



MILLENNIUM

MINERALS LIMITED

ASX: MOY



The New Millennium

Capital Raising Presentation – October 2015

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A rejuvenated value proposition



▶ Significant gold producer - currently producing ~90,000 oz pa from the Nullagine Gold Project, WA

▶ Operational and financial turnaround well underway:

- ▶ *Production of 68,959 oz for 9 months to 30 September, All-in Sustaining Cost (AISC¹) of \$1,169/oz²*
- ▶ *Growing operating cash flows due to tight cost control and increasing production*
- ▶ *Senior debt reduced to \$6.1 M at 30 September 2015 and repaid by 1st quarter 2016*

▶ Extensive infrastructure in place, including near-new 1.5 Mtpa CIL plant – only gold processing plant in the region

▶ \$20 M underwritten³ Shareholder Participation Offer and Shortfall Offer underway (with oversubscriptions of \$1 M accepted) – opportunity for existing and new investors to participate in a rejuvenated value proposition with existing production and extensive exploration upside

- ▶ *Proceeds to extinguish subordinated debt of \$14 M, with remaining \$6 M-\$7 M to be applied to brownfield exploration and raising costs*

▶ Aggressive exploration campaign planned to extend mine life – 264 km² of barely-explored exploration acreage

- ▶ *Pipeline of drill-ready, near-mine exploration targets defined within close proximity to the plant*
- ▶ *Drilling will target significant extensions to existing mineralisation and numerous new targets*

▶ Highly supportive major shareholder, IMC, has committed to inject \$17.6 M (including a debt-to-equity swap for \$14 M), with an additional \$2.4 M already committed from contractors, directors and management

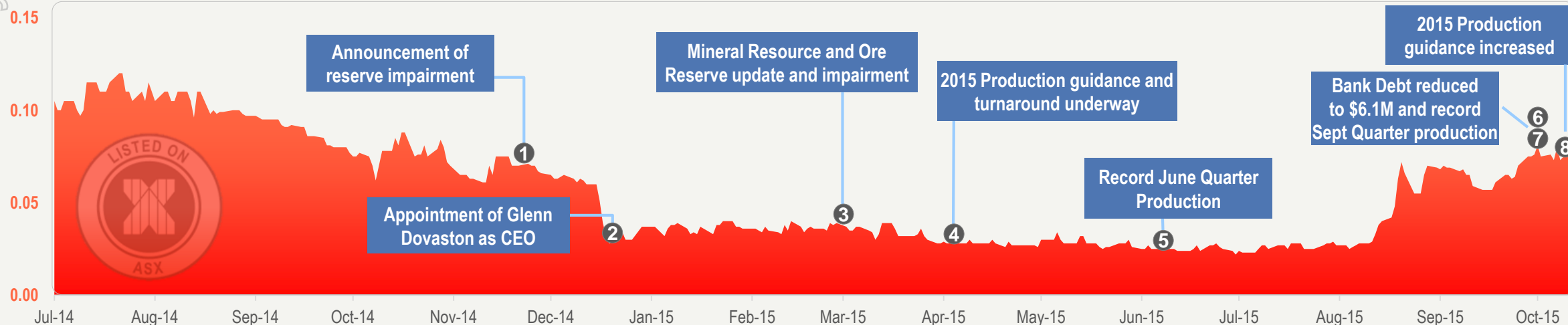
▶ \$10 M - \$11 M cash, \$6 M debt (post-raising) – on track to be debt-free in first half of CY2016

1. All-in Sustaining Cost conforms to the World Gold Council's Non-GAAP metrics definition
2. All dollars are Australian currency unless otherwise denoted
3. Subject to customary conditions

The Turnaround Story – the Investment Opportunity



Operational issues impacting share price have been addressed leading to substantial turnaround and positive outlook



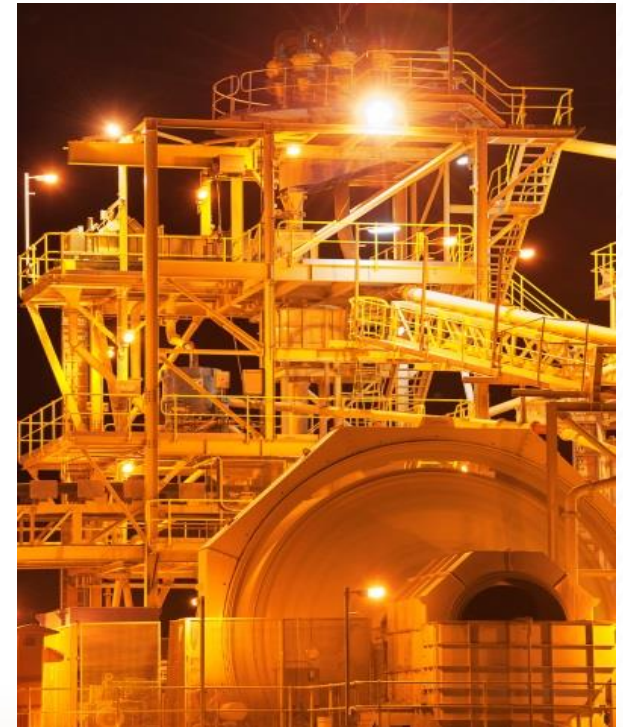
- 1 Millennium's share price was impacted by a reserve impairment in December 2014
- 2 Glenn Dovaston's appointment as CEO – launched an immediate cost-cutting campaign covering every aspect of the business
- 3 Updated Mineral Resource and Ore Reserve for the Nullagine Gold Project and announcement of asset impairment
- 4 Ramped up mill productivity – now operating in excess of nameplate capacity at 1.9 Mtpa
- 5 Record production (at that point in time) in the June 2015 Quarter – 21,664 oz at AISC of \$1254/oz
- 6 Bank debt reduced to \$6.1 M – on track to eliminate bank debt early next year
- 7 New production record in the September 2015 Quarter – 27,238 oz at AISC of \$1020/oz
- 8 Further CY 2015 guidance upgrade to 88,000 oz - 93,000 oz at AISC \$1190/oz - \$1240/oz

The Key Drivers in the Turnaround – what has changed?



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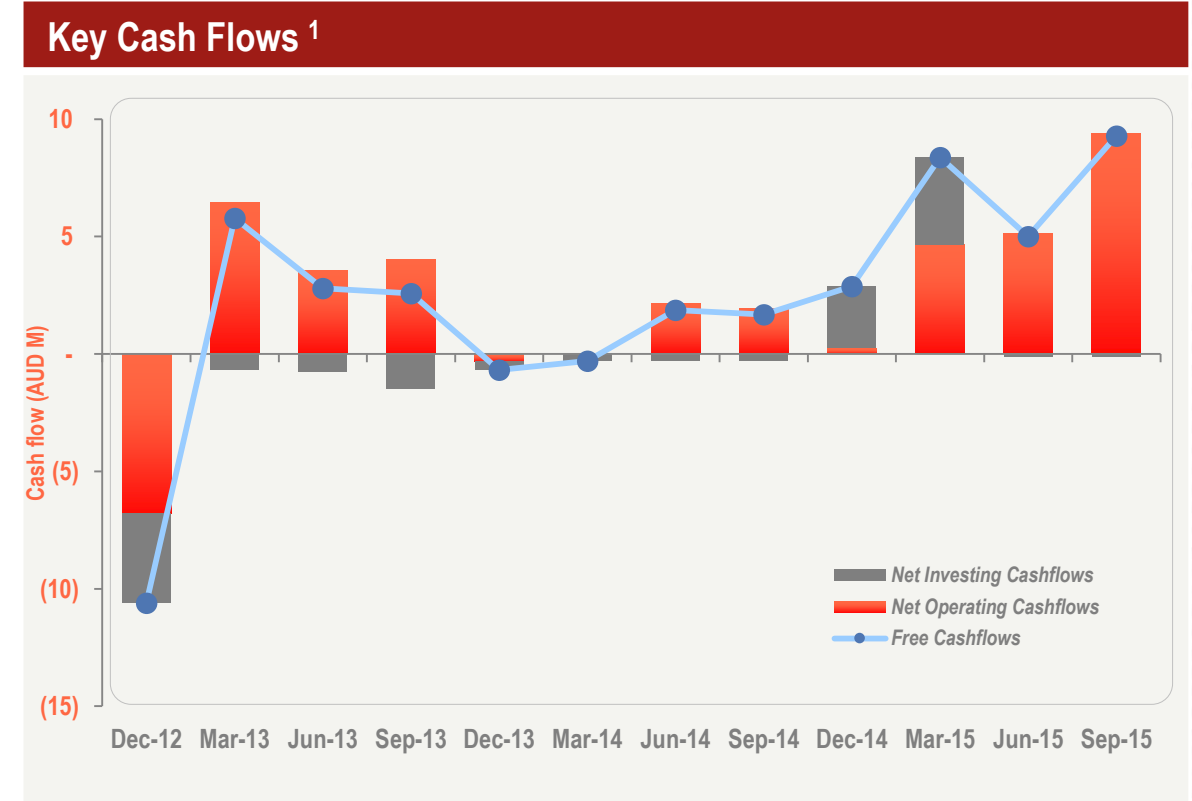
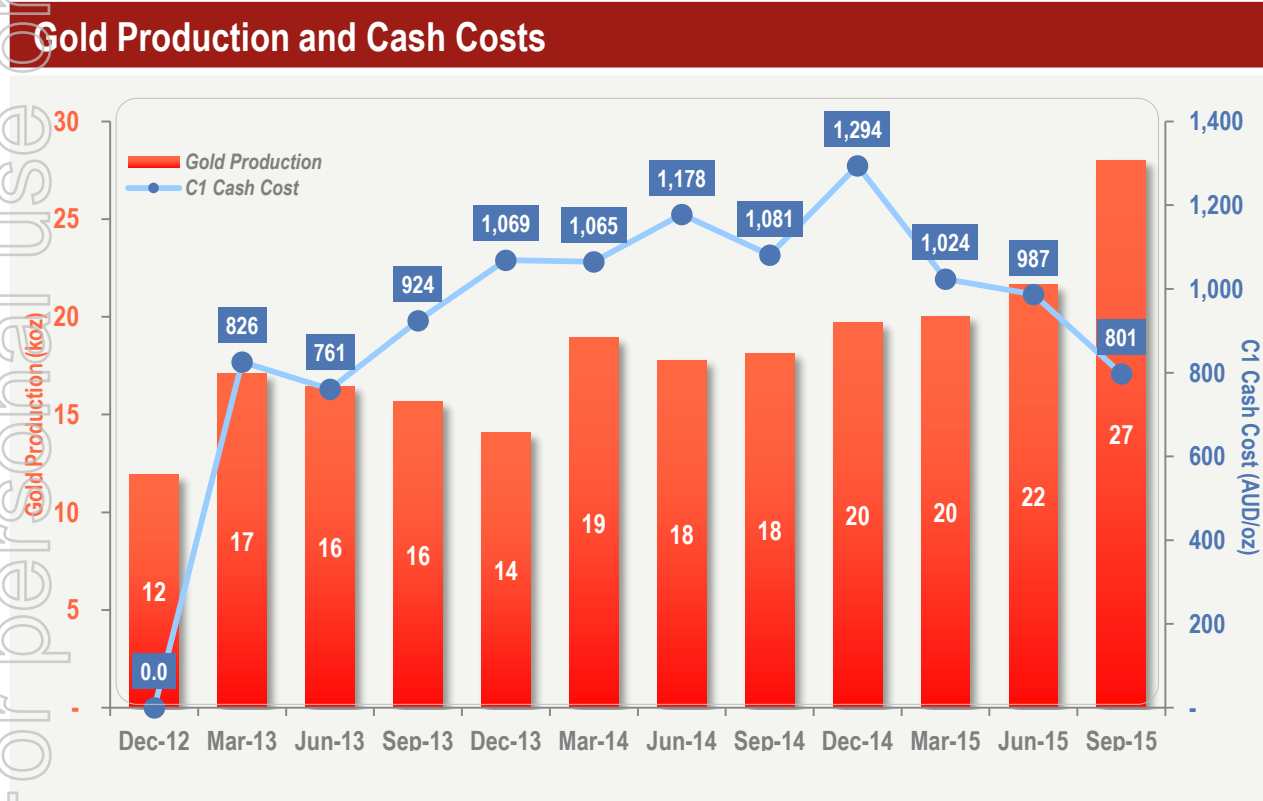
- ▶ Management restructure
- ▶ Reduction of personnel
- ▶ Optimising processing flow
- ▶ Reducing costs
- ▶ Optimised mining practices
- ▶ Improved mining fleet efficiencies
- ▶ Improved understanding of geological complexities and mineralisation controls
- ▶ Developed a site culture of inclusion



Operational Turnaround Delivering Benefits



Cost-cutting and productivity drive resulted in increased operating cash flow in the March, June and September 2015 quarters on the back of increased production and lower costs, putting the turnaround strategy firmly in place



- ▶ CY 2015 guidance upgraded in October to 88,000 oz-93,000 oz at AISC \$1,190/oz-\$1,240/oz

1. Free Cash Flows defined as Operating Cash Flows plus Investing Cash Flows before Financing Payments

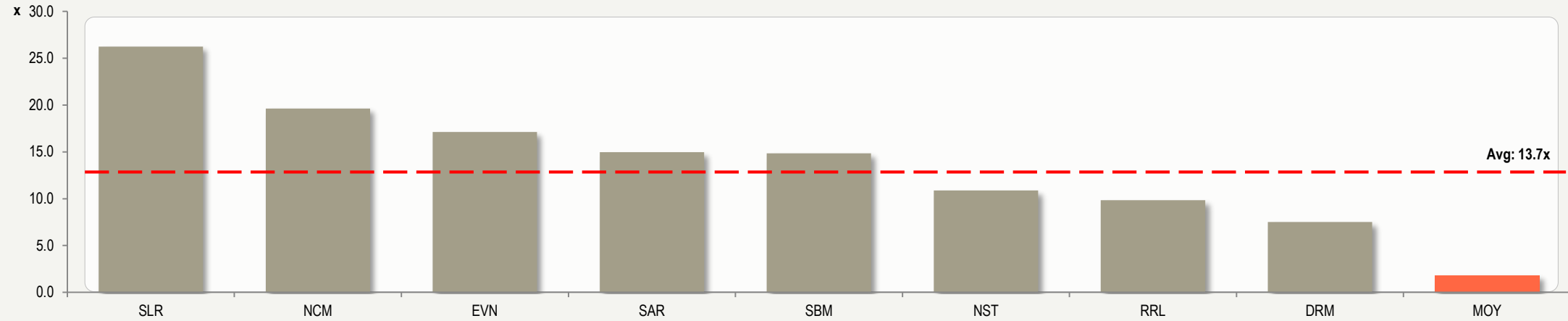
Operational Turnaround Not Yet Reflected in Market Valuation



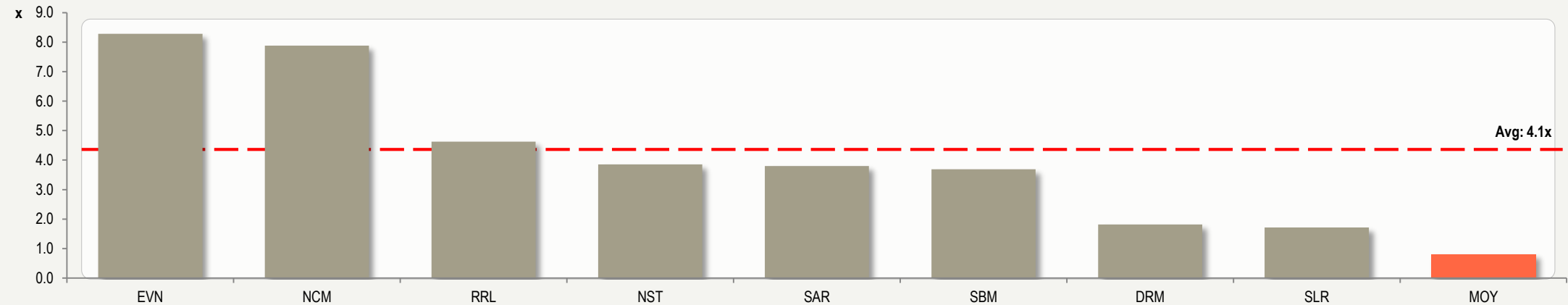
Millennium compares favourably to its peers on a PE and EV/EBITDA basis

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FY15 PE¹



EV/EBITDA FY15¹



1. Source: Bloomberg

Capital raising overview – the opportunity



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Offer Size	<ul style="list-style-type: none">▶ Conditionally underwritten¹ equity issue to raise \$20 M, with oversubscriptions of up to an additional \$1 M
Overview	<ul style="list-style-type: none">▶ Placement to existing Millennium shareholders via a Shareholder Participation Offer to raise up to \$20 M, with oversubscriptions of up to an additional \$1 M▶ Ability to place any shortfall to existing Shareholders as priority, then new investors▶ Contractors, directors and management participating in the capital raising
Offer Price	<ul style="list-style-type: none">▶ \$0.04 per fully paid ordinary share<ul style="list-style-type: none">▶ 46.7% discount to last closing price of \$0.075 per share▶ 43.9% discount to 30 day VWAP of \$0.071 per share▶ 21.0% discount to TERP of \$0.051 per share
Ranking	<ul style="list-style-type: none">▶ New Shares issued under the Offers will rank equally with existing Millennium shares
Underwriting	<ul style="list-style-type: none">▶ Argonaut Capital Limited to \$20 M
Sub-Underwriting	<ul style="list-style-type: none">▶ IMC to \$17.6 M, and Contractors, Directors and Management to \$2.4 M
Use of Funds	<ul style="list-style-type: none">▶ Eliminate subordinated debt \$14 M, \$6 M for brownfield exploration
Further Information	<ul style="list-style-type: none">▶ Further details of the Offers, including how to participate in the Offers, are set out in Sections 1 and 2 of the Prospectus

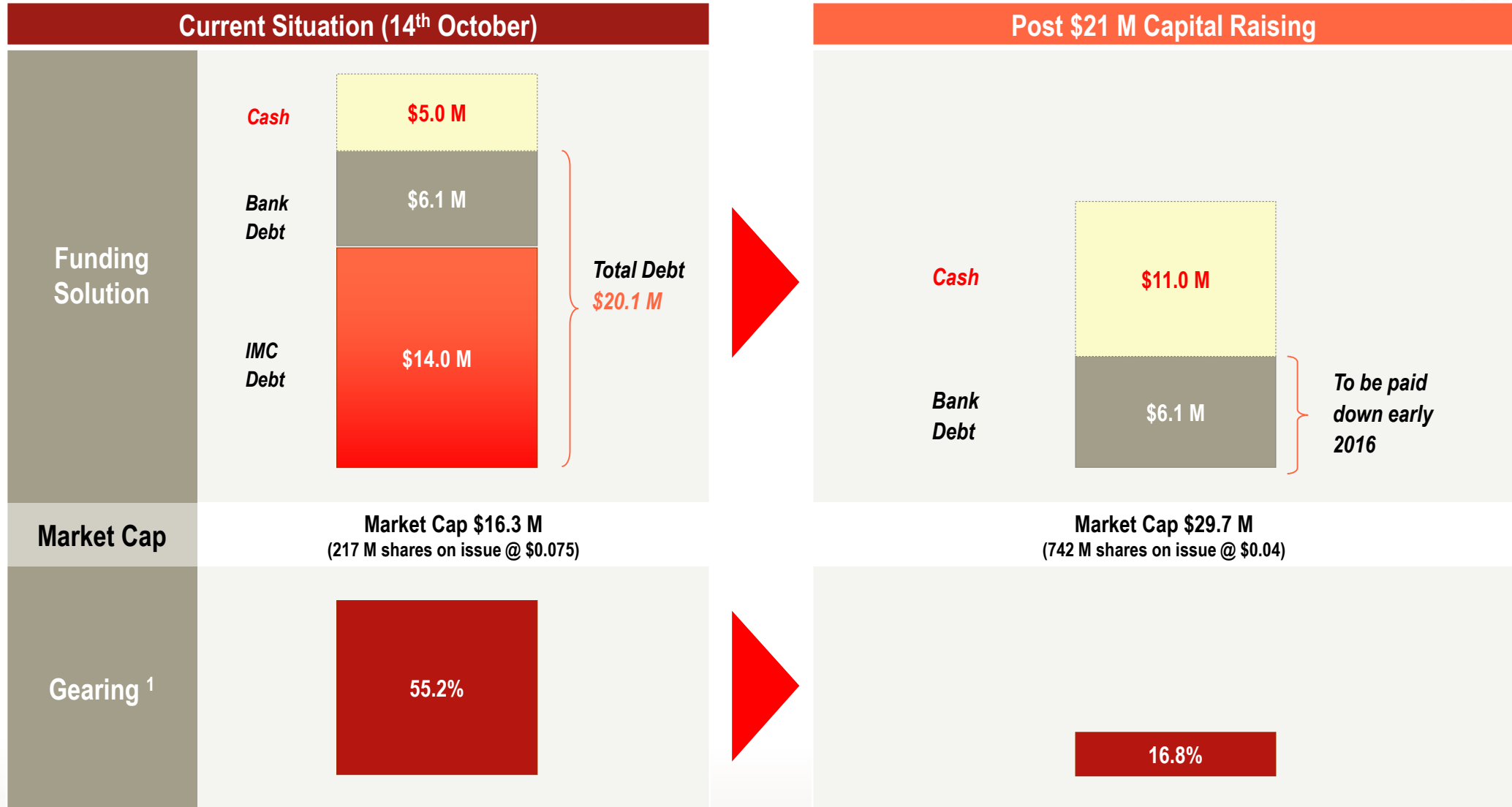
1. Subject to customary conditions

High level forward solution



Equity issue will right size Millennium's capital structure enabling a new focus on brownfields exploration

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1. Defined as Total Debt/(Total Debt + Market Capitalisation)

Shareholder Participation Offer (SPO) and Shortfall Offer



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Existing shareholders able to participate pro rata or up to 5% of the Conditionally Underwritten Shareholder Participation Offer, and also priority bid into the public Shortfall Offer

Current Capital Structure		
Shares on issue		217.7 M
Last price		\$0.075
Market capitalisation		\$16.3M
30 day VWAP		\$0.071
Capital Raising		
Issue price		\$0.040
Discount to last price		47%
Discount to 30 day VWAP		44%
TERP		\$0.051
Discount to TERP		21.0%
Transaction Structure	Shares	Amount Raised
Shareholder Participation Offer	500.0 M - 525.0 M	\$20.0 M - \$21.0 M
Capital Structure Post Capital Raising		
Shares on issue assuming \$21.0 M raised		742.7 M
Last price = issue price		\$0.040
Market capitalisation @ issue price \$0.04		\$29.7 M



	IMC (and its Associates) – Maximum Potential Relevant Interest	Other existing and new Shareholders	TOTAL
Shares currently on issue	75.4 M	142.3 M	217.7 M
<i>% holdings</i>	34.6%	65.4%	100%
Following completion of the Offers ⁽¹⁾			
Scenario One – Maximum Commitment fully subscribed ⁽²⁾			
Shares on issue	257.3 M	485.4 M	742.7 M
<i>% holdings (undiluted basis)</i>	34.6%	65.4%	100%
Scenario Two – Maximum Commitment fully sub-underwritten + \$1m subscriptions ⁽³⁾			
Shares on issue	515.4 M	227.2 M	742.7 M
<i>% holdings (undiluted basis)</i>	69.4%	30.6%	100%
Scenario Three – Minimum Commitment fully sub-underwritten ⁽⁴⁾			
Shares on issue	515.4 M	202.3 M	717.7 M
<i>% holdings (undiluted basis)</i>	71.8%	28.2%	100%
Following exercise of all Options ⁽⁵⁾	537.4 M	204.3 M	741.7 M
<i>% holdings (fully diluted basis)</i>	72.5%	27.5%	100%

Notes:

¹ Assumes that no further securities are issued by the Company and no options are exercised other than as set out in the table.

² Assumes the Maximum Commitment is fully subscribed under the Offers, being \$21 M (525 M shares).

³ Assumes the sub-underwriting commitments are all fully called upon, and subscriptions to the value of \$1 M are received.

⁴ Assumes no subscriptions are received under the Offers and the sub-underwriting commitments are all fully called upon to reach the Minimum Commitment, being \$20 M (500 M shares).

⁵ Includes 6 M Third Tranche Options to be issued to IMC following shareholder approval (see Prospectus and Notice of Meeting for more information).

- ▶ Due to the potential change of control with IMC sub-underwriting, an Independent Expert Report has been prepared and provided to shareholders
- ▶ General Meeting of Shareholders to approve offer set for 17th November 2015

The Nullagine Gold Project

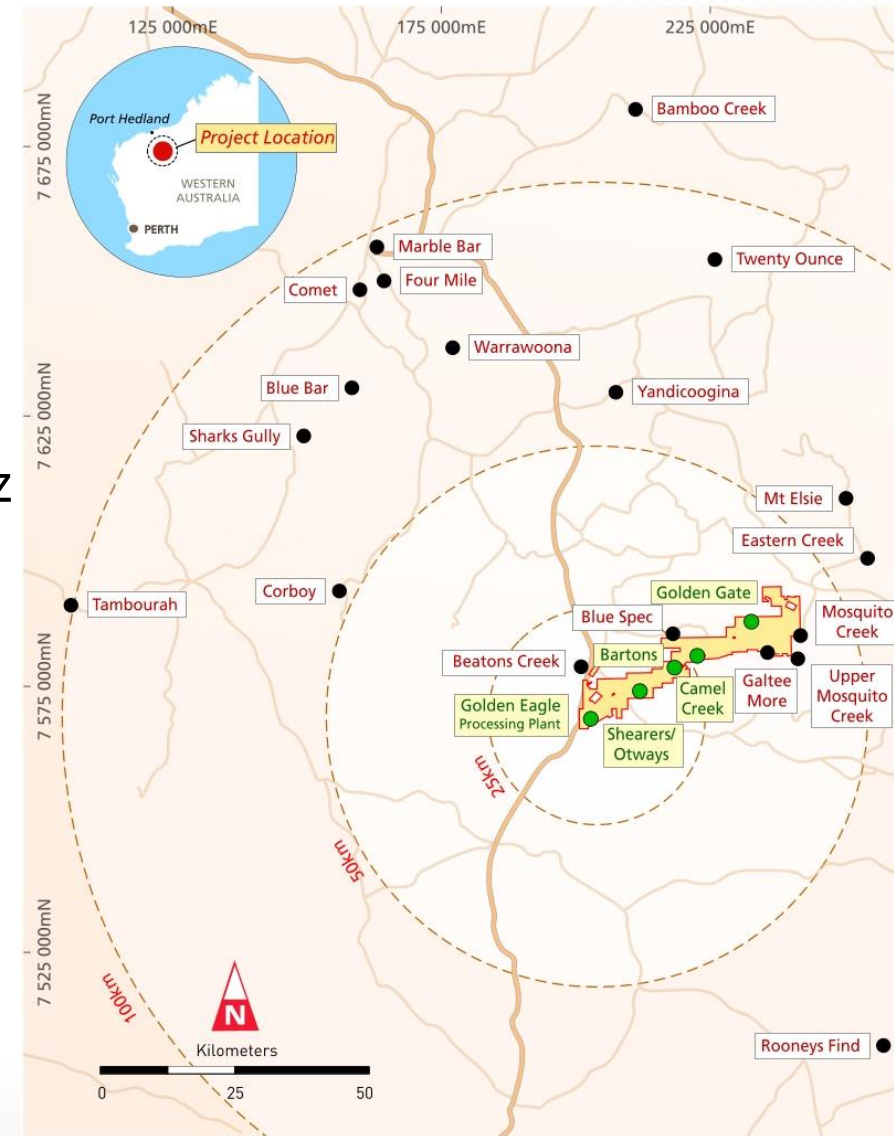


▶ Flagship project located 185 km north of Newman in WA's Pilbara region
▶ Strategic landholding of 264 km² in a highly prospective gold district
▶ Extensive infrastructure in place including 140-man camp, open pit mines and near-new 1.5 Mtpa plant:

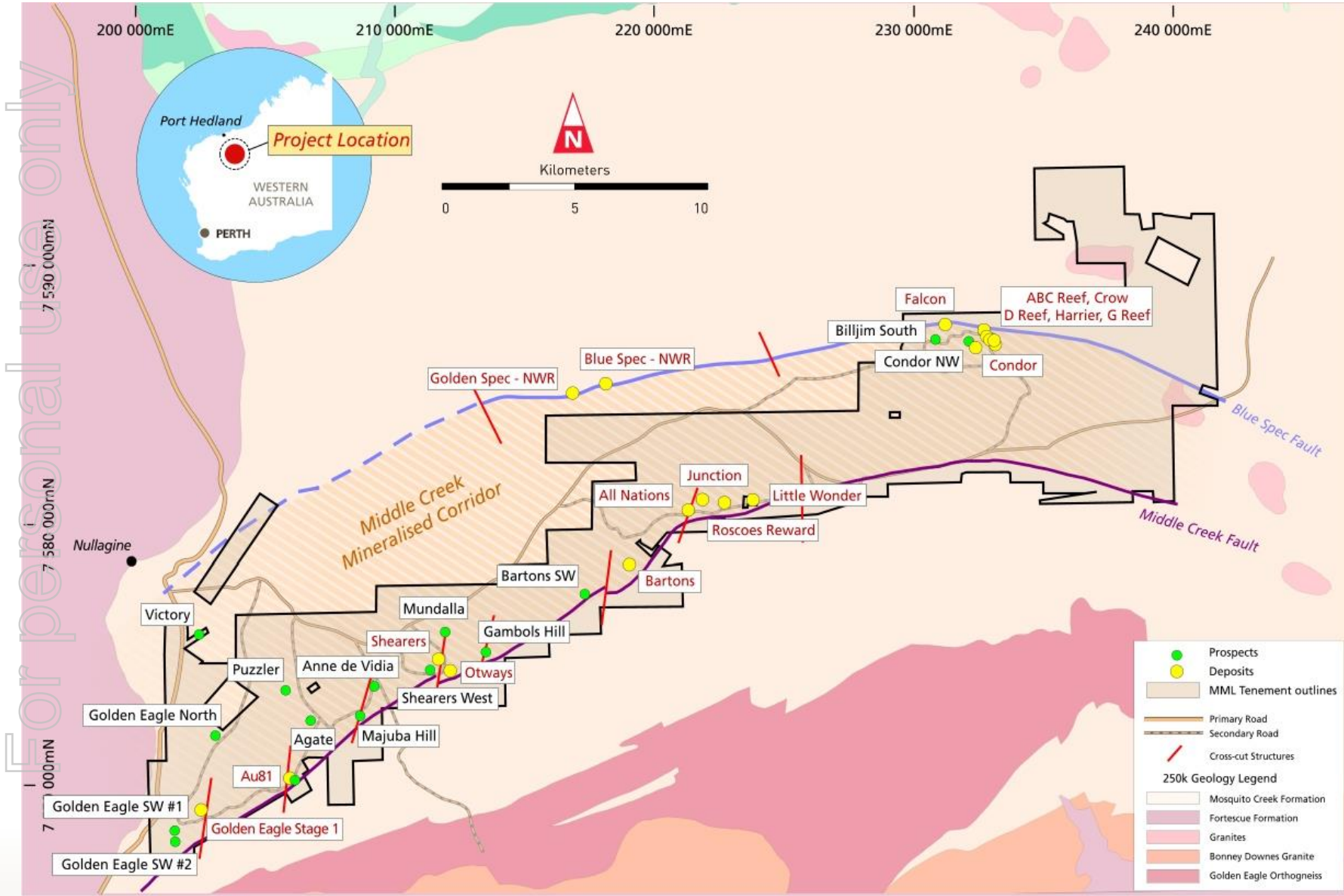
- ▶ *Constructed in 2012 for initial capital cost of \$89 M*
- ▶ *Currently performing ~25% above nameplate capacity*

2015 production guidance 88,000 oz-93,000 oz at AISC of \$1,190/oz-\$1,240/oz

Exploration strategy taking shape – significant exploration potential

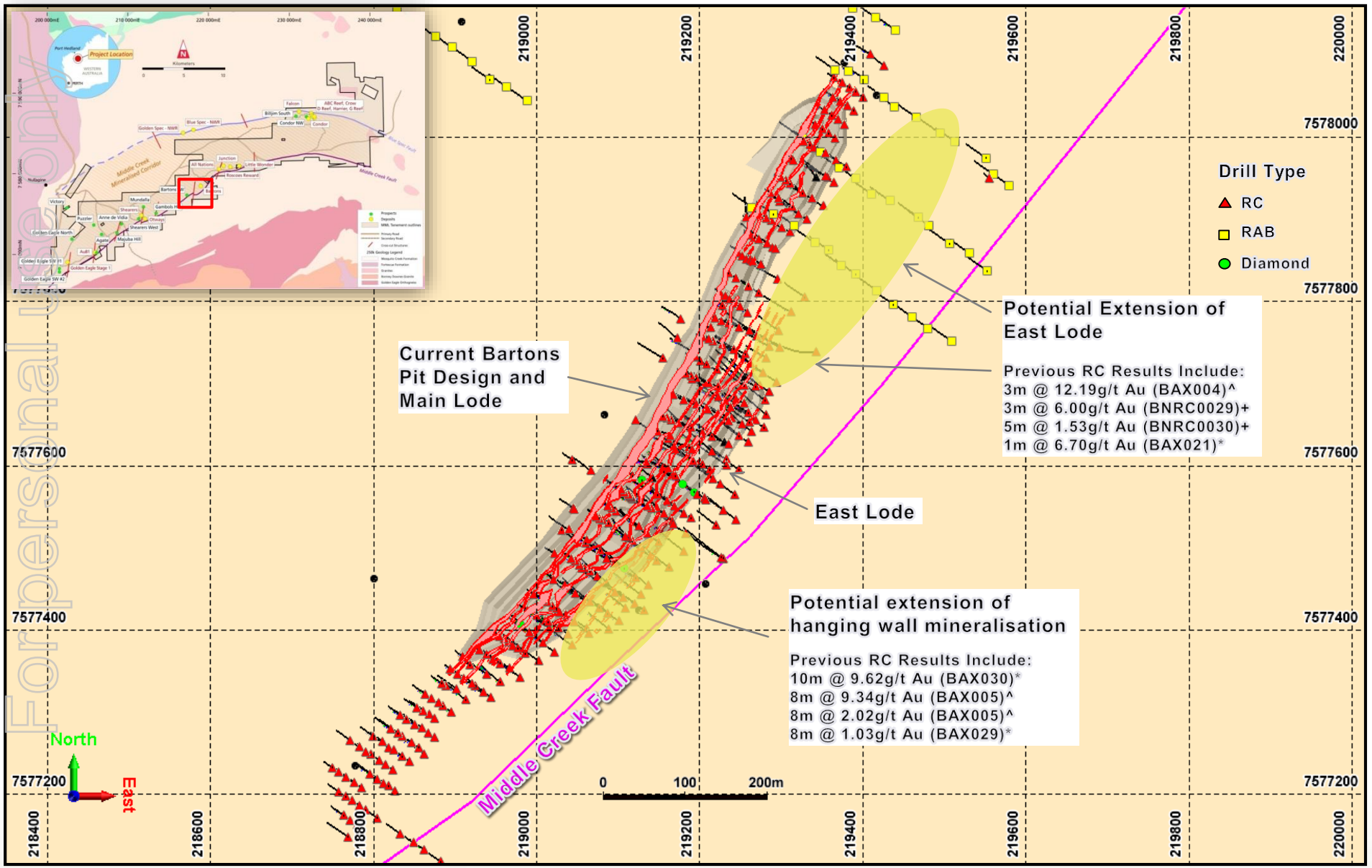


The Exploration Opportunity



- ▶ Limited exploration drilling over the past five years
- ▶ Priority focus on the endowed Middle Creek Fault
 - ▶ *in areas of structural complexity*
 - ▶ *close to existing infrastructure*
- ▶ Multiple targets defined - advanced resource drill-out opportunities through to brownfield targets
- ▶ Discoveries can be rapidly transformed into a mining operation
 - ▶ *Leveraging existing plant and infrastructure*
- ▶ Drilling activities planned to commence immediately post-capital raising (November 2015)
 - ▶ *55,000 m of drilling planned over 18 months*

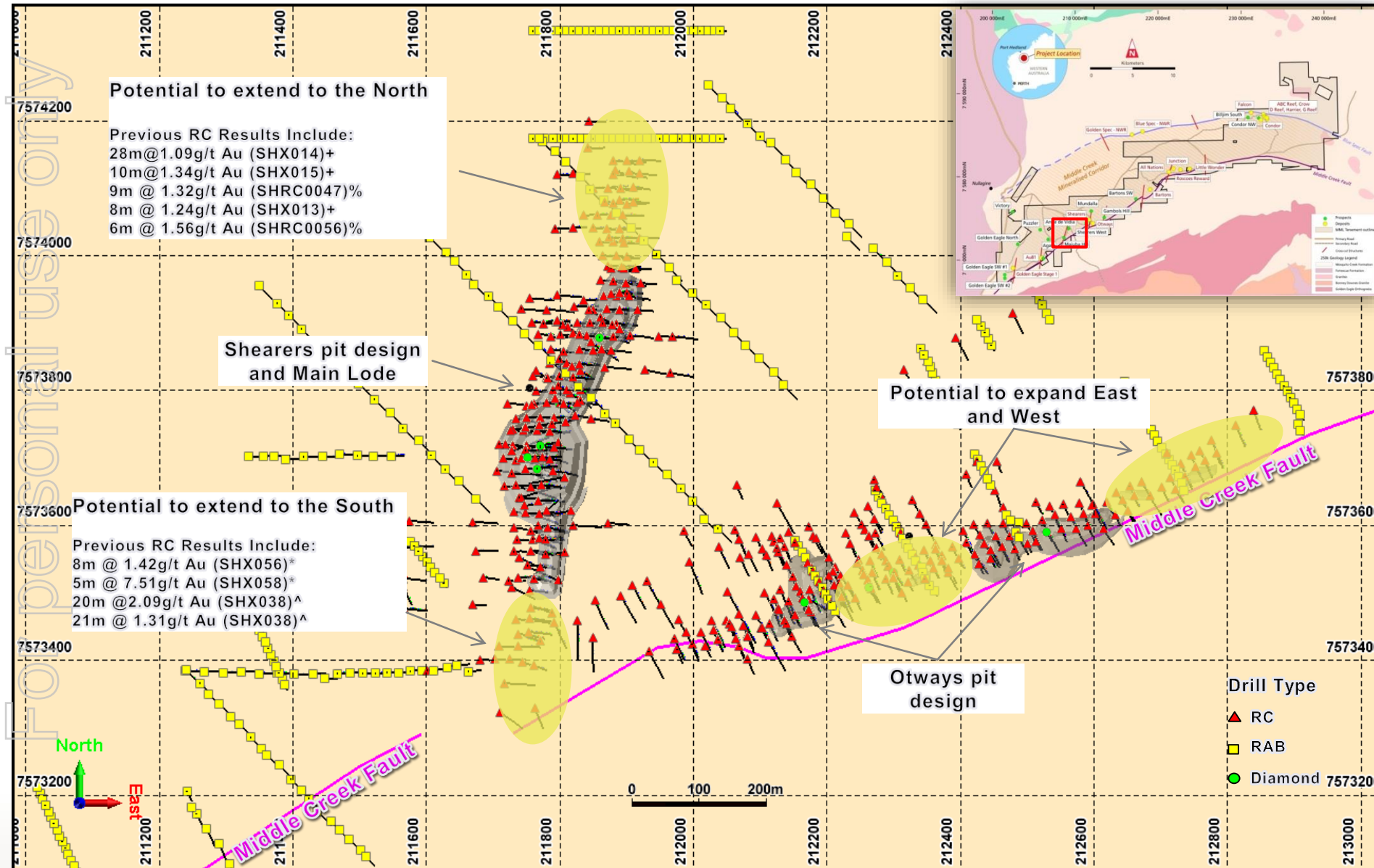
Nullagine Gold Project Priority Target – Bartons



- ▶ Bartons currently being mined and consistently outperforming
- ▶ Current pit design only focused on Main and East Lodes
- ▶ Drill program planned to test mineralisation adjacent to pit in identified hanging wall lodes
- ▶ Potential also exists to extend East lode through an area with historic workings
- ▶ Statutory approvals received with drilling set to commence

* Refer to ASX Release – 10th of October 2011
[^] Refer to ASX Release - 30th of May 2011
⁺ Refer to ASX Release - Quarterly Report 30 June 2005

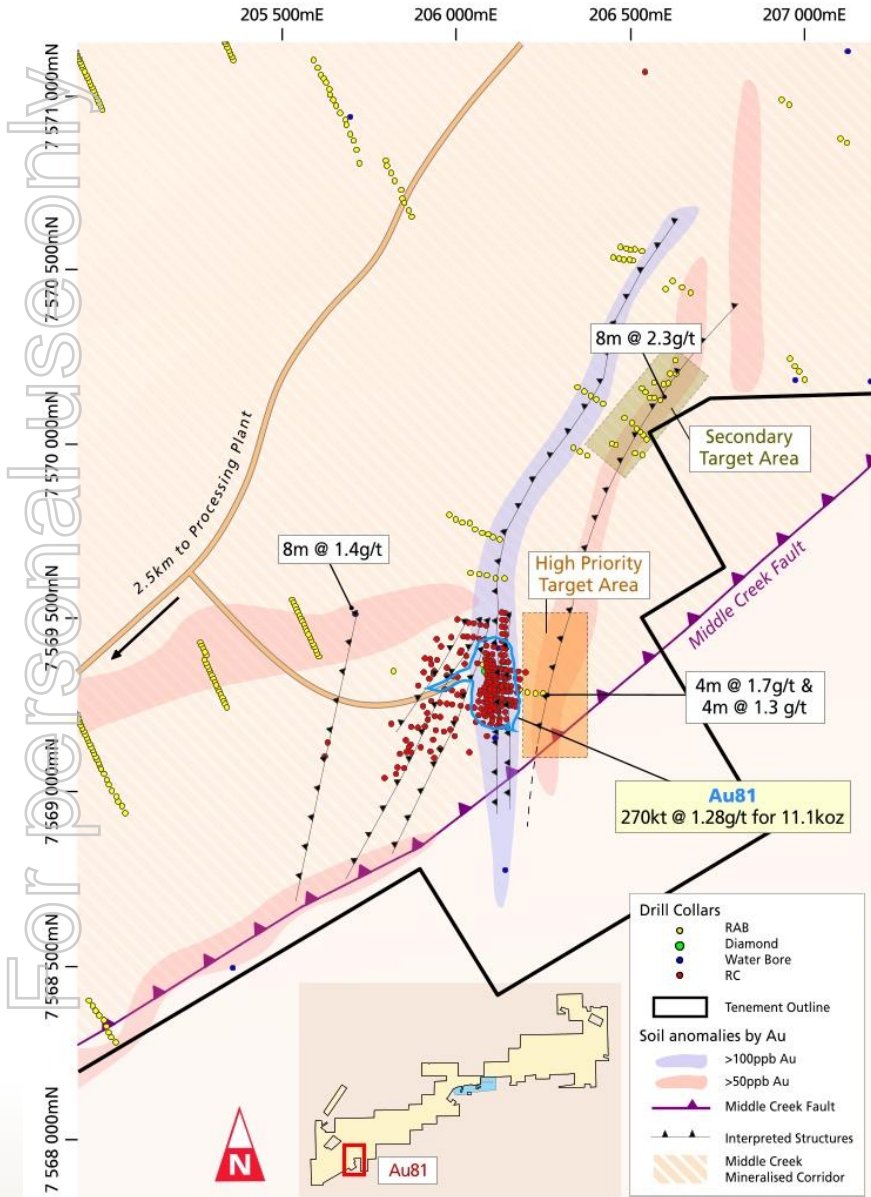
Nullagine Gold Project Priority Target – Shearers and Otways



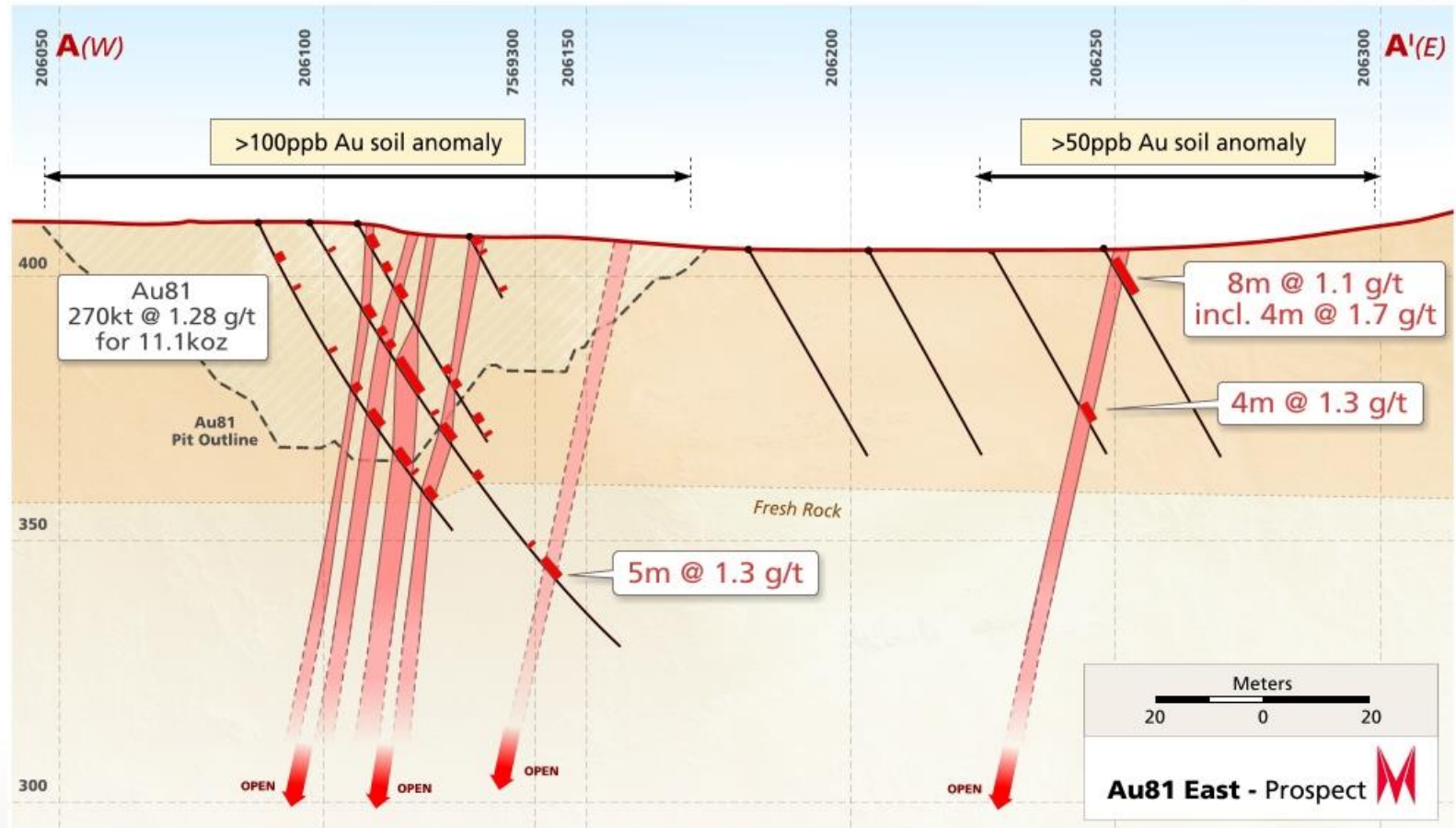
- ▶ Current combined Ore Reserve for Shearers & Otways is 0.61Mt @ 1.2g/t for ~24koz
- ▶ Historical drilling highlights potential for significant extensions at both Shearers and Otways
- ▶ Drill programs planned to test for mineralisation extensions at Shearers and Otways
- ▶ Shearers and Otways are close enough to share mine infrastructure
- ▶ Statutory approvals received with drilling set to commence

* Refer to ASX Release - 19 July 2011
 ^ Refer to March 2011 Quarterly Activities Report
 + Refer to ASX Release - 9 June 2010
 % Refer to ASX Release - 13th September 2005

Nullagine Gold Project Near-Mine Targets – Au81



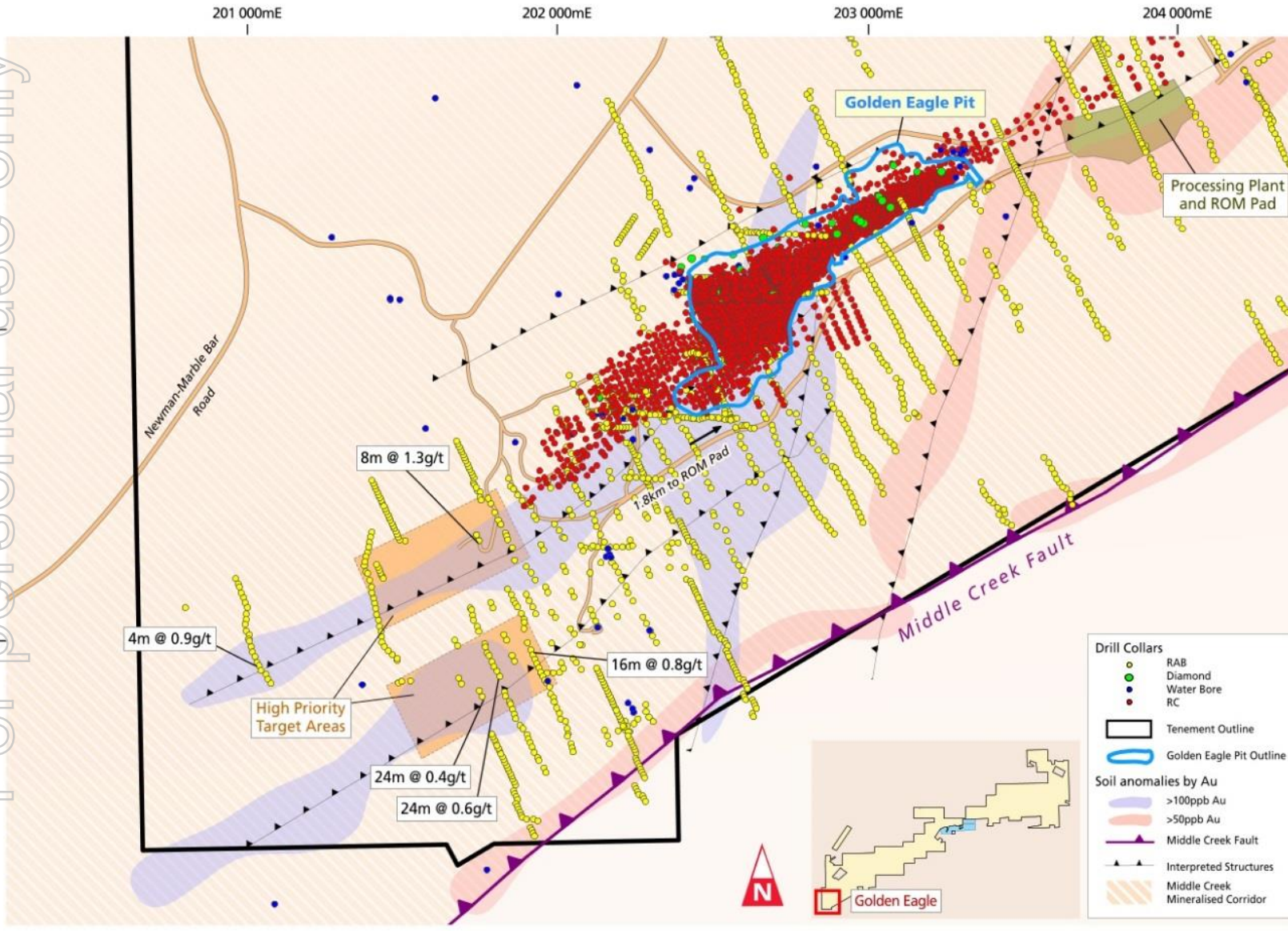
- ▶ Historic production of 270 kt for 11 koz - only 2.5 km from processing plant
- ▶ Localised structural complexity associated with MCF with strong geochemical signature
- ▶ Two well defined exploration targets in a similar structural and geochemical setting to the main Au81 zone along strike (N & S) as well as sub-parallel trends to the west



Nullagine Gold Project Near Mine Targets – Golden Eagle



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- ▶ Historic production of 3.4 Mt @ 1.59 g/t Au for 174 koz - located adjacent to the Processing Plant
- ▶ Two targets (GE SW #1 and GE SW #2) both on very high amplitude (>100 ppb Au) soil anomalies
- ▶ GE SW #1 - interpreted strike extension of the Golden Eagle pit main lode
- ▶ GE SW #2 - sub-parallel to the Golden Eagle mineralisation
- ▶ Multiple wider but lower grade RAB intersections along strike from target areas

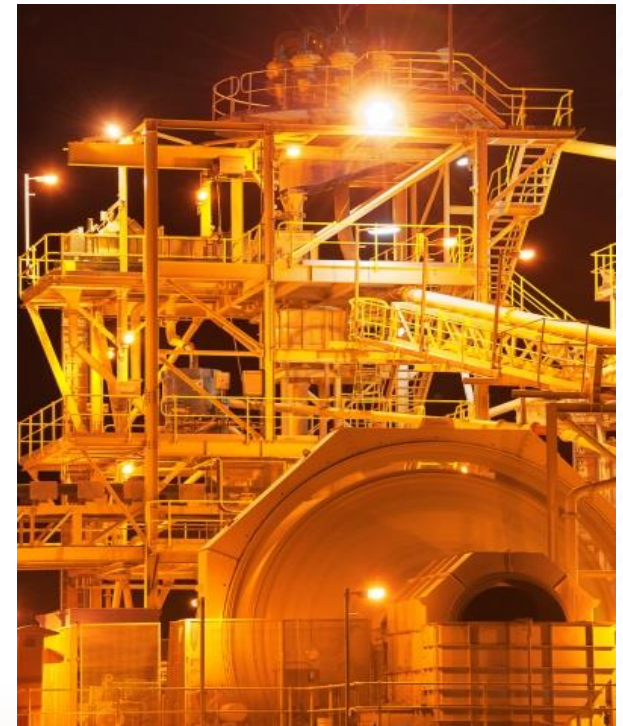
Indicative timetable



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Event	Date
Record Date for Shareholder Participation Offer	9 th October 2015
Prospectus lodged with ASIC and ASX	13 th and 14 th October 2015
Announcement & Notice of Meeting	14 th October 2015
Shareholders Meeting	17 th November 2015
Closing Date for Offers	27 th November 2015
Cash Settlement and Shares Issued	7 th December 2015
Expected commencement of trading for New Shares	10 th December 2015

- ▶ Opportunity for investors to gain low-cost exposure to existing WA gold producer with significant exploration upside
- ▶ Capital raising will leave Millennium fully-funded to pursue aggressive exploration campaign in highly prospective but barely explored region
- ▶ Operational and financial turnaround well underway
- ▶ Robust balance sheet with ~\$11 M cash and just ~\$6 M debt post-raising; strong cash-flow from existing production – senior debt expected to be retired by March 2016
- ▶ Strategic infrastructure including 1.5 Mtpa CIL plant – only plant in the region
- ▶ Aggressive exploration campaign planned to extend mine life – 264 km² of barely-explored exploration acreage
- ▶ Highly supportive cornerstone shareholder in IMC
- ▶ Strong news-flow from exploration program to start in Q4 2015





MILLENNIUM

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Argonaut contact details Nick McDonough and Adam Santa Maria 08 9224 6821

Read Corporate contact details Paul Armstrong 0421 619 084

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Operational Performance & Resource / Reserve Summary

The Key Performance Indicators



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		September 2014		September 2015	Variance (%)
Reserve	oz	464,400	▼	187,700	(60%)
Life of Mine	Years	6	▼	2	(67%)
Production – Qtrly	oz	18,126	▲	27,238	50%
C1 Costs – Qtrly	\$/oz	\$1,081	▼	\$801	(26%)
AISC ¹ – Qtrly	\$/oz	\$1,192	▼	\$1,020	(15%)
Annualised Cost Savings	\$M		▲	12	
Head Count	#	143	▼	113	(21%)
Quarterly Exploration	\$M	0.8	▼	0.5	(38%)
Senior Bank Debt	\$M	24.6	▼	6.1	(75%)
Subordinated IMC Debt	\$M	7.2	▼	0 ²	
Market Capitalisation ³	\$M	16.8	▲	29.7	77%
Enterprise Value ⁴	\$M	48.6	▼	30.8	(37%)

- ▶ Significant decrease in reserves a result of a large portion of fresh ore being excluded from the mine life
- ▶ Company has demonstrated operating improvements over the last nine months

1. All-in Sustaining Cost represents C1 cash costs plus all capital expenditure (development & sustaining), royalties, exploration overhead and tenement fees and corporate administration costs

2. Assuming capital raising is successful and completed

3. September 2015 \$0.077 and October 2015 \$0.04 (capital raising price) and assuming 525m shares issued

4. At 30 September 2014: Cash \$0.1 M; Senior Debt Facility \$24.6 M; Subordinated Debt \$7.2 M. At 30 September 2015: Cash \$5.0 M; Senior Debt Facility \$6.1 M

JORC Reserves

	kt	Grade	Ounces
Golden Eagle	1,120	1.5	55.2
Au81	200	1.4	9.0
Bartons	720	1.4	32.5
All Nations	371	1.6	19.2
Shearers	340	1.3	14.3
Golden Gate (ABCD)	14	4.0	1.8
Other	760	1.5	36.8
Sub-Total	3,525	1.5	168.8
ROM Stocks	637	0.9	19.0
Total	4,162	1.4	187.8

JORC Resources

	Measured		Indicated		Inferred		Total		
	kt	Grade	kt	Grade	kt	Grade	kt	Grade	Ounces
Golden Eagle	10,550	0.9	4,370	0.9	4,290	0.9	19,210	0.9	564
Bartons	1,720	1.2	1,480	1.2	550	1.1	3,750	1.2	141
Shearers	590	1.4	1,440	1.0	260	1.0	2,290	1.1	81
Otways	1,150	0.8	900	0.9	690	0.9	2,740	0.9	75
All Nations	1,260	1.4	550	1.1	420	1.0	2,230	1.2	88
Golden Gate	190	3.0	140	2.9	140	2.4	470	2.8	42
Other	1,630	1.5	1,240	1.7	1,650	1.3	4,520	1.5	214
Total	17,090	1.1	10,120	1.1	8,000	1.0	35,210	1.1	1,205

Mineral Resources and Ore Reserves

On 27 March 2015, the Company announced an updated Mineral Resources and Ore Reserves statement reported in accordance with the JORC Code 2012, which included the below:

2015 Mineral Resource estimate by resource category

Description	Million Tonnes	Grade (g/t Au)	Ounces
Measured (M)	17.1	1.1	620,900
Indicated (I)	10.1	1.0	324,700
M + I	27.2	1.1	945,600
Inferred	16.9	1.3	680,100
TOTAL	44.1	1.2	1,625,700

2015 Ore Reserve estimate by reserve category (delivered to mill)

Description	Ore (Mt)	Grade (g/t Au)	Ounces
Proved	2.99	1.5	143,200
Provable	0.54	1.5	25,500
Stockpiles	0.64	0.9	19,000
TOTAL	4.16	1.4	187,700

In accordance with Listing Rule 5.23, the Company confirms it is not aware of any new information or data that materially affects the information included in its announcement of 27 March 2015, and that all material assumptions and technical parameters underpinning the estimates in that announcement continue to apply and have not materially changed.

Exploration Results

On 24 September 2015, the Company announced updated Exploration Results reported in accordance with the JORC Code 2012. In accordance with Listing Rule 5.23, the Company confirms that it is not aware of any new information or data that materially affects the information contained in its announcement of 24 September 2015.

Competent Persons Statement – Exploration Results

Mr Andrew Dunn (MAIG), a geologist employed full-time by Millennium Minerals Limited, compiled the technical aspects of this Report. Mr Dunn 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 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Dunn consents to the inclusion in the report of the matters in the form and context in which it appears.