



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

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Manager Company Announcements
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Millennium announces Maiden audited 2013 net profit of \$41 Million

Millennium Minerals Limited (“Millennium” or the “Company”) is pleased to report an audited after tax net profit of \$41.7 million for the 12 month period ended 31 December 2013.

The headline after tax profit figure includes an unrealised derivative gain of \$16.2 million related to the Company’s hedge book and an income tax benefit of \$11.6 million. Gross Profit was \$22.5 million arising from gold sales and realised hedge gains of \$103.3 million and cost of sales of \$80.8 million. Table 1 shows the Statement of Comprehensive Income (P&L). The underlying profit for the twelve month period before treasury, tax and finance costs was \$17.9 million. No impairment charges were incurred by the Company for the period. Earnings per share (post consolidation) was 19 cents per share.

The Company previously advised that the unaudited net profit for FY2013 was \$31.8 million (ASX Release 22 January 2014) which was prior to audit and assessment of the tax position. An income tax benefit of \$11.6 million has been taken into account in finalising the audited profit result for the period.

Considering the cash flow generated by the business, the operation produced net cash of \$30.4 million (Table 2), which was utilised to repay a total of \$20.2 million in lease, debt and interest charges; and approximately \$19.1 million in investing activities relating to property plant and equipment, security deposits, mineral exploration and evaluation and mine development. These activities were partially funded by gross proceeds from an equity raising of \$6.5 million, \$1.7 million proceeds from leases and borrowings and cash at bank (\$0.6 million).

Commenting, Managing Director Brian Rear said “delivering a maiden profit result in our first year of commercial production represents a significant milestone for Millennium that reflects the Company’s strong focus on operating margins and sensible risk management - at a time when the gold industry is experiencing very difficult operating conditions”.

Table 1

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2013**

	31 December 2013 \$'000	31 December 2012 \$'000
Revenue from operations	103,284	-
Cost of sales	<u>(80,789)</u>	<u>-</u>
Gross profit	22,495	-
Administration expenses	(5,366)	(7,500)
Mine site depreciation and amortisation during commissioning	-	(4,677)
Exploration expenditure written off	-	(41)
Other income	<u>810</u>	<u>1,249</u>
Profit/(loss) before treasury, tax and finance costs	17,939	(10,969)
Finance costs	(4,015)	(4,213)
Unrealised gain on gold forward contracts	<u>16,171</u>	<u>(1,574)</u>
Profit/(loss) before tax	30,095	(16,756)
Income tax benefit/(expense)	<u>11,594</u>	<u>-</u>
Net profit/(loss) attributable to the members of Millennium Minerals Limited	<u>41,689</u>	<u>(16,756)</u>
Other comprehensive income/(loss)		
Other comprehensive income	-	-
Income tax relating to items of other comprehensive income/(loss)	<u>-</u>	<u>-</u>
Other comprehensive income for the year, net of tax	<u>-</u>	<u>-</u>
Total comprehensive income for the year	<u>41,689</u>	<u>(16,756)</u>
Earnings per share	Cents	Cents
Basic earnings per share	0.0152	(0.4485)
Diluted earnings per share	0.0152	-

Earnings per share calculated on the weighted average number of shares over the year. Due to the share consolidation during the period it is relevant to rather express earnings per share calculated on the ordinary shares on issue as of 31 December 2013, which was \$0.19/share.

Table 2

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2013**

	31 December 2013 \$'000	31 December 2012 \$'000
Cash flows from operating activities		
Receipts in the course of operations	103,285	751
Payments in the course of operations	(73,681)	(8,767)
Interest received	63	203
Other receipts	746	-
Net cash provided by/(used in) operating activities	30,413	(7,813)
Cash flows from investing activities		
Proceeds from sale of investments	-	812
Payment for security deposits	(1,278)	-
Payments for property plant and equipment	(8,528)	(59,460)
Payments for mineral exploration areas and evaluation	(5,727)	(1,972)
Payments for development of mining properties	(3,574)	(12,719)
Net cash used in investing activities	(19,107)	(73,339)
Cash flows from financing activities		
Proceeds from leases and borrowings	1,705	54,119
Repayment of leases and borrowings	(16,772)	(962)
Interest paid	(3,380)	(3,131)
Gross proceeds from equity raising	6,541	23,194
Net cash (used in)/provided by financing activities	(11,906)	73,220
Net increase/(decrease) in cash and cash equivalents	(600)	(7,932)
Cash and cash equivalents at the beginning of the period	2,831	10,763
Cash and cash equivalents at the end of the period	2,231	2,831

The above tables should be read in conjunction with the full 2013 Annual Report which is available on both the Australian Stock Exchange website (www.asx.com.au) and the Millennium Minerals website (www.millenniumminerals.com.au).

About Millennium Minerals

Millennium Minerals Limited operates the Nullagine Gold Project, located in the Pilbara Region in Western Australia. The Project comprises 7 deposits on granted mining leases. The key infrastructure and process facilities are located approximately 10 km south of the Nullagine Township. The 1.5 Mtpa CIL processing plant commenced commissioning in August 2012 and first gold was poured in September 2012. Commercial production was declared effective January 2013.

For further information:**Millennium Minerals**

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