

Corporate Details

Ordinary Shares:
791,747,847

Market Capitalisation:
~\$155.0 million

Cash and bullion at 30 June 2018:
~\$13.6 million

Debt:
NIL

ASX Code: **MOY**

Board of Directors

Greg Bittar
Non-Executive Chairman

Bruno Lorenzon
Non-Executive Director

Tim Kennedy
Non-Executive Director

Peter Lester
Non-Executive Director

Management

Peter Cash
Chief Executive Officer

Dean Will
Chief Operating Officer

Ray Parry
Chief Financial Officer and
Company Secretary

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Millennium commences ramp-up to +100,000ozpa production run-rate at Nullagine Gold Project

Transition to new high-grade ore sources at Golden Eagle, Au81 West and Redbeard this quarter

- **New mining strategy underpinned by larger, higher-grade ore sources will move into full swing in the September quarter with production for the second half of CY2018 to be sourced from:**
 - **Golden Eagle – pre-strip well advanced and first higher-grade ore benches on schedule to be accessed in September;**
 - **Au81 West - first high-grade ore benches accessed in late June**
 - **Redbeard – grade control drilling complete, environmental approvals submitted and mining set to commence in early August;**
 - **Bartons Underground – underground development making excellent progress with 561m of development completed and first high-grade development ore expected in July;**
- **The higher average grade profile of these deposits is expected to underpin an increase in head grade for the second half of CY2018, putting Millennium on track to achieve its targeted 100000ozpa run-rate during Quarter 4**
- **Production guidance for Quarter 3 is 20,000 to 22,000oz, increasing to 25,000oz for the December Quarter**
- **June quarter gold sold was 15,127oz (gold produced 12,600oz) As previously foreshadowed, a combination of higher pre-stripping costs at Golden Eagle and lower grade profile at the top of the Golden Eagle ore body restricted production**
- **Cash and bullion at 30 June 2018 was \$13.6m after outlaying \$9.2M during the quarter on developing the Bartons Underground (\$4.2M), Sulphide Plant Expansion Study (\$0.5M) and Exploration (\$4.5M)**
- **\$17.5m revolving loan facility from Investec remains undrawn**
- **Millennium expects to achieve its previously announced annual guidance for CY2018 of 75-80koz (1HCY2018: 33,000oz), with a corresponding increase in gold production and reduced AISC in the second half as it moves towards a 100,000ozpa run-rate**



Millennium Minerals Limited (**Millennium** or **the Company** – ASX: MOY) is pleased to advise that it is on track to achieve its objective of increasing production to the rate of 100,000ozpa by the end of this year, with its new mining strategy focused on larger, higher-grade ore sources moving into full swing in the September 2018 quarter.

Following the completion of significant capital development over the past few months, the mining of high-grade ore is poised to commence from three key deposits – Golden Eagle, Au81 West, Redbeard and the Bartons Underground – which will collectively underpin a significant uplift in gold production at Nullagine.

Golden Eagle, which is located within the Golden Eagle Mining Centre (Figure 1), is Millennium’s largest deposit at Nullagine and hosts a current Mineral Resource inventory of over 320,000oz of gold. Mining pre-strip at Golden Eagle is currently well advanced, with the first high-grade ore benches on schedule to be accessed in September.

At the recently-discovered Redbeard oxide deposit, located in the Twenty Mile Sandy Mining Centre (Figure 1), first production is scheduled to commence in early August. Redbeard is the highest grade open pit oxide deposit at Nullagine, with an updated Ore Reserve estimate announced on 3 July 2018 comprising 153,000 tonnes grading 3.5g/t Au for 17,200oz of contained gold. Commencement of mining is now only awaiting final mining and environmental approvals.

High-grade development ore from the new Bartons Underground Mine is also expected to come into the production schedule during July 2018, helping the Company to achieve its target of an annualised production rate of +100,000ozpa by the end of the year. High-grade stoping ore from the Bartons Underground is scheduled to commence in Q1 2019.

Production from these deposits will supplement ore feed from the Au81 West deposit to deliver strong production growth in the September Quarter.

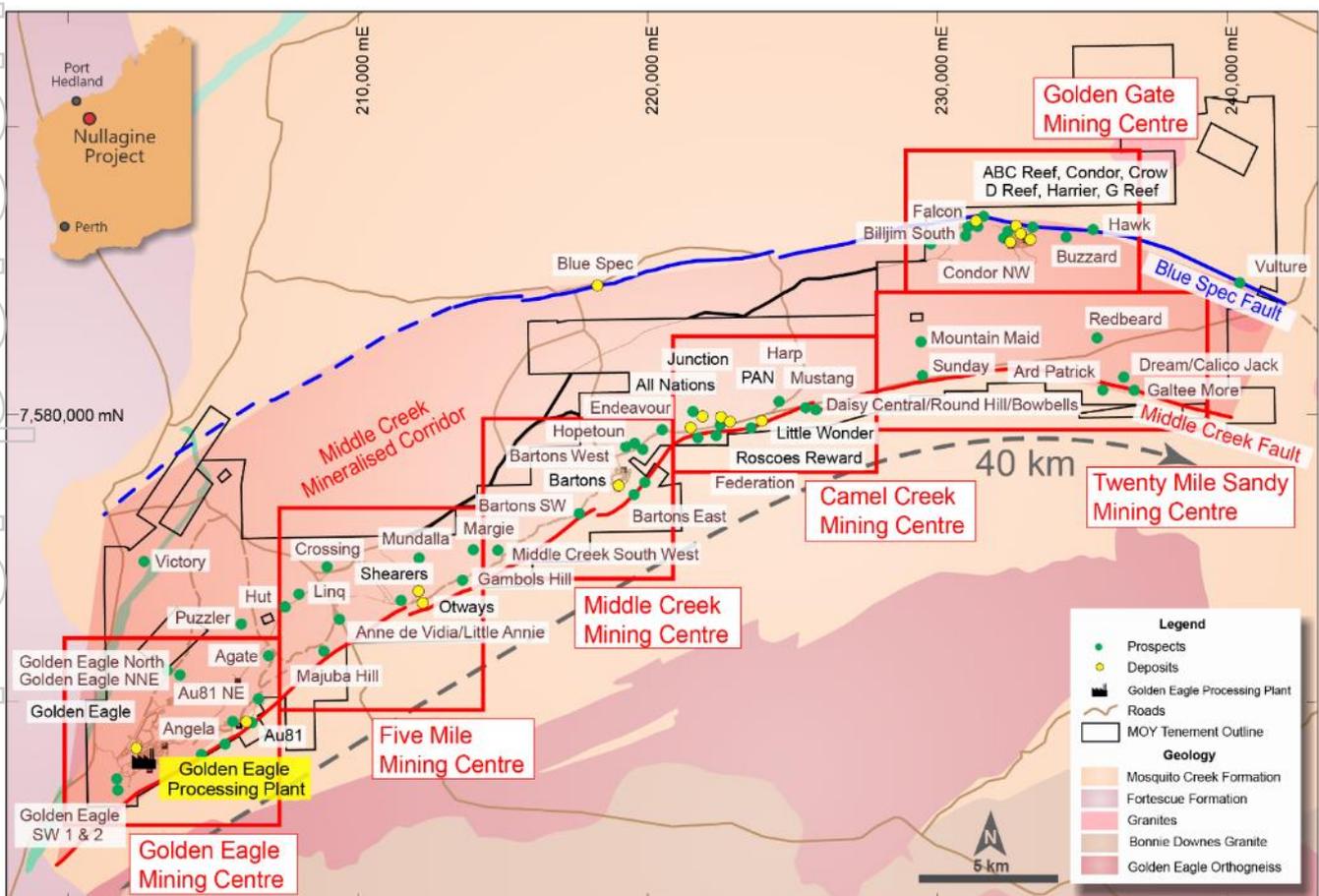


Figure 1: Nullagine Gold Project Location Plan showing key deposits and Mining Centres.



Bartons Underground – Development Update

The Decline has been completed to just below the 260L access drive (Figure 2) which will be used to access the first ore drive about 20m below the Bartons open pit. The development for the Ventilation Circuit has also been established and the ventilation rises and Escapeway rises will be mined in the September 2018 Quarter.

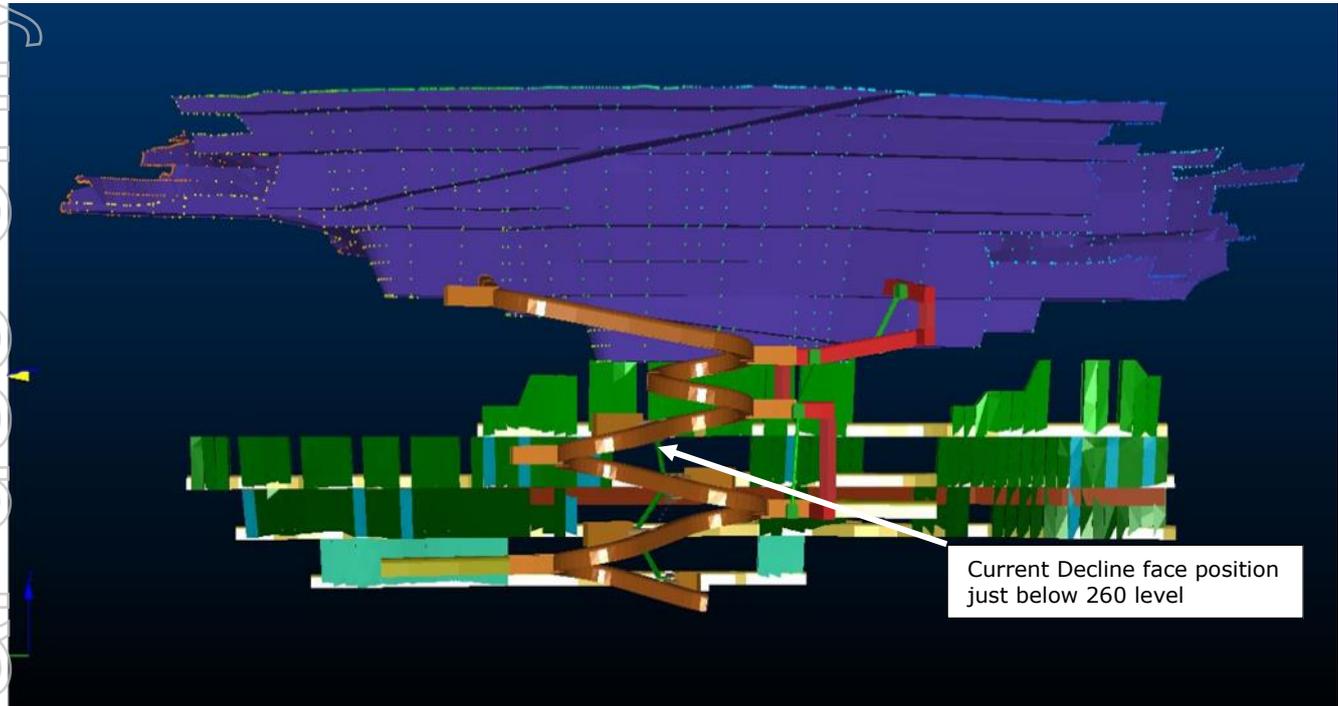


Figure 2: Bartons Underground Project Long section showing location of decline.

Sulphide Plant Expansion

Progress towards the expansion of the existing 2Mtpa CIL processing plant at Nullagine to facilitate the treatment of sulphide ore is continuing, with Front End Engineering Design commenced on the long lead items of the fine grinding mill, spiral concentrator package and the electrical upgrade for the facility. Work is also underway to define and source minor equipment for the proposed sulphide facility.

The Company expects to appoint an engineer to complete detailed design and construction management during the September Quarter.

Metallurgical test work is also continuing to allow optimisation of the recovery and reagent aspects of the process, which will provide input to the engineering program and ensure operational readiness for the facility.

Update on Guidance

Gold production guidance for Q3 is 20,000 to 22,000ozs, increasing to 25,000ozs during Q4.

The higher average grade profile from the Redbeard, Bartons underground and Au81W deposits combined with a higher grade from Golden Eagle deposit is expected to underpin an increased average head grade for the second half of CY2018, putting Millennium on track to achieve its targeted 100kozpa run-rate by the end of Q4.



Management Comment

Millennium Chief Executive Peter Cash said the Company is now well on track to increase production to an annualised rate of +100,000ozpa a year, with all the key foundations in place to deliver on its long-term growth strategy.

"This is an exceptional result, with a huge amount of work completed over the course of the June Quarter to position the Company to achieve our targeted 100,000ozpa production rate by year-end. I would like to sincerely thank the Millennium team for their hard work in getting us to this point," he said.

"The June quarter saw a significant investment in the future growth and success of the business, with a major pre-strip advanced at Golden Eagle to expose this long-term high-grade ore source, work underway on a fully-funded plant expansion strategy to unlock our Sulphide Resources and significant progress with the development of a new underground mine at Bartons.

"As expected, the pre-stripping required to access higher grade ore at Golden Eagle has resulted in slightly lower production and higher costs in the June Quarter. However, with this development work now largely complete, we are set to reap the rewards over the coming months with higher-grade ore coming into the mining schedule from September.

"The scheduled start of mining at the high-grade Redbeard deposit in August will also mark a significant milestone for the Company, given that we only drilled our first hole in this area eight months ago.

"Redbeard now represents our highest-grade deposit at Nullagine, with recent strong exploration results in the surrounding area (see ASX Announcement 25 June 2018) pointing to the arrival of Twenty Mile Sandy as Millennium's sixth key mining centre.

"The combination of rising grades and increased production in the September and December quarters – to be followed early next year by the start of production from our first underground mine and commissioning of the Sulphide Plant Expansion – means that Millennium is now extremely well placed to realise its long-held objective of becoming a significant mid-tier Australian gold producer with a very bright future."

ENDS

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