



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

23 October 2019

ASX Limited  
2 The Esplanade  
PERTH WA 6000

### MILLENNIUM MINERALS LIMITED - ASX WAIVER OF LISTING RULE 10.1

Millennium Minerals Limited (ASX: MOY) (**Millennium** or the **Company**) announced on 24 May 2019 that it had agreed terms with its major shareholder, IMC Group (**IMC**) to provide a loan facility of up to \$20 million (**Original IMC Facility**).

Pursuant to shareholder approval obtained pursuant to ASX Listing Rule 10.1 on 27 August 2019, Millennium granted security over its assets to IMC in its capacity as financier under the Original IMC Facility.

Millennium announced on 22 October 2019 that it had entered into an agreement with IMC to provide a \$7.5 million extension to the Original IMC Facility (**Additional IMC Facility**).

ASX has granted Millennium a waiver from ASX Listing Rule 10.1 to the extent necessary to grant security over its assets to IMC in respect of the Additional IMC Facility. The conditions of the waiver are as follows:

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 Additional 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 Additional 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 Additional 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 Additional 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 Additional 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 Additional IMC Facility are consistent with the terms announced on 22 October 2019, and include the following:
  - \$7.5 million extension to the Original IMC Facility;
  - 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.
- 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 Additional IMC Facility with IMC, a party to whom ASX Listing Rule 10.1 applies, rather than a lender that is not an ASX 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 IMC was the only party that may be in position to make a firm commitment to provide the required funding within the required time frame, particularly in light of the Original IMC Facility. The ability and willingness of IMC 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 IMC have been on an arm's length basis, with each of Millennium and IMC having separate legal representation. Further, the terms of the Additional IMC Facility are aligned with the Original IMC Facility, which was previously considered by shareholders and the subject of an independent expert's report. The Additional IMC Facility is also largely aligned with the terms of the secured loan facility provided by Investec.

Yours sincerely,



Ray Parry  
**Company Secretary**  
**Millennium Minerals Ltd**