



5 June 2019

Corporate Details

Ordinary Shares:
891,186,531

Market Capitalisation:
~\$71 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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Initial drawdown of \$10M IMC Debt Facility and ASX Waiver Granted

Key Points:

- **Millennium completes initial draw-down of \$10M under recently announced mezzanine debt facility secured from Millennium's major shareholder, IMC Group.**
- **Execution of definitive loan facility documentation completed.**
- **Millennium granted a waiver from ASX Listing Rule 10.1 in order to grant security in respect of the debt facility.**
- **Millennium complies with the waiver conditions to release an announcement setting out the waiver terms.**

Millennium Minerals Limited (ASX: MOY) (**Millennium** or the **Company**) is pleased to advise that it has now finalised and executed final definitive documentation for the loan facility of up to \$20 million being provided by its major shareholder, IMC Group (**IMC Facility**), as announced on 24 May.

The initial tranche of \$10 million under the IMC Facility has also been received.

One of the conditions to the IMC Facility was the grant by ASX of a waiver from Listing Rule 10.1 to the extent necessary for Millennium to grant security to IMC in respect of the IMC Facility (**Security**), without obtaining prior shareholder approval.



Millennium is pleased to advise that the waiver was granted, on the following conditions:

1. *The terms of the IMC Facility include a term that if an event of default occurs and IMC exercise their rights under the Security, neither IMC nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or its subsidiaries in full or part satisfaction of the Company's obligations under the Security documents with respect to the IMC Facility, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver or manager (or analogous person) appointed by IMC exercising their power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to IMC in accordance with their legal entitlements.*
2. *A summary of the material terms of the IMC Facility and Security documents are made in each annual report of the Company during the term of the Security.*
3. *Any variation to the terms of the IMC Facility or the Security documents which are:*
 - (a) *not minor changes; or*
 - (b) *inconsistent with the terms of the waiver,**must be subject to shareholder approval.*
4. *The Company and the Lenders must seek to discharge the Security when the funds advanced under the IMC Facility are either repaid to IMC or converted into shares (assuming security holder approval for the issue of shares is subsequently obtained), or if it is not discharged, seek security holder approval for the continuation of the Security for any further period.*
5. *The Company immediately releases to the market an announcement which:*
 - (a) *sets out the material terms of the transaction and this waiver, and the Company's plans with respect to the repayment of the funds advanced under the IMC Facility, including the timeframe within which it expects the repayment to occur; and*
 - (b) *includes a statement of the reasons why the Company has chosen to obtain a financial accommodation from a listing rule 10.1 party rather than a lender that is not a listing rule 10.1 party, and the steps the Company's board has taken to satisfy itself that the transaction is being entered into on arm's length terms and is fair and reasonable from the perspective of the holders of the Company's ordinary securities.*

In accordance with the conditions of the waiver, Millennium notes the following:

- The material terms of the transaction are consistent with the terms announced on 24 May 2019, and include the following:
 - \$20 million secured debt facility, to be provided in three tranches:
 - \$10 million has been drawn down;
 - \$5 million drawdown is subject to the production of not less than 6,750 ounces of gold in June 2019, with drawdown not to occur before 30 June 2019;
 - \$5 million subject to the production of 6,750 ounces of gold in July 2019 or a combined June and July 2019 production of 13,500 ounces of gold, with drawdown not to occur before 31 July 2019;



- Second ranking and subordinated to the existing Investec facility.
- Maturity date of 31 December 2020. Facility can be repaid early.
- Mandatory partial repayment if the cash balance exceeds \$10 million or on completion of a capital raising.
- Standard interest rate 13.5% p.a. Interest rate of 18.5% p.a. to apply during any period:
 - after 15 July 2019, if the final intercreditor deed with Investec has not yet been fully executed; or
 - after 15 August 2019, if the necessary shareholder and regulatory approvals have not yet been obtained.
- IMC to be issued 60 million options at 20% premium to the 5-day VWAP at the financial close of the first draw-down, with an expiry date of 5 years.
- Customary conditions to draw-down including execution of binding and definitive documentation, consents from the senior lender and obtaining ASX waivers and shareholder and other regulatory approvals where necessary.
- Repayment is anticipated to occur on or before the maturity date of 31 December 2020. As noted above, the IMC Facility may be repaid earlier at Millennium's election, or by a mandatory repayment in some circumstances.
- Millennium elected to seek to enter into the facility with the IMC Group, a party to whom Listing Rule 10.1 applies, rather than a lender that is not a Listing Rule 10.1 party, as Millennium's financial position required a source of funding to be provided in a short time frame. The Board considered that the IMC Group was the only party that may be in position to make a firm commitment to provide the required funding within the required time frame. The ability and willingness of the IMC Group to finalise the formal loan documentation without delay and without an expensive due diligence process was considered by the Board as critical in deciding to progress the loan facility with IMC Group.
- Millennium is satisfied that its negotiations with the IMC Group have been on an arm's length basis, with each of Millennium and the IMC Group having separate legal representation. Further, based on Millennium's enquiries of potential alternative funding options, the terms agreed with the IMC Group (including the applicable interest rates and the options to be issued to the IMC Group) are considered acceptable for facilities of the nature. It is also noted that the terms of the IMC Facility are largely aligned with the terms of the existing secured loan facility provided by Investec.
- Millennium will also issue a notice of general meeting to its shareholders seeking all necessary shareholder approvals required for the IMC Facility (including for the purposes of Listing Rule 10.1) which will include an independent expert's report opining on the fairness and reasonableness of the transaction to the shareholders of Millennium.

ENDS

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