



9 July 2019

Corporate Details

Ordinary Shares:
891,186,531

Market Capitalisation:
~\$102 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

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Corporate and Operations Update

Key Points:

- **Millennium production in line with guidance, with gold poured of 34,716 ounces for the half year.**
- **Production for the June Quarter of 15,180oz, reflecting previously announced delays in the ramp-up at Bartons Underground and commissioning of the sulphide plant – both of which have now been fully resolved.**
- **As previously advised, low gold production in the June Quarter will result in higher AISC per ounce, with details of operating costs to be provided in the June 2019 Quarterly Report.**
- **Bartons Underground and Stage 1 sulphide plant expansion both performing well, with ramp-up complete and both projects performing in line with expectations.**
- **Millennium now well-placed to capitalise on the current strong gold price and strong operating margins.**
- **Second drawn-down of A\$5 million completed from IMC Debt Facility.**

Millennium Minerals (ASX: MOY) is pleased to advise that production at its **Nullagine Gold Project** in WA was 34,716 ounces of gold poured in the first half - in line with revised guidance – and successfully ramping-up key growth initiatives to underpin a strong production increase in the second half.

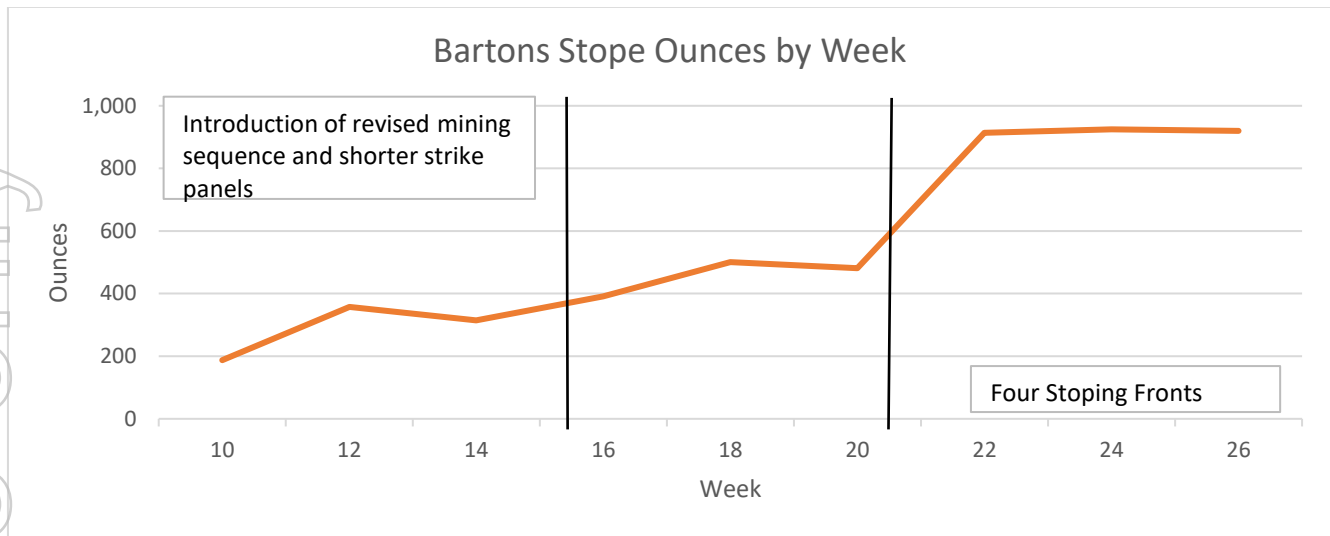
As announced to the ASX on 23 May 2019, production guidance for the first half of CY2019 was revised to 34-36,000oz due to the delayed ramp-up of Bartons Underground and the Stage 1 sulphide plant expansion.

In line with this revised guidance, Millennium poured 15,180oz for the June Quarter, with this lower production profile resulting in a higher all-in sustaining cost (AISC). Details of operating costs will be provided in the Company's June 2019 Quarterly Activities Report, scheduled for release in late July.

However, with the ramp-up of both Bartons Underground and the Stage 1a sulphide plant now complete (see below), gold production is expected to increase in the second half of 2019.

Bartons Underground Ramp-up

Production from Bartons has ramped up significantly with the introduction of a second stoping level. This combined with the revised mining plan has led to the increase in produced ounces each week. Figure 1 below, demonstrates this increase in ounces.



With the introduction of the second level, giving four stopping areas in the mine, production has stabilised at planned levels. Efforts are now focusing on reducing unplanned dilution to improve the grade of the stopping blocks.

Stage 1 Sulphide Plant Update

Commissioning and hand over of the stage 1a was completed in line with the schedule, with production duties being shared between the two Ultra-fine grind (UFG) mills as concentrate production is ramped up with changes in the mill ore feed sulphide levels.

Concentrate grades have been high during the initial production period but will decrease slowly during ramp up as the mass of concentrate is increased to suit the UFG milling capacity and both UFG mills run in parallel as per design. This increase in concentrate mass will allow for the optimisation of gold recovery from the circuit.

Feeding of stored concentrate back into the circuit from the early commissioning of the concentrator circuit has commenced and will continue through July until the stockpiled material is depleted.

The focus of the stage 1a operations in the coming months will be maximising the cost effective gold recovered from the circuit based on UFG mill throughput, UFG mill product grind size and circuit operating costs.

IMC Funding Facility

Millennium has completed the second drawn-down of A\$5 million from the mezzanine debt facility provided by its major shareholder, IMC Group (**IMC Facility**), announced on 23 May 2019.

As outlined in that announcement, this second draw-down was subject to production of not less than 6,750 ounces of gold in June. Actual gold production for June was 6,575 ounces, slightly below the required production hurdle, and Millennium has received a waiver from IMC regarding this requirement.

In addition, the expiry date of the 60 million options to be issued to IMC in relation to the debt facility (subject to shareholder approval) has been extended from 5 years to 6 years. The exercise price of the options has been calculated at 12.18 cents per option.



Management Comment

Millennium CEO Peter Cash said that following a challenging first half, Millennium was now well positioned to deliver improved production and lower costs over the remainder of the year.

“We are now moving into a period where we are very well positioned to take advantage of the current strength in the Australian dollar gold price and better operating margins,” he said.

“With the ramp-up of Bartons Underground now complete, and with the upgraded sulphide circuit performing in line with expectations, we now have all the required pieces in place to deliver an uplift in production and lower cost profile in the second half.

“We would like to thank our shareholders for their support over the first half of the year whilst we’ve resolved these delays, particularly our major shareholder IMC for their interim funding assistance.”

Forward-looking statements

This announcement includes forward-looking statements. Forward-looking statements include but are not limited to statements concerning the Company’s planned activities, including but not limited to mining and exploration programs, and other statements that are not historical facts. When used in this document, the words such as “could”, “plan”, “estimate”, “expect”, “intend”, “may”, “potential”, “should” and similar expressions are forward-looking statements. In addition, estimates of production and costs are also forward-looking statements. Although the Company believes that its expectations reflected in these forward-looking statements are reasonable and are based on reasonable grounds, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

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