

Valuation up due to productivity of MOY's drilling at Nullagine

Recommendation

BUY, High Risk

Price

29.5c

Valuation

40c

Commodity

Gold

- MOY has continued its exploration success at Nullagine, with good results in new areas.
- MOY has announced 2 Reserve upgrades during 2016.
 - The March 2016 Reserve upgrade added ore grading 1.58g/t at a cost of \$3.8/t or \$A 74/oz
 - The September 2016 Reserve upgrade added ore grading 1.62g/t at cost of \$3.4/t or \$A 65/oz.
- MOY has announced that it is increasing its investment in Resource and Reserve definition, from \$10m to about \$14m for 2016 and 2017.
- Beer & Co has revised our valuation to reflect these new parameters, and we change our recommendation to BUY

Snapshot

Market Cap	\$219m
Net Cash (Sept 2016)	\$24.1m
Shares on Issue	780.9m
52 Week High	41.5c
52 Week Low	3.5c
1 month / 6 month VWAP	29.7c / 25.4c

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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Continued exploration success at Nullagine

On 3 November, MOY reported further good exploration results at 3 different areas, 2 of which do not have a Resources estimate and the third had its maiden Resources estimate in the September upgrade. Intersections included :

- 20m at 2.51g/t gold from 28m;
- 6m at 5.73g/t from 52m
- 8m at 2.03g/t from surface; and
- 4m at 2.75g/t from 4m.

MOY is adding low cost Reserves

MOY has had 2 Reserves upgrades during 2016. These show that :

- In the 9 months to 30 September, MOY invested \$9.47m to add 2,516kt grading 1.59g/t, for 128koz to Reserves, including processing of 1,477kt grading 1.47g/t for 70koz into the mill and 66koz of gold produced; and
- In the 6 months to 30 September, MOY invested \$6.85m to add 2,013kt grading 1.62g/t, for 105koz to Reserves, including processing of 970kt grading 1.48g/t for 46koz into the mill and 43koz of gold produced.

Hence, the cost of these additions to reserves were :

- \$3.8/t of Reserves or \$A 74/oz, for the 9 months; and
- \$3.4/t of Reserves or \$A 65/oz over the last 6 months.

Low cost of adding Reserves raises Beer & Co's valuation

A key part of Beer & Co's valuation has been that MOY adds 2.0Mt to reserves, now grading 1.6g/t, for an annual investment of \$10m.

This is a cost of \$5.0/t or \$A 97/oz.

Revising our assumption to a cost of \$4.0/t or \$A 78/oz raises out valuation to 40c/share.

Beer & Co raises our recommendation on MOY to BUY

The premium of our valuation to the share price warrants a BUY.

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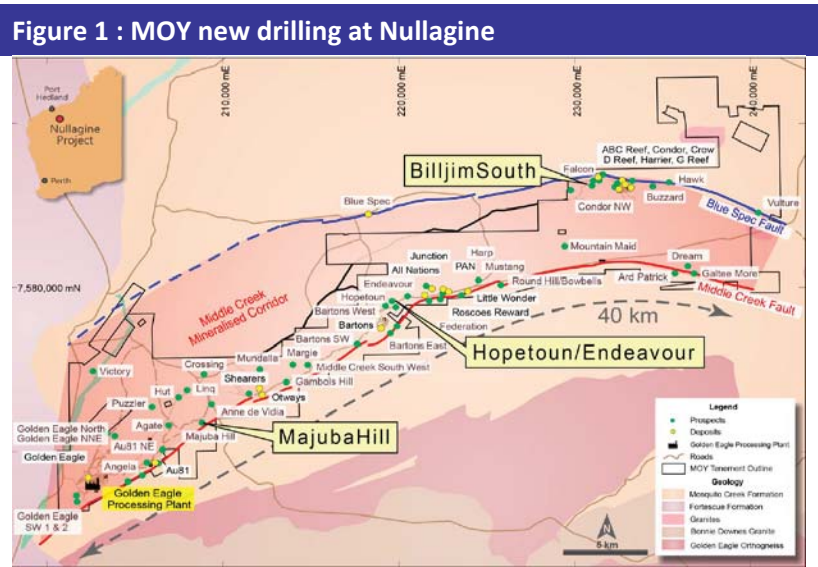
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Continued good exploration results

Overview

On 3 November, MOY announced further exploration success, from drilling at 3 different locations, as shown in Figure 1.

MOY announced drilling success at new project areas within Nullagine



Source : MOY ASX announcement, 3 November 2016

Of these 3 locations :

- Billjim South and Hopetoun-Endeavour do not have any Resources, and so is new / virgin country; while
- Majuba Hill was added to the list of locations with resources in the September 2016 update, with a total of 680kt grading 1.4g/t for 31.5koz, of which 410kt grading 1.6g/t was in the Indicated category and the balance Inferred.

Hopetoun – Endeavour

Hopetoun – Endeavour is mineralised corridor, about 2.25km in length, between MOY’s mining operations at Bartons and All Nations

As shown in Figure 2, Hopetoun – Endeavour is a N-E striking mineralised fault corridor that extends from the historic Hopetoun workings in the S-W to the All Nations mining operations. It has been defined over a distance of 2.25km.

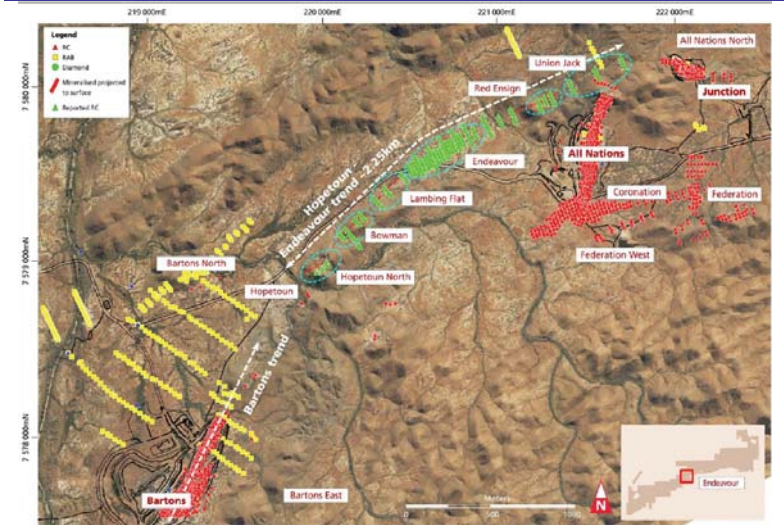
Figure 2 also shows that the trend appears to be an extension of the structure that hosts the Bartons mining operations.

Hopetoun – Endeavour fills in much of a gap of just over 3km between existing mining operations at Bartons and All Nations, so much of the infrastructure required to exploit this mineralisation is already in place.

There is a line of historic, widely spaced shallow pits and shafts along this line that were exploited over various times between about 1902 and 1948.

MOY has undertaken first pass RC drilling in this area, but results for 33 RC holes are still pending.

Figure 2 : Hopetoun – Eandevour trend



There was sporadic mining in the area between 1902 and 1948

Source : MOY ASX announcement, 3 November 2016

Results received to date have included :

- 20 m at 2.51 g/t gold from 28m;
- 6 m at 5.73 g/t gold from 52m;
- 4 m at 3.33 g/t gold from 3m;
- 4 m at 2.75 g/t gold from 4m;
- 6 m at 2.42 g/t gold from 24m; and
- 8 m at 2.03 g/t gold from surface

MOY reported many good intercepts over an extended length

Majuba Hill

As shown in Figure 1, Majuba Hill is about 10km from the processing plant and about 1km from Anne de Vidia, which has 145kt in Reserves, from 780kt of Resources. Majuba Hill was a prospect for which its maiden Resources estimate was included in the September 2016 upgrade of the March 2016 estimate.

Figure 3 shows the drilling at Majuba Hill.

Figure 3 : drilling at Majuba Hill



Majuba Hill is about 1km from Anne di Vidia, which is a recent (2016) discovery

Highlighting the prospectivity of Nullagine

Source : MOY ASX announcement, 3 November 2016

The initial program was executed in June 2016, resulting in the maiden resource estimate. Results from this follow up, 36 RC hole program have included :

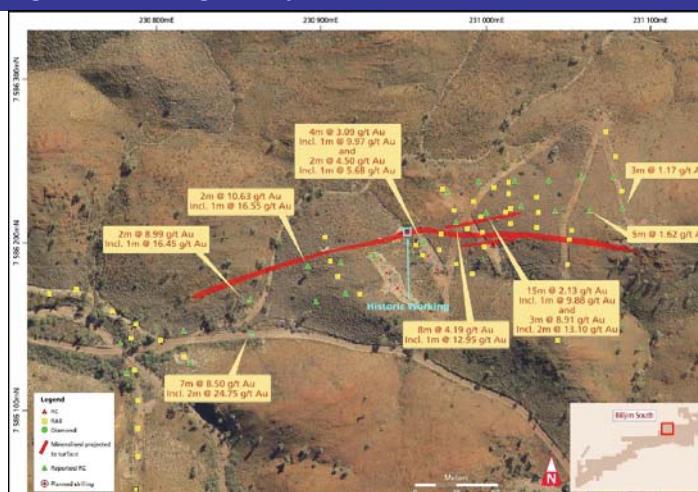
- 6 m at 8.28 g/t gold from 69m;
- 11 m at 2.00 g/t gold from 45m;
- 6 m at 5.49 g/t gold from 20m;
- 2 m at 17.88 g/t gold from 39m; and
- 18 m at 1.95 g/t gold from 7m.

Billjim South

As indicated in Figure 4, Billjim South is in the N-E of MOY's tenement area, on the Blue Spec fault line, nearly 50km from the plant.

Billjim South is on the Blue Spec fault, in the N-E of the Nullagine tenement area

Figure 4 : drilling at Billjim South



Source : MOY ASX announcement, 3 November 2016

While no historic production has been recorded, there is a small open stope and minor test pits at the Billjim South.

Historic RAB drilling returned intercepts including

- 12m at 6.10 g/t gold; and
- 9m at 6.64 g/t gold; and
- 8m @ 5.84 g/t gold.

MOY completed a program of 24 RC holes for 320m, which yielded, as some of its better results :

- 7m at 8.50 g/t gold from 54m;
- 8m at 4.19 g/t gold from 41m;
- 15m at 2.13 g/t gold from 16m;
- 3m at 8.91 g/t gold from 54m; and
- 2m at 10.63 g/t gold from 10m

Conclusions from drilling

Background

MOY executed a major capital raising and re-structure in December 2015. With the funds raised, MOY committed to investing \$10m a year in increasing reserves. This has led to a series of announcements advising of good drill results.

However, the real test is the impact that the food results have on Ore Reserves.

MOY has spent nearly 12 months drilling at Nullagine to increase its reserves and mine life

Reserves updated

On 27 January 2016, MOY advised its estimates for Mineral Resources and Ore Reserves as at 31 December 2015. These estimates have since been updated :

- On 26 April 2016, as at 31 March, 2016; and
- On 27 October 2016, as at 30 September 2016.

MOY updated its Reserves estimate on 27 January, for 31 December 2015

Further, Beer & Co understand that MOY will upgrade its estimates of Resources and Reserves in January, for the status as at 31 December, 2016.

However, MOY has announced that is it increased its investment in drilling and reserves updating, from \$10m annually to \$13.9m for 2016 and about the same for 2017.

Since then, MOY has made 2 further updates of its Reserves.

Figure 5 compares MOY's Reserves at 31 December 2015, with those at 30 September 2016 together with production over that time.

Figure 5 : MOY Reserves 31 Dec 2015 to 30 Sept 2016

Reserves	31 December 2015	2,914 kt	1.34 g/t	125,551 oz
Processed	9 months	1,477 kt	1.47 g/t	69,883 oz
Remaining		1,437 kt	1.21 g/t	55,668 oz
Reserves	30 September 2016	3,953 kt	1.45 g/t	184,053 oz
Additions over 9 months		2,516 kt	1.59 g/t	128,385 oz
Net Increase		1,039 kt	1.75 g/t	58,502 oz
Invested	\$A 9.47m	\$ 3.8/t		\$A 74/oz

Source : MOY ASX announcements 27 January and 27 October 2016, quarterly reports, Beer & Co

Figure 5 shows that MOY's drilling over that 9 months period has added a total of 2.5Mt to Reserves, containing 128koz, grading 1.59g/t. Of this, MOY processed 1.5Mt so that increase in Reserves, net of production, was just over 1.0Mt for 28.5koz, at an average grade of 1.75g/t.

Beer & Co has assessed the implications of these reserve updates to make some interpretation of the returns from MOY's drilling

Figure 6 also shows that, over this 9 month period, MOY invested \$9.5m in drilling, Resource and Reserves upgrading, which the analysis shows means :

- Each tonne added to Reserves cost \$3.8; and / or
- Each ounce added to Reserves cost \$A 74/oz

Figure 6 shows similar information, but for the 6 month period from 31 March 2016 to 30 September 2016.

The results are much better than we had allowed in terms of grade and costs

Figure 6 : MOY Reserves 31 March 2016 to 30 Sept 2016

Reserves	30 March 2016	2,910 kt	1.34 g/t	125,551 oz
Processed	6 months	970 kt	1.48 g/t	46,072 oz
Remaining		1,940 kt	1.27 g/t	79,479 oz
Reserves	30 September 2016	3,953 kt	1.45 g/t	184,053 oz
Additions over 6 months		2,013 kt	1.62 g/t	104,574 oz
Net Increase		1,043 kt	1.74 g/t	58,502 oz
Invested	\$A 6.85m	\$ 3.4/t		\$A 65/oz

Source : MOY ASX announcements 26 April and 27 October 2016, quarterly reports, Beer & Co

Figure 6 shows that, over this 6 month period, MOY invested \$6.9m in drilling, Resource and Reserves upgrading, which the analysis shows means :

- Each tonne added to Reserves cost \$3.4; and / or
- Each ounce added to Reserves cost \$A 65/oz

In other words, MOY's productivity improved over the period.

Valuation Impact

Outline

Beer & Co's valuation has, since the time of initiation, had 2 parts :

- Reserves; and
- Beer & Co's estimate of the return on investment for MOY's investment in drilling over an extended period of time, which was subsequently risk weighted.

Beer & Co expected that our valuation would rise over time as future, risked, potential production was converted into Reserves.

Beer & Co's model assumed that MOY:

- Invests \$10m a year for a period of 7 years;
- Yielding an addition of 2.0Mt a year to Reserves, or \$5.0/t
- Grading 1.5g/t, for a cost of \$A 104/oz.

Beer & Co upgraded this assumption in our research note of 2 November 2016, for the grade of the extra reserves, from 1.5g/t to 1.6g/t, which meant that our estimated cost for each added ounce of Reserves was reduced from \$A 104/oz to \$A 97.2/oz.

Figures 6 & 7 show that MOY has

- Been investing at a higher rate than allowed in Beer & Co's valuation; and
- Added ounces at a much lower cost than Beer & Co's estimate.

Beer & Co's Revised Valuation

Beer & Co now revises our valuation basis :

- Increasing the annual investment from \$10m to \$12.5m, which is still much less than the nearly \$14m that MOY expects to invest in 2016 and 2017; and
- Reducing the cost per tonne, from \$5.5 to \$4.0, though that is still higher than the cost of \$3.4/t and \$3.8/t reported by MOY to date.

Beer & Co has assessed the implications of the success of MOY's drilling for our valuation of MOY

Our base case valuation has increased from 30c to 40c

Even though our revised parameters are less than MOY's success to date

Beer & Co retains our assumption that the grade of reserves being added is 1.6g/t, while Figures 5 & 6 indicate that the net increase grades better than 1.7g/t, though the addition to reserves is 1.59g/t over the last 9 months, or 1.62g/t for the more recent 6 month period.

Figure 7 shows the detail of Beer & Co's revised valuation of MOY

Figure 7 : Beer & Co's revised MOY valuation

discount rate = 12.0 %	risk :	31 December 2015		11-Nov-16	
		100%	Product	per share	
Nullagine Reserves	100%	\$ 91m	\$ 91m	11.2 c	5.3 c
franking credits	60%	\$ 17m	\$ 10m	1.3 c	1.4 c
Nullagine Extensions	60%	\$ 321m	\$ 192m	23.6 c	26.1 c
franking credits	36%	\$ 105m	\$ 38m	4.6 c	5.1 c
Exploration	100%	(\$ 64m)	\$ 0m	0.0 c	0.0 c
Hedge	100%	(\$ 6m)	(\$ 6m)	(0.8c)	(0.1c)
Corporate	100%	(\$ 27m)	(\$ 27m)	(3.4c)	(3.2c)
Cash / Debt	100%	\$ 8m	\$ 8m	0.9 c	4.8 c
Equity raisings	100%	\$ 2m	\$ 2m	0.2 c	0.2 c
TOTAL		\$ 445m	\$ 307m	37.7 c	39.6 c
Shares on issue		742.7m	F P O shares	34.1m	Options
		38.2m	issued later	34.1m	Ops. Ex'd

Source : Beer & Co estimates

Figure 7 shows that Beer & Co's risked valuation of the extensions to Nullagine beyond the current 1.7 years of in-ground Reserves is the largest single part of our valuation.

Beer & Co has tested the sensitivity of our valuation and conclusions for

- Amount invested
- Years of success;
- Cost per tonne of extra reserves; and
- Gold price

However, the recent drill results, coupled with the large number of known prospects as well as the prospectivity deeper than current drilling, which has very little deeper than 50m, gives us confidence.

Sensitivity Analysis

Figure 8 shows the sensitivity of Beer & Co's valuation to changes in our assumptions

- For the amount invested;
- The cost of the reserves added; and
- The number of years of successful investment.

Figure 8a : Cost v invested, 7.5 yrs

7.5 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	25.5 c	33.8 c	36.6 c
\$A 12.5m	33.0 c	39.6 c	48.3 c
\$A 14.0m	33.8 c	46.3 c	51.4 c

Source : Beer & Co estimates

Figure 8b : Cost v invested, 5 yrs

5.0 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	21.6 c	29.9 c	31.8 c
\$A 12.5m	29.9 c	34.1 c	39.2 c
\$A 14.0m	31.8 c	37.6 c	43.7 c

Source : Beer & Co estimates

Figure 8 shows that Beer & Co's valuation is sensitive to these assumptions. It also shows that if MOY continues with its current drill success, then it warrants a much higher valuation.

Figure 9 shows the impact of our risking assumption, which means that successful execution of this strategy yields a significantly higher valuation than current.

Figure 9a : 7.5 yrs, un-risked

7.5 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	35.5 c	47.1 c	55.9 c
\$A 12.5m	45.8 c	60.4 c	70.4 c
\$A 14.0m	51.6 c	67.5 c	79.0 c

Source : Beer & Co estimates

Figure 9b : 5 yrs, un-risked

5.0 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	30.2 c	39.3 c	46.4 c
\$A 12.5m	38.3 c	49.6 c	57.0 c
\$A 14.0m	42.6 c	54.7 c	63.4 c

Source : Beer & Co estimates

The results in Figure 10 can be compared with those in Figure 8, with the difference being that Figure 10 assumes a gold price of \$1250/oz, compared with \$1300/oz in Figure 8.

Figure 10a : US\$ 1250/oz, 7.5 yrs

7.5 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	22.9 c	30.7 c	33.4 c
\$A 12.5m	29.9 c	36.2 c	44.2 c
\$A 14.0m	30.7 c	42.3 c	47.1 c

Source : Beer & Co estimates

Figure 10b : US\$1250/oz, 5 yrs

5.0 years	\$ 5.0/t	\$ 4.0/t	\$ 3.5/t
\$A 10.0m	19.5 c	27.2 c	29.2 c
\$A 12.5m	26.6 c	31.3 c	36.1 c
\$A 14.0m	26.7 c	34.5 c	40.2 c

Source : Beer & Co estimates

Conclusions

In Beer & Co's view, there is further upside potential to our valuation which is a premium of about 35% to the share price

Beer & Co raises our recommendation to BUY, High Risk

MOY has been very successful in its drilling at Nullagine.

Beer & Co had expected MOY to be successful, but MOY's success to date has been greater than we expected.

After analysis of the cost of MOY's additions to reserves reported during 2016, coupled with the amount being invested, Beer & Co has revised our valuation of MOY.

Beer & Co's risked base case valuation has increased to 40c/share.

There is significant further upside potential to our valuation, independent of the gold price, as shown in our sensitivity analyses.

Beer & Co is raising our recommendation on MOY to BUY, High Risk.

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

Year ended December		2014	2015	2016	2017	2018	2019	2020	2021
Section 1 - P&L									
Sales revenue	SA m	107	142	171	245	256	256	256	256
Interest revenue	SA m	0	0	0	1	2	3	3	3
Other revenue	SA m	9	0	0	0	0	0	0	0
Total Revenue	SA m	116	142	171	246	258	259	259	259
Cost of Goods Sold	SA m	(88)	(88)	(95)	(122)	(123)	(124)	(125)	(126)
Royalties	SA m	(4)	(4)	(5)	(7)	(7)	(7)	(7)	(7)
Corporate Costs	SA m	(5)	(5)	(4)	(5)	(5)	(5)	(5)	(5)
Exploration Expense	SA m	0	0	0	0	0	0	0	0
Other Operating Expenses	SA m	(17)	(5)	(7)	0	0	0	0	0
Total Operating Expenses	SA m	(114)	(102)	(111)	(134)	(136)	(137)	(138)	(139)
EBITDA	SA m	2	40	60	112	123	123	122	121
Dep'n & Amort'n	SA m	(27)	(26)	(48)	(6)	(14)	(17)	(18)	(18)
EBIT	SA m	(25)	14	12	105	108	105	104	102
Interest Expense	SA m	(5)	(3)	0	0	0	0	0	0
Other	SA m	(1)	0	0	0	0	0	0	0
Pre-Tax Profit	SA m	(31)	11	12	105	108	105	104	102
Tax Expense	SA m	(12)	(3)	(3)	(32)	(32)	(32)	(31)	(31)
NPAT	SA m	(43)	8	8	74	76	74	73	72

Section 2 - Key Data									
Ordinary shares - year end	m	217.7	742.7	780.9	780.9	780.9	815.0	815.0	815.0
Fully diluted shares on issue	m	217.7	742.7	780.9	780.9	780.9	815.0	815.0	815.0
Weighted # shares	m	217.7	252.2	761.8	780.9	780.9	789.4	815.0	815.0
Earnings per Share		(5.5c)	3.1 c	1.1 c	9.4 c	9.7 c	9.4 c	8.9 c	8.8 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

Section 3 - Balance Sheet									
Cash	SA m	2	11	44	125	184	247	306	365
Receivables	SA m	2	10	18	19	19	19	19	19
Inventory	SA m	17	15	19	18	18	19	19	19
Other	SA m	2	2	2	2	2	2	2	2
CURRENT ASSETS	SA m	23	39	84	164	224	287	346	405
Receivables	SA m	0	0	0	0	0	0	0	0
P, P & E	SA m	43	25	0	4	5	6	6	6
Mining Properties / Exploration	SA m	8	6	1	9	11	12	13	13
Other	SA m	0	0	0	0	0	0	0	0
NON-CURRENT ASSETS	SA m	51	31	1	13	17	18	19	19
TOTAL ASSETS	SA m	74	70	85	177	241	305	365	424
Payables	SA m	16	7	10	10	10	10	10	10
Debt	SA m	20	4	0	0	0	0	0	0
Other	SA m	1	0	0	0	0	0	0	0
CURRENT LIABILITIES	SA m	36	11	10	10	10	10	10	10
Long Term Debt	SA m	17	0	0	0	0	0	0	0
Other	SA m	2	2	2	2	2	2	2	2
Provisions	SA m	6	6	6	6	6	6	6	6
NON-CURRENT LIABILITIES	SA m	26	8	8	8	8	8	8	8
TOTAL LIABILITIES	SA m	62	19	19	18	18	18	18	18
NET ASSETS	SA m	12	50	66	159	223	287	347	406
Accumulated Profit (Loss)	SA m	(135)	(127)	(119)	(45)	30	104	177	249
Reserves	SA m	3	13	20	39	28	18	5	(8)
Contributed Equity	SA m	144	165	165	165	165	165	165	165
Total Equity	SA m	12	50	66	159	223	287	347	406

Section 4 - Cashflow									
Net Cashflow from operations	SA m	19	45	67	112	123	123	122	121
Hedging	SA m	(7)	0	0	0	0	0	0	0
Interest Paid	SA m	(5)	(3)	0	1	2	3	3	3
Taxes Paid	SA m	0	0	0	(0)	(32)	(32)	(31)	(31)
Change in Working Capital	SA m	(4)	(16)	(5)	(1)	(0)	0	0	0
Other	SA m								
OPERATING CASHFLOW	SA m	3	26	62	111	92	93	93	93
Exploration Expenditures	SA m	0	(2)	(13)	(13)	(13)	(13)	(13)	(13)
Maintenance Capex	SA m	(3)	(4)	(4)	(6)	(6)	(6)	(6)	(6)
Expansion Capex	SA m	0	0	0	0	0	0	0	0
PPE Acquisitions (Total Capex)	SA m	(3)	(6)	(17)	(18)	(18)	(18)	(18)	(18)
PPE Divestments	SA m	0	0	0	0	0	0	0	0
INVESTING CASHFLOW	SA m	(3)	(6)	(17)	(18)	(18)	(18)	(18)	(18)
Change in Equity	SA m	0	21	0	0	0	3	0	0
Dividends Paid	SA m	0	0	0	0	0	0	0	0
Change in Debt	SA m	(2)	(34)	(4)	0	0	0	0	0
FINANCING CASHFLOW	SA m	(2)	(13)	(4)	0	0	3	0	0
Free Cashflow	SA m	0	20	46	93	74	75	75	74
Net Cashflow	SA m	(2)	7	42	93	74	78	75	74

Commodity price assumptions							
Year ended December		2015	2016	2017	2018	2019	2020
AUD-USD		0.753	0.739	0.750	0.750	0.750	0.750
Gold	US\$ / oz	1,160	1,266	1,300	1,300	1,300	1,300
	AUD / oz	1,541	1,713	1,733	1,733	1,733	1,733

Mine Production							
Nullagine							
Ore processed '000t		1,824	2,258	3,125	3,125	3,125	3,125
Gold grade		1.78 g/t	1.48 g/t	1.53 g/t	1.60 g/t	1.60 g/t	1.60 g/t
Gold produced (ounces)		91,462	100,610	141,149	147,694	147,910	147,910

Reserves, 30 September 2016									
Deposit	Measured	Indicated	Inferred	Gold					
All Nations	0.4 Mt	1.6 g/t	0.5 Mt	1.2 g/t	0.3 Mt	1.1 g/t	51 koz		
Anne de Vidia	0.2 Mt	1.9 g/t	0.4 Mt	1.1 g/t	0.2 Mt	1.1 g/t	33 koz		
Au 81	0.2 Mt	1.6 g/t	0.3 Mt	1.2 g/t	0.9 Mt	0.9 g/t	43 koz		
Bartons	0.3 Mt	2.0 g/t	0.3 Mt	1.5 g/t	0.6 Mt	1.6 g/t	94 koz		
Condor	0.0 Mt	3.7 g/t	0.1 Mt	3.3 g/t	0.0 Mt	3.1 g/t	11 koz		
Crossing	0.0 Mt	0.0 g/t	0.3 Mt	1.2 g/t	0.1 Mt	1.3 g/t	15 koz		
Crow	0.1 Mt	3.1 g/t	0.0 Mt	2.6 g/t	0.0 Mt	3.0 g/t	10 koz		
Falcon	0.1 Mt	3.0 g/t	0.0 Mt	2.4 g/t	0.0 Mt	0.0 g/t	7 koz		
Gambols Hill	0.0 Mt	0.0 g/t	0.6 Mt	1.5 g/t	0.5 Mt	1.3 g/t	50 koz		
Golden Gate G_Ree	0.0 Mt	3.7 g/t	0.0 Mt	3.8 g/t	0.0 Mt	2.3 g/t	6 koz		
Golden Eagle	8.3 Mt	1.1 g/t	3.7 Mt	1.0 g/t	3.9 Mt	1.0 g/t	546 koz		
Golden Gate + Harri	0.2 Mt	2.1 g/t	0.1 Mt	2.7 g/t	0.0 Mt	1.8 g/t	25 koz		
'D' Reef	0.0 Mt	3.9 g/t	0.0 Mt	4.0 g/t	0.1 Mt	4.1 g/t	12 koz		
Hut	0.0 Mt	0.0 g/t	0.3 Mt	1.2 g/t	0.1 Mt	1.0 g/t	14 koz		
Junction	0.0 Mt	1.9 g/t	0.1 Mt	1.5 g/t	0.0 Mt	1.5 g/t	8 koz		
Little Wonder	0.4 Mt	1.7 g/t	0.2 Mt	1.6 g/t	0.1 Mt	1.8 g/t	44 koz		
Majuba Hill	0.0 Mt	0.0 g/t	0.4 Mt	1.6 g/t	0.3 Mt	1.2 g/t	32 koz		
Otways	0.7 Mt	1.1 g/t	0.8 Mt	1.1 g/t	0.5 Mt	1.0 g/t	69 koz		
Roscoe's Reward	0.3 Mt	1.4 g/t	0.3 Mt	1.3 g/t	0.3 Mt	1.3 g/t	39 koz		
Round Hill	0.0 Mt	0.0 g/t	0.3 Mt	2.0 g/t	0.2 Mt	2.1 g/t	30 koz		
Shearers	0.6 Mt	1.3 g/t	0.3 Mt	1.7 g/t	0.3 Mt	1.6 g/t	54 koz		
TOTAL	11.9 Mt	1.3 g/t	9.5 Mt	1.3 g/t	8.2 Mt	1.2 g/t	1,192 koz		

Reserves, as at 30 September 2016			
Proved	2.3 Mt	1.5 g/t	113 koz
Probable	1.0 Mt	1.7 g/t	54 koz
Stockpiles	0.7 Mt	0.8 g/t	18 koz
TOTAL	4.0 Mt	1.45 g/t	184 koz

Costs, AUD / oz								
C 1 cash costs		LoM	2015	2016	2017	2018	2019	2020
		885	964	945	864	834	839	846
	All-In	1,084	1,127	1,208	1,081	1,042	1,048	1,054

Asset based Valuation					
discount rate = 12 %		31 December 2015			11-Nov-16
	risk :	100%	Product	per share	
Nullagine Reserves	100%	\$ 91m	\$ 91m	11.2 c	5.3 c
franking credits	60%	\$ 17m	\$ 10m	1.3 c	1.4 c
Nullagine Extensions	60%	\$ 321m	\$ 192m	23.6 c	26.1 c
franking credits	36%	\$ 105m	\$ 38m	4.6 c	5.1 c
Exploration	100%	(\$ 64m)	\$ 0m	0.0 c	0.0 c
Hedge	100%	(\$ 6m)	(\$ 6m)	(0.8c)	(0.1c)
Corporate	100%	(\$ 27m)	(\$ 27m)	(3.4c)	(3.2c)
Cash / Debt	100%	\$ 8m	\$ 8m	0.9 c	4.8 c
Equity raisings	100%	\$ 2m	\$ 2m	0.2 c	0.2 c
TOTAL		\$ 445m	\$ 307m	37.7 c	39.6 c
Shares on issue		742.7m	F P O shares issued later	34.1m	Options
		38.2m		34.1m	Ops. Ex'd

Financial Ratios							
Year ended December		2014	2015	2016	2017	2018	2019
Revenue	SA m	116	142	171	246	258	259
EBITDA	SA m	2	40	60	112	123	123
EBIT	SA m	(25)	14	12	105	108	105
NPAT (reported)	SA m	(43)	8	8	74	76	74
Adjusted EPS (cps)		(5.5c)	3.1 c	1.1 c	9.4 c	9.7 c	9.4 c
EPS Growth (%)				(65%)	777 %		

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Recommendation : Beer & Co's investment recommendation is driven by the difference between our base case, risked valuation and the share price at the time. A Strong BUY recommendation means a very large difference (eg. over 100%), while BUY means a significant difference and Accumulate means a small, but positive difference. The recommendation is not independent of the uncertainty in Beer & Co's valuation.

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