



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

19 February 2009

Dear Shareholder,

**Non-renounceable Rights Issue of Shares**

On 12 February 2009, Millennium Minerals Limited (ASX: MOY) ('the Company') announced a one (1) for two (2) pro rata non-renounceable rights issue of new shares in the Company at an issue price of 1.2 cents for each new share ('Rights Issue').

The Rights Issue will result in the issue of 135,061,311 new shares in the Company and will raise an estimated \$1,620,736 if all rights are taken up (based on the Company's undiluted share capital as at the date of this letter).

The Company has recently conducted a private placement of 33,668,167 shares to sophisticated investors, who are clients of Azure Capital, at 1.2 cents per share, raising an additional sum of \$404.018. These new shares rank equally with existing ordinary fully paid shares in the Company.

Under the Rights Issue, every Shareholder with an Australian or New Zealand registered address ('eligible Shareholders') who is registered as the holder of fully paid ordinary shares in the capital of the Company at 5.00pm (WST) on 26 February 2009 ('Record Date') will be entitled to participate in the Rights Issue in respect of the number of shares that Shareholder is then registered as the holder of.

The Company is of the view that it is unreasonable to make an offer under this Short Form Prospectus to Shareholders outside of Australia and New Zealand having regard to:

- (a) the number of Shareholders registered outside of Australia and New Zealand;
- (b) the number and value of the securities to be offered to Shareholders registered outside of Australia and New Zealand; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the overseas jurisdictions.

The funds raised from the Rights Issue will be applied towards:

- the re-evaluation of the Company's Bankable Feasibility Study, which has been completed on the Nullagine gold project, with a view to developing the project into a mine;
- the repayment of the convertible notes currently on issue;
- working capital purposes; and
- meeting the costs of the Rights Issue.

It is anticipated the securities will be entered into uncertificated holdings on 26 March 2009.

The Rights Issue provides eligible Shareholders with an opportunity to increase their investment in the Company at an attractive price. The issue price of 1.2 cents per new share represents a substantial discount to the price of 2.9 cents per share at the close of trade on 18 February 2009, being the day immediately after the day the Short Form Prospectus was lodged with the Australian Securities and Investments Commission and the ASX.

In addition to being able to apply for new shares in the Company, eligible Shareholders who take up their full entitlement under the Rights Issue will have the opportunity to apply for additional new shares in the Company that are not subscribed for in the Rights Issue ('Shortfall Securities'). The issue of any Shortfall Securities will be at the discretion of the Directors and placed with the assistance of Azure Capital.

The Rights Issue will be partially underwritten by the LinQ Resources Fund to a maximum of 50,000,000 shares raising \$600,000.

The Short Form Prospectus for the Rights Issue and the accompanying Entitlement and Acceptance Form will be sent to eligible Shareholders on 4 March 2009.

The Rights Issue is open for acceptance by eligible Shareholders from 4 March 2009 until 5.00pm (WDT) 19 March 2009 (subject to the Directors varying the closing date in accordance with the ASX Listing Rules).

Please note that the Company's shares will be quoted on an "ex" basis from 20 February 2009, and therefore any shares bought or sold on market on and from this date will not carry entitlements under the Rights Issue.

Shareholder approval is not required for the Rights Issue. Shares issued under the Rights Issue will be issued as fully paid and will rank equally with existing ordinary fully paid shares in the Company.

Fractions of a share will be rounded up to the nearest whole Share where the determination of an eligible Shareholder's entitlement under the Rights Issue results in a fraction.

The total number and class of all securities quoted on ASX (including the maximum number of securities to be issued in the Rights Issue on an undiluted basis – ie. assuming no existing options are exercised) is as follows:

<b>Number</b>	<b>Class</b>
405,183,934	Ordinary shares

The Company has the following number of securities not quoted on the ASX:

<b>Number</b>	<b>Class</b>
9,150,000	Options (exercisable at 29 cents each expiring on 19 December 2011)
5,000,000	Options (exercisable at 23 cents each expiring on 19 December 2011)
3,500,000	Options (exercisable at 30 cents each expiring on 31 October 2011)
8,500,000	Options (exercisable at 20 cents each expiring on 31 October 2011)
2,500,000	Options (exercisable at 20 cents each expiring on 21 February 2012)
857,143	Convertible Notes (35 cents, expiring 31 March 2009)
545,455	Convertible Notes (55 cents, expiring 31 March 2009)

As at the date of this letter, there are 28,650,000 options to subscribe for Shares on issue. If all or some of these options are exercised prior to the Record Date this will also impact the maximum number of Shares to be issued under the Rights Issue.

The Company currently has no dividend policy.

The proposed timetable for the Rights Issue is set out below. The following key dates are indicative only:


<b>Event</b>	<b>Date</b>
Lodgement of Prospectus with ASIC and ASX	17 February 2009
Lodgement of Appendix 3B with ASX	17 February 2009
Notice containing Appendix 3B information sent to Shareholders	19 February 2009
Ex date	20 February 2009
Record Date for Determining Entitlements	26 February 2009
Prospectus despatched to Shareholders	4 March 2009
Closing Date* 5.00pm (WDT)	19 March 2009
Securities quoted on a deferred settlement basis	20 March 2009
Despatch of holding statements	26 March 2009
Date of Quotation of Securities issued under the Rights Issue*	30 March 2009

\*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such, the date the Securities are expected to commence trading on the ASX may vary.

The above information was provided to the ASX on 17 February 2009.

If you have any queries concerning the Rights Issue please contact Advanced Share Registry on 08 9389 8033 or Company Secretary, Mark Killmier, on 08 9486 8808.

Yours faithfully,

  
**Simon F Durack**  
Director



19 February 2009

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Dear Shareholder

## **RIGHTS ISSUE**

As you may be aware, Millennium Minerals Limited ("Company") is currently undertaking a pro rata non-renounceable rights issue pursuant to a prospectus dated 17 February 2009 ("Prospectus"). The Company expects that the rights issue will close on 19 March 2009.

The rights issue is open to existing shareholders in Australia and New Zealand on the basis of one (1) New Share for every two (2) Shares held at an issue price of AUD\$0.012 per New Share, to raise up to a maximum of AUD\$1,620.736.

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the Listing Rules of ASX Limited ("ASX Listing Rules"), that it would be unreasonable to make offers under the Prospectus to all countries outside of Australia and New Zealand. Accordingly, in compliance with ASX Listing Rule 7.7.1(b), the Company wishes to advise you that it will not be extending the rights issue to you.

In compliance with section 615 of the Corporations Act 2001 (Cth) the Company has, subject to the approval of the Australian Securities and Investments Commission, appointed Argonaut Securities Pty Limited ("Nominee") as nominee for foreign holders of the Company's securities. The Company advises these foreign holders that the Nominee's role is to subscribe for, and be issued with, the New Shares that would otherwise have been issued to foreign shareholders if the rights issue offer had been made available to them and they had accepted. The Nominee will arrange for the sale of those New Shares and if they are sold arrange for the net proceeds to be sent to the foreign holders.

Please note that it is possible no net proceeds will be available for distribution to foreign holders, after the costs of the sale have been paid to the Nominee. We will inform you in due course of the outcome of the sale of the abovementioned New Shares.

For further information please contact Mr Mark Killmier, Company Secretary, by telephone on +61 8 9486 8808.

Yours faithfully

**Simon F Durack**  
Director