

Millennium increases production guidance following continuing strong results from its Nullagine Gold Project

Millennium Minerals Limited ("Millennium" or "Company") is pleased to advise that it is revising its guidance for financial year 2015 (ending 31 December 2015). Gold production is now projected to increase by 11% to between 80,000 ounces and 83,000 ounces whilst guidance for the all-in sustaining costs (AISC)¹ is reduced by approximately 6% to between \$1200/oz and \$1250/oz². These production and cost figures compare with previous guidance of 72,000 oz - 75,000 oz and \$1275/oz - \$1325/oz, respectively.

This revised production guidance for the Nullagine Gold Project (the "Project") stems primarily from forecast increases in mined ore tonnages, milled head grade and processing plant throughput rates for the Project.

In the month of July 2015, the Project produced a record 8833 oz at a C1 cash cost³ of \$784/oz and an AISC of \$1029/oz, which include an \$81/oz profit-share royalty.

This outperformance follows on from a strong first half year, during which the Company produced 41,721 oz at an AISC of \$1265/oz, including all royalties.

Cost reductions achieved are a result of both improved mill throughput and a number of cost saving measures implemented since the start of the year as reported in the June 2015 quarterly activities report. These measures have so far delivered over \$12 million in annualised cost savings.

Based on this revised guidance, Millennium expects to reduce its senior debt by a further \$5.1 million in the current quarter, thus reducing the principal outstanding to \$6.1 million at 30 September 2015. This rate of debt servicing will keep the Company on track to retire this senior debt within the first half of 2016.

Millennium Chief Executive Glenn Dovaston said the revised production and cost guidance shows that the Company's turnaround strategy is continuing to deliver positive results.

"We are managing to outperform both within the mining and processing operational areas," Mr Dovaston said. "This is underpinning our production forecasts and enabling us to maximise cash flow and hence reduce our senior debt rapidly.

"Our turnaround strategy is working and we are expecting to be well positioned to unlock the potential value of our Nullagine Gold Project tenements."

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¹ All-in Sustaining Cost represents C1 cash costs plus sustaining and development capital expenditure, royalties, exploration overheads, corporate administration costs and reclamation & remediation accretion & amortisation.

² All monetary units are Australian dollars unless otherwise denoted.

³ C1 cash cost represents the costs for mining, processing, administration, by-product credits and accounting adjustments for movements in stockpiles, gold in circuit and waste stripping. It does not include capital expenditure, exploration, royalties and corporate administration costs.

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Board

Richard Procter - Non-Executive Chairman
Greg Bittar – Executive Director
Ross Gillon – Non Executive Director
Michael Chye – Non Executive Director

Management

Glenn Dovaston – Chief Executive Officer
Richard Hill – Chief Financial Officer
Pierre Malherbe – Company Secretary



Background – Nullagine Gold Project

Millennium operates the Nullagine Gold Project, located in the Pilbara region in Western Australia (**Figure 1**). The Project comprises 7 deposits located on granted mining leases and hosts a 1.5 Mtpa CIL gold processing facility which was commissioned in August 2012. Commercial gold production was declared in January 2013.

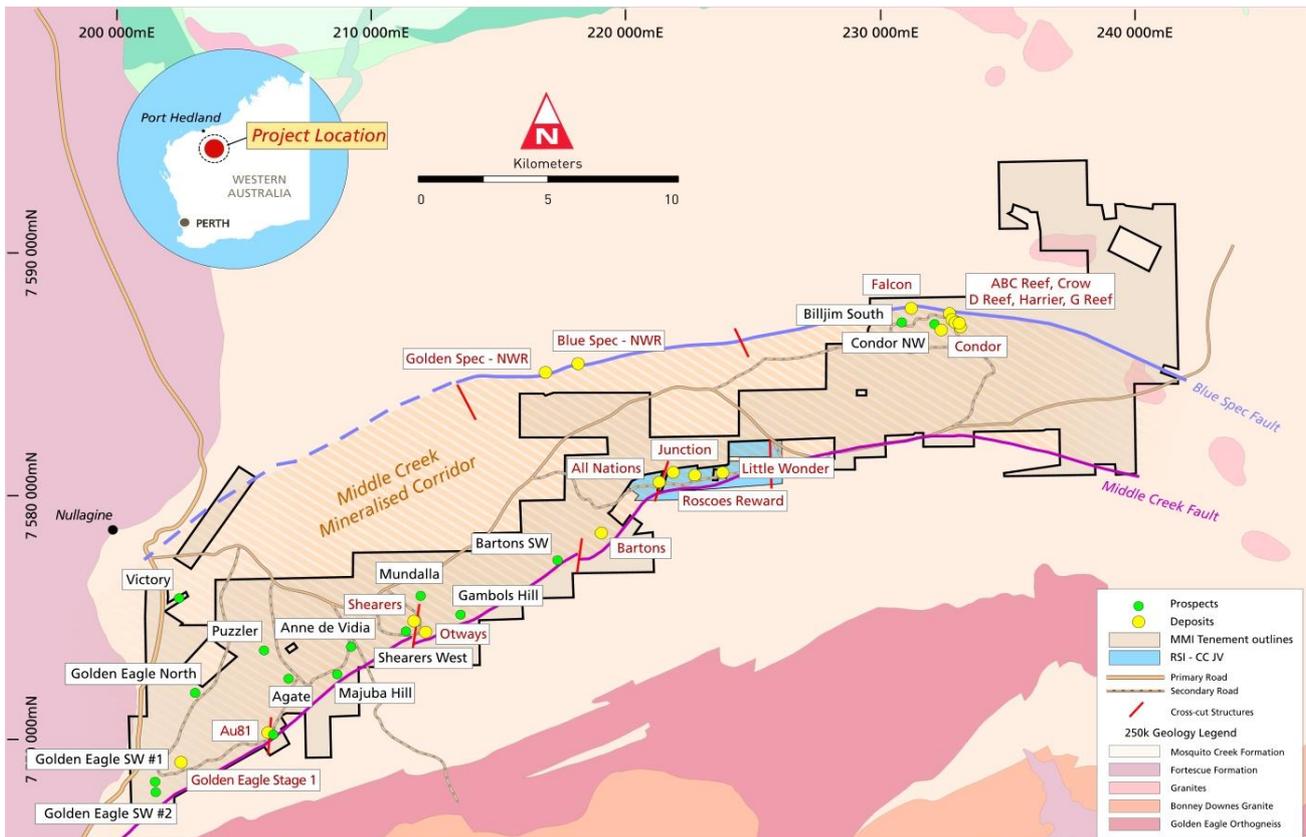


Figure 1: Nullagine Deposit Location Plan over regional geology

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on Millennium's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Millennium, which could cause actual results to differ materially from such statements. Millennium makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of this release.

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