



MILLENNIUM
MINERALS LIMITED



Company
Insight

the intelligent market update

Millennium Minerals Limited

Date of Lodgement: 19/12/12

Title: “Company Insight –Full Production at Dec12 & Growth Ahead”

Highlights of Interview

- Addresses Nullagine’s production since commissioning
 - General impact of entering gold production on the Company
 - Impact of developing cashflows on Millennium’s exploration and development program for 2013 and focus of E&D work
 - Update on Nullagine’s plant expansion potential – plant capability testing is achieving throughput rates in excess of design
 - Overall reflections on Millennium’s 2012 and the year ahead
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Record of interview:

Millennium Minerals Limited (ASX MOY: market capitalisation of~A\$117 million), Chief Executive Officer, Brian Rear.

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You brought Nullagine to full production within 6 weeks of commissioning. How has production been going since then?

Chief Executive, Brian Rear

We completed commissioning in mid-September and had a successful October demonstrating that the mine operated to its design specification. With that behind us, we elected to place the mine on a full production footing as of 1 November – which was ahead of schedule. Following that, in November, we poured 5,470 ounces for the month. This was a highly satisfactory outcome although we did experience some unscheduled downtime due to difficult settling conditions associated with the highly oxidised material from the top of the Golden Eagle deposit - which had an impact on the overall water balance. That issue appears to have been resolved by switching flocculent type, so generally, we are very pleased with how the team is addressing issues and the plant is performing. I should add that we won’t continue to encounter this difficult material because cleaner ore is accessed with depth.

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Have you experienced any issues in sustaining the design rate of production? If so, how have they been resolved?

Brian Rear

No, there has not been any problem operating at design throughput rates when online. On the contrary - we have executed a few 24 hour test runs well above design capacity during November without observing any issues across the operation.

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What has been the general impact of the Company's gold production since commissioning?

Brian Rear

The Company's receipts from November gold sales were such as to more than cover the mine operating expenses including royalties - so that represents achievement of a significant milestone for the business. As a guide, revenue from the first half of each month would generally cover mine cash based expenses, royalties and head office costs at prevailing gold prices.

Overall, this provides a sense of the kind of potential surpluses that are available.

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As Millennium begins to generate healthy cashflows, what do you see as the general impact on Millennium's exploration and development program and growth profile for 2013?

Brian Rear

Over the first quarter of 2013 we will look to build cash reserves ahead of commencing debt repayments in March. That's an important priority. But exploration is also a key priority - so as we move out of the wet season around March/April - we'll accelerate our current drilling work to develop our reserve base from in and around our Golden Eagle focus to the central and far eastern deposits.

We are also watching the exciting developments at Beatons Creek with great interest as that story unfolds.

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Nullagine's plant possesses good expansion potential - because it has spare capacity in a number of areas of the plant. How are the Company's studies progressing to test the plant's capabilities?

Brian Rear

The capacity testing is proceeding very well. During the first half of December we set progressive daily production records, now standing at 5,300 tonnes per day, which compares with the nameplate capacity of 4,200 tonnes per day (1.5 Mtpa).

During the rest of December we will continue to operate above-design throughput rates to assess the long-run capability of the plant ahead of finalising the base budget for 2013.

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What are your overall reflections on Millennium's 2012, and the year ahead?

Brian Rear

Obviously, completing Nullagine was a highlight - but meeting the time and budget guidance for the construction phase gave me a great deal of satisfaction. As always, it was a team effort from Millennium, the EPCM engineers Mintrex/BEC, and the key contractors on the job. Ultimately,

though, achieving these targets is a question of culture and commitment and Millennium's strong leadership has delivered these qualities.

I am equally pleased with the start of production. Commissioning brings with it any number of issues but the site team has identified and overcome those items quickly and efficiently.

It remains for us to demonstrate the profitability and performance in 2013. Based on what has already been achieved in 2012, I am confident we will do that.

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Thank you, Brian.

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This release may include forward-looking statements. These forward-looking statements are based on Millennium's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Millennium, which could cause actual results to differ materially from such statements. Millennium makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of this release.

Competent Persons Statements – Exploration Results

Mr I Hay (MAIG), a geologist employed full-time by Millennium Minerals Limited, compiled the technical aspects of this report. Mr Hay is a member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to this style of mineralization and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hay consents to the inclusion in the report of the matters in the form and context in which it appears.

Competent Persons Statements – Mineral Resources

The information in this Report which relates to the **Golden Eagle Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Golden Eagle deposit Mineral Resource estimate has been compiled and prepared by Dr Bielin Shi, (MAusIMM) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this Report which relates to the **Shearers Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Shearers deposit Mineral Resource estimate has been compiled and prepared by Mr. David Williams (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this Report which relates to the **Otways Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Otways deposit Mineral Resource estimate has been compiled and prepared by Mr. Shane Fieldgate (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this Report which relates to the **Little Wonder and Golden Gate Satellite Mineral Resource estimates** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Little Wonder and Golden Gate satellite deposits Mineral Resource estimate has been compiled and prepared by Steven Hodgson, (MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

The information in this Report which relates to the **Bartons, All Nations and Golden Gate ABCD reef Mineral Resource estimates** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The reported Mineral Resource as it relates to Bartons, All Nations, and Golden Gate ABCD reef has been compiled by Mr Nic Johnson. Mr Johnson is a Member of the Australian Institute of Geoscientists and an employee of Hellman & Schofield Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the

Minerals Council of Australia. The Competent Persons listed consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The Mineral Resource estimates in this report relating to **Junction, Round Hill, Roscoe's Reward and Little Wonder** have been estimated and compiled by Mrs. Fleur Muller (MAusIMM) of Geostat Services Pty Limited who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs. Muller consents to the inclusion in this statement of the information in the form and context in which it appears.

Competent Persons Statements – Ore Reserves

The information in this Report, which relates to the Ore Reserve estimates accurately reflect information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Ore Reserves at the Millennium Minerals Nullagine Project is based on information compiled by Mr Steve Lampron and Mr. Daniel Tuffin. Mr. Daniel Tuffin of Auralia Mining Consulting completed the Ore Reserve estimate. Mr Daniel Tuffin is a Member of the Australasian Institute of Mining and Metallurgy (#228649) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify him as a Competent Person as defined in accordance with the Australasian Joint Ore Reserves Committee (JORC).

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