



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

3 March 2010

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

***Via Electronic Lodgement***

Dear Sir/Madam,

### **Corporate and Project Update**

Millennium Minerals Limited (“Millennium” or “the Company”) is pleased to provide an update on a number of activities relating to project funding, operations personnel, metallurgy and exploration.

#### **Financing**

As advised on 16 February 2010, the Rights Issue closed on 11 February 2010. The total number of shares on offer was 116,490,381 at an issue price of 4.5 cents to raise a maximum of \$5,242,067.14. As at the close, the total number of shares taken up by shareholders but excluding those taken up under the shortfall offer were 17,609,073 shares raising a total of \$792,408.28.

The shortfall shares of 98,881,308 will be allocated at the discretion of the Directors in due course. To date, shortfall applications for 67,522,652 shares have been received amounting to \$3,038,519.34 and further interest has been received.

The Company has engaged with a number of financial institutions in respect of project finance relating to funding development of the Nullagine Gold Project. These discussions are at an early stage and when a more definitive point is reached Millennium will update share holders accordingly.

In addition, the company has had preliminary discussions with a number of parties in regard to considering a more strategic relationship with Millennium. Discussions are at a very early stage and share holders will be advised accordingly if and when a specific proposal is being considered.

#### **Key Operations Personnel Recruitment**

Recruitment of key personnel for mine operations has been completed. The Company has recruited high calibre staff for the positions of Mine Resident Manager, Paul O’Connor, Mine Administration Manager, Greg Betteridge and Process Manager, Brian Wyatt. Each member of this core management group has more than 20 years experience in project development, project commissioning and mine operations, covering all facets of mining, processing, finance and accounting, human resource management, safety, environmental compliance and contract administration.

## **Resource/ Reserve Development**

As flagged in the ASX announcement of 20 January 2010, the Company has now initiated a drilling programme directed at converting substantial Inferred Mineral Resources to the Measured and Indicated categories. Of the total Measured, Indicated and Inferred Mineral Resource of 28.86 million tonnes, 80% or 23.24 million tonnes fall into the Measured and Indicated categories and the remainder of 5.63 million tonnes is in the Inferred category. The drilling will target the Inferred Resource material, the majority of which falls outside the current pit envelopes, to lift the resources to Measured and Indicated thus providing a basis for assessing the resource for conversion to Ore Reserve status and eventual inclusion in the mining inventory. This priority objective is part of a wider programme that includes;

- exploration and testing of the heap leach potential of mineralised waste, scheduled for removal from existing pits,
- delineation of defined resource potential on strike and at depth across all ore bodies
- The evaluation of the prospectivity south west of Golden Eagle for medium grade gold mineralisation that may be amenable to a parallel heap leach operation early in the project life.

The other elements noted above will be prioritized and scheduled when the current programme is completed. In total the programme provides for 12,490m RC and 5,100m RAB drilling.

## **Metallurgy**

The results of a specific diamond drill programme aimed at recovering core suitable for metallurgical testing was reported recently (ASX announcement 20 January 2010). The programme was designed to collect sufficient samples to provide for:

- Geotechnical and geological characterisation
- Variability testing for process design
- Testing the metallurgical response of mineralized zones brought to account since the previous feasibility study was completed.

The metallurgical testing is now underway and conclusion of this work will finalise the design requirements for those materials brought to account since the feasibility study was completed.

## ***Background - Nullagine Gold Project***

The Nullagine Gold Project is a 1.15 million ounce gold resource contained within 7 deposits on granted mining leases. The largest deposit is Golden Eagle located approximately 10 km south of the township of Nullagine and contains 68% of the total Mineral Resource inventory. Much of the permitting and design work for a nominal 1 million tonne per annum Carbon-In-Leach (CIL) processing facility has been completed providing for an early start to development.

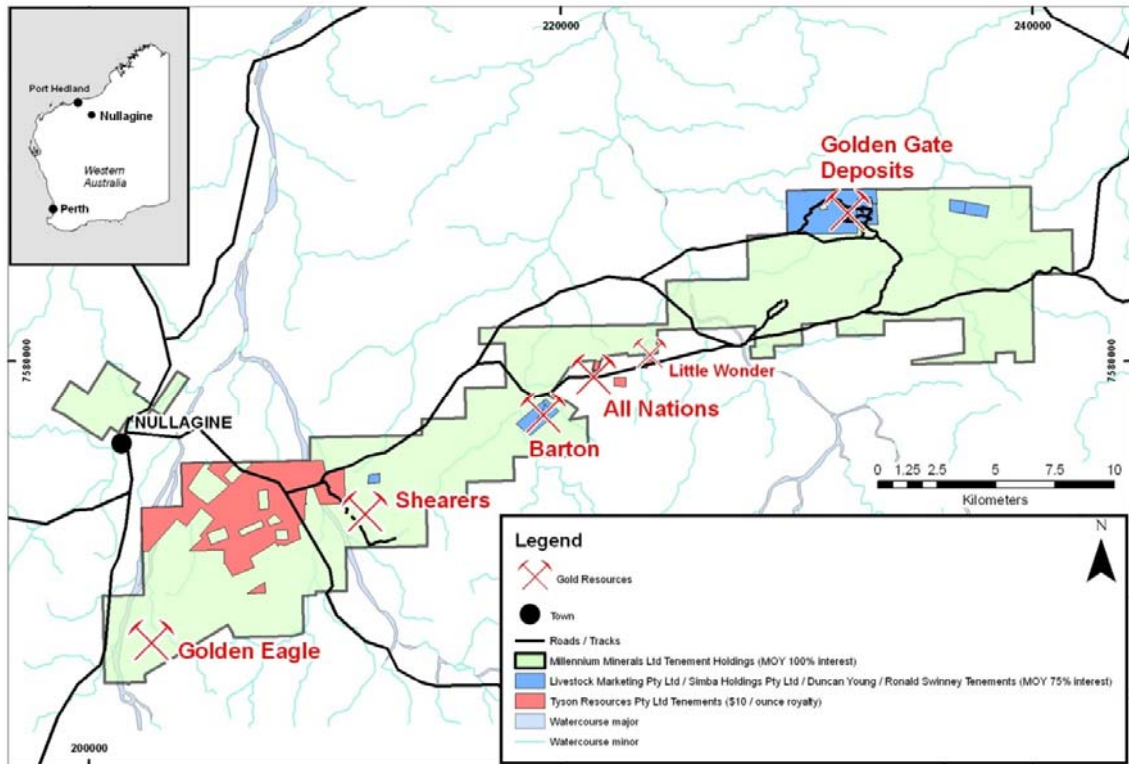


Figure 1: Nullagine Location Plan

Brian Rear  
CEO

ENQUIRIES: *Brian Rear*  
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*Mr SJ Pooley (MAusIMM, MAIG), a geologist employed full-time by Millennium Minerals Limited, compiled the technical aspects of this report. Mr Pooley is a member of the Australasian Institute of Mining and Metallurgy and has sufficient experience that is relevant to this style of mineralization and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Codes for Reporting of Mineral Resources and Ore Reserves". Mr Pooley consents to the inclusion in the report of the matters in the form and context in which it appears.*