



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

19 September 2008

The Manager
Company Announcements
Australian Stock Exchange Limited

Via Electronic Lodgement

Dear Sir/Madam,

NON-RENOUCEABLE RIGHTS ISSUE

Millennium Minerals Limited (ASX: MOY) (**MOY**) hereby announces an upcoming one (1) for four (4) non-renounceable pro rata rights issue (**Rights Issue**). A Prospectus for the Rights Issue has been lodged with the ASIC today. An Appendix 3B and copy of the Prospectus are attached to this announcement.

The key aspects of the Rights Issue are as below:

- Issue price of 4 cents for each new MOY share
- One (1) free attaching option (exercisable at 5 cents and expiring on 30 September 2011) per one (1) new MOY share issued. Application will be made for quotation of the free attaching options
- Record Date of 30 September 2008 (as at 5.00pm WST time)
- Eligible shareholders who take up their full entitlement under the Rights Issue will have the opportunity to apply for additional new MOY shares (and free attaching options) that are not subscribed for in the Rights Issue (**Shortfall Securities**)
- Issue of Shortfall Securities will be at the discretion of the directors
- The Rights Issue will not be underwritten

The Rights Issue will result in the issue of 59,113,614 new MOY shares (and 59,113,614 free attaching new options) and will raise an estimated \$2,364,545 if all rights are taken up (based on MOY's undiluted share capital as at the date of this announcement). The funds will be applied (after paying expenses of the Rights Issue) towards:

- to fund exploration activities on the Millennium molybdenum project;
- to fund exploration activities on the Nullagine gold project;
- to repay the convertible notes currently on issue; and
- to meet the costs of the Rights Issue.

The timetable for the Rights Issue is set out below:

Event	Date
Lodgement of Appendix 3B with ASX	19 September 2008
Notice sent to Optionholders	19 September 2008
Lodgement of Prospectus with the ASIC and ASX	19 September 2008
Notice sent to Shareholders	23 September 2008
Ex date	24 September 2008
Record Date for determining Entitlements 5.00 pm (WST)	30 September 2008
Prospectus despatched to Shareholders	1 October 2008
Closing Date* 5.00 pm (WDT)	31 October 2008
Securities quoted on a deferred settlement basis	3 November 2008
ASX notified of under subscriptions	3 November 2008
Despatch of holding statements	10 November 2008
Date of quotation of Securities issued under the Rights Issue*	11 November 2008

* 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 New Shares and New Options are expected to commence trading on ASX may vary.

Notification has today been despatched to option holders, to comply with ASX listing rules. A copy of this notification is attached.

Yours sincerely,

*On behalf of the Board of
Millennium Minerals Limited*

Andrew Law
Managing Director

*ENQUIRIES: Andrew Law, Managing Director
Telephone: +61 (0) 8 9488 8800*

Millennium Minerals Limited is a focussed metals exploration company with a large tenement holding in the Pilbara region of Western Australia. The wholly owned tenements currently encompass a significant molybdenum project and a large gold resource.

MILLENNIUM

MINERALS LIMITED

ACN 003 257 556

PROSPECTUS

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A non-renounceable pro-rata entitlements issue of up to 59,113,614 (assuming no existing Options are exercised before the Record Date) New Shares at an issue price of 4 cents per New Share on the basis of one New Share for every four Shares held at the Record Date, together with one free attaching New Option for every New Share issued, to raise up to approximately \$2,364,545.

The New Options are exercisable at 5 cents each on or before 30 September 2011.

The Rights Issue closes at 5.00 pm WDT on 31 October 2008.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Securities offered by this Prospectus should be considered as speculative.

1. CORPORATE DIRECTORY

Directors

Barry Eldridge (Non Executive Chairman)
Andrew Law, Managing Director
Michael Grigson, Technical Director
Clive Donner, Non Executive Director
Ross Gillon, Non Executive Director

Secretary

Mark Freeman

Registered and Principal Office

Ground Floor 24 Outram Street
WEST PERTH WA 6005 Australia
T: +61 (0) 8 9488 8800
F: +61 (0) 8 9481 0288
E: info@millenniumminerals.com.au
W: www.millenniumminerals.com.au

Share Registry *

Advanced Share Registry
150 Stirling Highway
NEDLANDS WA 6009 Australia
T: +61 (0) 8 9389 8033
F: +61 (0) 8 9389 7871

Auditor

Rothsay Chartered Accountants

ASX Code:

Ordinary shares **MOY**

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Their name is included for information purposes only.

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2. DATES

The following key dates are indicative only:

Event	Date
Lodgement of Appendix 3B with ASX	19 September 2008
Notice sent to Optionholders	19 September 2008
Lodgement of Prospectus with the ASIC and ASX	19 September 2008
Notice containing Appendix 3B information sent to Shareholders	23 September 2008
Ex date	24 September 2008
Record Date for Determining Entitlements	30 September 2008
Prospectus despatched to Shareholders	1 October 2008
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* 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 ASX may vary.

3. IMPORTANT NOTES AND STATEMENTS

Shareholders should read this document in its entirety and, if in doubt, should consult their professional advisors.

This Prospectus is dated 19 September 2008 and a copy of this Prospectus was lodged with the ASIC on that date. The ASIC and ASX take no responsibility for the content of this Prospectus.

The expiry date of the Prospectus is 13 months after the date the Prospectus was lodged with the ASIC. No Securities will be allotted or issued on the basis of this Prospectus after the expiry date.

No person is authorised to give information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

Applications for New Shares (and free attaching New Options) offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form or Shortfall Application Form which accompanies this Prospectus.

This Prospectus does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of New Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Rights Issue is not being extended and Securities will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act), and options over continuously quoted securities, and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

RISK FACTORS

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus. For further information in relation to the risk factors of the Company please refer to Section 9 of this Prospectus.

ELECTRONIC PROSPECTUS

This Prospectus will be issued as an Electronic Prospectus in relation to the Shortfall. The Prospectus will be available on the Company's website at www.millenniumminerals.com.au. The offer of New Shares (and free attaching New Options) comprising the Shortfall pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. If you are a shareholder resident outside Australia, you may only apply for Shortfall by way of a hard copy of this Prospectus.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus or it accompanies the complete and unaltered version of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

4. MANAGING DIRECTOR'S LETTER

Dear Shareholder,

On behalf of the Board of Directors of Millennium Minerals Ltd (Millennium Minerals), I have pleasure in inviting you to participate in the Company's forthcoming Rights Issue. The pro-rata non-renounceable Rights Issue, encompassing both ordinary shares and options, will raise up to approximately \$2.35m, with funds to be utilised for exploration work on Millennium Minerals' existing and new projects, including the very exciting Millennium molybdenum project, which will be our major focus moving forward.

The discovery of the Millennium project was undoubtedly the highlight of the 2008 financial year and a major turning point in the direction of Millennium Minerals. The East Pilbara region is increasingly being recognised as a new world-class molybdenum province, and this is demonstrated by the large-scale Spinifex Ridge molybdenum deposit which is located just 115km to the north.

The broader potential of the region to deliver what we consider world-class deposits is also reflected in major deposits such as Telfer and the Woodie Woodie Manganese Operations.

In the attached Prospectus you will find details of the offer and a summary of the Company's exploration results to date, as well as a detailed outline of the extensive geophysical and drilling exploration campaign currently underway at the Millennium project.

We thank you, our valued shareholders, for your continued support of Millennium Minerals and welcome your participation in this issue. This offer will be made pursuant to the Prospectus and if you wish to participate in the Rights Issue, you will need to complete the attached Entitlement and Acceptance Form. If you have any questions or queries regarding the details contained in this document, please contact your financial adviser or our Company Secretary, Mr Mark Freeman, on (08) 9324 1177.

Yours sincerely

A handwritten signature in black ink, appearing to be 'A. Law', written over a horizontal line.

Andrew Law

Managing Director

5. EFFECT OF THE RIGHTS ISSUE

5.1 Effect on Capital Structure

If the Rights Issue under this Prospectus is fully subscribed the capital structure of the Company will be as follows:

(a) **Shares**

Number	Contributed Equity	\$
236,454,456	Ordinary Shares on issue prior to Rights Issue (i)	50,577,239
59,113,614	New Shares to be issued under this Prospectus (i)	2,364,545
	Less: Estimated costs of the Rights Issue	(34,000)
<u>295,568,070</u>	Total contributed equity (i)	<u>52,907,784</u>

(b) **Options**

Number	Options on Issue
10,700,000	Unquoted Options exercisable at 29 cents expiring 19/12/2011
5,000,000	Unquoted Options exercisable at 23 cents each expiring 19/12/2011
3,500,000	Unquoted Options exercisable at 30 cents each expiring 31/10/2011
8,500,000	Unquoted Options exercisable at 20 cents each expiring 31/10/2011
2,500,000	Unquoted Options exercisable at 20 cents each expiring 21/02/2012
140,000*	Unquoted Options exercisable at 35 cents each expiring 20/09/2008
59,113,614	Quoted New Options issued under this Prospectus (i)
<u>89,453,614</u>	Total Options following Rights Issue

*These Options will have expired by the time the Rights Issue is completed.

- (i) It is assumed that no existing Options are exercised and that no further Shares are issued by the Company on or before the Record Date.

(c) **Convertible Notes**

Number	Convertible Note on Issue
857,143	35 cent Convertible Notes expiring 31 Jan 2009
545,455	55 cent Convertible Notes expiring 31 Jan 2009
<u>1,402,598</u>	Total convertible notes on issue

5.2 Pro-Forma Statement of Financial Position

If no existing Options are exercised prior to the Record Date and full subscription is reached, the Rights Issue will have an effect on the Company's financial position by increasing Shareholders' funds and net assets by approximately \$2,364,545 (less expenses).

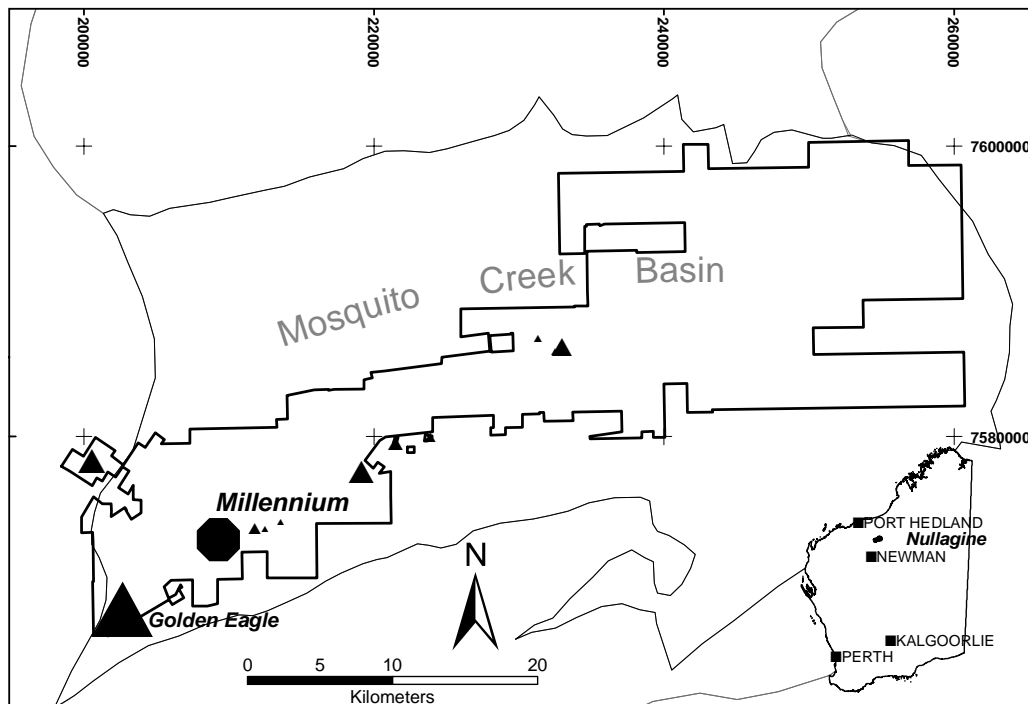
The Reviewed Balance Sheet of the Company as at 30 June 2008 and a Pro-Forma Balance Sheet at that date based on the completion of the Rights Issue are set out below.

	Reviewed Balance Sheet as at 30/06/08	Pro-forma Balance Sheet as at 30/06/08
	\$	\$
CURRENT ASSETS		
Cash	3,746,477	6,077,022
Receivables	296,338	296,338
Total Current Assets	<u>4,042,815</u>	<u>6,373,360</u>
NON-CURRENT ASSETS		
Exploration & Evaluation Expenditure	25,615,951	25,615,951
Property, Plant & Equipment	2,408,092	2,408,092
Total Non-Current Assets	<u>28,024,043</u>	<u>28,024,043</u>
TOTAL ASSETS	<u>32,066,858</u>	<u>34,397,403</u>
CURRENT LIABILITIES		
Trade and Other Payables	343,430	343,430
Provisions	44,252	44,252
Interest bearing Liabilities	600,000	600,000
Total Current Liabilities	<u>987,682</u>	<u>987,682</u>
Total Liabilities	<u>987,682</u>	<u>987,682</u>
NET ASSETS	<u>31,079,176</u>	<u>33,409,721</u>
EQUITY		
Contributed equity	50,577,239	52,907,784
Reserves	2,081,048	2,081,048
Accumulated losses	(21,579,111)	(21,579,111)
TOTAL EQUITY	<u>31,079,176</u>	<u>33,423,721</u>

The above Pro forma Balance Sheet has been prepared on the basis of the following:

- (1) no existing Options are exercised prior to the Record Date, and the Company does not issue any Shares from the date of this Prospectus to the Record Date;
- (2) the Rights Issue is fully subscribed; and
- (3) expenses of the Rights Issue are \$34,000 (which are written off against the Contributed Equity account).

6. PROSPECTS OF THE COMPANY



Nullagine tenement holding showing the location of the Millennium molybdenum project and the various resources that make up the Nullagine gold project (triangle symbols)

6.1 Millennium Molybdenum Project

The Millennium molybdenum project offers the Company a significant opportunity to discover a major molybdenum deposit at a time when this metal is in high demand as a result of the dramatic increase in world stainless and speciality steel demand. Our view of the world-class potential of the project is underpinned by the geological setting of the project, and by the results of early-stage exploration programs at the project since its discovery in early 2007. The Company is currently conducting a deep-drilling program at the project, and is seeking to raise funds to continue drilling into 2009.

This summary provides an overview of the project setting and exploration results achieved to date. For more detail, please refer to the announcements listed under the continuous disclosure section.

The Millennium project is centered 8 km southeast of Nullagine, in the East Pilbara region, and encompasses sedimentary rocks of the Archaean Mosquito Creek Basin. The presence of widespread molybdenum mineralisation in the area was revealed by regional soil sampling, which outlined a strong, 4 km-long Mo-in-soil anomaly. The significance of this anomaly quickly became apparent when it was compared to the scale of the soil anomaly that resulted in the discovery of the world-class Spinifex Ridge Mo-Cu deposit, which is located 115 km to the north. In terms of areal extent (at the same grade thresholds), it is clear that the Millennium anomaly is an order of magnitude, or ten times, larger than the anomaly at Spinifex Ridge.

Further significance is attached to the Mo-in-soil anomaly at Millennium by the presence of a coincident, 11 km² aeromagnetic anomaly, and numerous outcrops of intensely altered rock. Together, these anomalies and alteration zones transgress layering within the Mosquito Creek Basin, and appear to be controlled by two major, N-trending boundary faults that breach the margin of the basin. Our current model for the Millennium area is that it overlies a major felsic-intrusive centre, concealed at depth beneath the sedimentary rocks of the Mosquito Creek Basin. Fluids evolved from the intrusive centre are considered to be responsible for the large aeromagnetic anomaly, and the widespread alteration and molybdenum mineralisation. Like other major intrusion-related, or porphyry systems around the world, it is thought that the richest mineralisation at Millennium will be located near the apex of individual stocks or dykes, and that the size of such targets is likely to be in the order of 10's to 100's of metres.

Two drilling programs were undertaken at the Millennium project in 2007. The first program comprised systematic, shallow RAB drilling across the core of the Mo-in-soil anomaly to locate targets for the second program, which involved RC drilling of four deep holes. Numerous encouraging intercepts were returned for these drilling programs, and individual 3 m sample assays were as high as 0.09% Mo. A standout intersection of 78 m grading 0.015% Mo was returned for the lower part of a RC hole that penetrated intensely altered wall rocks from surface to the bottom of the hole at 304 m. Most drill intercepts are associated with zones of thicker zones of fault-related quartz veining, which suggests that mineralising fluids were channeled upwards through faults that breached the contact aureole of an intrusion(s) at depth.

Further drilling will be directed at depth and immediately along strike from the 2007 drill hole pattern, principally to search for richer zones of mineralisation around concealed intrusions. However, one of the most important conclusions to come out of the 2007 drilling programs was that perhaps the best mineralisation at Millennium will be located around intrusions that not have been breached by through-going fault zones, and that these targets may not have a surface expression such as mineralised veins or Mo enrichment in soil. With this in mind, a decision was taken in late 2007 to trial the induced-polarisation (IP) geophysical technique across the area tested by RC drilling, to determine whether this technique could detect the zones of strong pyritisation that were known to surround the molybdenum mineralisation. The strongest IP chargeability responses from the 6 line-km trial survey proved to be coincident with mineralisation, and given this success the Company committed to undertaking a broader IP survey. In terms of the potential search area at Millennium, it was considered that at its full extent the aeromagnetic anomaly was prospective for molybdenum mineralisation, because this anomaly probably marks the distribution of intrusions at depth. To this end, a comprehensive 72 line-km IP survey was completed in early 2008, with survey specifications set to test to a nominal depth of 400 m using a dipole-dipole electrode array.

Two significant chargeability anomalies were detected by the recent comprehensive IP survey, both of which are much larger and more intense than the anomaly defined by the trial survey (over the known molybdenum mineralisation). The largest of these new anomalies extends over an area of 3 km², beneath a veneer of alluvial cover near the eastern end of the Millennium aeromagnetic anomaly. These new chargeability anomalies are thought to represent zones of strong pyritisation and wall rock alteration above the apices of concealed felsic intrusions, and they are the primary targets of the 15-hole, deep-drilling program that has just commenced at Millennium.

6.2 Nullagine Gold Project

The Nullagine Gold Project comprises a JORC-compliant resource of 786,000 ounces, at a global grade of 2.01 g/t (using a 1 g/t lower cut-off grade). The project is largely based around the disseminated-style Golden Eagle deposit, which contains almost 60% of the total gold inventory. The remainder of the inventory is contributed by ten separate satellite deposits, all of which display narrow-vein style characteristics.

The Company conducted a feasibility study of the Nullagine gold resource throughout 2006, which at the time showed positive economics for a project based on establishing a new 1 mtpa processing plant to produce 70,000 ounces a year. However, heading in to 2007, escalating industry costs for mining and construction lead to a deterioration in the forecast project outcome, to the point where a decision was taken to defer further development. Despite these unfortunate circumstances, much useful information regarding the risk profile of the gold project was generated by the feasibility study. Perhaps the most significant point is that, based on the existing resource, the forecast mine life is limited to under 5 years. From this there is a clear imperative to locate additional gold resources, in order to extend the mine life and reduce the project debt gearing ratio. Looking at the models for the various mining reserves, it is clear that the Golden Eagle deposit represents the most attractive proposition, because ore may be mined at a low overall strip ratio, within a broad open pit that is relatively free of geotechnical risk.

Given the favourable characteristics of the Golden Eagle deposit, this style of gold mineralisation has been adopted as a template for the exploration and discovery of additional gold resources at Nullagine. Further weight is added to this strategy by the recent recognition that perhaps the disseminated-style gold mineralisation at Golden Eagle, and the molybdenum mineralisation at Millennium, share more in common than just geographic proximity. We now believe that these two types of mineralisation, which are so distinctive when compared to the plethora of narrow-vein style gold deposits that characterise much of the Nullagine district, may have formed during the same intrusion-related, or porphyry mineralising event. This mineralising event appears to have been centred in the southwest of the Mosquito Creek Basin, in a restricted 7 km-long corridor between Millennium and Golden Eagle. Moreover, we believe there are compelling synergies between the search for additional gold resources and the search for new molybdenum resources within this richly mineralised corridor, and most of our future exploration expenditure will be directed at this area.

The information in this report that relates to Exploration Results is based on information compiled by Dr Michael Grigson, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Grigson is a full time employee of Millennium Minerals Limited. Dr. Grigson 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 be qualified as a Competent Person as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Grigson consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

6.3 Budget

Details of the proposed expenditure of the funds raised from the Rights Issue, assuming either \$1,500,000 is raised or full subscription is reached, are as follows:

Issue Budget	\$1,500,000	Full Subscription
Millennium Molybdenum Project - Drilling and Exploration	\$825,000	\$1,405,545
Nullagine Gold Project - Drilling and Exploration	\$46,000	\$325,000
Repayment of Convertible Notes	\$600,000	\$600,000
Estimated Cost of Issue	\$29,000	\$34,000
TOTAL	\$1,500,000	\$2,364,545

Notes:

1. Refer to Section 9.6 of this Prospectus for further details relating to the estimated expenses of the Rights Issue.
2. In the event less than \$1,500,000 is raised, after paying expenses of the Rights Issue and repayment of the convertible notes, the proceeds of the Rights Issue allocated to Drilling and Exploration for the Millennium Molybdenum and Nullagine Gold projects will be reduced on a pro rata basis. In the event that less than adequate funds are raised to pay expenses of the Rights Issue and/or repay the convertible notes, the Company will use existing cash resources to make these payments.
3. In the event less than the full subscription (but more than \$1,500,000) is raised the proceeds of the Rights Issue allocated to all categories will be reduced on a pro rata basis.

7. RIGHTS ISSUE DETAILS

7.1 The Rights Issue

The Company is making a non-renounceable offer of New Shares and free attaching New Options on the basis that for every four (4) Shares held by Shareholders at the Record Date, Shareholders will have the right (but not the obligation) to subscribe for one (1) New Share at an issue price of 4 cents per New Share (the "**Rights Issue**") together with 1 free attaching New Option for every New Share issued. The New Options are exercisable at 5 cents each on or before 30 September 2011.

The Rights Issue is non-renounceable and Shareholders may not sell or transfer all or any part of their Entitlement to this Rights Issue on ASX or otherwise.

As at the date of this Prospectus, the Company has 236,454,456 Shares and 30,440,000 existing Options on issue. Holders of existing Options will not be entitled to participate in the Rights Issue however they may exercise their existing Options prior to the Record Date if they wish to participate in the Rights Issue. Assuming none of these existing Options are exercised prior to the Record Date, the number of New Shares offered under this Prospectus will be 59,113,614 and New Options will be 59,113,614.

The fractional Entitlements to New Shares and free attaching New Options will be rounded up to the nearest whole number.

Shareholders may accept their Entitlement in whole or in part, or may decide not to accept their Entitlement at all. Shareholders who do not accept their Entitlement in full will, as a result of the Rights Issue, have their percentage shareholding in the Company diluted.

Shareholders wishing to take up all or part of their Entitlement under the Rights Issue can only do so by completing the personalised Entitlement and Acceptance Form which accompanies this Prospectus.

It is important that Shareholders consider the Rights Issue carefully. If Shareholders are in doubt as to the course of action they should follow, they should consult their professional adviser.

7.2 Rights Issue Price

The issue price of the New Shares is 4 cents each, payable in full upon acceptance. The New Shares will be issued as fully paid ordinary Shares. The free attaching New Options will be granted for nil consideration.

7.3 Purpose of the Issue

Assuming no existing Options are exercised prior to the Record Date and full subscription is reached, the issue of New Shares and free attaching New Options under this Prospectus will raise approximately \$2,364,545 before expenses.

The funds raised by the Rights Issue will be used for the following purposes:

- to fund exploration activities on the Millennium molybdenum project;
- to fund exploration activities on the Nullagine gold project;
- to repay the convertible notes currently on issue; and
- to meet the costs of the Rights Issue.

For further details see Section 6.3 of this Prospectus.

7.4 Entitlements and Acceptance

A personalised Entitlement and Acceptance Form accompanies this Prospectus. Shareholders who wish to accept all or part of their Entitlement must complete and lodge their Entitlement and Acceptance Form together with the appropriate acceptance monies in accordance with the instructions set out on that form.

If you decide not to accept your Entitlement, you need not do anything. However, your percentage shareholding in the Company will be diluted. If you decide not to accept all or part of your Entitlement, the New Shares and New Options not accepted by you will form part of the Shortfall Offer and your Entitlement to subscribe for New Shares and New Options under the Rights Issue will be dealt with in accordance with Section 7.5 of this Prospectus.

The number of New Shares and free attaching New Options accepted on the personalised Entitlement and Acceptance Form must not exceed the entitlement shown on the Entitlement and Acceptance Form. If the Entitlement and Acceptance Form is not completed correctly or if the accompanying payment is for the wrong amount, it may be still accepted by the Company. The Company's decision as to whether to accept the application and how to construe, amend or complete it shall be final, but no Applicant will be treated as having offered to purchase more New Shares and free attaching New Options than is indicated by the amount of the cheque for the application monies and any surplus application monies will be returned, without interest.

Completed Entitlement and Acceptance Forms together with the appropriate application monies must reach the Company's share registry at the following address on or before the Closing Date:

Advanced Share Registry
2/150 Stirling Highway
NEDLANDS WA 6009
Australia

Advanced Share Registry
PO Box 1159
NEDLANDS WA 6909
Australia

Any Entitlement not accepted will form part of the Shortfall Offer to be dealt with in accordance with Section 7.5 of this Prospectus.

Payment must be made to **Millennium Minerals Ltd** by cheque crossed "**not negotiable**" and must be in Australian dollars.

7.5 Shortfall Offer

Any Entitlement not taken up pursuant to the Rights Issue will form the Shortfall Offer. The Directors reserve the right to issue Shortfall Shares and free attaching Shortfall Options at their absolute discretion. Shareholders who wish to subscribe for Shortfall Shares and free attaching Options are invited to complete the field on their Entitlement and Acceptance Form accompanying this Prospectus and return it to the Company together with a separate cheque for the value of the Shortfall Shares. Non-Shareholders who wish to subscribe for Shortfall Shares are invited to complete a Shortfall Application Form accompanying this Prospectus and return it to the Company together with a cheque for the value of the Shortfall Shares.

The Directors reserve the right to allot to an Applicant a lesser number of Shortfall Shares and free attaching Shortfall Options than the number for which the Applicant applies for on their Shortfall Application Form, or to reject an application, or to not proceed with placing the Shortfall.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three (3) months following the Closing Date. The issue price for each Shortfall Share shall be 4 cents, being the price at which New Shares have been offered under the Rights Issue. Free attaching Shortfall Options will be granted on the same basis as the New Options offered under the Rights Issue.

7.6 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES for those investors who have a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company.

Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation. Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Securities allotted to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.7 ASX Listing

Application for official quotation by ASX of the New Shares and free attaching New Options offered by this Prospectus has been made. If the New Shares and free attaching New Options are not admitted to quotation on ASX before the expiration of 3 months after the date of this Prospectus, the Company will not issue any New Shares and free attaching New Options and will repay all acceptance and application monies for the New Shares and free attaching New Options as soon as practicable, without interest.

The fact that ASX may admit the New Shares and free attaching New Options offered by this Prospectus to quotation is not to be taken in any way as an indication of the merits of the Company or the New Shares and free attaching New Options.

7.8 Opening and Closing Dates

The Rights Issue will open for acceptances of Entitlements on 1 October 2008. The Closing Date for acceptances will be 31 October 2008. The Directors reserve the right to vary the Opening Date and Closing Date, subject to compliance with ASX Listing Rules.

7.9 Participation

All Shareholders at the Record Date are entitled to participate in the Rights Issue on the basis of one (1) New Share for every four (4) Shares held on the Record Date. Any holders of Shares issued and allotted as a result of existing Options being exercised prior to the Record Date will also be able to participate in the Rights Issue.

7.10 Allotment

New Shares and attaching New Options will be allotted within 6 Business Days after the Closing Date.

In accordance with the Corporations Act, all application monies shall, before allotment and issue of New Shares and attaching New Options pursuant to this Prospectus, be held by the Company in trust in a bank account established solely for that purpose. Any interest earned on the acceptance money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and New Options takes place.

7.11 Non Resident Shareholders or Potential Investors

The Company is of the view that it is unreasonable to make an offer under this 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.

Accordingly, the New Shares and free attaching New Options being offered by the Rights Issue are only being offered to Shareholders and potential investors resident in Australia or New Zealand.

In compliance with section 615 of the Corporations Act, the Company has appointed Argonaut Securities Pty Limited ("**Nominee**") as nominee for foreign holders of the Company's securities in those countries outside of Australia and New Zealand. The Company has applied to the ASIC for its approval of the nomination.

The Nominee will subscribe for and the Company will issue to the Nominee the New Shares (and free attaching New Options) that would otherwise have been issued to those foreign holders if the offer had been made available to them and they had accepted.

The Nominee must sell the New Shares (together with the free attaching New Options) and cause to be distributed to each of those foreign holders their proportion of the proceeds of the sale, net of expenses. Any such sale will be at such prices and otherwise in such a manner as the Nominee in its absolute discretion, determines.

Where this Prospectus has been despatched to Shareholders, or is obtained by potential investors, resident outside Australia and New Zealand, this Prospectus is provided for information purposes only. This Prospectus does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

The offer of the Shortfall pursuant to an Electronic Prospectus is only available to persons receiving an electronic version of this Prospectus within Australia. For persons outside Australia, an application for Shortfall may only be made pursuant to a hard copy of the Prospectus. Prior to the Closing Date, any person may obtain a hard copy of this Prospectus by contacting the Company.

7.12 Enquiries

Enquiries concerning the Entitlement and Acceptance Form should be directed to Advanced Share Registry by telephone on (08) 9389 8033 or facsimile on (08) 9389 7871.

Enquiries relating to this Prospectus should be directed to the Company by telephone on (08) 9488 8800 or facsimile on (08) 9481 0288 or e-mail on info@millenniumminerals.com.au.

7.13 Privacy Statement

If you apply for New Shares and free attaching New Options, you will be asked to provide personal information to the Company (and the Company's share registry on its behalf) which collects, holds and uses that personal information in order to assess your application, service your needs as an investor, provide facilities and services that you request and carry out appropriate administration.

Under the Privacy Act 1988 (as amended), you may request access to your personal information held by (or on behalf of) the Company. You can do this by contacting the Company's share registry, details of which are set out in Section 1.

8. RIGHTS ATTACHING TO NEW SHARES AND NEW OPTIONS

8.1 Rights and Liabilities Attaching to the New Shares

The New Shares to be issued pursuant to this Prospectus will rank pari passu in all respects with the Company's existing Shares.

The rights, privileges and restrictions attaching to Shares are set out in the Constitution of the Company. These rights include (but are not limited to) the following:

Voting Rights: Subject to any rights or restrictions for the time being attached to any class or classes of shares (at present there are none) and provided no amount due and payable in respect of a call is unpaid, at a general meeting of the Company every holder of ordinary shares present in person or by proxy, attorney, or representative has on a show of hands one vote and on a poll one vote per share (provided that partly paid shares confer a fraction of a vote equal to the proportion that the amount paid bears to the total issue price of those shares).

Dividend Rights: Subject to the Constitution and to the rights attaching to shares issued on special conditions (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the holders of ordinary shares in proportion to the number of shares held by them respectively and are paid irrespective of the amount paid or credited as paid on those shares.

Rights on Winding-up: Subject to the Constitution, the Corporations Act and the rights of holders of shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all monies and property that are to be legally distributed among Shareholders on a winding-up will be distributed in proportion to the shares held by them respectively, irrespective of the amount paid up or credited as paid up on the shares. However, where a member is in arrears in payment of any call on shares but whose shares (of whatever class) have not been actually forfeited, that member is not entitled to share in that distribution until the owing amount in respect of the call has been fully paid and satisfied.

Transfer of Shares: Except as provided by law, the ASX Listing Rules, the SCH Business Rules and the Constitution, the Company's shares are freely transferable.

Issue of Further Shares: The allotment and issue of any new shares is under the control of the Directors and, subject to any restrictions on the allotment of shares imposed by the Company's Constitution, the ASX Listing Rules or the Corporations Act, the Directors may issue those new shares on such terms and conditions, and with such rights and at such times, as they may determine.

Variation of Rights: At present the Company has only ordinary shares on issue. If shares of another class are issued, the rights and privileges attaching to the ordinary shares can only be altered with the sanction of a special resolution passed at a separate general meeting of the holders of the ordinary shares or, failing that with the written consent of the holders of at least three-quarters in nominal value of the ordinary shares.

General Meetings: Each Shareholder is entitled to receive notice of, and to attend and (subject to the Constitution) vote at, general meetings of the Company.

A copy of the Company's Constitution is available for inspection by prospective investors at the Company's registered office.

8.2 Terms and Conditions of New Options

The material terms and conditions of the New Options are as follows:

- (a) Each New Option entitles the holder to subscribe for one fully paid ordinary Share in the capital of Millennium Minerals at an exercise price of 5 cents.
- (b) The New Options are exercisable at any time on or before on 30 September 2011 by completing a notice of exercise and delivering it to Millennium Minerals share registry together with the payment for the number of shares in respect of which the New Options are exercised.
- (c) All Shares issued pursuant to the exercise of New Options will be allotted within 15 Business Days after the receipt of a properly executed notice of exercise and the application monies in respect of the exercise and will rank *pari passu* in all respects with then existing fully paid ordinary Shares. Subject to the ASX Listing Rules, Millennium Minerals will apply to ASX for official quotation of all Shares issued upon exercise of the New Options within three business days after the allotment of the Shares.
- (d) There are no participating rights or entitlements inherent in the New Options and the holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, Millennium Minerals will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. Millennium Minerals will also notify holders of any proposed issue at least seven Business Days before the record date. This will give option holders the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.
- (e) If there is a pro-rata issue of Shares to holders of Shares for which no consideration is payable by them (bonus issue), the number of Shares over which the New Option is exercisable must be increased by the number of Shares which the holder of the New Option would have received if the New Option had been exercised before the record date for the bonus issue.
- (f) If there is a pro rata issue (other than a bonus issue) to the holders of Shares during the currency of, and prior to the exercise of any New Options, the exercise price of a New Option will be reduced according to the formula provided for in the ASX Listing Rules.
- (g) In the event of any reconstruction (including a consolidation, sub-division, reduction or return) of the issued capital of Millennium Minerals, the New Options will be reorganised in a manner required by the ASX Listing Rules on a reorganisation of capital at the time of the reorganisation.
- (h) Millennium Minerals will, at least 20 Business Days before the expiry date of the New Options, send notices to the option holders stating the name of the option holder, the number of New Options held and the number of Shares to be issued on exercise of the New Options, the exercise price, the due date for payment and the consequences of non-payment.

9. ADDITIONAL INFORMATION

9.1 Risk Factors

An investment in the Company is not risk free and prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus, before deciding whether to apply for Securities.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

i. Economic risks

Share market conditions, particularly those affecting exploration companies, may affect the price of the Company's quoted securities regardless of operating performance.

The price of mineral is influenced by physical and investment demand for, and supply of, those commodities. Fluctuations in these commodity prices may influence the value of individual projects in which the Company has an interest and the price of the Company's listed securities.

General economic conditions may affect interest rates and inflation rates. Movements in these rates may have an impact on the price of the Company's listed securities.

ii. Exploration and development risks

The business of mineral exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- the discovery and/or acquisition of economically recoverable reserves;
- access to adequate capital for project development;
- design and construction of efficient development and production infrastructure within capital expenditure budgets;
- securing and maintaining title to interests;
- obtaining consents and approvals necessary for the conduct of mineral exploration, development and production; and
- access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from projects undergoing exploration and development programs depends on successful exploration and establishment of production facilities. Factors including costs, and commodity prices affect successful project development and operations.

Drilling activities carry risk as such activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of drill rigs or other equipment.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

iii. Reliance on key personnel

Within the existing corporate structure, the Company's success is dependent upon the ability of the Directors to manage the existing assets and identify acquisition opportunities for future growth. To manage its growth, the Company must in due course identify, hire, train and retain skilled personnel and senior management.

iv. Mineral price volatility

The demand for, and price of, minerals is highly dependent on a variety of factors, including international supply and demand, the level of consumer product demand, actions taken by governments and international cartels, and global economic and political developments.

International mineral prices have fluctuated widely in recent years and may continue to fluctuate significantly in the future. Fluctuations in mineral prices may have a material adverse effect on the Company's business, financial condition and results of operations.

v. Foreign exchange risk

Global currencies are affected by a number of factors that are beyond the control of the Company. These factors include economic conditions in Australia and elsewhere and the outlook for interest rates, inflation and other economic factors. These factors may have a positive or negative effect on the Company's exploration, project development and production plans and activities together with the ability to fund those plans and activities.

vi. Environmental

The Company's activities are subject to the environmental risks inherent in the mineral industry. The Company is subject to environmental laws and regulations in connection with operations it may pursue in the mineral industry, which operations are currently in Australia. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws. However, the Company may be the subject of accidents or unforeseen circumstances that could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

vii. Competition

The Company may potentially compete with other companies for new leases and prospects, including major mineral companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

viii. Future capital needs and additional funding

The funding of any further ongoing capital requirements beyond the requirements as set out in this Prospectus will depend upon a number of factors including the extent of the Company's ability to generate income from activities which the Company cannot forecast with any certainty.

Any additional equity financing will be dilutive to shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may not be able to take advantage of opportunities or develop projects. Further, the Company may be required to reduce the scope of its operations or anticipated expansion and it may affect the Company's ability to continue as a going concern.

ix. Regulatory

Changes in relevant taxes, legal and administration regimes, accounting practice and government policies may adversely affect the financial performance of the Company.

x. General economic and political risks

Changes in the general economic and political climate in the United States, Australia and on a global basis that could impact on economic growth, the mineral prices, interest rates, the rate of inflation, taxation and tariff laws, domestic security which may affect the value and viability of any mineral activity that may be conducted by the Company.

xi. Insurance

Insurance against all risks associated with mineral production is not always available or affordable. The Company will maintain insurance where it is considered appropriate for its needs however it will not be insured against all risks either because appropriate cover is not available or because the Directors consider the required premiums to be excessive having regard to the benefits that would accrue.

xii. Speculative Nature of Investment

An investment in the Company is speculative. The Company holds an interest in a project in the mineral sector and there are no guarantees that the project or any future investments or acquisitions in the mineral sector will be profitable or otherwise successful.

The above risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and New Options offered under this Prospectus. Therefore, the New Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the New Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for New Shares and New Options. There are inherent risks and uncertainties associated with the Company's current and future investments. Neither the Directors nor the Company warrant the future performance of the Company or any return on an investment in the Company.

9.2 Interests of Directors

Other than as set out below or elsewhere in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- the promotion or formation of the Company; or
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Other than as set out below or elsewhere in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated, and no benefits have been given or agreed to be given to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

Directors' Remuneration

The existing Board of Directors consists of a managing Director, an executive Director and three non-executive Directors. Shareholders have approved the Company paying Directors' fees of up to a maximum of \$350,000 per annum to be divided between Directors as they see fit, until such time as any different amount is approved by Shareholders. The current policy is to pay the Chairman \$60,000 per annum and the other non-executive Directors \$45,000 per annum.

In the two years to the date of this Prospectus, Mr Eldridge was paid Directors' fees totalling \$59,400.

In the two years to the date of this Prospectus, Mr Gillon was paid Directors' fees totalling \$64,000.

In the two years to the date of this Prospectus, Mr Donner was paid Directors' fees totalling \$103,750.

Pursuant to the services agreement summarised below, since the commencement of Mr Law's employment with the Company (being 1 October 2007), he has been paid salary of \$271,827 (including a superannuation amount of \$24,712).

Pursuant to the services agreement summarised below, since the commencement of Mr Grigson's employment with the Company (being 26 October 2007), he has been paid salary of \$192,846 (including a superannuation amount of \$15,923).

The Directors are entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or in connection with the performance of their duties as Directors. Subject to the Corporations Act and ASX Listing Rules, if a Director is called upon to perform extra duties or make special exertions on behalf of the Company, the Directors may remunerate that Director which may either be in addition to or in substitution for his usual Director's fees.

Directors' Interests in Securities

At the date of this Prospectus the relevant interest of each of the Directors in the securities of the Company are as follows:

Director	Ordinary Shares	Unquoted Options⁴	Entitlement to New Shares under this Prospectus	Entitlement to New Options under this Prospectus
Barry Eldridge	1,000,000 ¹	5,000,000	250,000	250,000
Andrew Law	Nil	7,000,000	Nil	Nil
Michael Grigson	50,000 ²	4,140,000	12,500	12,500
Ross Gillon	475,001 ³	1,500,000	118,750	118,750
Clive Donner	Nil	Nil	Nil	Nil

Notes:

1. The Shares are held by Dixon Brook Holdings Pty Ltd as trustee for the Eldridge Superannuation Fund. Mr Eldridge is a beneficiary of the Eldridge Superannuation Fund.
2. The Shares are held Mr Grigson are held by Mr Grigson's spouse, Ms Dolores Amaro.
3. The Shares are held by Lawstar Pty Ltd, a company controlled by Mr Gillon.
4. The Directors' holdings of Options are as follows:

Director	Number of Options	Exercise Price	Expiry date
B Eldridge	5,000,000 ⁵	\$0.20	31 October 2011
A Law	3,500,000 ⁶	\$0.20	31 October 2011
	3,500,000 ⁷	\$0.30	31 October 2011
M Grigson	2,500,000 ⁸	\$.20	21 February 2012
	140,000 ⁹	\$0.35	20 September 2008 ¹⁰
	1,500,000 ¹¹	\$0.29	19 December 2011
R Gillon	1,500,000 ¹²	\$0.29	19 December 2011
C Donner	Nil	Nil	Nil

5. The Options are held directly by Mr Eldridge.
6. The Options are held by Mr Law as trustee for the Law Family Trust. Mr Law is a beneficiary of the trust.
7. The Options are held by Mr Law as trustee for the Law Family Trust. Mr Law is a beneficiary of the trust.
8. The Options are held by Mr Grigson and Ms Amaro as trustees for the Grigson Family Trust. Mr Grigson is a beneficiary of the trust.
9. The Options are held by Mr Grigson and Ms Amaro as trustees for the Grigson Family Trust. Mr Grigson is a beneficiary of the trust.
10. These Options will have expired by the time the Prospectus is dispatched to Shareholders.
11. The Options are held by Mr Grigson's spouse, Ms Dolores Amaro.
12. The Options are held directly by Mr Gillon.

Executive Services

Andrew Law, Director:

Mr Law's current employment contract commenced on 1 October 2007 and is for a fixed 2 year term with a further option to extend for a further 2 years subject to re-election as required by the Company's constitution.

Mr Law is to be paid an annual salary of \$275,000 (plus superannuation), to be reviewed annually by the Board.

The Company may elect to give Mr Law a payment in lieu of the completion of the contract term (for example, should the contract be terminated as at the date of this Prospectus, the Company may elect to make a payment of \$74,250 to Mr Law in lieu of the completion of the remainder of the term under the contract).

Michael Grigson, Director:

Mr Grigson's current employment contract commenced on 26 October 2007 and is for a fixed 1 year term subject to re-election as required by the Company's constitution.

Mr Grigson is to be paid a salary of \$200,000 (plus superannuation) per annum, to be reviewed annually by the Board.

The Company may elect to give Mr Grigson a payment in lieu of the completion of the contract term (for example, should the contract be terminated as at the date of this Prospectus, the Company may elect to make a payment of \$18,000 to Mr Grigson in lieu of the completion of the remainder of the term under the contract).

9.3 Interests of Experts

Other than as set out elsewhere in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue,

and no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid and no benefits given or agreed to be given to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by them in connection with the promotion or formation of the Company or the Rights Issue.

Rothsay Chartered Accountants are the auditors to the Company. They have provided audit services to the Company during the last two years totalling approximately \$58,500 (exclusive of GST).

Argonaut Securities Pty Limited has acted as nominee for foreign holders of the Company's securities in those countries outside of Australia and New Zealand, and will receive a fee of \$8,000 this role. Argonaut Securities Pty Limited has not provided any other services to the Company during the last two years.

9.4 ASX Listing, Continuous Disclosure and Documents Available for Inspection

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are quoted enhanced disclosure ("ED") securities and options to acquire quoted ED securities, and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of this Prospectus.

As a "disclosing entity" the Company is subject to regular reporting and disclosure obligations which require it to disclose to ASX any information of which it is, or becomes aware concerning the Company and which a reasonable person would expect to have a material effect on the price or value of securities of the Company. Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the provisions of the ASX Listing Rules as in force from time to time which apply to disclosing entities, and which require the Company to notify ASIC of information available to the stock market conducted by ASX, throughout the 12 months before the issue of this Prospectus.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

The New Shares and New Options to be issued under this Prospectus are in respect of a class of shares that were continuously quoted securities at all times in the 12 months before the issue of this Prospectus.

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus:

- (a) the Annual Financial Report for Millennium Minerals for the period ending 31 December 2007;
- (b) the Half-Year Financial Report for Millennium Minerals for the period ended 30 June 2008; and
- (c) the following documents used to notify ASX of information relating to Millennium Minerals during the period after lodgement of the financial statements contained in the Annual Financial Report of Millennium Minerals for the period ending 31 December 2007 and before the issue of this Prospectus:

Date	Contents	Date	Contents
11 September 2008	Half Year Accounts	5 June 2008	Change of Director's Interest Notice
28 July 2008	Millennium Minerals Limited Broadcast	3 June 2008	Change of Director's Interest Notice
28 July 2008	Second Quarter Activities and Cashflow Report	30 May 2008	Response to ASX Query
16 July 2008	Updated Corporate Presentation - July 2008	27 May 2008	AGM Results
14 July 2008	Corporate Presentation - July 2008	13 May 2008	Corporate Presentation - May 2008
11 July 2008	Drilling of key targets to commence at Millennium	30 April 2008	First Quarter Activities and Cashflow Report
10 July 2008	Issue of incentive options & Appendix 3B	24 April 2008	Notice of Annual General Meeting / Proxy Form

This Prospectus has been prepared under the special prospectus content rules for continuously quoted securities in section 713 of the Corporations Act and as such contains details specific to the Rights Issue. If Shareholders, or investors, require any further information in relation to the Company, the Directors recommend that they take advantage of the ability to inspect and obtain copies of the documents referred to above. All requests for copies of the above documents should be addressed to the Company Secretary, Millennium Minerals Ltd, PO Box 117 West Perth WA 6872 Australia or facsimile (08) 9481 0288.

9.5 Share Trading History

The highest, lowest and last closing market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	9.2 cents	20 June 2008
Lowest	4.6 cents	17 September 2008
Last	4.6 cents	19 September 2008

9.6 Expenses of the Rights Issue

The expenses of the Rights Issue are estimated to be \$34,000. These expenses are payable by the Company.

9.7 Litigation

As at the date of this Prospectus, the Company is not involved in any legal or arbitration proceedings nor, so far as the Directors are aware, are any such proceedings pending or threatened against the Company.

9.8 Consents

Each of the parties referred to in this Section:

- does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

Rothsay Chartered Accountants consents to being named in this Prospectus as the auditors of the Company and to the reference in this Prospectus to the reviewed balance sheet of the Company as at 30 June 2008 in the form and context in which the balance sheet is included, and has not withdrawn such consent before lodgement of this Prospectus with the ASIC.

Argonaut Securities Pty Limited consents to being named in this Prospectus as nominee for foreign holders of the Company's securities in those countries outside of Australia and New Zealand.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of this Prospectus.

9.9 Electronic Prospectus

Pursuant to Class Order 00/44 the ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an Electronic Prospectus on the basis of a paper Prospectus lodged with the ASIC and the issue of Shares and Options in response to an electronic application form, subject to compliance with certain provisions. The Company is relying on this exemption in relation to the offer of Shortfall.

The Prospectus will be available as an Electronic Prospectus on the Company's website at www.millenniumminerals.com.au.

The offer pursuant to an Electronic Prospectus is only available for applications for the Shortfall and to persons receiving an electronic version of this Prospectus within Australia.

If you have received this Prospectus as an Electronic Prospectus please ensure that you have received the entire Prospectus accompanied by the Shortfall Application Form. If you have not, please e-mail the Company at info@millenniumminerals.com.au and the Company will send to you, without charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept a Shortfall Application Form from a person if it has reason to believe that when that person was given access to the electronic Shortfall Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. In such case, the application monies received will be dealt with in accordance with section 722 of the Corporations Act.

10. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and that in respect to any other statements made in the Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Directors knowledge, before any issue of New Shares or New Options pursuant to this Prospectus.

The Prospectus is prepared on the basis that certain matters may be reasonably expected to be known to likely investors or their professional advisers.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC and has not withdrawn that consent.

Dated this 19th day of September 2008



Mark Freeman
Company Secretary
for and on behalf of
MILLENNIUM MINERALS LTD

11. DEFINITIONS

\$	Australian dollars. All amounts in this Prospectus are in Australian currency unless otherwise stated.
ASIC	Australian Securities and Investments Commission.
ASTC Settlement Rules	means the settlement rules of the securities clearing house which operates CHES.
ASX	ASX Limited (ACN 006 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited.
ASX Listing Rules	the official listing rules of ASX.
Board	the board of Directors.
Business Day	every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.
CHES	the Clearing House Electronic Subregister System.
Closing Date	the last date for receipt of completed Entitlement and Acceptance Forms, being 5.00 pm WDT on 31 October 2008, or such other date as the Directors may determine.
Company or Millennium Minerals	Millennium Minerals Ltd (ACN 003 257 556).
Corporations Act	Corporations Act 2001 (Cth).
Directors	the directors of the Company.
Electronic Prospectus	the electronic version of the Prospectus.
Entitlement	the right of a Shareholder to subscribe for New Shares (and free attaching New Options) in the Rights Issue.
Entitlement and Acceptance Form	the personalised entitlement and acceptance form accompanying every paper copy of this Prospectus sent to Shareholders.
New Shares	the Shares offered for subscription pursuant to the Rights Issue.
New Options	means Options exercisable at 5 cents each expiring on 30 September 2011 and on the terms and conditions set out in section 8.2, to be granted on the basis of one New Option for every New Share issued pursuant to the Rights Issue.
Opening Date	the first date for receipt of completed Entitlement and Acceptance Forms, being 2 October 2008.
Option	an option to acquire a Share.
Prospectus	this prospectus dated 19 September 2008 and includes the Electronic Prospectus.
Record Date	5.00 pm WST 30 September 2008.
Rights Issue	the non-renounceable pro rata rights issue pursuant to the Prospectus of up to 59,113,614 New Shares on the basis of one New Share for every 4 Shares held on the Record Date at an issue price of 4 cents per New Share, together with up to 59,113,614 free attaching New Options, exercisable at 5 cents each expiring 30 September 2011, on the basis of one New Option for every New Share issued, to raise up to approximately \$2,364,545.
Section	a section of this Prospectus.
Securities	New Shares and free attaching New Options.
Share	an ordinary share in the capital of the Company.
Shareholders	holders of Shares in the Company on the Record Date.
Shortfall	shortfall in subscription of New Shares (and free attaching New Options) under the Rights Issue pursuant to this Prospectus.
Shortfall Application Form	the Shortfall Application Form accompanying this Prospectus.
Shortfall Offer	the offer of any Shortfall.
Shortfall Options	free attaching New Options not taken up by Shareholders under the Rights Issue.
Shortfall Shares	New Shares not taken up by Shareholders under the Rights Issue.
WDT	Western Daylight Time.
WST	Western Standard Time.

MILLENNIUM MINERALS LTD

ABN 85 003 257 556

SHORTFALL APPLICATION FORM (FOR SHORTFALL OFFER ONLY)

Capitalised terms used in this application form are, unless otherwise defined herein, as defined in the Prospectus to which this form is attached.

Shareholders wishing to accept their Entitlement to New Shares and free attaching New Options under the Rights Issue cannot use this Shortfall Application Form. They must use the personalised Entitlement and Acceptance Form which accompanied their copy of the Prospectus.

This application will only be considered after the Closing Date of 31 October 2008. Applicants should read the Prospectus dated 19 September 2008 in its entirety before deciding to apply under the Shortfall Offer.

Millennium Minerals Ltd
Ground Floor 24 Outram Street
West Perth WA 6005

Millennium Minerals Ltd
PO Box 117
West Perth WA 6872

I/We apply for _____ New Shares (number of shares applied for) in Millennium Minerals Ltd at 4 cents each (plus one free attaching New Option for every New Share issued), or such lesser number of New Shares & New Options as may be allocated by the Directors.

I/We lodge full application monies of \$_____.00 (amount of your cheque)

Complete Full Name:

(Applicant) _____
(Mr/Mrs/Miss/Ms or Company Name) (given names) (surname)

(Joint Applicant) _____
(Mr/Mrs/Miss/Ms or Company Name) (given names) (surname)

Address Details: _____
(number and street)

(suburb or city) (State) (postcode)

Telephone Details: _____
STD () (Home) STD() (Business) (contact name)

Email Address: _____

Cheque Details: _____
(Drawer) (Bank) (Branch)

Broker Sponsored Applicants Only:

SBN/IPN _____ HIN _____

This Shortfall Application Form does not need to be signed. By lodging this Shortfall Application Form and a cheque for the application monies, the applicant hereby:

1. applies for the number of New Shares (and attaching New Options) specified in the Shortfall Application Form or such lesser number as may be allocated by the Directors as instructed by the Directors;
2. agrees to be bound by the terms and conditions set out in the Prospectus and the Constitution of the Company;
3. authorises the Directors to complete or amend this Shortfall Application Form where necessary to correct any errors or omissions;
4. acknowledges that an application for Shortfall does not guarantee an allotment of New Shares (and free attaching New Options).

SHORTFALL APPLICATION FORM AND INSTRUCTIONS TO APPLICANTS

Please complete all relevant sections of the Shortfall Application Form using BLOCK LETTERS. If you have questions on how to complete this Shortfall Application Form please telephone (08) 9481 0288.

The Shortfall Application Form relates to the one for 4 non-renounceable pro rata Rights Issue of up to 59,113,614 New Shares at an issue price of 4 cents each to raise up to approximately \$2,364,545, pursuant to the Prospectus dated 19 September 2008. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the New Shares (and free attaching New Options) of the Company and it is important to read this document before applying for New Shares (and free attaching New Options). A person who gives another person access to this Shortfall Application Form must at the same time and by the same means, give the other person access to the Prospectus, and any supplementary Prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary Prospectus (if applicable) and a Shortfall Application Form, on request to applicants without charge.

The Prospectus does not constitute an offer in any place where or to any person to whom it would not be lawful to make such an offer.

Please post or deliver the completed Shortfall Application Form together with your cheque to the address listed below:

**Millennium Minerals Ltd
Ground Floor 24 Outram Street
West Perth WA 6005**

**Millennium Minerals Ltd
PO Box 117
West Perth WA 6872**

so as to reach the Company on or before the last date instructed by the Company.

Please write your name in full. This must be either your own name or the name of a company. You should refer to the examples noted for the correct forms of name which can be registered. Applications using the incorrect form of name may be rejected. If your Shortfall Application Form is not completed correctly, or if the accompanying payment is for the wrong amount, it may still be treated as valid. Any decision as to whether to treat your application as valid, and how to construe, amend or complete it, shall be final. You will not, however, be treated as having offered to subscribe for more New Shares (and attaching New Options) than is indicated by the amount of the accompanying cheque for the application monies referred to.

Your address should be your preferred postal address for all correspondence. All communications to you from the Company's Registry (shareholding statements, annual/interim reports, correspondence, etc) will be mailed to the person(s) and address as shown.

CORRECT FORMS OF REGISTRABLE TITLE

Note that ONLY legal entities can hold Shares. The application must be in the name(s) of a natural person(s), companies or other legal entities acceptable to Millennium Minerals Ltd. At least one full given name and the surname is required for each natural person. Applications cannot be made by persons under 18 years of age. Examples of the correct form of registrable title are set out below:-

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith	John Smith (Deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith	Smith Investment Club
Superannuation Funds	John Smith Pty Ltd	John Smith Superannuation Fund

Appendix 3B

New issue announcement, Application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

Millennium Minerals Limited

ABN

85 003 257 556

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | a. Ordinary Share
b. Options |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | a. Up to 59,113,614 shares
b. Up to 59,113,614 options to acquire ordinary shares @ 5 cents each expiring 30 September 2011
(maximum numbers based on the undiluted share capital of the Company as at 19 Sept 2008) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | a. Fully paid ordinary shares
b. Options to acquire ordinary shares @ 5 cents each expiring 30 September 2011 |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

<p>4 Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>a. Ordinary shares rank equally with all existing fully paid ordinary shares</p> <p>b. There is no existing class of quoted options to acquire ordinary shares. On exercise options will rank equally with all fully paid ordinary shares.</p>				
<p>5 Issue price or consideration</p>	<p>a. 4 cents each</p> <p>b. Nil per options</p>				
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>The funds raised by the Rights Issue will be used for the following purposes:</p> <ul style="list-style-type: none"> • to fund exploration activities on the Millennium molybdenum project; • to fund exploration activities on the Nullagine gold project; • to repay the convertible notes currently on issue; and • to meet the costs of the Rights Issue. 				
<p>7 Dates of entering ⁺securities into uncertificated holdings or despatch of certificates</p>	<p>11 November 2011</p>				
<p>8 Number and ⁺class of all ⁺securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1411 989 1456">Number</th> <th data-bbox="989 1411 1281 1456">⁺Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1456 989 1691">295,568,070</td> <td data-bbox="989 1456 1281 1691">Ordinary fully paid shares</td> </tr> </tbody> </table>	Number	⁺ Class	295,568,070	Ordinary fully paid shares
Number	⁺ Class				
295,568,070	Ordinary fully paid shares				

+ See chapter 19 for defined terms.

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in clause 2 if applicable).	Number	⁺ Class	
			Exercise	Exp
		10,700,000 Options	29 cents	19/12/11
		5,000,000 Options	23 cents	19/12/11
		3,500,000 Options	30 cents	31/10/11
		8,500,000 Options	20 cents	31/10/11
		2,500,000 Options	20 cents	21/02/12
		140,000 Options	35 cents	20/09/08
		857,143 Con Notes	35 cents	31/01/09
		545,455 Con Notes	55 cents	31/01/09
	59,113,614 Options	5 cents	30/09/11	
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	Not applicable		

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	
12	Is the issue renounceable or non-renounceable?	
13	Ratio in which the ⁺ securities will be offered	
14	⁺ Class of ⁺ securities to which the offer relates	
15	⁺ Record date to determine entitlements	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	
17	Policy for deciding entitlements in relation to fractions	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

- | | | |
|----|---|--|
| 19 | Closing date for receipt of acceptances or renunciations | |
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |
| 32 | How do +security holders dispose of their entitlements (except by sale | |

+ See chapter 19 for defined terms.

through a broker)?

33 +Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional +securities

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

--

39 Class of +securities for which
 quotation is sought

--

40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

--

41 Reason for request for quotation
 now

Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of
 another security, clearly identify that
 other security)

--

42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	+Class

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.

 - There is no reason why those +securities should not be granted +quotation.

 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:

Date: 19 September 2008

Company Secretary

Print name:

Mark Freeman



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

19 September 2008

Dear Optionholder,

NON-RENOUCEABLE RIGHTS ISSUE

On 19 September 2008 Millennium Minerals Ltd (MOY) announced a one (1) for four (4) non-renounceable pro rata rights issue of new MOY shares at an issue price of 4 cents for each new MOY share, with one (1) free attaching option (exercisable at 5 cents and expiring on 30 September 2011) for every one (1) new MOY share issued (**Rights Issue**).

The Rights Issue will result in the issue of 59,113,614 new MOY Shares (and 59,113,614 free attaching new options) and will raise an estimated \$2,364,545 if all rights are taken up (based on MOY's undiluted share capital as at the date of this letter). The funds raised will be applied (after paying expenses of the Rights Issue) towards:

- to fund exploration activities on the Millennium molybdenum project;
- to fund exploration activities on the Nullagine gold project;
- to repay the convertible notes currently on issue; and
- to meet the costs of the Rights Issue.

In addition to being able to apply for new MOY shares, eligible shareholders who take up their full entitlement under the Rights Issue will have the opportunity to apply for additional new MOY shares (and free attaching options) 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 the Rights Issue will not be underwritten.

Under the Rights Issue, every person with an Australian or New Zealand registered address who is registered as the holder of fully paid ordinary shares in the capital of MOY (**Shares**) at 5.00pm Perth time on 30 September 2008 (**Record Date**) will be entitled to participate in the Rights Issue in respect of the number of Shares that person is then registered as the holder of.

Accordingly, to be eligible to participate in the Rights Issue in respect of the MOY Shares to be issued on exercise of the MOY options you hold, you must exercise those MOY options and be registered as the holder of the underlying MOY Shares before the Record Date.

The purpose of this letter is to comply with the ASX Listing Rules by advising you of the impending Rights Issue and to give you adequate opportunity to exercise some or all of your MOY options prior to the Record Date so that you may participate in the Rights Issue.

To exercise some or all of your MOY options you will need to give notice in writing to MOY in accordance with the terms and conditions of issue of your MOY options, together with payment of the exercise price for each MOY option exercised. ***Option exercise notices must be received by no later than 5.00pm Perth time on 26 September 2008.***

You are encouraged to read the Prospectus and accompanying Rights Issue Announcement that was lodged with ASX today before exercising any of your options. If you have any queries in relation to the exercise of your options and the Rights Issue, you should consult your stockbroker or other professional adviser.

If you have any queries concerning the Rights Issue please contact Advanced Share Registry on 08 9389 8033 or Managing Director, Andrew Law, on 08 9488 8800.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'A. Law', enclosed within a large, loopy oval flourish.

Andrew Law
Managing Director