



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

19 October 2011

Manager Company Announcements
Company Announcements Office
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Via Electronic Lodgement

Dear Sir/Madam

NORTHWEST AND MILLENNIUM AGREE GOLD PRODUCTION JOINT VENTURE

Overview

Northwest Resources Limited (**Northwest**) (ASX: NWR) and Millennium Minerals Limited (**Millennium**) (ASX: MOY) are pleased to announce a non-binding heads of agreement for a 50:50 joint venture under which ore from Northwest's Camel Creek Trend gold deposits will be mined and processed by Millennium.

Millennium will manage the joint venture, which will not require any up front capital contribution by Northwest. All ore mined as part of the joint venture will be processed through Millennium's Golden Eagle treatment plant, which is currently under construction.

The key commercial terms of the Joint Venture are as follows:

1. Gold produced from the joint venture will be shared equally on a 50:50 basis.
2. All costs associated with mining, processing and administration of joint venture ore will be shared equally on a 50:50 basis.
3. As consideration, on signing of the formal joint venture agreement Millennium will pay to Northwest, \$1.25 million comprising \$250,000 in cash and \$1,000,000 in Millennium shares. The shares will be issued at a price equal to the 30 day VWAP of Millennium shares prior to the date of issue of the shares to Northwest.

The joint venture will be the catalyst for the transformation of Northwest from an advanced explorer into an emerging gold producer leaving Northwest free to focus on developing its core Blue Spec Shear high grade gold-antimony deposits into one of the highest grade gold underground mining centres in Australia.

For Millennium, the joint venture with Northwest will bolster the Ore Reserve inventory with the addition of shallow, moderate grade oxide feed.

Managing Director's Quote

Commenting on the announcement, the Chief Executive Officer of Millennium, Brian Rear, said:

"This is an exciting time for Millennium with construction of the Nullagine Gold Project on budget and on schedule. The joint venture with Northwest will bolster our Ore Reserve inventory through the addition of

shallow, moderate grade oxide feed. This milestone is the first in a series of deals contemplated as part of our medium term regional consolidation strategy”.

Also commenting, Northwest’s Managing Director, John Merity said:

“This joint venture provides substantial benefits for both companies. Northwest was attracted by the strong track record of Millennium’s management team and we are confident that they will make a success of their project and the joint venture.

“For Northwest, joint venture revenue will underwrite the company’s future and allow us to focus on bringing our high-grade Blue Spec Shear gold-antimony deposits into production as soon as possible in an environment of historically high gold and antimony prices,” he said.”

Background

Northwest and Millennium are both developing gold projects in the Nullagine goldfield located in the eastern Pilbara of WA.

Millennium has completed financing of its Nullagine Gold Project and is currently constructing the 1.5 Mtpa Golden Eagle treatment plant and associated infrastructure to produce approximately 80,000 oz of gold per year over an initial 7.5 year mine life. The plant is expected to commence production in Q3 2012. Millennium’s project comprises its main Golden Eagle pit and multiple satellite pits around the Nullagine goldfield, including the Camel Creek Trend which it shares with Northwest.

Northwest’s Nullagine Gold & Antimony Project comprises the high-grade Blue Spec Shear gold-antimony deposits as well as its lower grade Camel Creek Trend gold deposits. Northwest is currently advancing its Blue Spec Shear deposits through feasibility studies as a stand alone high-grade gold and antimony underground mining operation.

The Camel Creek Trend open pit deposits do not form part of Northwest’s Blue Spec Shear development plans given their difference in mineralisation style to the Blue Spec Shear deposits, however they are a natural fit with Millennium’s project, sharing the same geology and mineralisation style as Millennium’s satellite deposits located along the Camel Creek Trend.

Figure 1 shows the location of Northwest’s Camel Creek Trend deposits and their proximity to Millennium’s All Nations, Barton’s and Little Wonder satellite deposits.

Joint Venture Metrics

Northwest’s Camel Creek Trend deposits (Junction, Little Wonder, Round Hill and Roscoe’s Reward) which will initially comprise Northwest’s contribution to the joint venture have a total current JORC reported Mineral Resource estimate containing 46,000 ounces at 2.7 g/t Au.

The Joint Venture parties consider that there is excellent potential to increase the size of the current JORC resources for the joint venture deposits and a step out drilling programme to test extensions to each of the deposits is planned for this year.

Subject to the signing of the formal joint venture agreement, Millennium will contribute up to \$400,000 towards the planned drilling programme with Northwest to meet programme costs above this level. Maiden reserve estimates for the initial joint venture deposits are expected in Q2 2012.

Under the terms of the joint venture, further Northwest deposits can be added to the joint venture with Millennium's agreement and Northwest has a number of prospects in the Camel Creek Trend zone ready for follow-up drilling.

Millennium has estimated that average C1 cash costs for its project will be approximately \$757 per oz. Given the expected joint venture synergies, Northwest anticipates joint venture C1 cash costs will be in line with Millennium's estimated project cash costs resulting in significant profits to be shared equally with Millennium subject to the prevailing gold price at the time of production.

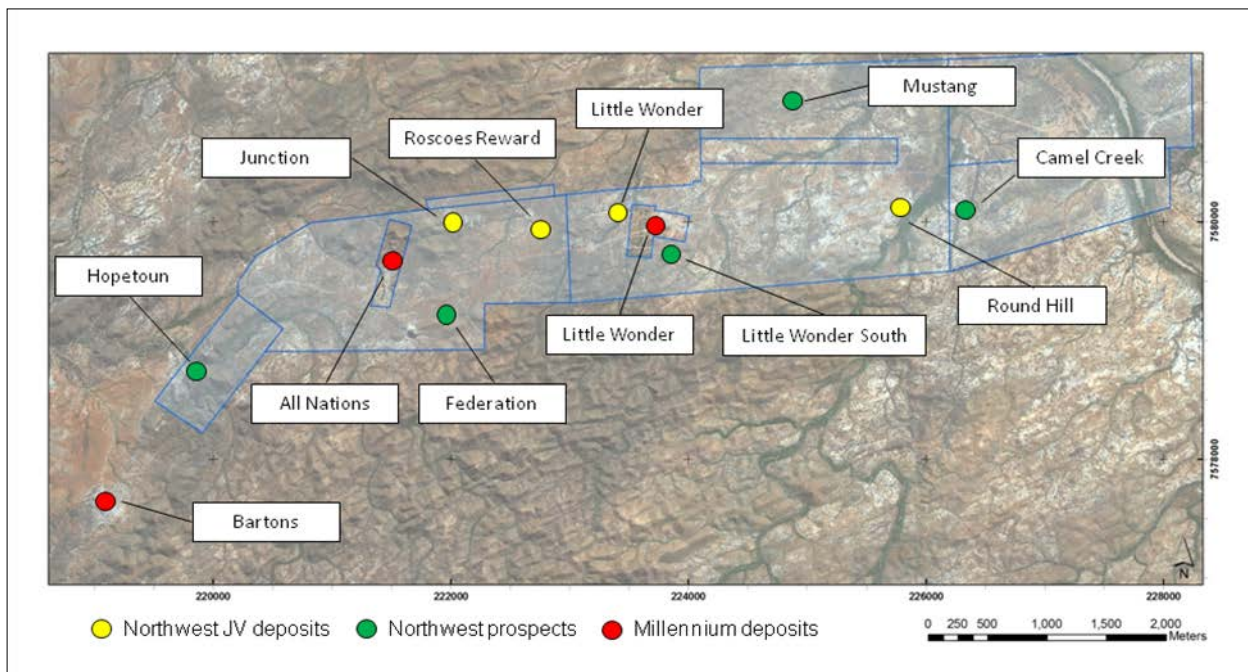


Figure 1: Location of Northwest and Millennium deposits on the Camel Creek Trend

Joint venture terms

The commercial terms of the Camel Creek joint venture reflected in the heads of agreement are:

- Gold production and joint venture operating costs will be shared 50:50.
- Millennium will be the manager and operator of the joint venture.
- No up-front capital contribution will be required from Northwest to the joint venture.
- Joint venture ore sourced from the Northwest deposits will be blended with ore from Millennium's Golden Eagle deposit and the parties will obtain independent technical advice as to robust accounting and reconciliation methodologies to accurately allocate gold production between Millennium and the joint venture.
- Joint venture mining is anticipated to commence in early 2015.
- Millennium will make a joint venture equalisation payment to Northwest on signing of the formal joint venture agreement of \$1.25 million comprising \$250,000 in cash and \$1,000,000 in Millennium shares at an issue price equal to the 30 day VWAP of Millennium shares prior to the date of issue of the shares to Northwest.

- Northwest and Millennium will co-operate with each other through a local road sharing agreement, the provision of a waste dump area for Millennium's Camel Creek Trend mining operations and the exchange of regional exploration data and environmental permitting information which will assist Northwest to expedite permitting of its Nullagine Gold & Antimony Project.
- The parties will also investigate further avenues of co-operation in relation to each party's separate projects at Nullagine which may be mutually beneficial, and which could lead to the sharing of infrastructure and the treatment of Northwest's high-grade Blue Spec Shear ore at Millennium's Golden Eagle plant.

The parties will proceed to prepare and sign a formal joint venture agreement and ancillary documents incorporating these terms following receipt of technical advice in relation to the blending of the joint venture ore with Millennium's Golden Eagle ore. The parties expect to finalise the joint venture within 60 days of the signing of the heads of agreement.

Camel Creek Trend

	Category	Tonnes	Grade (g/t Au)	Contained Au (oz)
Roscoe's Reward	Indicated	248,000	2.0	15,900
	Inferred	52,000	2.5	4,100
	Total	300,000	2.1	20,000
Junction	Indicated	36,000	3.1	3,500
	Inferred	40,000	3.6	4,500
	Total	76,000	3.4	8,000
Round Hill	Indicated	18,000	4.8	2,700
	Inferred	44,000	4.0	5,300
	Total	62,000	4.3	8,000
Little Wonder	Indicated	146,000	1.9	8,900
	Inferred	17,000	1.6	1,100
	Total	163,000	1.9	10,000

Notes

1. Discrepancies in summations will occur due to rounding.
2. All deposits were estimated using ordinary kriging (OK) methodology for grade estimation.
3. All underground historical stope locations were accounted for and excluded from the resource estimates.
4. A >1g/t Au cut-off grades applied.
5. Grade shell models were constrained to geological models for each deposit and are defined by a minimum 2m true width. Grade shells for Junction, Roscoes Reward, Little Wonder and Round Hill were constructed based on complimenting 5m sectional and fitch-based interpretations. Wireframe models were stitched and validated using both Gemcom and Surpac 3D geological modelling software.

Competent Person Statement

The Mineral Resource estimates in this report relating to Junction, Round Hill, Roscoe's Reward and Little Wonder have been estimated and compiled by Mrs. Fleur Muller (MAusIMM) of Geostat Services Pty Limited who has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mrs. Muller consents to the inclusion in this statement of the information in the form and context in which it appears.

Information in this report relating to exploration is based on information compiled by Mr. Charles Gillman (MAIG) who is a full-time employee of Northwest Resources Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. Gillman consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward Looking Statements

This announcement may include forward-looking statements. These forward looking statements are based on Northwest'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 Northwest which could cause actual results to differ materially from such statements. Northwest makes no undertaking to subsequently update or revise the forward looking statements made in this announcement to reflect events or circumstances after the date of this announcement.

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