

Millennium revives Nullagine gold

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MILLENNIUM Minerals is dusting off a detailed feasibility study completed in 2007 on its 100%-owned Nullagine gold project in the East Pilbara, citing improvements in the Australian dollar-denominated gold price as creating a compelling case for developing the project.

Millennium will now update the project economics using current prices.

The spot gold price used for the feasibility study was \$US900 per ounce. Last week spot gold peaked at \$US940/oz.

The five-deposit Nullagine gold project is a 27.63 million tonne project at 1.23 grams per tonne for 1.1 million ounces of contained gold.



It was subject to a detailed feasibility study completed in early 2006 and revised in early 2007.

A total of 22.16Mt at 1.26gpt gold is contained within the measured and indicated mineral resource categories, representing 80% of the total mineral resource.

The largest deposit is Golden Eagle, some 10 kilometres south of the township of Nullagine and containing 69% of the total mineral resource inventory.

The overall mineral resource is expected to increase when estimates are finalised for the Golden Gate satellite deposits, namely Falcon, Condor, Crow, Harrier and G Vein.

The company has already re-scoped the 2007 base-case feasibility study which indicates the potential for an 8-10 year operation, milling 1Mt per annum through a carbon-in-leach (CIL) processing plant.

The scoping study was based on a series of pit optimisations of the five deposits.

Millennium said much of the permitting and design work for a 1Mtpa CIL processing facility has already been completed providing for an early start to development when a decision to mine is made.

Millennium plans to also assess the potential for heap leaching the medium to low-grade material after the scoping study showed that if this material could be processed the overall waste-to-ore stripping ratio of the project could be significantly reduced.

Other key works to be completed on the base case includes updating mining and processing operating costs inputs and development capital to provide the basis for Ore Reserve definition and project financing.

An independent review of the process design is in progress and will be combined with assessment of the availability of process plant equipment.

The company is targeting process equipment and plant that is available now to set it in place for a rapid ramp-up of development after the decision to mine is made.

The studies are due for completion in August 2009.

Millennium shares were marginally higher today, closing 0.5c up or 16% to 3.6c.

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