



25 February 2019

Corporate Details

Ordinary Shares:
797 488 743

Market Capitalisation:
~\$160 million

Cash, bullion and available financing facilities at 31 December 2018:
\$18.2 million

Debt at 31 December 2018:
\$5 million

ASX Code: MOY

Board of Directors

Greg Bittar
Non-Executive Chairman

Tim Kennedy
Non-Executive Director

Peter Lester
Non-Executive Director

Bruno Lorenzon
Non-Executive Director

Management

Peter Cash
Chief Executive Officer

Ray Parry
Chief Financial Officer and Company Secretary

Contact Details

Address:
Unit 7, 140 Abernethy Road
Belmont WA 6104

Telephone:
+ 61 (08) 9216 9011

Facsimile:
+ 61 (08) 9481 0288

Email:
info@mmltd.com.au

Website:
millenniumminerals.com.au

\$15M fully-underwritten rights issue to fast-track mine development and exploration at Nullagine

Proceeds from capital raising to underpin development of second underground mine at Golden Gate and ramp-up of exploration targeting high-grade ore sources

- Millennium to undertake a fully-underwritten 1-for-8.8 renounceable rights issue at 16.5 cents per share to raise approximately \$15M (before costs).
- Issue price represents a 17.5% discount to the Company's closing price of shares on 20 February 2019.
- Rights Issue fully underwritten by Bell Potter, with sub-underwriting from the Company's major shareholder, IMC Group, demonstrating IMC's strong ongoing support for the Company.
- Proceeds will be used to fast-track several of Millennium's key growth initiatives at Nullagine, including the development of a second underground mine at Golden Gate and to maintain the current high level of exploration momentum across the Project.
- The additional funds will allow the Company to significantly ramp-up exploration targeting new, high-grade gold targets as part of its ongoing strategy to increase the average head grade.
- The expanded CY2019 exploration program will pursue both high-grade oxide and sulphide targets, with commissioning of the Stage 1 upgrade to the Nullagine Processing plant to accommodate sulphide ore on-track to commence in April 2019.
- Growth programs will see the Company's production guidance increase from 90-100koz at an AISC of \$1,300 - \$1,375/oz in CY2019 to 110-120koz at an AISC of \$1,200/oz in CY2020.

Millennium Minerals Limited (ASX: MOY) is pleased to announce a ~\$15 million capital raising to underpin the acceleration of several key growth initiatives at its 100%-owned Nullagine Gold Project in WA's Pilbara.

The Company will undertake a fully-underwritten 1-for 8.8 Renounceable Rights Issue to raise approximately \$15 million (before costs). The Rights Issue will comprise the issue of 90,623,720 shares at 16.5 cents per share, which represents a 17.5% discount to the Company's closing price of shares on 20 February 2019.

The Rights Issue is fully-underwritten by Bell Potter Securities, with sub-underwriting, from the Company's major shareholder, IMC Group. IMC Group has also committed to subscribe for its full entitlement under the Rights Issue.



Proceeds from the capital raising will be used to fast-track key growth programs at Nullagine, including:

- \$10 million for the development of a new high-grade underground mine at the Golden Gate Mining Centre;
- \$4 million to accelerate exploration of high-grade gold targets, increasing the Company's total exploration budget for CY2019 to \$12 million; and
- \$1 million for general working capital and costs of the capital raising.

For the first time in 2019, Millennium's exploration campaign will focus both on high-grade oxide and sulphide targets, with commissioning of the Stage 1 upgrade to the Nullagine processing plant to accommodate sulphide ore on-track for April 2019.

Recent metallurgical results have confirmed outstanding gold recoveries for sulphide ore, delivering +80% from pyrite-dominant ore and approximately 70% from arsenopyrite-dominant ore (see ASX Announcement 7 February 2019).

The ability to cost-effectively process these additional ore types will dramatically expand Millennium's exploration scope at Nullagine, opening up new areas that have remained largely untouched by historical exploration.

Millennium Chief Executive Peter Cash said the proceeds of the rights issue would give the Company additional capability to fast-track exploration and growth programs aimed at increasing production and head grade at Nullagine, and reducing operating costs.

"We are now on the cusp of another important transition at Nullagine, where we have the opportunity to mine and process much higher-grade ore sources with the potential to further significantly increase our average head grade and reduce operating costs – all against the backdrop of a very favourable Australian Dollar gold price environment," he said.

"Building on the excellent progress we have made in the past year, the funds raised will allow us to bring forward the development of our second underground mine at Golden Gate, which hosts some of the highest-grade deposits identified at Nullagine to date."

"At the same time, we will now also have the funding to significantly ramp-up our exploration programs to delineate new, high-grade ore sources for processing through the upgraded mill, where commissioning of the expanded sulphide circuit is scheduled to commence in April. Many high-grade sulphide targets at Nullagine have been ignored in the past due to the lack of a processing solution, with numerous high-quality targets set to be tested over the remainder of the year."

"Our aim is to increase our Reserve base from the current 375,300 ounces, to more than 500,000 ounces by the end of the year to deliver our targeted +5-year mine life."

"With the acceleration of the Golden Gate underground development, we expect to increase our production guidance from 90-100,000 ounces at an all-in cost of \$1,300 - \$1,375 per ounce in CY2019 to between 110 and 120,000oz at an AISC of \$1,200/oz in CY2020."

"We believe the Rights Issue represents a good outcome for existing shareholders, providing them with the opportunity to participate in this important capital raising on very attractive terms."

"I would also like to acknowledge the strong backing of our major shareholder, IMC Group, who are providing full sub-underwriting for the rights issue. This demonstrates IMC's belief in Millennium's growth profile in a rising gold price environment and we are grateful for their ongoing support," he continued.



ENTITLEMENT OFFER

The Company proposes to undertake a renounceable pro-rata entitlement offer to eligible shareholders, on the basis of 1 new share (**New Share**) for every 8.8 shares held as at 7pm (Sydney time) on 28 February 2019 (**Record Date**), at \$0.165 per share to raise approximately \$15 million (before costs) (**Entitlement Offer**). The issue price of 16.5 cents per share represents a 17.5% discount to the Company's closing price of shares on 20 February 2019.

On the basis that no further shares are issued, performance rights converted, or options exercised prior to the Record Date, the Company will issue up to 90,623,720 New Shares under the Entitlement Offer. The proposed capital structure of the Company following the issue of New Shares in connection with the Entitlement Offer is outlined below.

| Event | Shares |
|--|-------------|
| Shares on issue on announcement of the Entitlement Offer | 797,488,743 |
| New Shares to be issued under the Entitlement Offer | 90,623,720 |
| Shares on issue after the Entitlement Offer | 888,112,464 |

Each of the Directors with an existing shareholding (other than Mr Greg Bittar, who intends to take up 151,515 New Shares under the Entitlement Offer) have indicated that they will take up their full entitlement under the Entitlement Offer.

Each New Share issued under the Entitlement Offer will rank equally with existing shares on issue. The Company will, upon issue of New Shares under the Entitlement Offer, seek quotation of those shares on ASX. The rights under the Entitlement Offer are renounceable. Accordingly, there will be trading of rights on ASX and Eligible Shareholders may dispose of their rights to subscribe for securities to any other party.

ELIGIBLE SHAREHOLDERS

The Entitlement Offer is available to all Company shareholders who:

- are registered as a holder of shares on the Record Date;
- have a registered address in Australia, New Zealand, Singapore, Hong Kong, the British Virgin Islands or the United Kingdom;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States);
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer without any requirement for a prospectus or offer booklet to be lodged or registered.

SHORTFALL OFFER

A Shortfall Offer will allow Eligible Shareholders that have fully subscribed for their entitlement under the Entitlement Offer (**Entitlement**) to subscribe for additional New Shares in excess of their Entitlement (**Additional New Shares**). There is no guarantee that applicants will receive all or any of the Additional New Shares they apply for under the facility.

INDICATIVE TIMETABLE

An indicative timetable for the Entitlement Offer is set out below.

| Event | Date |
|---|------------------|
| Announce Entitlement Offer Lodge Appendix 3B, Offer Booklet and s708AA Cleansing Notice with ASX | 25 February 2019 |
| Notice of Entitlement Offer sent to Shareholders | 26 February 2019 |
| Shares quoted on "EX" basis and rights trading starts | 27 February 2019 |



| | |
|---|------------------|
| Record Date for determining Entitlements (7.00pm Sydney time) | 28 February 2019 |
| Offer Booklet and Entitlement and Acceptance Form despatched to Eligible Shareholders (and announce despatch) | 5 March 2019 |
| Rights trading ends | 7 March 2019 |
| Last day to extend the Entitlement Offer Closing Date | 11 March 2019 |
| Closing Date of Entitlement Offer (5.00pm Sydney time) | 14 March 2019 |
| Notification of shortfall | 15 March 2019 |
| Anticipated date for issue of the Shares under the Entitlement Offer | 21 March 2019 |
| Deferred settlement trading ends | |
| Anticipated date for commencement of Shares trading on a normal settlement basis | 22 March 2019 |

The timetable is subject to change and the Company reserves the right to withdraw or vary the timetable without notice, subject to compliance with the Corporations Act 2001 (Cth) and the Listing Rules. In particular, the Company reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of shares.

UNDERWRITING, SUB-UNDERWRITING AND KEY SHAREHOLDER SUPPORT

Bell Potter Securities Limited (**Bell Potter**) has been appointed as the Underwriter to the Entitlement Offer. The Entitlement Offer will be cornerstoned by major shareholder, IMC Group, which has committed to subscribe for its 47.53% pro rata entitlement in the Entitlement Offer of 43,071,147 New Shares, and to sub-underwrite the Entitlement Offer.

Further details of the underwriting and sub-underwriting arrangements are set out in the Offer Booklet.

Pursuant to the Shortfall Offer, and in accordance with the Underwriting and Sub-Underwriting Agreements, shortfall will be allocated in the following priority:

- Shareholders who have subscribed for their full Entitlement of New Shares under the Entitlement Offer and subscribe for additional New Shares in excess of their Entitlement under the Entitlement Offer;
- sub-underwriters (other than IMC Group); and
- IMC Group pursuant to the Sub-Underwriting Agreement.

USE OF FUNDS

Completion of the Entitlement Offer will result in an increase in cash at hand of up to \$14,952,914 (before costs).

The Company intends to apply the funds raised from the Entitlement Offer in accordance with the table set out below:

| Item of expenditure | Amount (\$'million) | % |
|--|----------------------------|------------|
| Development of underground mine at the Golden Gate Mining Centre | 10 | 67 |
| Exploration | 4 | 27 |
| Expenses of the Entitlement Offer | 1 | 6 |
| TOTAL | 15 | 100 |

OFFER BOOKLET

The Offer Booklet will be accessible from ASX and Company websites, www.asx.com.au and www.millenniumminerals.com.au respectively. The Offer Booklet provides further details of the Entitlement Offer.



The Offer Booklet will attach a personalised Entitlement and Acceptance Form, which will set out the number of New Shares which eligible shareholders are entitled to under the Entitlement Offer, as well as details of payment options and other instructions.

The Directors of the Company urge you to read the Offer Booklet carefully and seek advice from your professional adviser if you have any queries.

ENDS

For further information, please contact:
Peter Cash
Chief Executive Officer
+61 8 9216 9011

For media inquiries, please contact:
Kate Bell / Nicholas Read
Read Corporate
+61 8 9388 1474

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