



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

11 February 2009

The Manager  
Company Announcements  
Australian Securities Exchange Ltd

*Via electronic lodgment*

Dear Sir,

**PRIVATE PLACEMENT & NOTICE OF RIGHTS ISSUE**

Millennium Minerals Limited (ASX: MOY) ('the Company') is pleased to inform the market that it has today placed 33,668,167 shares to sophisticated investors, within the meaning of s708 of the Corporations Act 2001, through a private placement at 1.2 cents per share, raising the sum of \$404,018. The shares have been issued to clients of Azure Capital. The new shares will rank pari passu with all existing ordinary fully paid shares of the Company.

The Company also advises that it has resolved to proceed with a pro rata non-renounceable Rights Issue of one (1) for every two (2) shares held at the issue price of 1.2 cents per share, being the same price as the placement completed today through Azure Capital.

The key features of the intended Rights Issue are as follows:

1. Issue price of 1.2 cents for each new share to be issued by the Company;
2. New shares issued through the private placement announced today will participate in the Rights Issue;
3. The Rights Issue is non-renounceable;
4. The Rights Issue is partially underwritten by the LinQ Resources Fund up to a value of \$600,000;
5. Any shortfall in the Rights Issue will be placed by the Board with the assistance of Azure Capital on a best endeavours basis.

The intended Rights Issue is expected to result in the issue of 135,061,312 new shares in the Company and will raise an estimated \$1,620,736 if the issue is fully subscribed.

The key dates for the intended Rights Issue will be notified to the market once they have been determined by the Company, which is expected within the next 4 trading days.


Funds raised by the private placement and the intended Rights Issue will be applied towards:

1. The re-evaluation of the Company's Bankable Feasibility Study ('BFS'), which had been completed on the Nullagine gold project, with a view to developing the project into a mine;
2. The retirement of the convertible note debt of \$615,250, making the Company debt free;
3. To meet the costs of the private placement and Rights Issue; and
4. For working capital purposes.

As stated above, the Company's main purpose for these capital raisings is to re-evaluate its Nullagine gold project. By way of background, the Company owns the 630km<sup>2</sup> Nullagine gold project in the Eastern Pilbara Province of Western Australia. The Company's Nullagine gold project contains the previously announced resource and also contains significant gold exploration potential. This project also hosts the recently discovered Millennium Molybdenum prospect.

The Nullagine gold project has undergone a BFS in 2006 and has all the required statutory, environmental and heritage permits in place. In 2007 the Board announced that the development of the Nullagine gold project would be placed on hold due to the substantial fall in the Australian dollar gold price and the escalating operational and capital cost environment. The Board is currently assessing the potential for significantly improved project dynamics in the current economic climate of declining industry costs and an Australian dollar gold price increase to circa AUD\$1,400 an ounce today. This compares favourably with the AUD\$750 an ounce gold price used in the BFS.

Yours faithfully,  
Millennium Minerals Limited

  
**Simon F Durack**  
Director