2022

20. 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

	2022 £	2021 £
Current Assets:		
Cash and cash equivalents	1,096,084	329,628
Trade and other receivables	11,520	9,297
Categorised as financial assets at amortised cost	1,107,604	338,925

Financial liabilities by category

	2022 £	2021 £
Current Liabilities:		
Trade and other payables	210,760	166,355
Convertible Loan Notes	-	348,692
Categorised as financial liabilities measured at amortised cost	210,760	391,789

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:

	2022 £	2021 £
Trade and other receivables	11,520	9,297
	-	-

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:

	2022 £	2021 £
Bank balances	1,096,084	329,628

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.

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. The Company did not have foreign currency exposure at year end.

21. 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 23 – 25.

Amounts due from/to related parties

There were no amounts due to directors as at 30 June 2022 (2021: £11,954). No amounts were due from directors as at 30 June 2022 (2021: £Nil).

In the prior year, Mark Stephenson, subscribed to £50,000 of the convertible loan notes disclosed in note 15. As at 30 June 2022 the balance due, to Mark Stephenson, in relation to this convertible loan note, including the accrued interest, was £Nil (2021: £51,192)

There were no other related party transactions.

22. EVENTS SUBESQUENT TO YEAR END

Fund Raise – post year end

Post year end, the Company announced on the 6th of October 2022 that it raised £696,000 (before expenses) through a Placing of 23,199,984 New Ordinary Shares of GBP0.01 each ("Placing Shares") at a price of 3 pence per Placing Share (the "Placing"). Investors in the Placing will also receive one three year warrant per Placing Share to subscribe for one new ordinary share at a cost of 4.8p per share ("Investor Warrants"). The Company has also issued 524,000 broker warrants that are exercisable at 3p for a period of 3 years ("Broker Warrants").

The Investor Warrants and Broker Warrants are conditional on the publication of a Prospectus by the Company, which it anticipates filing as soon as practicable, and shareholder approval to increase the Company's share authorities.

23. CONTROL

In the opinion of the Directors there is no single ultimate controlling party.