

Mila Resources Plc

Financial Statements

For the year ended
30 June 2017



Registered number 09620350 (England and Wales)

MILA RESOURCES PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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**MILA RESOURCES PLC
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017**

DIRECTORS AND ADVISORS

Directors (<i>all executive</i>)	George Donne Mark Stephenson Anthony Eastman
Company Secretary	Anthony Eastman
Head Office & Registered Office	Lockstrood Farm Ditchling Common Burgess Hill, West Sussex RH15 0SJ UNITED KINGDOM
Auditors	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	HSBC 50 Church Road Burgess Hill RH15 9AE
Registrars and Transfer Office	Capita Asset Services The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Financial Public Relations	St Brides Partners Limited 3 St Michael's Alley London EC3V 9DS
Registered Number	09620350
Website	www.milaresources.com

MILA RESOURCES PLC
STATEMENT FROM THE BOARD
FOR THE YEAR ENDED 30 JUNE 2017

Dear Shareholder

We have pleasure in presenting the financial statements for the year end 30 June 2017 and to provide you with a summary of our first full year of operation.

Operating Review

Our first year has been one of considerable activity as we completed our Initial Public Offering in October 2016 and reviewed several hundred potential acquisition targets. We raised a little over £1 million through our listing on the Standard List of the Main Board of the London Stock Exchange to fund our strategy of identifying and investing in quality pre-development mining opportunities. We were very happy to report that not only was the IPO oversubscribed, but your management team arranged the transaction at a cost of less than £40,000 (excluding capital raising fees). This was an early demonstration of our ability to deliver value for our shareholders, which we have continued to exercise in our search for assets.

Our team has reviewed numerous mining projects every week, which have varied from small exploration plays to production upgrades or restarts. The majority of projects reviewed are located in Africa, which is understandable given that London is the premier location for both African and European mining capital raising, but many have also come from Central and Southern America and the Former Soviet Union. All of these are regions in which your Directors and Advisory Committee ("AdCom") have significant operating experience and retain good working connections.

While we have sought to remain openminded about which commodities we might invest in, most of the projects identified have been for precious or base metals. Again, these are markets with which the team is very familiar and so we feel excellently placed to judge the quality of such opportunities. However, there is no doubt that more unusual resources have also come to the fore during the year, which have warranted serious investigation. In light of the surge in interest for battery metals, an increasing number of lithium and cobalt projects have appeared, while the "3Ts" (tin, tungsten and tantalum) are also showing attractive future dynamics. The latter metals have been of particular interest as they can be developed using simple technology and good mine and supply chain management can greatly enhance the economics of small/medium scale operations.

At the root of all our business development work is the goal of adding value for our shareholders. Every project put forward is accompanied by an internal project report listing the key operational characteristics, project and acquisition economics and investment thesis and this reporting process ensures diligence during our initial review stages. Our search has narrowed to a handful of opportunities, where we believe that a transaction can be structured to give material value accretion for our shareholders. These projects have demonstrated viable potential to deliver either significant value addition through fulfilment of later-stage exploration programmes or balance large "blue-sky" resource potential with realisable near-term cash flow generation. Negotiations are already well underway on these projects and we hope that at least one of these opportunities can be Mila's first acquisition.

In addition to purely looking for assets, in recent months we have broadened our scope to identifying high-quality technical management, who would complement our existing team and strengthen our growth platform. To this end, we are currently working with a number of independent specialist mineral and metallurgical engineers with world-class experience in their respective industries. This combined experience would give Mila the technical firepower to exploit fully any projects that we are able to acquire and they have already been assisting the Company greatly in our more advance review of certain opportunities. They will also allow the Company to avoid the additional expense of employing contract mining or other external technical managers wherever possible.

So far, 2017 has been a very active year for Mila and we have made good progress towards our primary goal of executing our first acquisition. We continue to be diligent in our searches and we hope to be able to update our shareholders with definitive results in the very near future.

MILA RESOURCES PLC
STATEMENT FROM THE BOARD
FOR THE YEAR ENDED 30 JUNE 2017

Financial

Funding

The Company is funded through investment from its Shareholders. During the year, the Company successfully completed its Standard Listing IPO onto the London Stock Exchange, raising £1.05 million before costs.

Revenue

The Company has generated no revenue during the year, however is focussing on acquisition targets that will ultimately generate revenue for the Company.

Expenditure

In completing the successful listing during the year, the Company was extremely proud of the fact that it was able to limit the whole IPO costs (before capital raising fees) of below £40,000. This fiscal discipline has continued post listing with the Company maintaining low overheads and ensuring that the spending of any monies on business development opportunities only occurs after a particular project has passed our initial technical review and received the approval of the AdCom.

Liquidity, cash and cash equivalents

At 30 June 2017, the Company held £932,034 (2016: £62,368) which is all denominated in pounds sterling.

Dividend

The Directors do not intend to declare a dividend in respect of the period under review.

Outlook

The landscape for mining transactions during late 2016 and early 2017 has seen initial optimism pared back to a more conservative outlook with respect to new investment opportunities. The benefits of widespread rising commodity prices have not triggered a renewed appetite for mining exploration as investors continue to remain wary of upstream risk following the post-Super Cycle retraction. Feasibility and development finance for major mining projects remains scarce and so funding assets with high anticipated capital expenditure budgets is still a significant challenge. Similarly, geopolitical risk has also seen 'safe haven' commodities such as gold rise, but uncertainty over new mining regulations in principal emerging markets such as South Africa, Philippines and Tanzania has hit even the largest players in the sector.

Against this background of gradual sector recovery, but with ongoing fundamental uncertainty, Mila has remained diligent in its objective of acquiring a quality mining project, which will deliver value for its shareholders. While we have our preferred resources, based on typical investment size and expected project paybacks, we have remained flexible to accommodate the shifting sentiments of the financing markets, as well as fluid pricing and regulatory environments. We have not seen a material shift in availability for pre-development finance, despite much of the optimism earlier in the year, and so we remain convinced that quality opportunities exist within our strategic scope.

Critical in being able to navigate these forces as a small company has been the strict preservation of our capital. To that end, we have deliberately limited any unnecessary business development expenditure until a particular project has passed our initial technical review and received the approval of the AdCom. Until we complete an acquisition, we will remain prudent with respect to any expenditure.

George Donne

Executive Director

29 September 2017

MILA RESOURCES PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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.

This IPO was completed during the financial year, with the Company successfully raising £1,050,000 before costs with Admission to the Main Market of the London Stock Exchange in October 2016.

The Company's vision is to build Mila into an established, mid-tier mining company with a defined development strategy in place to identify effectively, acquire and scale projects – focused on:

- Pre-development stage mining opportunities, which require minimal additional investment to unlock significant inherent value
- Engaging with specialist development funding groups to secure both a source of attractive potential projects and to establish the framework for eliciting secondary project funding
- Generating income from the full or partial divestment and/or farm-out of acquired projects, with the option to retain minority equity or royalty interests in order to recycle capital into the next acquisition project

Key performance indicators

Appropriate key performance indicators will be identified in due course as the business strategy is implemented following a successful acquisition.

Principal risks and uncertainties

The principal risks currently faced by the Company relate to:

No Operating History

The Company is a newly formed entity with no operating history and has not yet identified any potential target company or business or asset(s) for an acquisition.

Acquiring Less than Controlling Interests

The Company may acquire either less than whole voting control of, or less than a controlling equity interest in, a target, which may limit the Company's operational strategies and reduce its ability to enhance Shareholder value.

Inability to Fund Operations Post-Acquisition

The Company may be unable to fund the operations post acquisition of the target business if it does not obtain additional funding.

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

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.

Suitable Acquisition Opportunities may not be Identified or Completed

The Company's business strategy is dependent on the ability of the Directors to identify sufficient suitable acquisition opportunities. If the Directors do not identify a suitable acquisition target, the Company may not be able to fulfil its objectives. Furthermore, if the Directors do not identify a suitable target, the

MILA RESOURCES PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Company may not acquire it at a suitable price or at all. In addition, if an acquisition is aborted the Company may be left with substantial transaction costs.

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 than a direct investment, if such an opportunity were available, in a target business.

Reliance on External Advisors

The Directors expect to rely on external advisors to help identify and assess potential 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.

Failure to Obtain Additional Financing to Complete an Acquisition or Fund a Target's Operations

There is no guarantee that the Company will be able to obtain any additional financing needed to either complete an acquisition or to implement its plans post acquisition or, if available, to obtain such financing on terms attractive to the Company. In that event, the Company may be compelled to restructure or abandon the acquisition or proceed with the acquisition on less favourable terms, which may reduce the Company's return on the investment. The failure to secure additional financing on acceptable terms could have a material adverse effect on the continued development or growth of the Company and the acquired business.

Reliance on Income from the Acquired Activities

Following an acquisition, the Company may be dependent on the income generated by the acquired business 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.

Restrictions in Offering Ordinary Shares as a Consideration for an Acquisition or Requirements to Provide Alternative Consideration.

In certain jurisdictions, there may be legal, regulatory or practical restrictions on the Company using its Ordinary Shares as a consideration for an acquisition or which may mean that the Company is required to provide alternative forms of consideration. Such restrictions may limit the Company's acquisition opportunities or make a certain acquisition more costly, which may have an adverse effect on the results of operations of the Company.

Inaccurate Estimates of a Target's Reserves or Resources

The Company may estimate a potential target's resources and reserves. These are subject to a number of assumptions, including the price of commodities, production costs and recovery rates. Fluctuations in the variables underlying the estimates may result in material changes to its resources and reserve estimates which may have a materially adverse impact on the financial condition and prospects of a Company following acquisition.

Gender analysis

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

	Male	Female
Directors	3	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.

Corporate environmental responsibility

The Company's policy is to minimise the risk of any adverse effect on the environment associated with its activities with a thoughtful consideration of such key areas as energy use, pollution, transport, renewable resources, health and wellbeing. The Company also aims to ensure that its suppliers and advisers meet with their legislative and regulatory requirements and that codes of best practice are met and exceeded.

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



George Donne

Executive Director

29 September 2017

MILA RESOURCES PLC
KEY PERSONNEL
FOR THE YEAR ENDED 30 JUNE 2017

The only employees in the Company are the Directors, who are all considered to be key management personnel.

George Donne

George began his career in JP Morgan's Metals and Mining corporate finance team in London and Johannesburg. George has worked on several of the most significant mining transactions, including advising Billiton Plc on their USD 38 billion merger with BHP Ltd, to create the world's largest diversified mining company, and the restructuring of Xstrata plc and its listing on the London Stock Exchange.

Having left investment banking, George became Executive Director of Victoria Oil & Gas Plc, an AIM-quoted E&P company with assets in West Africa and the Former Soviet Union (FSU). Whilst at Victoria, George managed the acquisitions of a number of exploration projects, which were successfully brought into production, and the raising of over USD 150 million in equity and convertible debt.

Anthony Eastman

Anthony is a Chartered Accountant (Australian qualified) with a number of years' experience in financial management and corporate advisory services, primarily in the natural resources sector, along with extensive experience in the public company environment, having been a director and company secretary of a number of ASX and AIM junior mining and oil & gas focused companies.

He has previously worked with Ernst & Young and CalEnergy Gas Ltd, a subsidiary of the Berkshire Hathaway Group of Companies in both Australia and the United Kingdom.

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 – a Smith & Williamson group company. 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 the last four 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.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

The Directors present their report and the audited financial statements for the year ended 30 June 2017. The Company was incorporated on 3 June 2015.

Principal Activity

The principal activity of the Company during the period was that of identifying potential companies, businesses or asset(s) that have operations in the natural resources exploration, development and production sector.

Results

The Company recorded a loss for the year before taxation of £136,639 (2016: £26,153) and further details are given in the preceding Financial Review.

Dividends

No dividend has been paid during the year nor do the Directors recommend the payment of a final dividend.

Directors

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

George Donne	Executive Director
Mark Stephenson	Executive Director
Anthony Eastman	Executive Director

Details of the Directors' holding of Ordinary Shares and Warrants are set out in the Directors' Remuneration note from page 13.

Further details of the interests of the Directors in the Warrants of the Company are set out in Note 14 of the financial statements.

Share Capital

Mila Resources Plc is incorporated as a public limited company and is registered in England and Wales with the registered number 09620350. Details of the Company's issued share capital, together with details of the movements during the year, are shown in Note 14. The Company has one class of Ordinary Share and all shares have equal voting rights and rank pari passu for the distribution of dividends and repayment of capital.

Substantial Shareholdings

At 6 September 2017, the Company had been informed of the following substantial interests over 3% of the issued share capital of the Company.

	Holdings	Percentage
Himal Shah	1,697,704	7.31%
Mohammed Asim Arshad	1,335,526	5.76%
Nicholas Price	1,150,000	4.96%
Mark McVeigh	1,000,000	4.31%
Jerry Keen	800,000	3.45%
Simon Jeremy Parker	780,000	3.36%

**MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Corporate Governance Statement

The Board is committed to maintaining appropriate standards of corporate governance. The statement below, together with the report on Directors' remuneration on pages 13 to 16, explains how the Company has observed principles set out in The UK Corporate Governance Code ("the Code") as relevant to the Company and contains the information required by section 7 of the UK Listing Authority's Disclosure Rules and Transparency Rules.

The Company has decided not to apply the Code provisions in full given its current size and resources. The Company is a small company with modest resources. The Company has a clear mandate to optimise the allocation of limited resources to source acquisition/(s) and support its future plans. As such the Company strives to maintain a balance between conservation of limited resources and maintaining robust corporate government practices. As the Company evolves, the Board is committed to enhancing the Company's corporate governance policies and practices deemed appropriate to the size and maturity of the organisation.

Board of Directors

The Board currently consists of three executive Directors. It met regularly throughout the year to discuss key issues and to monitor the overall performance of the Company. With a Board comprising of just the three executive Directors, all matters and committees, such as Remuneration, Audit and Nominations are considered by the Board as a whole. The Directors will actively seek to expand Board membership to provide additional levels of corporate governance procedures at the relevant opportunity.

Audit Committee

The Board seeks to present a balanced and understandable assessment of the Group's position and prospects in all interim, final and price-sensitive reports and information required to be presented by statute.

The Directors consider the size of the Company and the close involvement of executive Directors in the day-to-day operations makes the maintenance of an internal audit function unnecessary. The Directors will continue to monitor this situation.

External auditor

The Board will meet with the auditor at least twice a year to consider the results, internal procedures and controls and matters raised by the auditor. The Board considers auditor independence and objectivity and the effectiveness of the audit process. It also considers the nature and extent of the non-audit services supplied by the auditor reviewing the ratio of audit to non-audit fees and ensures that an appropriate relationship is maintained between the Company and its external auditor.

The Company has a policy of controlling the provision of non-audit services by the external auditor in order that their objectivity and independence are safeguarded. As part of the decision to recommend the appointment of the external auditor, the Board takes into account the tenure of the auditor in addition to the results of its review of the effectiveness of the external auditor and considers whether there should be a full tender process. There are no contractual obligations restricting the Board's choice of external auditor.

Remuneration committee

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' and staff remuneration, share options and service contracts.

Nominations committee

A nominations committee has not yet been established.

**MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Internal financial control

Financial controls have been established so as to provide safeguards against unauthorised use or disposition of the assets, to maintain proper accounting records and to provide reliable financial information for internal use. Key financial controls include:

- the maintenance of proper records;
- a schedule of matters reserved for the approval of the Board;
- evaluation, approval procedures and risk assessment for acquisitions; and
- close involvement of the Directors in the day-to-day operational matters of the Company.

Shareholder Communications

The Company uses its corporate website (www.milaresources.com) to ensure that the latest announcements, press releases and published financial information are available to all shareholders and other interested parties.

The AGM is used to communicate with both institutional shareholders and private investors and all shareholders are encouraged to participate. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the Annual Report and Accounts.

The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution after it has been dealt with by a show of hands.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Directors' Remuneration Report

Remuneration Policies (unaudited)

The remuneration policy of the Company (being proposed at the forthcoming AGM) in effect from 3 June 2015 was that each Director shall be entitled to a salary not in excess of £24,000 per annum from the date of Admission until the completion of an acquisition and it is intended that these policies will be continued for the next and subsequent years subject to any acquisition. The date of Admission was 7 October 2016.

At such time upon completion of an acquisition, a remuneration committee may be appointed to reassess an appropriate level of Directors' remuneration and it is envisaged that the remuneration policy be amended so as 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. The Board believes that share ownership by Executive Directors strengthens the link between their personal interests and those of shareholders although there is no formal shareholding policy in place.

The current Directors' remuneration comprises a basic fee and at present, there is no bonus or long-term incentive plan in operation for the Directors.

Service contracts (unaudited)

Each of the Executive Directors entered into Service Agreements on 1 September 2016 with the Company and continue to be employed until terminated by the Company giving twelve months' prior notice or the Director giving twelve months' prior notice to save in cases of a material breach of contract when the Executive Directors can be dismissed without notice.

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.

Each Director is paid at a rate of £24,000 per annum.

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.

Approval by members (unaudited)

The remuneration policy above will be put before the members for approval at the next Annual General Meeting.

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 6 and 14 and further referenced in the Directors' report.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Remuneration paid to the Directors' during the year ended 30 June 2017 was:

Executive Director	Base salary £	Benefits in kind £	Pension contribution £	Total £
Mark Stephenson	18,000	-	-	18,000
George Donne	18,000	-	-	18,000
Anthony Eastman	18,000	-	-	18,000
	54,000	-	-	54,000

Remuneration paid to the Directors' during the year ended 30 June 2016 was:

Executive Director	Base salary £	Benefits in kind £	Pension contribution £	Total £
Mark Stephenson	-	-	-	-
George Donne	-	-	-	-
Anthony Eastman	-	-	-	-
	-	-	-	-

There were no performance measures associated with any aspect of Directors' remuneration during the year.

Payments to past Directors (audited)

There are no past Directors.

Payments for loss of office (audited)

There were no payments for loss of office during the year.

Bonus and incentive plans (audited)

There were no bonus and incentive plans in place during the year.

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

The Company does not yet have a Chief Executive and as such, no CEO disclosure has been presented.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

Total Shareholder Return (unaudited)

The following graph illustrates the percentage movement in the Company's share price since Admission compared to the percentage movement over the same period of the FTSE-Small Cap Index.

It should be noted that the Mila share price in the graph is rebased to a price of £0.075 being the closing price on the day of Admission and not its actual Admission price of £0.05. The FTSE-Small Cap index is made up of a basket of public companies across various industries and does not represent a comparative peer group of natural resources companies.



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 both 30 June 2016 and 30 June 2017 was:

	Number	%age of issued share capital – 2016	%age of issued share capital - 2017
Mark Stephenson	600,000	27.27%	2.59%
George Donne	200,000	9.09%	0.86%
Anthony Eastman	200,000	9.09%	0.86%
	1,000,000	45.45%	4.31%

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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

Director	At 30 June 2016	Granted during the year	At 30 June 2017	Exercise price	Earliest date of exercise	Latest date of exercise
G Donne	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
M Stephenson	1,200,000	-	1,200,000	£0.05	16 Oct 2016	20 Dec 2020
A Eastman	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>			

Remuneration Committee (unaudited)

There is no separate Remuneration Committee at present, instead all remuneration matters are considered by the Board as a whole. It meets when required to consider all aspects of directors' remuneration, share options and service contracts.

Shareholder voting at the Annual General Meeting (unaudited)

Given the Company ordinary shares were admitted to the Main Market of the London Stock Exchange during the current year, it has not yet presented its Directors' Remuneration Report and the Directors' Remuneration Policy to its members at the Annual General Meeting.

Statement (unaudited)

This is the Company's first period of operation. From the outset the Board has set out and implemented a policy designed in its view to attract, retain and motivate executive Directors of the right calibre and ability. There have been no major changes during the period either in that policy or its implementation, including levels of remuneration and terms of service for the Directors.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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 those International Financial Reporting Standards ("IFRS") adopted by the European Union.

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.

MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017

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.

Greenhouse Gas Disclosures

The Company has as yet minimal greenhouse gas emissions to report from the operations of the Company and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2014.

Disclosure and Transparency Rules

Details of the Company's share capital and warrants are given in Notes 14 and 15 respectively. 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 10.

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.

Auditor Information

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.

Auditor

Saffery Champness LLP has expressed its willingness to continue in office as Auditor of the Company and resolutions for its re-appointment and for the Directors to determine its remuneration will be proposed at the forthcoming AGM.

**MILA RESOURCES PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Financial Instruments

The Company has exposure to credit risk, liquidity risk and market risk. Note 19 presents information about the Company's exposure to these risks, along with the Company's objectives, processes and policies for managing the risks.

Events after the reporting period

There were no significant events of the Company subsequent to year end.

Directors' Indemnity Provisions

The Group has implemented Directors and Officers Liability Indemnity insurance.

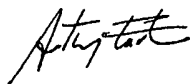
Going concern

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Further details are given in Note 2.2 to the Financial Statements. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Donations

The Company made no political donations during the year.

ON BEHALF OF THE BOARD



Anthony Eastman
Executive Director
29 September 2017

MILA RESOURCES PLC
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILA RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2017

Opinion

We have audited the financial statements of Mila Resources Plc (the 'company') for the year ended 30 June 2017 which comprise The Statement of Comprehensive Income, The Statement of Financial Position, The Statement of Cash Flows, The Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of affairs of the company as at 30 June 2017 and of the company's loss for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 auditors' 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.

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, 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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) that 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

MILA RESOURCES PLC
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILA RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2017

statement as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Non-compliance with laws and regulations – The company is subject to certain laws and regulations including compliance with EU adopted IFRS, Companies Act 2006 and the Financial Conduct Authority's ("FCA") Listing, Prospectus and Disclosure rules ("Listing Rules"). In its first period of operating after listing on the London Stock Exchange, we focussed audit resources on testing compliance with the laws and regulations that we identified as applicable to the company. This is a key audit matter because non-compliance could result in a suspension from trading on the London Stock Exchange or the imposition of fines and penalties.

In response to the risk identified above:

- we identified the key laws and regulations to which the company is subject and tested compliance with those regulations.
- we tested the timing of payments and filings made by reference to deadlines in respect of statutory filings, HMRC payments and returns and London Stock Exchange notifications.
- we tested disclosures in the Financial Statements by reference to the disclosure requirements of applicable IFRS, Companies Act 2006 and Listing Rules.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. Our overall objective as auditor is to obtain reasonable assurance that the financial statements as a whole are free from material misstatement, whether due to fraud or error. We consider a misstatement to be material where it could reasonably be expected to influence the economic decisions of the users of the financial statements.

We have determined a materiality of £26,000 for the financial statements as a whole. This is based on 5% of a weighting of gross assets and the loss in the year.

Performance materiality was set at 80% of planning materiality, or £20,800, on the basis that this is the company's first audited financial statements as a public interest entity.

An overview of the scope of our audit

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope.

The objectives of our audit, in respect of fraud, are: to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant frameworks which are directly relevant to specific assertions in the financial statements are those that relate to the reporting framework (IFRS and Companies Act 2006). In addition, we concluded that there are certain significant laws and regulations which may have an effect on the determination of the amounts and disclosures in the financial statements being the FCA's Listing Rules. We identified non-compliance with laws and regulations as a Key audit matter as outlined above.

MILA RESOURCES PLC
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILA RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2017

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by: considering the controls the company has established to address risks identified by the entity, or that otherwise prevent, deter and detect fraud; how the Board monitor those controls, and evaluating conditions in the context of incentive/pressure to commit fraud, considering the opportunity to commit fraud and the potential rationalisation of the fraudulent act.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company 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.

MILA RESOURCES PLC
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MILA RESOURCES PLC
FOR THE YEAR ENDED 30 JUNE 2017

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out from page 17, 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.

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 on 22 July 2016 to audit the financial statements of the company prior to listing for the period ending 30 June 2016. These financial statements are the first of the listed company.

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.



.....
Jamie Cassell (Senior Statutory Auditor)

for and on behalf of Saffery Champness LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

29 September 2017

MILA RESOURCES PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Year ended 30 June 2017 £	Period ended 30 June 2016 £
Revenue		-	-
Administrative expenses		(136,639)	(26,153)
Operating loss		(136,639)	(26,153)
Finance income		-	-
Loss on ordinary activities before taxation	5	(136,639)	(26,153)
Tax on loss on ordinary activities	7	-	-
Loss and total comprehensive loss for the period attributable to the owners of the company		(136,639)	(26,153)
Loss per share (basic and diluted) attributable to the equity holders (pence)		(0.78)	(1.58)

The above results relate entirely to continuing activities.

There were no acquisitions or disposals of businesses in the period.

The accompanying notes on pages 28 to 42 form part of these financial statements.

MILA RESOURCES PLC
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	Year ended 30 June 2017 £	Period ended 30 June 2016 £
CURRENT ASSETS			
Trade and other receivables	10	1,241	-
Cash and cash equivalents	11	932,034	62,368
		<u>933,275</u>	<u>62,368</u>
TOTAL ASSETS		933,275	62,368
CURRENT LIABILITIES			
Trade and other payables	12	10,047	7,921
TOTAL LIABILITIES		10,047	7,921
NET ASSETS		923,228	54,447
EQUITY			
Share capital	14	232,000	2,200
Share premium	14	849,300	78,400
Share based payment reserve	15	4,720	-
Retained loss		(162,792)	(26,153)
TOTAL EQUITY		923,228	54,447

The accompanying notes on pages 28 to 42 form part of these financial statements.

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



Anthony Eastman

Executive Director

Company number: 09620350

MILA RESOURCES PLC
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Year ended 30 June 2017 £	Period ended 30 June 2016 £
Cash flow from operating activities		
Loss for the year / period	(136,639)	(26,153)
Adjustments for:		
Costs settled by the payment of share / warrants	4,720	-
Operating cashflow before working capital movements	131,919	(26,153)
(Increase) / decrease in trade and other receivables	(1,241)	-
(Decrease) / increase in trade and other payables	2,126	7,921
Net cash outflow from operating activities	(131,034)	(18,232)
Cashflow from financing activities		
Proceeds on the issue of shares	1,050,000	80,600
Costs related to share issues	(49,300)	-
Net cash inflow from investing activities	1,000,700	80,600
Net increase in cash and cash equivalents	869,666	62,368
Cash and cash equivalents at the beginning of the year / period	62,368	-
Foreign exchange	-	-
Cash and cash equivalents at the end of the year / period	932,034	62,368

MILA RESOURCES PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

	Share Capital	Share Premium	Share Based Payment Reserve	Retained Loss	Total
	£	£	£	£	£
On incorporation	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(26,153)	(26,153)
Shares issued during the period	2,200	78,400	-	-	80,600
Balance at 30 June 2016	2,200	78,400	-	(26,153)	54,447
Total comprehensive income for the period	-	-	-	(136,639)	(136,639)
Shares issued during the period	21,000	1,029,000	-	-	1,050,000
Effect of change to share nominal value – as approved at 2016 AGM	208,800	(208,800)	-	-	-
Issue of warrants	-	-	4,720	-	4,720
Costs related to share issues	-	(49,300)	-	-	(49,300)
Balance at 30 June 2017	232,000	849,300	4,720	(162,792)	923,228

The accompanying notes on pages 28 to 42 form part of these financial statements.

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

1 GENERAL INFORMATION

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

The Company is domiciled in the United Kingdom and incorporated and registered in England and Wales as a public limited company. The Company's registered office is Lockstrood Farm, Ditchling Common, Burgess Hill, West Sussex RH15 0SJ. The comparative period covers from 3 June 2015 to 30 June 2016. The Company's registered number is 09620350.

2 ACCOUNTING POLICIES

2.1 Basis of preparation

The Financial Statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The Financial Statements have been prepared on the historical cost convention. The principal accounting policies are set out below and have, unless otherwise stated, been applied consistently for all periods presented in these Financial Statements. The Financial Statements are prepared in pounds Sterling and presented to the nearest pound.

2.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future.

The Company had a net cash outflow from operating activities for the year of £131,034 (2016: £18,232) and at 30 June 2017 had cash and cash equivalents balance of £932,024 (2016: £62,368).

The Directors consider that the continued adoption of the going concern basis is appropriate and the accounts do not reflect any adjustments that would be required if they were to be prepared on any basis.

2.3 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activity. Revenue is shown net of value added tax, returns, rebates and discounts. The Company recognises revenue when the amount of the revenue can be reliably measured and when it is probable that economic benefits will flow to the entity.

2.4 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.

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instruments

Financial assets can be divided into the following categories: loans and receivables, financial assets at fair value through profit or loss, available-for-sale-assets and held-to-maturity investments. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

for which the instruments were acquired. The designation of financial assets is re-evaluated at every reporting date at which a choice of classification or accounting treatment is available.

Derecognition of financial instruments occurs when the rights to receive cash flows from investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at each balance sheet date or whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

Trade receivables

Trade receivables are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at an effective rate computed at initial recognition.

Loans receivable

Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money directly to a debtor with no intention of trading the receivables. Loans receivable are measured at initial recognition at fair value plus, if appropriate, directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability and an equity instrument. A financial liability is a contractual obligation to either deliver cash or another financial asset to another entity or to exchange a financial asset or financial liability with another entity, including obligations which may be settled by the Company using its equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

Financial liabilities

At initial recognition, financial liabilities are measured at their fair value plus, if appropriate, any transaction costs that are directly attributable to the issue of the financial liability. After initial recognition, all financial liabilities are measured at amortised cost using the effective interest method.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received net of any direct issue costs.

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2.6 Property, plant and equipment

The Company holds no property or other plant and equipment.

When the Company acquires plant and equipment it will be stated in the accounts at its cost of acquisition less a provision.

Depreciation will be charged to write off the costs less estimated residual value of plant and equipment on a straight basis over their estimated useful lives. Estimated useful lives and residual values are reviewed each year and amended if necessary.

2.7 Operating leases

Leases where substantially all the risks and rewards of ownership remain with the lessors are accounted for as operating leases and are accounted for on a straight-line basis over the term of the lease and charged to the income statement.

2.8 Equity

Share capital is determined using the nominal value of shares that have been issued.

The Share premium account includes any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the Share premium account, net of any related income tax benefits.

Equity-settled share-based payments are credited to a share-based payment reserve as a component of equity until related options or warrants are exercised or lapse.

Retained losses includes all current and prior period results as disclosed in the income statement.

2.9 Share-based payments

The Company has issued warrants to the initial investors and certain counter parties and advisers.

Equity-settled share-based payments are measured at fair value (excluding the effect of non-market based vesting conditions) at date of grant. The fair value so determined is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

Fair value is measured using the Black Scholes pricing model. The key assumption used in the model have been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

2.10 Taxation

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

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. 28

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

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

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

2.11 Critical accounting judgements and key sources of estimation 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 key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are those relating to:

- the ability of the Company to operate as a "going concern"; and
- the estimation of the fair value of the shares and warrants issued during the period.

Going concern

As explained in Note 2.2 above, the financial information is drawn up on the going concern basis which assumes that the Company has sufficient funds to continue to operate for the foreseeable future as it continues to assess acquisition opportunities. Upon the completion of an acquisition, the Company may need to source additional funds to complete and support the acquisitions' development.

The Directors have reviewed the forecasts for the coming 18 months and consider that the Company's existing working capital and sources of finance are adequate for its purposes. If the financial information was to be drawn up on the basis that this assumption was not valid then there could be material changes to the carrying values of both assets and liabilities.

Estimation of fair value of warrants issued in the period

The fair value of the warrants issued during the period have been calculated using a Black Scholes model which requires a number of assumptions and inputs, see Note 15 below.

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

2.12 Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group

During the financial year, the Company has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations that became effective for the first time.

Standard	Effective date, annual period beginning on or after
Annual Improvements 2012-2014 cycle	1 January 2016
IFRS 11 (amendments) - Accounting for acquisitions of interests in joint operations	1 January 2016
Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment entities – Applying the Consolidation Exception	1 January 2016
IAS 16 Property, Plant & Equipment and IAS 38 – Intangible assets (amendments)	1 January 2016
IAS 1 - Disclosure Initiative	1 January 2016
IAS 27 (amendments) - Equity Method in Separate Financial Statements	1 January 2016

Their adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

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. In some cases these standards and guidance have not been endorsed for use in the European Union.

Standard	Effective date, annual period beginning on or after
Annual Improvements 2014-2016 cycle	1 January 2017/ 1 January 2018
Amendments to IAS 12 – <i>Recognition of Deferred Tax for Unrealised Losses</i>	1 January 2017
Amendments to IAS 7 – <i>Disclosure Initiative</i>	1 January 2017
IFRS 9 <i>Financial instruments</i>	1 January 2018
IFRS 15 <i>Revenue from contracts with Customers</i> including amendments to IFRS 15: <i>Effective date of IFRS 15</i> .	1 January 2018
Clarifications to IFRS 15 - <i>Revenue from contracts with Customers</i>	1 January 2018
IFRS 16 <i>Leases</i>	1 January 2019
IFRS 2 (amendments) - <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
IFRIC Interpretation 22 - <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
IFRIC 23 – <i>Uncertainty over Income Tax Treatments</i>	1 January 2019

The Directors are evaluating the impact that these standards will have on the financial statements of Company.

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 so that at present there is only one reportable operating segment.

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

3. REVENUE

There was no revenue generated in the year.

4. SEGMENT REPORTING

In the opinion of the Directors, during the year ended 30 June 2017 the Company operated in the single business segment of natural resources.

5. OPERATING LOSS

This is stated after charging:

	2017 £	2016 £
Share based payments charge	4,720	-
Costs associated with listing	5,950	21,950
Auditor's remuneration		
- audit of the Company	9,000	3,800
- non-audit services		
taxation compliance services	1,200	-
other taxation services	1,165	-
corporate finance services	3,750	-
Directors' remuneration	54,000	-
Stock exchange and regulatory expenses	27,930	-
Other expenses	28,923	403

6. 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:

	2017 £	2016 £
Salaries	54,000	-
Social security costs	772	-
	54,772	-

The average number of staff during the year, including Directors was 3 (2016: 3).

MILA RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

All Directors of the Company received equal remuneration during the year, hence there was not one highest paid director. The remuneration per Director was as follows:

	2017 £	2016 £
Salaries	18,000	-
Social security costs	257	-
	<u>18,257</u>	<u>-</u>

7. TAXATION

	2017 £	2016 £
The charge / credit for the year is made up as follows:		
Corporation taxation on the results for the year	-	-
	<u>-</u>	<u>-</u>
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	(136,639)	(26,153)
Tax credit at the standard rate of corporation tax in the UK (19.75%) (2016: 20%)	(26,986)	(5,231)
Impact of costs disallowed for tax purposes	6,093	2,690
Deferred tax in respect of temporary differences	-	-
Impact of unrelieved tax losses carried forward	20,894	2,541
	<u>-</u>	<u>-</u>

Estimated tax losses of £105,000 (2016: £12,703) are available for relief against future profits and a deferred tax asset of £17,850 has not been provided for in the accounts based on the estimated tax losses.

Factors affecting the future tax charge

The standard rate of corporation tax in the UK changed from 20% to 19% with effect from 1 April 2017. Accordingly, the Company's effective tax rate for the period was 19.75%.

A further change in the corporation tax rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 15 September 2016, therefore the potential deferred tax asset has been assessed on this basis.

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8. LOSS PER SHARE

The calculation of the loss per share is based on the loss for the financial period after taxation of £136,639 (2016: loss £26,153) and on the weighted average of 17,504,110 (2016: 1,650,382) ordinary shares in issue during the period.

The warrants outstanding at 30 June 2017 and 30 June 2016 are considered to be non-dilutive in that their conversion into ordinary shares would not increase the net loss per share. Consequently, there is no diluted loss per share to report for the period.

9. PROPERTY, PLANT AND EQUIPMENT

The Company held no property, plant and equipment during the year and at the year end.

10. TRADE AND OTHER RECEIVABLES

	2017 £	2016 £
Prepayments and other receivables	1,241	-
	<u>1,241</u>	<u>-</u>

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

11. CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank	932,034	62,368
	<u>932,034</u>	<u>62,368</u>

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

12. TRADE AND OTHER PAYABLES

	2017 £	2016 £
Trade payables	498	136
Accruals and other payables	9,549	7,785
	<u>10,047</u>	<u>7,921</u>

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Trade payables and accruals principally comprise amounts outstanding for trade purchases and continuing costs. The Directors consider that the carrying value amount of trade and other payables approximates to their fair value. Fair values have been calculated by discounting cash flows at prevailing interest rates. Refer Note 19.

13. 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 7 above sets out the estimated tax losses carried forward and the impact of the deferred tax asset not accounted for.

14. SHARE CAPITAL / SHARE PREMIUM

	Number of shares on issue	Share capital £	Share premium £	Total £
Ordinary shares of £0.001 each issued at par on 3 June 2015	600,000	600	-	600
Ordinary shares of £0.001 each issued at £0.05 on 16 October 2015	1,600,000	1,600	78,400	80,000
Balance as at 30 June 2016	2,200,000	2,200	78,400	80,600
Ordinary shares of £0.001 each issued at £0.05 on 7 October 2016	21,000,000	21,000	1,029,000	1,050,000
Change in nominal value of ordinary shares to £0.01 as approved 2016 AGM *	-	208,800	(208,800)	-
Cost of issue of shares	-	-	(49,300)	(49,300)
Balance as at 30 June 2017	23,200,000	232,000	849,300	1,081,300

** After approval at the 2016 AGM, the Company contemporaneously completed a share consolidation and bonus issue in order to increase the share capital of the Company through a transfer from share premium and increase the nominal value of ordinary shares to £0.01. This corporate action resulted in nil change to the number of ordinary shares on issue.*

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

At 30 June 2017, there were warrants and options over 15,825,000 unissued ordinary shares (2016: 4,400,000).

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Details of the warrants outstanding are as follows:

Issued	Exercisable from	Expiry date	Number outstanding	Exercise price
16 October 2015	Anytime until	31 December 2020	4,400,000	£0.05
12 September 2016	Anytime until	31 December 2020	350,000	£0.05
26 September 2016 *	7 October 2016	31 December 2020	11,075,000	£0.10
			<u>15,825,000</u>	

* The warrants were issued conditional upon the Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities which occurred on 7 October 2016.

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

Director	At 30 June 2016	Granted during the year	At 30 June 2017	Exercise price	Earliest date of exercise	Latest date of exercise
G Donne	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
M Stephenson	1,200,000	-	1,200,000	£0.05	16 Oct 2016	20 Dec 2020
A Eastman	400,000	-	400,000	£0.05	16 Oct 2016	20 Dec 2020
	<u>2,000,000</u>	<u>-</u>	<u>2,000,000</u>			

The market price of the shares at year end was £0.039 per share.

During the year, the minimum and maximum prices were £0.039 and £0.086 per share respectively.

15. SHARE BASED PAYMENT RESERVE

	2017 £	2016 £
At 1 July	-	-
Fair value of warrants granted during the period	4,720	-
At 30 June	<u>4,720</u>	<u>-</u>

The Company issued warrants to investors and advisors during the year. Details of warrants issued during the year are as follows:

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	Number	£	Weighted average exercise price
At incorporation	-	-	-
Granted during period:			
Founder warrants	4,400,000	-	£0.05
Balance at 30 June 2016	4,400,000	-	£0.05
Granted during period:			
Advisor warrants	400,000	4,720	£0.056
Investor warrants *	11,025,000	-	£0.10
Balance at 30 June 2017	15,825,000	4,720	£0.085

* Warrants issued to investors on a 1:2 basis at IPO were attached to the IPO shares and as such were deemed to have nil value.

The warrants outstanding at the year end have a weighted average remaining contractual life of 3.5 years. The exercise prices of the warrants are £0.05 and £0.10 per share with full details given in Note 14.

The fair value of the Advisor Warrants issued during the year were calculated using the Black Scholes pricing model and the inputs into the model were as follows:

Share price at date of issue of warrants	£0.05 **
Exercise price	£0.05-£0.10
Expected volatility	30%
Risk free interest rate	1%

** Warrants were issued on and before the Ordinary Shares were admitted to trading on the London Stock Exchange's main market, hence the IPO share price was used.

The Company recognised total charges of £4,720 (2016: £nil) related to equity settled share-based payment transactions during the year.

16. CAPITAL COMMITMENTS

There were no capital commitments at 30 June 2016 and 30 June 2017.

17. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2016 and 30 June 2017.

18. COMMITMENTS UNDER OPERATING LEASES

There were no commitments under operating leases at 30 June 2016 and 30 June 2017.

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19. 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

The categories of financial assets (as defined by *International Accounting Standard 39: Financial Instruments: Recognition and Measurement*) included in the balance sheet and the heading in which they are as follows:

	2017 £	2016 £
Current Assets:		
Trade and other receivables	1,241	-
Cash and cash equivalents	932,034	62,368
	933,275	62,368

All amounts are short term and none are past due at reporting date.

Financial liabilities by category

The categories of financial liabilities (as defined by *International Accounting Standard 39: Financial Instruments: Recognition and Measurement*) included in the balance sheet and the heading in which they are as follows:

	2017 £	2016 £
Current Liabilities:		
Trade and other payables	10,047	7,921
Categorised as financial liabilities measured at amortised cost	10,047	7,921

All amounts are short term and payable in 0 to 3 months.

Credit risk

The maximum exposure to credit risk at the reporting date by class of financial asset was:

	2017 £	2016 £
Trade and other receivables	1,241	-

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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:

	2017	2016
	£	£
Bank balances	932,034	62,368

The nature of the Company's activities and the basis of funding are such that the Company has significant liquid resources. The Company uses these resources to meet the cost of operations. Consequently, it seeks to minimise risk in the holding of its bank deposits while maintaining a small rate of interest during this period of very low interest rates.

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 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 and to avoid locking into potentially unattractive interest rates.

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 majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. The Company did not have foreign currency exposure at year end.

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20. RELATED PARTY TRANSACTIONS

As part of the formation of the Company, 600,000 Ordinary Shares at £0.001 each were subscribed for and issued to the following Directors along with two warrants for every one Ordinary Share subscribed for (refer to Note 14 for details of the Warrants):

	Number	Cash subscribed £ per share
G Donne	200,000	£0.001
M Stephenson	200,000	£0.001
A Eastman	200,000	£0.001

As part of the initial funding of the Company during the prior period, 400,000 Ordinary Shares at £0.05 were subscribed for and issued to the following Directors along with two warrants for every one Ordinary Share subscribed for (refer to Note 14 for details of the Warrants):

	Number	Cash subscribed £ per share
M Stephenson	400,000	£0.05

21. EVENTS SUBSEQUENT TO YEAR END

There were no significant events of the Company subsequent to year end.

22. CONTROL

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