

## Gold price running : You on Board ?

Still more room to run for MOY

### Recommendation

**Strong BUY, High Risk**

### Price

**8.5c**

### Valuation

**19c**

### Commodity

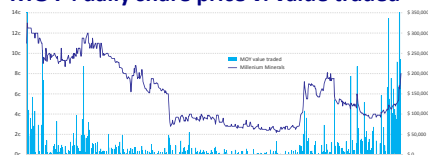
**Gold**

- Beer & Co has maintained there is significant upside in MOY. Our base case valuation, of 19c, is based on a L-R gold price of \$1200/oz, or \$A 1714/oz, using an AUD-USD rate of 0.700.
- The gold price on Thursday night closed at \$1,249/oz, or \$A 1759. Using the spot price, Beer & Co's risked valuation of MOY is 21c.
- MOY continues to de-risk and drill known mineralisation. MOY will invest \$10m each year in drilling. Beer & Co's base case valuation assumes delineates 2.0Mt, grading 1.5g/t, at a finding cost of \$103/oz.
- Beer & Co believes that MOY will achieve a lower finding cost than we have assumed in our valuation.

### Snapshot

Market Cap	\$63m
Net Cash	\$7.7m
Shares on Issue	742.7m
52 Week High	8.1c
52 Week Low	2.3c
1 month / 6 month VWAP	5.3c / 5.1c

### MOY : daily share price v. value traded



MOY began mining operations at Nullagine in September 2012. The operations were declared commercial in February 2013.

While the operations generated cash, the cash generated was, for 2014 and the first half of 2015, not enough to meet the required debt repayments.

The operations have been turned around, which facilitated a major equity raising which will be used to extinguish debt subject to a bullet repayment.

Success in converting known mineralisation into mining inventory is essential, and Beer & Co expects MOY to out-perform.

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### Gold price is running !

Beer & Co initiated research on MOY in late November, when the gold price was just below \$1100/oz. Our view at that time was that the gold price was low and would bounce, but we were not sure when.

Last night gold traded over \$1250/oz, having been about \$1100/oz only just over 2 weeks back.

In AUD terms, the climb has been slightly better as the AUD-USD rate was just over 0.720 in late November, compared with 0.710 now.

### MOY a preferred exposure

While Beer & Co was confident that the gold price would run, we were looking for a gold stock that had great organic potential and would perform even in the absence of the gold price.

MOY ticks these boxes as a cheap, turn-around story, getting its costs down and with significant further mineralisation.

### Gold price upside

Beer & Co's risked, base case valuation, of 19c/share, assumes a long run gold price of \$1200/oz and AUD-USD 0.700.

Using spot prices, Beer & Co's valuation rises to 21c.

### But we think there is even more in MOY

In our 21 December note ([click here](#)), Beer & Co highlighted MOY's drilling success, with significant intercepts grading higher than our modelled grade.

Beer & Co expects that MOY's 2016 results will be better than we have assumed in our modelling.

### Beer & Co valuation and conclusions confirmed

Beer & Co's risked, base case, valuation of MOY is 19c/share. There is further upside from the gold price and from MOY's own operations,

Beer & Co affirms our Strong BUY, High Risk, recommendation.

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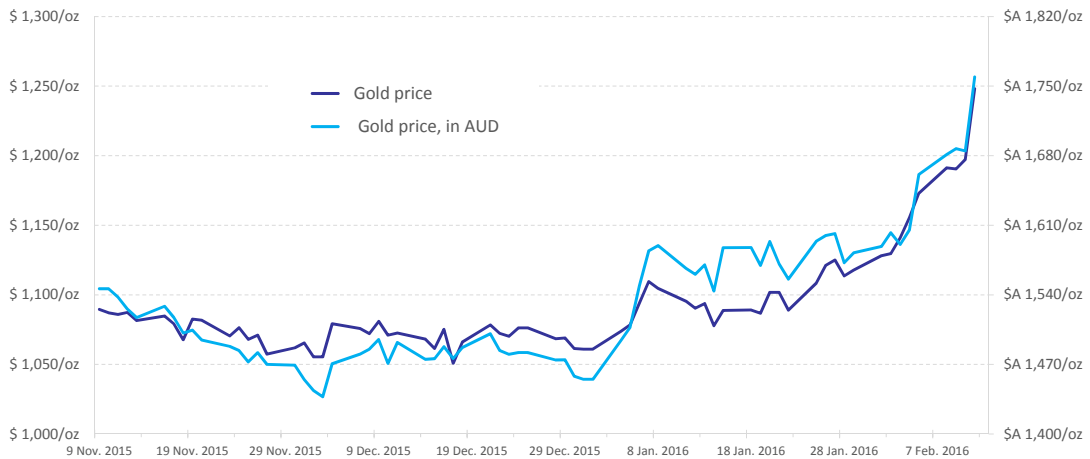
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# Gold price is running

Figure 1, which covers the period since just before Beer & Co initiated research on MOY, shows that the gold price has moved up strongly, with slightly better performance in AUD terms.

**Figure 1 : MOY share price v. gold price (in USD)**



Source : IRESS, Beer & Co

Beer & Co’s initiation research report on Millennium Minerals (MOY.ASX) gave a base case valuation of 14.5c/share, which has since been revised to 19c/share due to MOY’s cash generation and the equity raised to extinguish the subordinated debt. This was based on gold prices climbing to \$1,200/oz, as shown in Figure 2.

**Figure 1 : Gold price, historical v. projected**



Source : MOY quarterly reports, Beer & Co estimates

**The current gold price is NOT in Beer & Co’s base case valuation of MOY, of 19c/share**

Figure 2 also shows the current price as the average for the March quarter, showing that Beer & Co’s valuation, of 19c/share, does not assume current or higher prices.

Figure 3 shows the impact of differing price assumptions on Beer & Co’s risked valuation. It shows that if commodity prices hold at current levels, our valuation will be 21c/share.

**Figure 3 : MOY Sensitive to gold price**

USD / oz	\$ 1,248/oz	\$ 1,100/oz	\$ 1,200/oz	\$ 1,250/oz	\$ 1,300/oz	\$ 1,400/oz
AUD-USD = 0.700	Spot	\$A 1,550/oz	\$A 1,691/oz	\$A 1,762/oz	\$A 1,832/oz	\$A 1,973/oz
Reserves	9.0 c	2.2 c	<b>8.4 c</b>	8.7 c	9.3 c	10.4 c
Exploration	11.7 c	7.9 c	<b>10.8 c</b>	12.2 c	13.6 c	15.8 c
<b>TOTAL</b>	<b>20.8 c</b>	<b>10.1 c</b>	<b>19.2 c</b>	<b>20.9 c</b>	<b>22.9 c</b>	<b>26.2 c</b>

Source : Beer &amp; Co estimates

There is further upside to MOY's valuation if the gold price holds at current levels

Figure 3 shows significant further upside potential if gold prices continue to run. Figure 3 also shows that a significant part of our valuation is Beer & Co's risked valuation of MOY's expected future exploration success.

## MOY's Expected Exploration Success

MOY will invest \$10m each year in drilling in its tenement areas.

MOY has over 1.2Moz in Resources

While this is termed exploration, Beer & Co's view is that MOY's drilling is not real exploration as MOY has a large number of areas of known mineralisation.

Beer & Co expect that MOY will delineate ore grade material and feed it into the mill and produce gold without ever reporting it as part of reserves.

Figure 4 shows that MOY has a significant volume of Resources in its tenement area at Nullagine, in the Pilbara region of WA, about 185km north of Newman.

**Figure 4 : MOY's Mineral Resource Estimate, as at 31 December 2015**

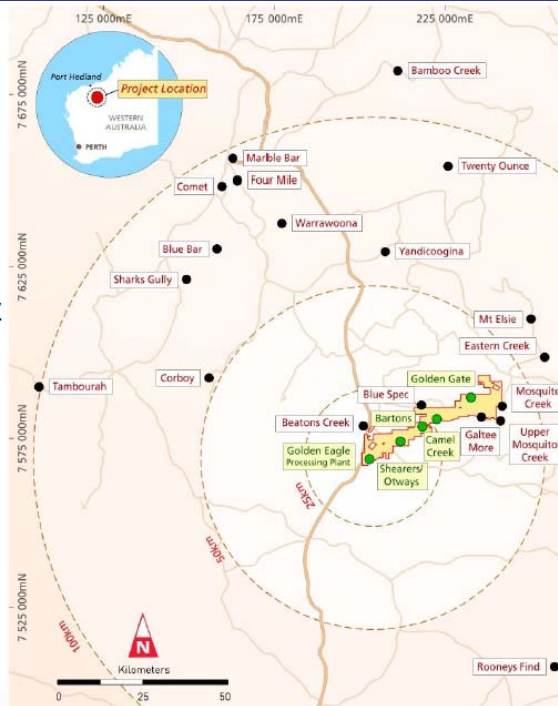
Deposit	Measured Resources			Indicated Resources			Inferred Resources			TOTAL		
	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz	Mt	g/t	koz
Golden Eagle	10.56	0.9	310	4.37	0.9	128	4.29	0.9	126	19.22	0.9	564
Bartons	1.72	1.2	66	1.44	1.2	56	0.55	1.1	19	3.71	1.2	141
Shearers	0.59	1.3	25	1.48	1.0	48	0.26	1.0	8	2.33	1.1	81
Otways	1.15	0.8	29	0.90	0.9	26	0.69	0.9	20	2.74	0.9	75
All Nations	1.26	1.4	57	0.55	1.1	19	0.42	1.0	14	2.23	1.3	90
Little Wonder	0.47	1.4	21	0.25	1.4	11	0.22	1.7	12	0.94	1.4	43.7
Golden Gate	0.19	3.0	18	0.14	2.9	13	0.14	2.4	11	0.47	2.8	42
Falcon	0.00	0.0	0	0.09	3.9	12	0.04	4.4	6	0.14	4.0	18
Condor	0.15	2.6	12	0.04	2.8	4	0.03	3.7	4	0.22	2.7	19
Harrier	0.00	0.0	0	0.10	1.7	6	0.04	1.8	2	0.14	1.8	8
Crow	0.04	3.1	4	0.04	2.6	3	0.05	2.3	4	0.12	2.7	10.5
G_Reef	0.00	0.0	0	0.02	4.0	3	0.02	3.9	3	0.04	4.0	5
Au 81	0.35	1.6	18	0.34	1.2	13	0.90	0.9	26	1.59	1.1	57
Camel Ck	1.25	1.3	52	0.73	1.2	28	0.71	1.1	25	2.68	1.2	105
<b>TOTAL</b>	<b>17.72</b>	<b>1.1</b>	<b>612</b>	<b>10.49</b>	<b>1.1</b>	<b>369</b>	<b>8.35</b>	<b>1.0</b>	<b>278</b>	<b>36.57</b>	<b>1.1</b>	<b>1,259</b>

Source : MOY ASX announcement, 27 March 2015, Beer &amp; Co

Figure 5 shows a district map, giving the location of MOY's operations, while Figure 6 shows in more detail MOY's tenement area and the location of each of the deposits.

It shows that the identified gold deposits and prospects are mostly immediately to the north of the Middle Creek fault, or on spalls off this fault.

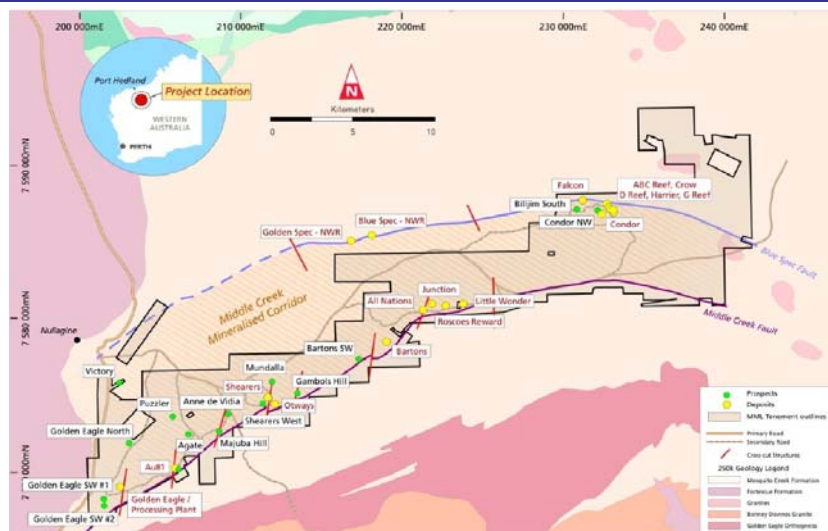
**Figure 5 : MOY's tenements, Pilbara, WA**



Source : MOY's ASX announcement, 23 November 2015

**Figure 6 : MOY's tenements, Nullagine Gold Project**

MOY has many deposits, included in the resource estimate, and prospects, not in its resource estimate, in its tenement area



Source : MOY's ASX announcement, 23 November 2015

### MOY's Drilling

MOY began a drill programme in September, in advance of the equity raising.

### Shearer's

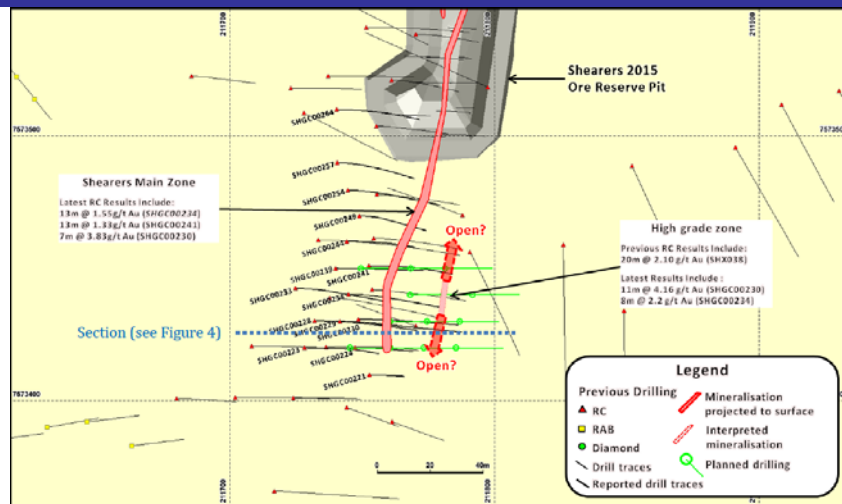
Figure 6 shows that Shearer's is about 10km north-east of the Golden Eagle processing plant, which is near the south-west corner of the tenement area. The first results from this programme, which related to Shearer's, were reported on 23 November, 2015.

The results reported included :

- 11m at 4.16g/t, from 40m, including 4m at 6.7g/t;
- 7m at 3.83g/t from 15m;
- 13m at 1.55g/t, from 54m.

Figure 7 shows that these results represent extension of the mineralisation in Reserves at Shearer’s.

**Figure 7 : Drilling at Shearer’s extends mineralisation from pit**



Source : MOY’s ASX announcement, 23 November 2015

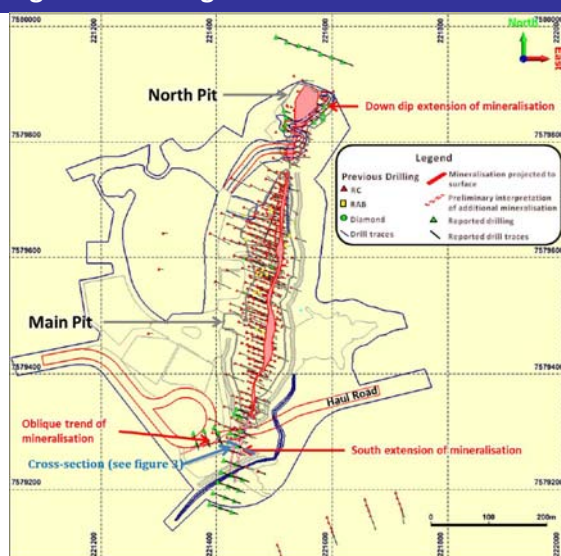
**Drilling near All Nations has extended the mineralisation beyond the reserves, with significant intercepts of ore grade material.**

More recently announced results at Shrearer’s included :

- 10m @ 1.48g/t Au from 21m;
- 6m @ 1.71g/t Au from 8m;
- 7m @ 1.37g/t Au from 2m;

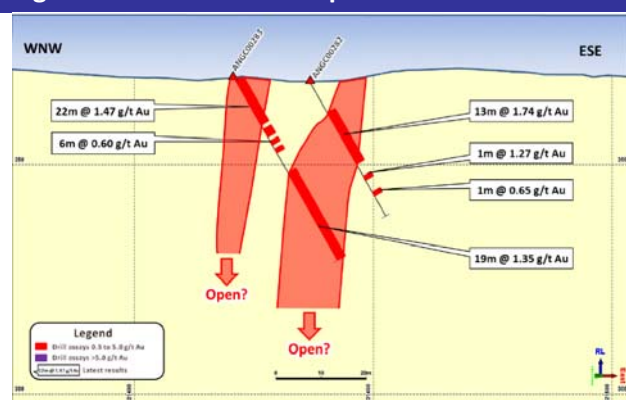
**All Nations**

**Figure 8 : Drilling at All Nations**



Source : MOY’s ASX announcement, 9 December 2015

**Figure 9 : All Nations interpreted mineralisation**



Source : MOY’s ASX announcement, 9 December 2015

On 9 December, 2015, MOY announced more drilling results, this time from drilling at All Nations and Bartons.

MOY have had many wide intersections near and above Beer & Co's assumed average grade of 1.5g/t

Figure 6 shows is in about the geographical middle of MOY's tenement area, about 24km to the north-east of the Golden Eagle processing plant.

Figure 8 shows that the reported drill results are extensions of mineralisation defined in reserves, while Figure 9 show the size of the interpreted mineralisation.

Results from the drilling at All Nations included :

- 22m at 1.61g/t, from 9m
- 22m at 1.47g/t, finishing in mineralisation;
- 19m at 1.35g/t, from surface; and
- 9m at 2.66g/t, from 28m.

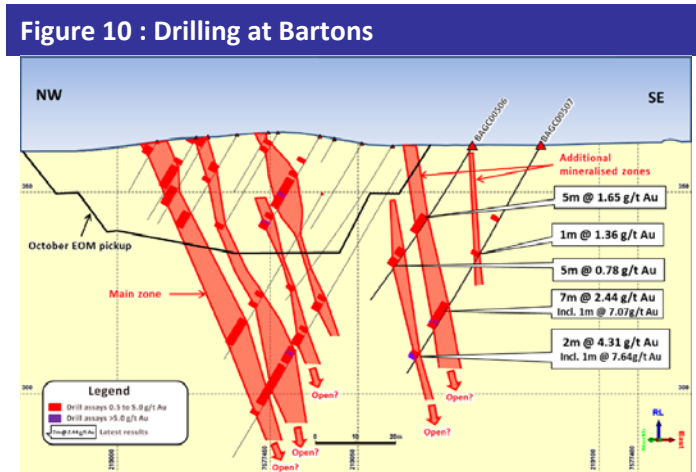
**Bartons**

Results from the drilling at Bartons included :

- 6m at 3.9g/t, from 22m;
- 7m at 2.44g/t, from 46m;
- 3m at 4.95g/t from 55m; and
- 24m at 1.25g/t, from 8m.

Figure 10 shows that this drilling is both :

- Depth extensions of the existing reserves, as mineralisation extends below the current pit; and
- Extensions to newly identified structures adjacent to the existing pit and defined in reserves.



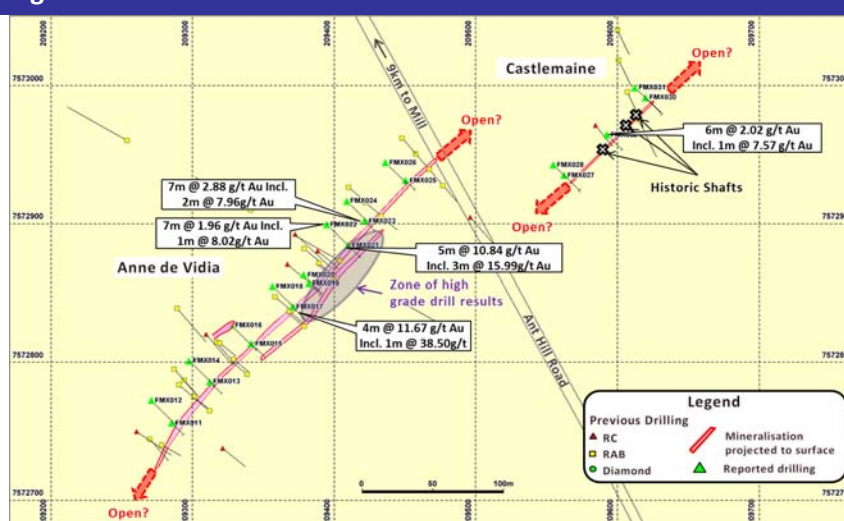
Source : MOY's ASX announcement, 9 December 2015

**Other**

The third part of MOY's current programme will be at Anne de Vidia, which is about 9km from the Golden Eagle plant. Mineralisation at Anne de Vidia has been identified over a strike length of 280m from a combination of historic RAB and RC drilling, as shown in Figure 11.

MOY has many more prospects

Figure 11 : Anne de Vidia and Castlemaine



Source : MOY’s ASX announcement, 21 December 2015

Recently announced results at Anne de Vidia included :

- 4m @ 11.67 g/t Au from 20m including 1m @ 38.50g/t;
- 5m @ 10.84 g/t Au from surface including 3m @ 15.99g/t Au;
- 7m @ 2.88 g/t Au from 5m including 2m @ 7.96g/t Au; and
- 7m @ 1.96 g/t Au from 25m including 1m @ 8.02g/t Au.

The first round of drilling at Castlemaine, which could be an off-set of Anne Di Vidia, or a parallel trend, yielded a result of • 6m @ 2.02 g/t Au from 10m including 1m @ 7.57g/t.

## Conclusions

The detail of Beer & Co’s risked valuation is shown in Figure 12

Figure 12 : Detail of Beer & Co’s valuation of MOY

Beer & Co affirms our risked base case valuation of 19c/share

	discount rate = 12.0 %	31 December 2015			12-Feb-16
		risk :	100%	Product	per share
Nullagine Reserve	100%	\$ 67m	\$ 67m	8.7 c	8.2 c
franking credits	60%	\$ 14m	\$ 9m	1.1 c	1.1 c
Nullagine Extensi	60%	\$ 149m	\$ 90m	11.6 c	11.8 c
franking credits	36%	\$ 36m	\$ 13m	1.7 c	1.7 c
Exploration	90%	(\$ 51m)	(\$ 5m)	(0.7c)	(0.7c)
Hedge	100%	(\$ 7m)	(\$ 7m)	(0.9c)	(0.7c)
Corporate	100%	(\$ 27m)	(\$ 27m)	(3.5c)	(3.5c)
Cash / Debt	100%	\$ 8m	\$ 8m	1.0 c	1.3 c
Equity raisings	100%	\$ 0m	\$ 0m	0.1 c	0.1 c
<b>TOTAL</b>		<b>\$ 190m</b>	<b>\$ 148m</b>	<b>19.1 c</b>	<b>19.2 c</b>
Shares on issue		742.7m	F P O shares	32.0m	Options
				30.0m	Ops. Ex'd

Source : Beer & Co estimates

MOY plan to invest \$10m each year in drilling.

In our valuation, Beer & Co assume that MOY successfully delineates 2.0Mt each of material, at an average grade of 1.5g/t.

This means that Beer & Co's valuation assumes that MOY invests \$10m to add 96.5koz to inventory each year, of which 91.6koz is mined from which and 84koz of saleable gold is produced.

This is a cost of over \$A 100/oz.

**Beer & Co affirms our Strong BUY, High Risk, recommendation.**

Beer & Co expect that MOY will produce more gold for tis \$10m annual investment, or spend less.

Both cases add significantly to Beer & Co's valuation of MOY.

Figure 12 shows the detail of Beer & Co's base case valuation. The recent drill results support Beer & Co's positive view of the value of MOY's exploration.

Figure 12 also shows that current price reflects MOY's reserves and gives virtually no value to the known mineralisation at Nullagine.

Beer & Co affirms our Strong BUY, High Risk, recommendation.





**Beer & Co Research**  
Millennium Minerals (MOY.ASX) February 2016

Year ended December		2014	2015	2016	2017	2018	2019	2020	2021
<b>Section 1 - P&amp;L</b>									
Sales revenue	\$A m	107	142	136	142	145	145	145	145
Interest revenue	\$A m	0	0	0	1	1	2	2	2
Other revenue	\$A m	9	0	0	0	0	0	0	0
<b>Total Revenue</b>	\$A m	<b>116</b>	<b>142</b>	<b>136</b>	<b>143</b>	<b>146</b>	<b>146</b>	<b>146</b>	<b>147</b>
Cost of Goods Sold	\$A m	(88)	(80)	(76)	(75)	(75)	(75)	(76)	(76)
Royalties		(4)	(4)	(4)	(6)	(4)	(4)	(4)	(4)
Corporate Costs	\$A m	(5)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Exploration Expense	\$A m	0	0	0	0	0	0	0	0
Other Operating Expenses	\$A m	(17)	(5)	(7)	0	0	0	0	0
<b>Total Operating Expenses</b>	\$A m	<b>(114)</b>	<b>(94)</b>	<b>(93)</b>	<b>(86)</b>	<b>(84)</b>	<b>(84)</b>	<b>(85)</b>	<b>(86)</b>
<b>EBITDA</b>	\$A m	<b>2</b>	<b>48</b>	<b>44</b>	<b>57</b>	<b>62</b>	<b>62</b>	<b>61</b>	<b>61</b>
Dep'n & Amort'n	\$A m	(27)	(23)	(21)	(29)	(16)	(13)	(13)	(13)
<b>EBIT</b>	\$A m	<b>(25)</b>	<b>25</b>	<b>23</b>	<b>28</b>	<b>46</b>	<b>48</b>	<b>48</b>	<b>48</b>
Interest Expense	\$A m	(5)	(3)	0	0	0	0	0	0
Other	\$A m	(1)	0	0	0	0	0	0	0
<b>Pre-Tax Profit</b>	\$A m	<b>(31)</b>	<b>23</b>	<b>23</b>	<b>28</b>	<b>46</b>	<b>48</b>	<b>48</b>	<b>48</b>
Tax Expense	\$A m	(12)	(7)	(7)	(8)	(14)	(15)	(15)	(14)
<b>NPAT</b>	\$A m	<b>(43)</b>	<b>16</b>	<b>16</b>	<b>19</b>	<b>32</b>	<b>34</b>	<b>34</b>	<b>34</b>

<b>Section 2 - Key Data</b>									
Ordinary shares - year end	m	217.7	742.7	742.7	772.7	772.7	772.7	772.7	772.7
Fully diluted shares on issue	m	217.7	742.7	742.7	772.7	772.7	772.7	772.7	772.7
Weighted # shares	m	217.7	252.2	742.7	757.7	772.7	772.7	772.7	772.7
Earnings per Share	(1.3c)	6.3 c	2.1 c	2.6 c	4.2 c	4.4 c	4.4 c	4.4 c	4.4 c
Dividends Per Share	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c

<b>Section 3 - Balance Sheet</b>									
Cash	\$A m	2	11	28	62	94	118	141	164
Receivables	\$A m	2	10	10	11	11	11	11	11
Inventory	\$A m	17	13	12	12	12	12	13	13
Other	\$A m	2	2	2	2	2	2	2	2
<b>CURRENT ASSETS</b>	\$A m	<b>23</b>	<b>37</b>	<b>52</b>	<b>88</b>	<b>120</b>	<b>143</b>	<b>167</b>	<b>190</b>
Receivables	\$A m	0	0	0	0	0	0	0	0
P, P & E	\$A m	43	28	16	4	2	2	3	3
Mining Properties / Exploration	\$A m	8	6	11	7	6	7	7	8
Other	\$A m	0	0	0	0	0	0	0	0
<b>NON-CURRENT ASSETS</b>	\$A m	<b>51</b>	<b>34</b>	<b>27</b>	<b>11</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>10</b>
<b>TOTAL ASSETS</b>	\$A m	<b>74</b>	<b>71</b>	<b>79</b>	<b>98</b>	<b>128</b>	<b>152</b>	<b>176</b>	<b>200</b>
Payables	\$A m	16	6	6	6	6	6	6	6
Debt	\$A m	20	4	0	0	0	0	0	0
Other	\$A m	1	0	0	0	0	0	0	0
<b>CURRENT LIABILITIES</b>	\$A m	<b>36</b>	<b>10</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>
Long Term Debt	\$A m	17	0	0	0	0	0	0	0
Other	\$A m	2	2	2	2	2	2	2	2
Provisions	\$A m	6	6	6	6	6	6	6	6
<b>NON-CURRENT LIABILITIES</b>	\$A m	<b>26</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>
<b>TOTAL LIABILITIES</b>	\$A m	<b>62</b>	<b>18</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>
<b>NET ASSETS</b>	\$A m	<b>12</b>	<b>53</b>	<b>65</b>	<b>84</b>	<b>114</b>	<b>138</b>	<b>162</b>	<b>186</b>
Accumulated Profit (Loss)	\$A m	(135)	(119)	(103)	(84)	(51)	(17)	16	50
Reserves	\$A m	3	7	3	3	1	(9)	(19)	(29)
Contributed Equity	\$A m	144	165	165	165	165	165	165	165
<b>Total Equity</b>	\$A m	<b>12</b>	<b>53</b>	<b>65</b>	<b>84</b>	<b>114</b>	<b>138</b>	<b>162</b>	<b>186</b>

<b>Section 4 - Cashflow</b>									
Net Cashflow from operations	\$A m	19	53	51	57	62	62	61	61
Hedging	\$A m	(7)	0	0	0	0	0	0	0
Interest Paid	\$A m	(5)	(3)	0	1	1	2	2	2
Taxes Paid	\$A m	0	0	0	0	(6)	(14)	(15)	(14)
Change in Working Capital	\$A m	(4)	(17)	0	(1)	0	0	0	0
Other	\$A m								
<b>OPERATING CASHFLOW</b>	\$A m	<b>3</b>	<b>33</b>	<b>51</b>	<b>57</b>	<b>57</b>	<b>49</b>	<b>49</b>	<b>49</b>
Exploration Expenditures	\$A m	0	(2)	(10)	(10)	(10)	(10)	(10)	(10)
Maintenance Capex	\$A m	(3)	(4)	(4)	(3)	(4)	(4)	(4)	(4)
Expansion Capex	\$A m	0	0	0	0	0	0	0	0
<b>PPE Acquisitions (Total Capex)</b>	\$A m	<b>(3)</b>	<b>(6)</b>	<b>(14)</b>	<b>(13)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>
PPE Divestments	\$A m	0	0	0	0	0	0	0	0
<b>INVESTING CASHFLOW</b>	\$A m	<b>(3)</b>	<b>(6)</b>	<b>(14)</b>	<b>(13)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>	<b>(14)</b>
Change in Equity	\$A m	0	21	0	1	0	0	0	0
Dividends Paid	\$A m	0	0	0	0	0	0	0	0
Change in Debt	\$A m	(2)	(34)	(4)	0	0	0	0	0
<b>FINANCING CASHFLOW</b>	\$A m	<b>(2)</b>	<b>(13)</b>	<b>(4)</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Free Cashflow</b>	\$A m	<b>(0)</b>	<b>27</b>	<b>38</b>	<b>43</b>	<b>43</b>	<b>35</b>	<b>35</b>	<b>35</b>
<b>Net Cashflow</b>	\$A m	<b>(2)</b>	<b>14</b>	<b>34</b>	<b>44</b>	<b>43</b>	<b>35</b>	<b>35</b>	<b>35</b>

<b>Commodity price assumptions</b>							
Year ended December		2015	2016	2017	2018	2019	2020
AUD-USD		0.753	0.700	0.700	0.700	0.700	0.700
Gold	US\$ / oz	1,161	1,200	1,200	1,200	1,200	1,200
	AUD / oz	1,542	1,714	1,714	1,714	1,714	1,714

<b>Mine Production</b>							
<b>Nullagine</b>							
Ore processed	'000t	1,824	1,900	1,900	1,900	1,900	1,900
Gold grade		1.78 g/t	1.41 g/t	1.48 g/t	1.50 g/t	1.50 g/t	1.50 g/t
Gold produced (ounces)		91,462	79,465	82,997	84,309	84,309	84,309

<b>Resources</b>						
Deposit		Measured	Indicated	Inferred	Gold	
Golden Eagle	10.6 Mt	0.9 g/t	4.4 Mt	0.9 g/t	4.3 Mt	0.9 g/t
Bartons	1.7 Mt	1.2 g/t	1.4 Mt	1.2 g/t	0.6 Mt	1.1 g/t
Shearers	0.6 Mt	1.3 g/t	1.5 Mt	1.0 g/t	0.3 Mt	1.0 g/t
Otways	1.2 Mt	0.8 g/t	0.9 Mt	0.9 g/t	0.7 Mt	0.9 g/t
All Nations	1.3 Mt	1.4 g/t	0.6 Mt	1.1 g/t	0.4 Mt	1.0 g/t
Little Wonder	0.5 Mt	1.4 g/t	0.3 Mt	1.4 g/t	0.2 Mt	1.7 g/t
Golden Gate	0.2 Mt	3.0 g/t	0.1 Mt	2.9 g/t	0.1 Mt	2.4 g/t
Falcon	0.0 Mt	0.0 g/t	0.1 Mt	3.9 g/t	0.0 Mt	4.4 g/t
Condor	0.2 Mt	2.6 g/t	0.0 Mt	2.8 g/t	0.0 Mt	3.7 g/t
Harrier	0.0 Mt	0.0 g/t	0.1 Mt	1.7 g/t	0.0 Mt	1.8 g/t
Crow	0.0 Mt	3.1 g/t	0.0 Mt	2.6 g/t	0.0 Mt	2.3 g/t
G Reef	0.0 Mt	0.0 g/t	0.0 Mt	4.0 g/t	0.0 Mt	3.9 g/t
Au 81	0.4 Mt	1.6 g/t	0.3 Mt	1.2 g/t	0.9 Mt	0.9 g/t
Camel Ck	1.2 Mt	1.3 g/t	0.7 Mt	1.2 g/t	0.7 Mt	1.1 g/t
<b>TOTAL</b>	<b>17.7 Mt</b>	<b>1.1 g/t</b>	<b>10.5 Mt</b>	<b>1.1 g/t</b>	<b>8.4 Mt</b>	<b>1.0 g/t</b>
						<b>1,259 koz</b>

<b>Reserves, as at 31 December 2015</b>			
Proved	1.9 Mt	1.5 g/t	91 koz
Probable	0.3 Mt	1.3 g/t	14 koz
Stockpiles	0.6 Mt	1.0 g/t	20 koz
<b>TOTAL</b>	<b>2.9 Mt</b>	<b>1.34 g/t</b>	<b>126 koz</b>

<b>Costs, AUD / oz</b>							
	LoM	2015	2016	2017	2018	2019	2020
<b>C 1 cash costs</b>	<b>909</b>	<b>878</b>	<b>962</b>	<b>899</b>	<b>885</b>	<b>892</b>	<b>899</b>
<b>All-in</b>	<b>1,149</b>	<b>1,038</b>	<b>1,246</b>	<b>1,194</b>	<b>1,156</b>	<b>1,163</b>	<b>1,170</b>

<b>Asset based Valuation</b>			
discount rate = 12 %	risk :	31 December 2015	12-Feb-16
Nullagine Reserves	100%	\$ 67m	\$ 67m
franking credits	60%	\$ 14m	\$ 9m
Nullagine Extensions	60%	\$ 149m	\$ 90m
franking credits	36%	\$ 36m	\$ 13m
Exploration	90%	(\$ 51m)	(\$ 5m)
Hedge	100%	(\$ 7m)	(\$ 7m)
Corporate	100%	(\$ 27m)	(\$ 27m)
Cash / Debt	100%	\$ 8m	\$ 8m
Equity raisings	100%	\$ 0m	\$ 0m
<b>TOTAL</b>		<b>\$ 190m</b>	<b>\$ 148m</b>
Shares on issue		742.7m	F P O shares
		0.0m	0
			32.0m Options
			30.0m Ops. Ex'd

<b>Financial Ratios</b>							
Year ended December		2014	2015	2016	2017	2018	2019
Revenue	\$A m	116	142	136	143	146	146
EBITDA	\$A m	2	48	44	57	62	62
EBIT	\$A m	(25)	25	23	28	46	48
NPAT (reported)	\$A m	(43)	16	16	19	32	34
Adjusted EPS (cps)		(1.3c)	6.3 c	2.1 c	2.6 c	4.2 c	4.4 c
EPS Growth (%)				(66%)	19%	64%	5%
DPS (c)		0.0 c	0.0 c	0.0 c	0.0 c	0.0 c	0.0 c
Dividend Yield (%)		0%	0%	0%	0%	0%	0%
PE adj. (x)	x	(2.9)	1.4	4.0	3.3	2.0	1.9
EV / EBITDA (x)	x	19.4	1.2	0.8	0.1	(0.5)	(0.8)
EV / EBIT (x)	x	(1.7)	2.2	1.6	0.1	(0.6)	(1.1)
Gearing (%)		50%	5%	0%	0%	0%	0%
Return on Assets		(34%)	36%	29%	28%	36%	32%
Return on Equity		(350%)	30%	25%	23%	28%	25%
EBITDA Margin (%)		2%	34%	32%	40%	43%	43%
Interest Cover (x)	x	n/a	n/a	n/a	n/a	n/a	n/a

<b>Major shareholders</b>				
<b>IMC Resource Holdings</b>				
			fully diluted	
existing		75.4m	34.6 %	91.4m
new		281.6m	53.6 %	281.6m
<b>Total</b>		<b>357.0m</b>	<b>48.1 %</b>	<b>373.0m</b>
				<b>48.3 %</b>

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The analyst responsible for this research report certifies that all of the views expressed reflect his personal views about the securities and the issuer.

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