



22 October 2019

Corporate Details

Ordinary Shares:
891,470,031

Market Capitalisation:
~\$73 million

ASX Code: MOY

Board of Directors

Greg Bittar
Non-Executive Chairman

Warren Hallam
Managing Director

Tim Kennedy
Non-Executive Director

Peter Lester
Non-Executive Director

Bruno Lorenzon
Non-Executive Director

Management

Ray Parry
Chief Financial Officer and
Company Secretary

Michael Poepjes
Chief Operating Officer

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Millennium secures additional funding to underpin next leg of Nullagine transformation

Key Points:

- **Agreement reached with Millennium's major shareholder, IMC Group, for a \$7.5m extension to its existing \$20m Term Loan Facility.**
- **This will provide additional liquidity to assist with the next stage of ongoing optimisation, improvement and exploration initiatives at the Nullagine Gold Project.**
- **This additional funding will also provide a working capital buffer while mining of high-grade ore ramps up from the Golden Gate Mining Centre.**
- **Mining approvals for Golden Gate were received recently, with mining commencing this week at the Crow open pit and first ore from this important new high-grade ore source delivered to the plant.**
- **Continued improvements being seen in the Bartons Underground performance and the sulphide plant continues to operate within design parameters.**
- **Discussions continuing regarding the transition to an owner-operator model for load and haul operations, with this change expected to be completed in the December quarter.**
- **Extensive water bore drilling program underway to mitigate water shortages experienced in recent weeks, which have also impacted production levels. First additional water bore now on-line with good flows achieved and second bore expected to come on-line shortly, followed by the drilling of other contingent bores.**

Millennium Minerals (ASX: MOY) advises that it has reached agreement with its major shareholder, IMC Group, for the provision of a A\$7.5 million extension to the A\$20 million Term Loan Facility announced on 23 May 2019.

The extension of the facility will underpin the next phase of optimisation, improvement and exploration initiatives at Millennium's 100%-owned **Nullagine Gold Project** in Western Australia.

The extended facility will provide additional liquidity while the Company ramps-up production from the new Golden Gate Mining Centre, completes the transition to an owner-operator model for load and haul operations and commences a number of strategic exploration initiatives.



Nullagine Operations Update

The Golden Gate Mining Proposal Amendment for the Crow and Condor pit extensions was approved recently, with development and mining operations now underway and the first parcel of high-grade ore from Golden Gate to be delivered to the Nullagine Plant this week.

The Golden Gate Mining Centre will be an important source of high-grade ore feed over the next six months, supplementing production from Bartons Underground and Golden Eagle.

The Company is continuing to implement a number of cost reduction initiatives, with a major focus on negotiating the required agreements to switch from the current owner-operator hybrid model to an owner-operator model for load and haul operations. Further updates on this change will be provided in November.

The cost savings that can be achieved through this change are expected to be significant, and will be quantified in the Company's December 2019 Quarterly Report once the new operating model has been fully implemented.

On other fronts, the Company is continuing to make good progress with the ramp-up of production at Bartons Underground with stoping now occurring in four locations over two levels.

As previously advised, the Stage 1a upgrade to the Nullagine processing plant is also complete and delivering improved ore recoveries as anticipated. Further low-cost enhancements to the processing route are currently being evaluated, and further information on these strategic initiatives will be provided in the September Quarterly Report.

Millennium has also moved quickly to mitigate water shortages experienced at Nullagine in recent weeks, which have also been a factor impacting production levels. An extensive water bore drilling program is underway targeting new water sources identified by a recently completed electro-magnetic (EM) survey.

The first additional water bore is now on-line with good flows achieved and a second bore is expected to come on-line shortly. Further contingent bores will also be drilled to ensure there is sufficient additional water available if needed.

Additional Funding Support from IMC

While Millennium is pleased with the overall progress being achieved with the transformation of the Nullagine Operations, the delays in the open pit mining approvals, water constraints and the cumulative impact of previously-announced delays in ramp-up at Bartons and commissioning of the sulphide plant have continued to impact production and cash-flow in the September Quarter.

In light of this, the Company has reached agreement with its major shareholder, IMC Group, for the provision of a A\$7.5 million extension to the A\$20 million Term Loan Facility announced on 24 May 2019.

Key terms of the Term Loan Facility include:

- \$7.5M extension to the \$20 million debt facility announced on the 24 May 2019
- Second ranking and subordinated to the Investec facility.
- Term expiry 31 December 2020. Facility can be repaid early.
- Standard interest rate 13.5% p.a.
- Facility to be secured, subject to the receipt of an ASX waiver of listing rule 10.1.

Millennium is grateful to IMC Group for its strong ongoing support.



Management Comment

Millennium Managing Director Warren Hallam said the additional funding provided by IMC would strengthen its working capital position and ensure it had adequate liquidity in place to complete the delivery of a number of key optimisation and improvement projects.

“The start of mining at Golden Gate establishes an important new source of high-grade ore which will have a positive impact on our production and cost profile in the December quarter,” he said.

“At the same time, the transition to an owner-operator model for load and haul operations is a pivotal development for the Nullagine Project, and we are very focused on entering into an agreement for and completing this important changeover during the December quarter.

“All of these initiatives are aimed at repositioning the operation to a sustainable quarterly production level of ~20,000oz with strong operating cash-flows, as outlined in recent announcements.”

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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