

MOY increasing Reserves; Market Cap only Reserves plus cash

Recommendation

BUY, High Risk

Price

16.5c

Valuation

21c

Commodity

Gold

- **MOY's All In Costs of \$A 1180 - \$A 1220/oz, including \$120/oz for drilling, giving a margin of \$A 540/oz at current prices, generating over \$85m in cash on Reserves**
- **MOY delineated 57koz in Reserves from \$2.9m in drilling to March 2016, for an average cost of \$A 51/oz.**
- **Beer & Co has a BUY on MOY based on gold prices LESS than the current price, and exploration costs more than twice MOY's costs for reserves delineation.**
- **Triggers for share price performance to include**
 - **Upgrade to production guidance, which Beer & Co expects with the June 2016 quarterly; and**
 - **Upgrade to Resources and Reserves estimates in October 2016.**

Snapshot

Market Cap	\$123m
Net Cash	\$19m
Shares on Issue	742.7m
52 Week High	17.5c
52 Week Low	2.3c
1 month / 6 month VWAP	14.1c / 11.3c

MOY : daily share price v. value traded



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

Following a change in management in December 2014, the operations have been turned around. MOY is now debt free with significant free cash.

MOY has over 1.0Moz in Resources, but only 160koz in Reserves. In late 2015, MOY began a \$10m a year program to boost Reserves and mine life.

The Nullagine area has more than 30 further shallow oxide prospects as well as, and prospects for deeper mineralisation and refractory material in Resources as a possible later option.

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MOY's Market Cap is Reserves plus cash on hand

MOY confirmed All In Costs of \$A 1180 - \$1220/oz for 2016, which includes \$10m for annual exploration, or about \$A 120/oz. At current gold prices, this is a margin of about \$A 540/oz at current gold prices.

MOY increased Reserves to 160koz so if there is no success in drilling, MOY will generate over \$A 85m in cash from its Reserves.

MOY has nearly \$20m in cash on hand, so its current market cap is justified by reserves plus cash on hand, but gives nothing for exploration.

MOY will add to Reserves, to be announced in October 2016

MOY delineated 57koz in Reserves from investing \$2.9m to 31 March 2016, at a cost of \$A 51/oz.

MOY reported significant, valuable drilling intercepts from 8 different areas

- 12m at 8.54g/t, 8m at 3.36g/t and 13m at 2.63g/t at All Nations, showing potential for a quick return as MOY has been mining at All Nations
- Anne de Vidia reported more good results, with 4m at 43g/t, 2m at 5.7g/t, 3m at 6.1g/t and 2m at 3.9g/t, following on earlier results of 3m at 15g/t and 3m at 24.5g/t
- Other results were reported from Hut, Crossing, Linq and Golden Eagle South, all of which are 8km or less from the plant, and are new areas.

Beer & Co affirms our valuation of 21c/share; Significant upside

Beer & Co's valuation assumes gold prices BELOW current prices, despite the strength in the gold market.

Beer & Co's valuation assumes MOY's Reserves delineation at a cost of more than TWICE that of MOY's experience to date.

Beer & Co expects MOY to raise its production guidance after the June quarterly.

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

There is significant upside to our valuation, which is 35% above the share price, from gold prices and upgrades to production guidance and Reserves.

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MOY to upgrade Resources and Reserves

October 2016 : Second upgrade this year

MOY announced its Reserves estimate for 31 December 2015 on 25 January 2016.

On 25 January, 2016, MOY announced its revised Ore Reserves estimate as at 31 December 2015, of 127koz.

This compared with 223koz as at 31 December 2014, and the decrease of 96koz reflects mining depletion of 104.3koz (1.28Mt mined at an average head grade of 1.78g/t), coupled with zero exploration due to MOY's straitened financial position for 2015.

On 26 April, MOY updated its Reserves estimate for 31 March 2016

With its successful re-financing in December 2015, MOY began its \$10m/yr programme to increase its Reserves.

On 26 April 2016, MOY announced an upgrade in its Ore Reserves Estimate to 160koz, as shown in Figure 1.

Figure 1 : MOY announced Ore Reserve Estimates, for Nullagine

Fig 1a : 31 December 2015

Proved	3.68 Mt	1.5 g/t	174 koz
Probable	0.64 Mt	1.5 g/t	30 koz
Stockpiles	0.64 Mt	0.9 g/t	19 koz
TOTAL	4.97 Mt	1.40 g/t	223 koz

ASX announcement, 27 March 2015

Fig 1b : 31 December 2015

Proved	1.94 Mt	1.5 g/t	93 koz
Probable	0.34 Mt	1.3 g/t	13 koz
Stockpiles	0.63 Mt	1.0 g/t	20 koz
TOTAL	2.91 Mt	1.34 g/t	127 koz

ASX announcement, 25 January 2016

Fig 1c : 31 March. 2016

Proved	2.53 Mt	1.5 g/t	121 koz
Probable	0.38 Mt	1.8 g/t	21 koz
Stockpiles	0.62 Mt	0.9 g/t	18 koz
TOTAL	3.52 Mt	1.40 g/t	160 koz

ASX announcement, 26 April 2016

MOY expect to update reserves again in October.

In announcing further drill results on 15 June 2016, MOY also announced that its Resources and Reserves estimates would be updated in October 2016, for a second update during 2016.

This will be the second Reserves update for 2016

Impact of Drilling

Comparing Figure 1c with Figure 1b shows an increase in reserves of 33koz.

Mining depletion during the March 2016 quarter was 507.2kt of ore processed at an average grade of 1.46g/t, for 23.7koz.

MOY delineated 57koz in Reserves from 31 December to 31 March, of which 24koz was mined, for a net increase of 33koz

Hence a total of 56.7koz in Reserves was delineated during the period.

MOY's reported Appendix 5B for 31 December 2015 showed that \$299k had been spent on exploration and evaluation activities during the quarter, and a further \$2.617m was spent in the March 2016 quarter, for a total of \$2.916m.

This means that MOY spent \$51 for each ounce of Reserves added.

Cash v. Market Cap

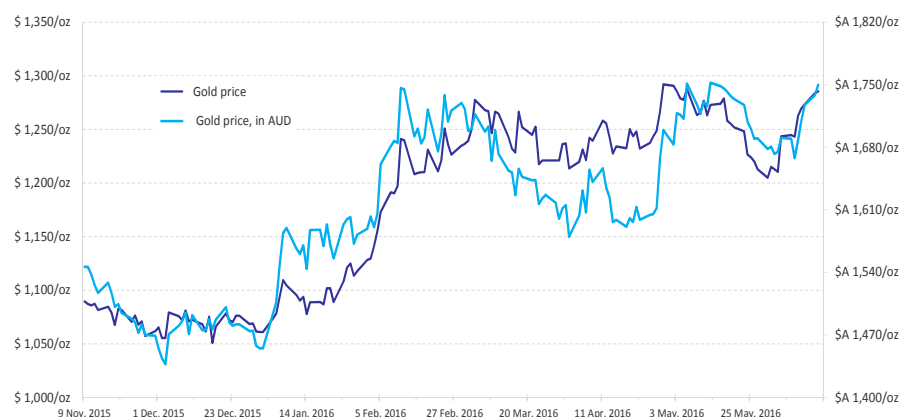
The market currently values MOY at \$115m, from 742.7m shares on issue, last traded at 15.5c/share.

MOY re-affirmed their guidance for 2016 of

- 80koz – 85koz of production;
- At an All-In Sustaining Cost of \$A 1180 - \$A 1220/oz.

The current gold price, in AUD terms is nearly \$A 1,750/oz, as shown in Figure 2.

Figure 2 : Gold price



Source : IRESS, Beer & Co

The gold prices has been firm, and is nearly \$1750/oz in AUD terms

At current gold prices, MOY has a margin of about \$A 540/oz, which includes about \$A 120/oz for drilling,

Over 160koz of Reserves, MOY will generate about \$A 85m in net cash, which is nearly MOY's current Enterprise Value.

Beer & Co's current estimates for 2016 are :

- Production of 87.8koz;
 - MOY produced 23,166oz in the March quarter, which would be 92.5koz for 2016 if that rate was maintained
- AISC of \$A 1,212/oz, which includes \$10 of annual drilling costs, or about \$A 120/oz
 - There is down side to this estimate, given MOY's guidance and our projection of higher than guided production, given that much of the costs are fixed.

This gives a current margin of about \$A 540/oz. Applied to current reserves of 160koz, this means over \$85m will be generated. Adding current cash of \$19m effectively gives MOY's market cap.

However, this makes NO allowance for the \$10m/yr in exploration that is included in the AISC and to date has delineated 56.7koz in Reserves, for an average cost of \$A 51/oz.

If MOY continues at this rate, it would add 196koz to Reserves each year, increasing its mine life by more than 12 months each year.

Gold Price

MOY's share price now moves with the gold price

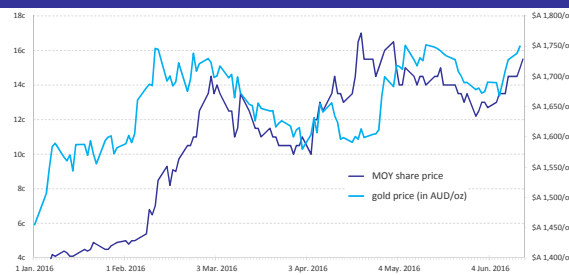
Figure 3 shows that MOY share price has moved closely with the gold prices, since a re-rating in January following the equity raising which fixed MOY's balance sheet.

Also, company share prices are driven by commodity price sentiment.

Figure 2 shows that the gold price climbed early in 2016, and then gave back some of the gains and has since recovered.

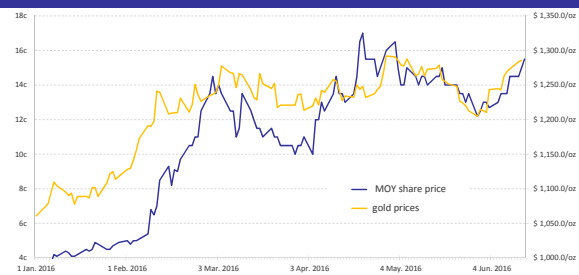
Figure 4 shows that the global investment community has turned much more positive on gold, possibly due to global concerns with Brexit and low interest rates.

Figure 3a : MOY share price v gold price, in A\$



Source : IRESS, Beer & Co

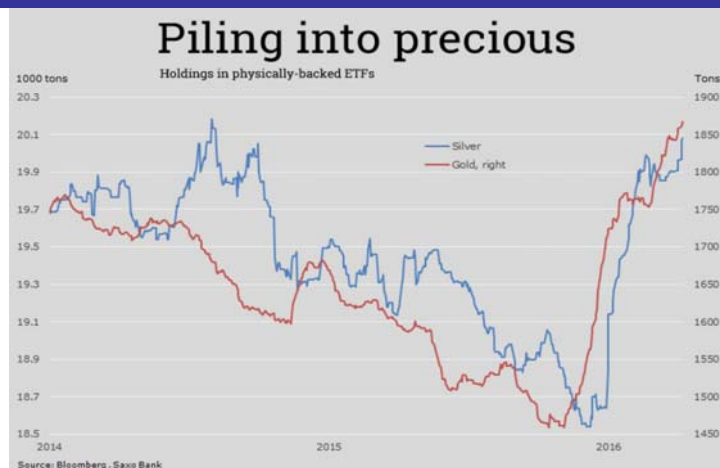
Figure 3b : MOY share price v gold price



Source : IRESS, Beer & Co

There is good reason to expect the gold price to be firm

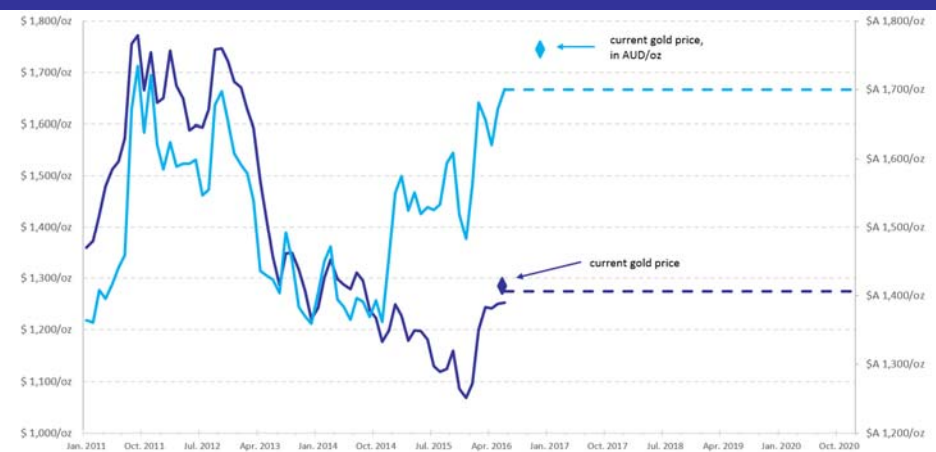
Figure 4 : Investment sentiment positive on gold prices



Source : Bloomberg, Saxo Bank, Mining.com, 10 June 2016

However, while there may be good reasons to bullish on the gold price, Figure 5, which shows historical gold prices and the projections used by Beer & Co, shows that Beer & Co's valuation is based on prices that are LOWER than current prices.

Figure 5 : Historical v. projected gold prices, in USD and AUD terms



Source : IRESS, Beer & Co

Beer & Co's valuation assumes gold prices LEASS than the current price

Figures 3, 4 and 5 together show that while there may be good reason to expect higher prices, which will benefit the MOY share price, Beer & Co's valuation does not factor in any of this potential upside, but instead may be too low.

Nullagine : Expect more ounces

MOY holds title to 264km² in the Eastern Pilbara district, in a largely single, contiguous holding, as shown in Figure 5. Within this, MOY has

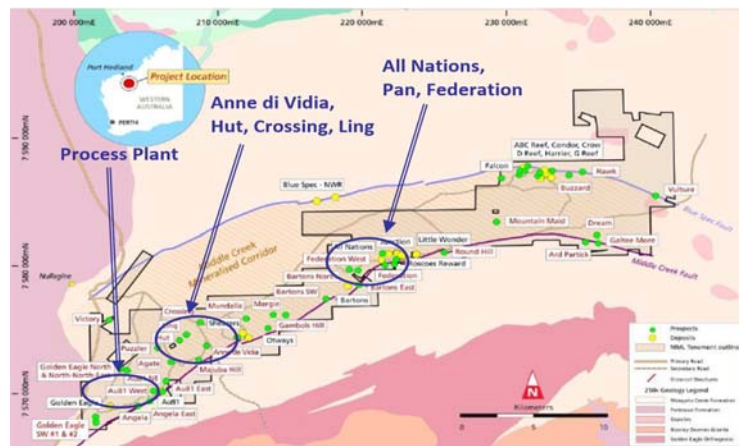
- Reserves on 10 separate deposits (plus RoM stocks);
- Resources on a further 8 deposits; plus
- More than 30 further prospects (as shown by the green dots in Figure 6).

On 15 June, 2016, MOY announced results from drilling at Nullagine at 8 of these deposits / targets, focussing on those near the mill and existing mining operations.

MOY has title to 264km² at Nullagine

Nullagine contains 18 deposits with JORC Resources PLUS at least 30 more prospects

Figure 6 : MOY’s tenement area in Eastern Pilbara



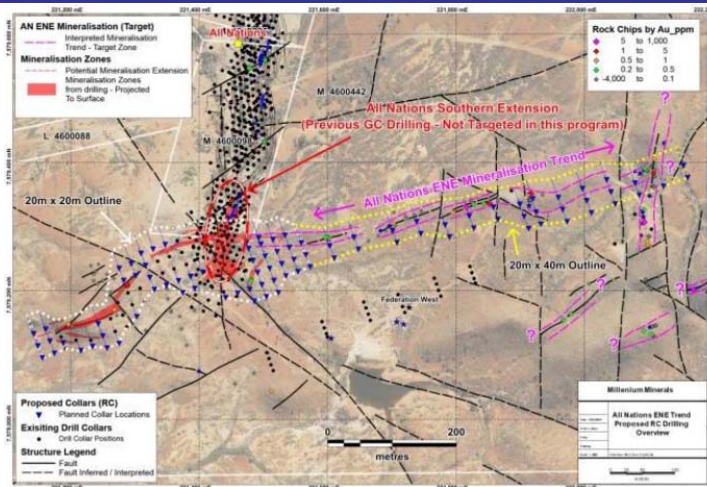
Source : MOY ASX announcement, 15 June 2016, Beer & Co

All Nations and nearby

As shown in Figure 7, All Nations is a mineralised structure striking in N – NE direction. Figure 6 shows the drilling at All Nations has focussed on extending the existing mining operations to the south, to an apparent linkage with an E-NE structure that appears related to the defining Middle Creek Fault.

MOY has reported very good results from recent drilling at the All Nations mining operations

Figure 6 : Drilling at and near All Nations



Source : MOY ASX announcement, 15 June 2016

Results from drill at All Nations include :

- 12m at 8.54g/t, from 12m below surface
- 13m at 2.63g/t from 32m below surface
- 8m at 3.36g/t, from 17m below surface; and
- 9m at 2.07g/t from 18m below surface.

MOY has significant further prospects in the area of All Nations

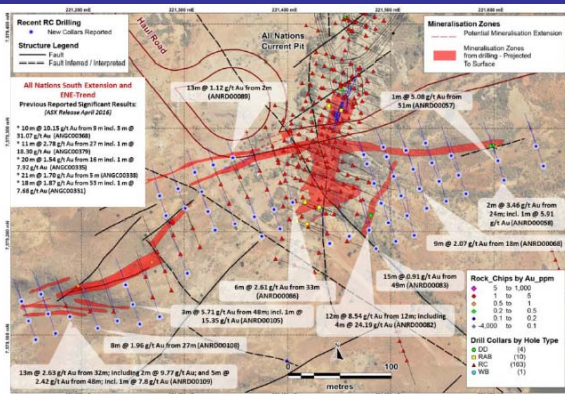
These are all significant, and shallow, intersections. As for the grade, the Reserve grade for in-ground material is 1.51g/t, and on this MOY generates a margin over the all in costs of more than \$A500/oz.

This means that the grades reported at All Nations add significant value.

Figure 8 shows the linkage of these two mineralised structures at All Nations, consistent with the geological concepts for the area.

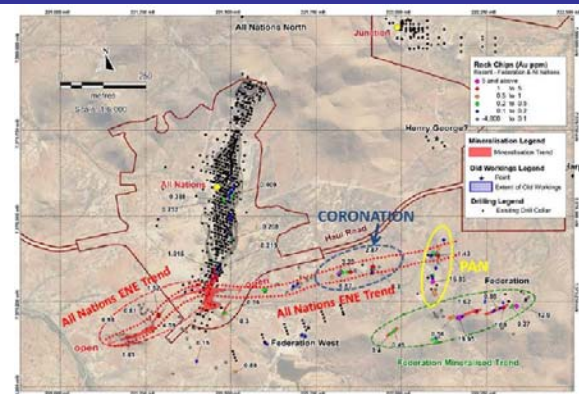
Figure 9 shows Federation and Pan which are 800m and 650m respectively from All Nations.

Figure 8 : All Nations' mineralisation



Source : MOY ASX announcement, 15 June 2016

Figure 9 : Pan and Federation



Source : MOY ASX announcement, 15 June 2016

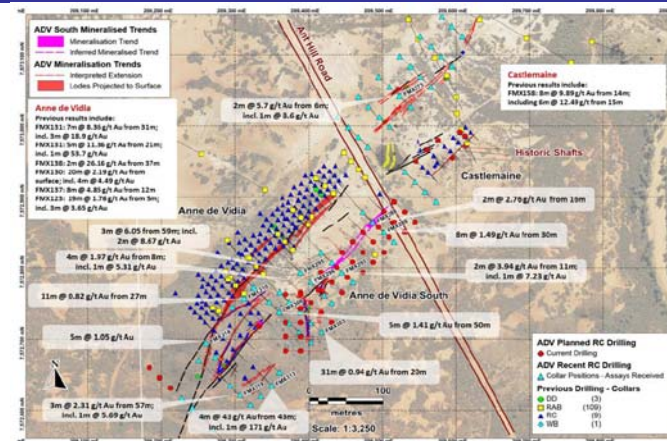
MOY reported historical workings at Federation, with adits being noted, while at Pan MOY reported prospector pits.

Anne de Vidia, Linq, Hut and Crossing

As shown in Figure 6, Hut, Linq and Crossing are near Anne de Vidia, less than 8km from the processing plant.

MOY has reported some very high grade, shallow intercepts from drilling at Anne de Vidia

Figure 10 : Anne de Vidia : historic and recent drilling



Source : MOY ASX announcement, 15 June 2016

MOY has previously reporting good intercepts at Anne de Vidia and on 26 April MOY reported that Anne de Vidia had :

- 11.3koz in Resources; and
- 6.0koz in Reserves.

Figure 11 also shows historic shafts at Castlemaine. Previously reported intercepts at Anne de Vidia include :

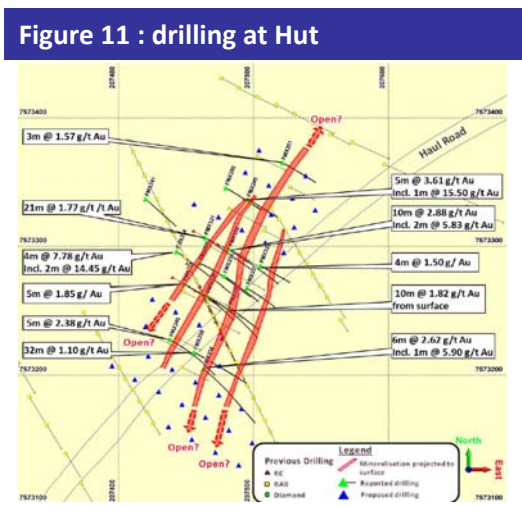
- 3m at 24.49g/t; and
- 3m at 15.08g/t.

MOY has significant further prospects in the area of All Nations

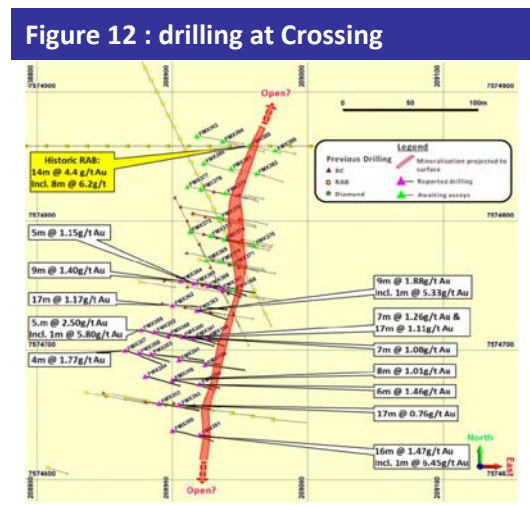
Results from more recent drilling include :

- 4m at 43g/t from 43m below surface, though nearly all was due to 1m at 171g/t, suggesting a small nugget;
- 2m at 5.70g/t from 6m below surface;
- 3m at 6.05g/t from 59m below surface; and
- 2m at 3.94g/t from 11m below surface.

Figures 11 and 12 show good results from drilling at Hut and Crossing, while Linq has some encouraging results from historic RAB drilling and reported an intercept of 11m at 3.29g/t from recent RC drilling.



Source : MOY ASX announcement, 15 June 2016



Source : MOY ASX announcement, 15 June 2016

Conclusions from drilling

MOY has already shown that it adding to Reserves very economically.

MOY delineated 57koz from expenditure of about \$2.9m on drilling from late in 2015 to the end of March 2016 at a cost of \$51 per Reserve ounce.

MOY has announced that it will update its estimate of Resources and reserve during October 2016.

MOY has just announced many good intercepts so that Beer & Co expects a further upgrade in Resources and Reserves, net of mining extraction.

Beer & Co expects MOY to continue to do so

In the longer term, Beer & Co expects continuing success in upgrades of Resources and Reserves due to

- MOY committing to spend \$10m a year on drilling in an area that has already identified 19 deposit and has more than 30 further prospects;
- If MOY continues its current de-lination cost of \$A 51/oz, then \$10m will delineate 196koz each year which, net of expected production, adds a further 14 months to mine life each year.

Conclusions

Beer & Co's base case valuation of MOY is 21c/share.

Beer & Co retains a BUY, High Risk, recommendation on MOY.

Beer & Co's valuation is a premium to the MOY share price

The current market cap is MOY is justified by the current margin and current reserves

So no value is given to the expected returns from further drilling despite the over 30 shallow oxide prospects and the deeper potential

MOY is well exposed to a rising gold price

Beer & Co expects further catalysis to the MOY share price from

- Upgraded production guidance, in about July; and
- Upgraded Reserves Estimate in October

Beer & Co retains a BUY on MOY

MOY is a BUY on valuation

In our view, MOY's current share price is justified on the basis of JORC reserves plus cash in hand as:

- MOY's current market value is \$115m, or an Enterprise Value of about \$90m given cash on hand;
- MOY confirm guidance of All-In-Sustaining Costs (AISC) of \$A 1180 - \$A 1220/oz
 - About \$120/oz of this is accounted for by the investment of \$10m a year in drilling to increase reserves
 - At the current gold price, this is a margin of about \$A 540/oz
- MOY continue to guide to production of 80koz – 85koz during 2016
 - Having produced over 23koz in the march quarter, by processing 507kt at an average grade of 1.46g/t,. which is BELOW the average, in ground, reserve grade of 1.51g/t, Beer & Co expects MOY will upgrade their production guidance after the June quarter production results
- Applying the current margin to announced Reserves of 160koz means that MOY will generate about \$86m in cash
 - which is very nearly the currently EV of MOY

MOY has significant upside potential

MOY has shown that is able to add significant value through its drilling.

MOY has identified more than 30 further prospects shallow oxide prospects at Nullagine.

All drilling to date has been shallow, focussing on oxide mineralisation, while it is expected that the mineralisation continues at depth, as has been the case at other significant producing locations in the WA goldfields, such as Mt Pleasant, Mt Morgans and Leonora.

Gold Price adds

The gold price has been trending up, and Beer & Co's valuation is based on projected prices BELOW current prices, so there is upside to our valuation.

Triggers

As well as further improvements in the gold price, Beer & Co expects MOY to :

- Upgrade production guidance after the June quarter production, to be announced in late July; and
- Upgrade Resources and Reserves estimates in October.

Concluding Comment

Beer & Co retains a BUY, High Risk, recommendation on value.

Beer & Co sees significant further upside potential to MOY

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

Year ended December	2014	2015	2016	2017	2018	2019	2020	2021
Section 1 - P&L								
Sales revenue	\$A m	107	142	148	145	148	143	143
Interest revenue	\$A m	0	0	0	1	1	1	2
Other revenue	\$A m	9	0	0	0	0	0	0
Total Revenue	\$A m	116	142	148	145	149	145	145
Cost of Goods Sold	\$A m	(88)	(85)	(84)	(82)	(81)	(82)	(83)
Royalties		(4)	(4)	(4)	(8)	(4)	(4)	(4)
Corporate Costs	\$A m	(5)	(5)	(5)	(5)	(5)	(5)	(5)
Exploration Expense	\$A m	0	0	0	0	0	0	0
Other Operating Expenses	\$A m	(17)	(5)	(6)	0	0	0	0
Total Operating Expenses	\$A m	(114)	(99)	(99)	(95)	(90)	(91)	(92)
EBITDA	\$A m	2	43	49	50	58	54	53
Dep'n & Amort'n	\$A m	(27)	(23)	(32)	(14)	(13)	(13)	(13)
EBIT	\$A m	(25)	21	18	36	45	41	40
Interest Expense	\$A m	(5)	(3)	0	0	0	0	0
Other	\$A m	(1)	0	0	0	0	0	0
Pre-Tax Profit	\$A m	(31)	18	18	36	45	41	40
Tax Expense	\$A m	(12)	(5)	(5)	(11)	(14)	(12)	(12)
NPAT	\$A m	(43)	13	12	25	32	29	28

Section 2 - Key Data								
Ordinary shares - year end	m	217.7	742.7	743.7	773.7	773.7	773.7	773.7
Fully diluted shares on issue	m	217.7	742.7	743.7	773.7	773.7	773.7	773.7
Weighted # shares	m	217.7	252.2	743.2	758.7	773.7	773.7	773.7
Earnings per Share		(5.6c)	5.0 c	1.7 c	3.3 c	4.1 c	3.7 c	3.7 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

Section 3 - Balance Sheet								
Cash	\$A m	2	11	39	66	95	113	130
Receivables	\$A m	2	10	11	10	11	11	11
Inventory	\$A m	17	13	13	13	13	13	13
Other	\$A m	2	2	2	2	2	2	2
CURRENT ASSETS	\$A m	23	37	65	92	121	139	157
Receivables	\$A m	0	0	0	0	0	0	0
P, P & E	\$A m	43	28	9	6	5	5	5
Mining Properties / Exploration	\$A m	8	6	7	10	11	12	13
Other	\$A m	0	0	0	0	0	0	0
NON-CURRENT ASSETS	\$A m	51	34	16	16	16	16	17
TOTAL ASSETS	\$A m	74	71	82	107	137	155	174
Payables	\$A m	16	6	6	6	6	6	7
Debt	\$A m	20	4	0	0	0	0	0
Other	\$A m	1	0	0	0	0	0	0
CURRENT LIABILITIES	\$A m	36	10	6	6	6	6	7
Long Term Debt	\$A m	17	0	0	0	0	0	0
Other	\$A m	2	2	2	2	2	2	2
Provisions	\$A m	6	6	6	6	6	6	6
NON-CURRENT LIABILITIES	\$A m	26	8	8	8	8	8	8
TOTAL LIABILITIES	\$A m	62	19	15	15	15	15	15
NET ASSETS	\$A m	12	53	67	92	122	140	159
Accumulated Profit (Loss)	\$A m	(135)	(122)	(110)	(85)	(53)	(25)	4
Reserves	\$A m	3	10	12	12	10	0	(20)
Contributed Equity	\$A m	144	165	165	165	165	165	165
Total Equity	\$A m	12	53	67	92	122	140	159

Section 4 - Cashflow								
Net Cashflow from operations	\$A m	19	48	55	50	58	54	53
Hedging	\$A m	(6)	0	0	0	0	0	0
Interest Paid	\$A m	(5)	(3)	0	1	1	2	2
Taxes Paid	\$A m	0	0	0	0	(6)	(12)	(12)
Change in Working Capital	\$A m	(4)	(17)	(1)	1	(1)	0	0
Other	\$A m							
OPERATING CASHFLOW	\$A m	4	28	55	52	52	43	43
Exploration Expenditures	\$A m	0	(2)	(10)	(10)	(10)	(10)	(10)
Maintenance Capex	\$A m	(3)	(4)	(4)	(4)	(4)	(4)	(4)
Expansion Capex	\$A m	0	0	0	0	0	0	0
PPE Acquisitions (Total Capex)	\$A m	(3)	(6)	(14)	(14)	(14)	(14)	(14)
PPE Divestments	\$A m	0	0	0	0	0	0	0
INVESTING CASHFLOW	\$A m	(3)	(6)	(14)	(14)	(14)	(14)	(14)
Change in Equity	\$A m	0	21	0	1	0	0	0
Dividends Paid	\$A m	0	0	0	0	0	0	0
Change in Debt	\$A m	(2)	(34)	(4)	0	0	0	0
FINANCING CASHFLOW	\$A m	(2)	(13)	(4)	1	0	0	0
Free Cashflow	\$A m	1	22	41	39	39	30	30
Net Cashflow	\$A m	(1)	10	38	39	39	30	30

Commodity price assumptions								
Year ended December		2015	2016	2017	2018	2019	2020	2021
AUD-USD		0.753	0.741	0.750	0.750	0.750	0.750	0.750
Gold	US\$ / oz	1,160	1,251	1,275	1,275	1,275	1,275	1,275
	AUD / oz	1,541	1,688	1,700	1,700	1,700	1,700	1,700

Mine Production								
Nullagine								
Ore processed '000t		1,824	1,932	1,900	1,900	1,900	1,900	1,900
Gold grade		1.78 g/t	1.51 g/t	1.51 g/t	1.55 g/t	1.50 g/t	1.50 g/t	1.50 g/t
Gold produced (ounces)		91,462	87,803	85,003	86,882	84,309	84,309	84,309

Resources								
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	564 koz	
Bartons	1.7 Mt	1.2 g/t	1.4 Mt	1.2 g/t	0.6 Mt	1.1 g/t	141 koz	
Shearers	0.6 Mt	1.3 g/t	1.5 Mt	1.0 g/t	0.3 Mt	1.0 g/t	81 koz	
Otways	1.2 Mt	0.8 g/t	0.9 Mt	0.9 g/t	0.7 Mt	0.9 g/t	75 koz	
All Nations	1.3 Mt	1.4 g/t	0.6 Mt	1.1 g/t	0.4 Mt	1.0 g/t	90 koz	
Little Wonder	0.5 Mt	1.4 g/t	0.3 Mt	1.4 g/t	0.2 Mt	1.7 g/t	44 koz	
Golden Gate	0.2 Mt	3.0 g/t	0.1 Mt	2.9 g/t	0.1 Mt	2.4 g/t	42 koz	
Falcon	0.0 Mt	0.0 g/t	0.1 Mt	3.9 g/t	0.0 Mt	4.4 g/t	18 koz	
Condor	0.2 Mt	2.6 g/t	0.0 Mt	2.8 g/t	0.0 Mt	3.7 g/t	19 koz	
Harrier	0.0 Mt	0.0 g/t	0.1 Mt	1.7 g/t	0.0 Mt	1.8 g/t	8 koz	
Crow	0.0 Mt	3.1 g/t	0.0 Mt	2.6 g/t	0.0 Mt	2.3 g/t	11 koz	
G_Reef	0.0 Mt	0.0 g/t	0.0 Mt	4.0 g/t	0.0 Mt	3.9 g/t	5 koz	
Au 81	0.4 Mt	1.6 g/t	0.3 Mt	1.2 g/t	0.9 Mt	0.9 g/t	57 koz	
Camel Ck	1.2 Mt	1.3 g/t	0.7 Mt	1.2 g/t	0.7 Mt	1.1 g/t	105 koz	
TOTAL	17.7 Mt	1.1 g/t	10.5 Mt	1.1 g/t	8.4 Mt	1.0 g/t	1,259 koz	

Reserves, as at 31 December 2015								
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					
TOTAL	2.9 Mt	1.34 g/t	126 koz					

Costs, AUD / oz								
	LoM	2015	2016	2017	2018	2019	2020	
C 1 cash costs	981	930	952	968	934	969	976	
All-In	1,217	1,088	1,212	1,237	1,197	1,239	1,246	

Asset based Valuation								
discount rate = 12 %		31 December 2015			16-Jun-16			
risk :	100%	Product	per share					
Nullagine Reserves	100%	\$ 65m	\$ 65m	8.5 c	5.6 c			
franking credits	60%	\$ 7m	\$ 4m	0.5 c	0.6 c			
Nullagine Extensions	70%	\$ 147m	\$ 103m	13.3 c	14.0 c			
franking credits	42%	\$ 38m	\$ 16m	2.1 c	2.2 c			
Exploration	100%	(\$ 51m)	\$ 0m	0.0 c	0.0 c			
Hedge	100%	(\$ 6m)	(\$ 6m)	(0.7c)	(0.4c)			
Corporate	100%	(\$ 28m)	(\$ 28m)	(3.6c)	(3.5c)			
Cash / Debt	100%	\$ 8m	\$ 8m	1.0 c	2.8 c			
Equity raisings	100%	\$ 1m	\$ 1m	0.1 c	0.1 c			
TOTAL		\$ 180m	\$ 163m	21.1 c	21.3 c			
Shares on issue		742.7m	F P O shares	32.0m	Options			
		0.0m	0	31.0m	Ops. Ex'd			

Financial Ratios								
Year ended December	2014	2015	2016	2017	2018	2019	2020	
Revenue	\$A m	116	142	148	145	149	145	
EBITDA	\$A m	2	43	49	50	58	54	
EBIT	\$A m	(25)	21	18	36	45	41	
NPAT (reported)	\$A m	(43)	13	12	25	32	29	
Adjusted EPS (cps)		(5.6c)	5.0 c	1.7 c	3.3 c	4.1 c	3.7 c	
EPS Growth (%)				(67%)	102 %	22 %	(9%)	
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	(0.7)	3.1	9.4	4.6	3.8	4.2	
EV / EBITDA (x)	x	19.4	2.5	1.6	1.1	0.4	0.1	
EV / EBIT (x)	x	(1.7)	5.2	4.4	1.5	0.6	0.2	
Gearing (%)		50 %	5 %	0 %	0 %	0 %	0 %	
Return on Assets		(34%)	29 %	22 %	34 %	33 %	26 %	
Return on Equity		(350%)	24 %	18 %	27 %	26 %	20 %	
EBITDA Margin (%)		2 %	30 %	33 %	35 %	40 %	38 %	
Interest Cover (x)		n/a	n/a	n/a	n/a	n/a	n/a	

Major shareholders								
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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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