



MILLENNIUM

MINERALS LIMITED

ABN 85 003 257 556

December 2011 Quarterly Activities Report

HIGHLIGHTS

Project Construction and Development

- Site based construction activities built up rapidly during the quarter. Manning levels are currently at about 70 personnel with the earthworks, civil, tank refurbishment and catering contractors currently on site.
- Accommodation village is 80% completed and operational, supporting current manning levels.
- Development is on budget and scheduled for completion in the 4th Quarter, 2012.

Exploration

- Follow up RC drilling at Little Wonder and Otways indicates strong potential to extend ore grade mineralisation. Best results include:

Little Wonder

- 5 metres at 12.0 g/t Au from 24 metres ;
- 11 metres at 2.86 g/t Au from 35 metre ;

Otways

- 26 metres at 1.09 g/t Au from 18 metres;
- 23 metres at 1.11 g/t Au from 4 metres.

Mineral Resource and Ore Reserve

- A further 81,000 ounces of gold were added to the Project Mineral Resources from Golden Eagle, Shearers, Otways, All Nations, Bartons and Little Wonder deposits.
- Ore Reserve is now 16.38 Mt at 1.4 g/t Au containing 741,000 ounces, using a cut-off grade of 0.5 g/t Au, and AUD\$1,500 per ounce gold price. This represents increases of 57% and 31% in tonnage and ounces respectively.
- Preliminary study of the options available to the company in fully exploiting the updated Ore Reserve point to production expansion following start-up in 2012.

Corporate

- Cash position as at 31 December 2011 was \$10.67 million. Project Finance facilities of \$35 million and the Asset lease finance facility of \$10 million will be drawn down progressively from the March quarter.
- Substantive agreements relating to the Joint Venture with Northwest Resources were finalised late in the period and will be documented and executed during the next quarter.
- The Nova Corporation Beatons Creek Joint Venture concluded the commercial terms for a gold recovery tribute agreement with Gravity Gold Pty Limited, focussed on alluvial gold potential on the Beatons Creek Tenements.

DEVELOPMENT ACTIVITIES

Development Progress

By the end of the December 2011 quarter, the Company had made significant progress in the development of the Nullagine Gold Project (the Project), including:

- On-site construction of the 140 man accommodation village is nearing completion. A total of 116 en-suite rooms were delivered to site and have been installed, ready for occupation. The wet mess, gym and recreation rooms were also delivered to site and are fully operational;
- Interquip is progressing on site with the tank erection package in line with the construction schedule. Tank erection is progressing to allow placing on the ring beams in January 2012;
- civil contractor (Mobcrete) is progressing with CIL area slabs and footings. PowerStation concrete is under way and half of the reclaim tunnel roof has been poured. Civils are 45% complete;
- earthworks contractor (TRENK) has completed the majority of work on the plant site and is continuing the surfacing of the plant site access road and drainage. Work has commenced on a creek crossing and an alternate access used to travel to Nullagine. Earthworks are 95% complete;
- structural fabrication contract was awarded to (PIC) and initial shop detail packages have been supplied to initiate fabrication of the reclaim tunnel steelwork and the gold room;
- platework contract has been awarded to KATAY in Malaysia and reclaim tunnel platework package has been supplied to initiate fabrication.

Procurement and Material Supply

At the end of the Quarter, the Company had committed to the purchase of 94% of the project equipment including:

- Crushing Circuit /Conveyor Idlers and Pulleys (order placed);
- Water Pumps (order placed);
- Solution Pumps (order placed);
- Mill Liner Handler (order placed);
- Control Room (order placed);
- RO Plant (recommendation issued);
- Submersible Pumps (TSF) (tender closed);
- VSD Packages (tendered and under evaluation);
- MCCs and Switchrooms (tendered and under evaluation);
- SCADA (pricing received);
- Electrowinning Rectifiers (order placed);
- HV Cables and Instruments (pricing received).

The remaining equipment and materials required to complete the construction of the Project will be purchased in the coming quarters as dictated by the construction schedule.

Site Earthworks

By the end of the quarter, 95% of the plant site earthworks had been completed at the Project including:

- Base course sheeting of plant site (complete);
- Plant site access road including drainage works (work in progress);
- Creek crossing works (complete);
- Process ponds completed (await liner installation);
- Finalisation of plant platform drainage.

Civils - Concrete

Civil activities were well under way with the following completed during the quarter:

- Power Station concrete insertion of re-enforcement cages in progress.
- Crusher, reclaim tunnel, mill and tank foundations poured.
- Half of reclaim tunnel roof has been poured.
- Slabs and foundation preparation around CIL ring beams.
- Thickener foundation area (work in progress).
- Steel works for first lift of crusher walls.

Tank Erection and Equipment Overhaul

Work completed by Interquip during the Quarter included:

- 9 CIL tanks have been assembled and welded.
- Tanks will be transported and placed early next quarter.
- Tank painting is also scheduled to be completed early next quarter.

Accommodation Village

Work is progressing well on the installation of the 140 man accommodation village. To date, 116 en-suite units, associated laundry blocks, wet mess, gym and recreation rooms have been commissioned and are currently being occupied. The remaining accommodation units and associated facilities will be installed during the next quarter.

Development Timetable

The Project is on schedule and budget for production to commence in 4th Quarter, 2012.



Plant site 3D model



Crusher Wall rebar



Reclaim tunnel concrete pour



Form work positioning for thickener



Sand blasting tanks in preparation for painting

EXPLORATION ACTIVITIES

Resources and Reserves

The Company completed its annual Mineral Resource and Ore Reserve upgrade based on an additional 22,531 metres of drilling completed over the last 12 months.

Increased Mineral Resources (Table 1):

- A further 81,000 ounces of gold were added to the Project Mineral Resources from Golden Eagle, Shearers, Otways, All Nations, Bartons and Little Wonder deposits.
- The global Mineral Resource estimate now stands at 34.68 Mt grading at 1.19 g/t Au for 1,328,500 contained gold ounces.

Increased Ore Reserve (Table 2):

- Ore Reserve is now 16.38 Mt at 1.4 g/t Au containing 741,000 ounces, using a cut-off grade of 0.5 g/t Au, and AUD\$1,500 per ounce gold price.
- 57% increase in Ore Reserve tonnes equating to 5,928,700 t.
- 31% increase in Ore Reserve ounces equating to 174,000 oz

The increase to the Ore Reserve base allows the Company to now consider various options that will be studied over the coming quarters. These options relate to assessing the feasibility of significantly higher throughput rates; in the order of 2Mtpa to 3Mtpa to achieve minimum annual production rates of and possibly beyond 100,000 ounces over the current life of mine at a slightly lower head grade.

The current 1.5Mtpa CIL process facility has been designed to cater for a higher production rate depending on the blend or ore types being processed at any one time. Sustainable production above nameplate, irrespective of ore type, will require a fresh look at milling capacity, CIL capacity, power supply and water supply capacity. The expansion study will include process design, engineering design, and capital and operating cost estimates.

Reverse Circulation Drilling

During the quarter, the Company received assay results from a reverse circulation drilling programme at Little Wonder and Otways.

Significant gold intercepts from Little Wonder and Otways include:

- 5 metres at 12.0 g/t Au from 24 metres (Little Wonder);
- 11 metres at 2.86 g/t Au from 35 metre (Little Wonder);
- 21 metres at 1.37 g/t Au from 34 metres (Little Wonder);
- 7 metres at 2.47 g/t Au from 42 metres (Little Wonder);
- 26 metres at 1.09 g/t Au from 18 metres (Otways);
- 23 metres at 1.11 g/t Au from 4 metres (Otways);
- 4 metres at 4.53 g/t Au from 40 metres (Otways).

The **Little Wonder** gold deposit is located approximately 23 kilometres to the northeast of the 1.5 Mt per annum CIL gold processing facility being constructed at Golden Eagle. To date, drilling has defined a JORC reported Measured, Indicated and Inferred Resource of 0.45 Mt at 1.22 g/t for 17,300 gold ounces at Little Wonder (Table 1).

Since the last Mineral Resource estimate was completed, 1,110 metres of RC drilling have been completed at the Little Wonder deposit. The focus in 2011 has been strike extensions, and targeting high grade zones for extensions. The excellent 2011 results at other Nullagine deposits have been very encouraging and provide a very strong impetus for follow up drilling.

The results outline a number of very encouraging new zones (Figure 2), and extensions to existing mineralisation, in particular:

1. west proposed pit area
 - locally high grade intersections were returned 35 metres to the west of the currently proposed pit (Figures 2 & 3);
 - new shallow mineralisation was intersected to the north of the currently proposed pit; and
 - wide zones of locally high grades lie immediately beneath the currently proposed pit.
2. central area between proposed pits
 - drilling has intersected wider and higher grades than previously recognised at moderate depths (<40 metres vertical).
3. east proposed pit area
 - broad moderate grade intersections lie 35 metres to the west of the currently proposed pit.

Figure 2: Little Wonder Drill Hole Layout (Plan)

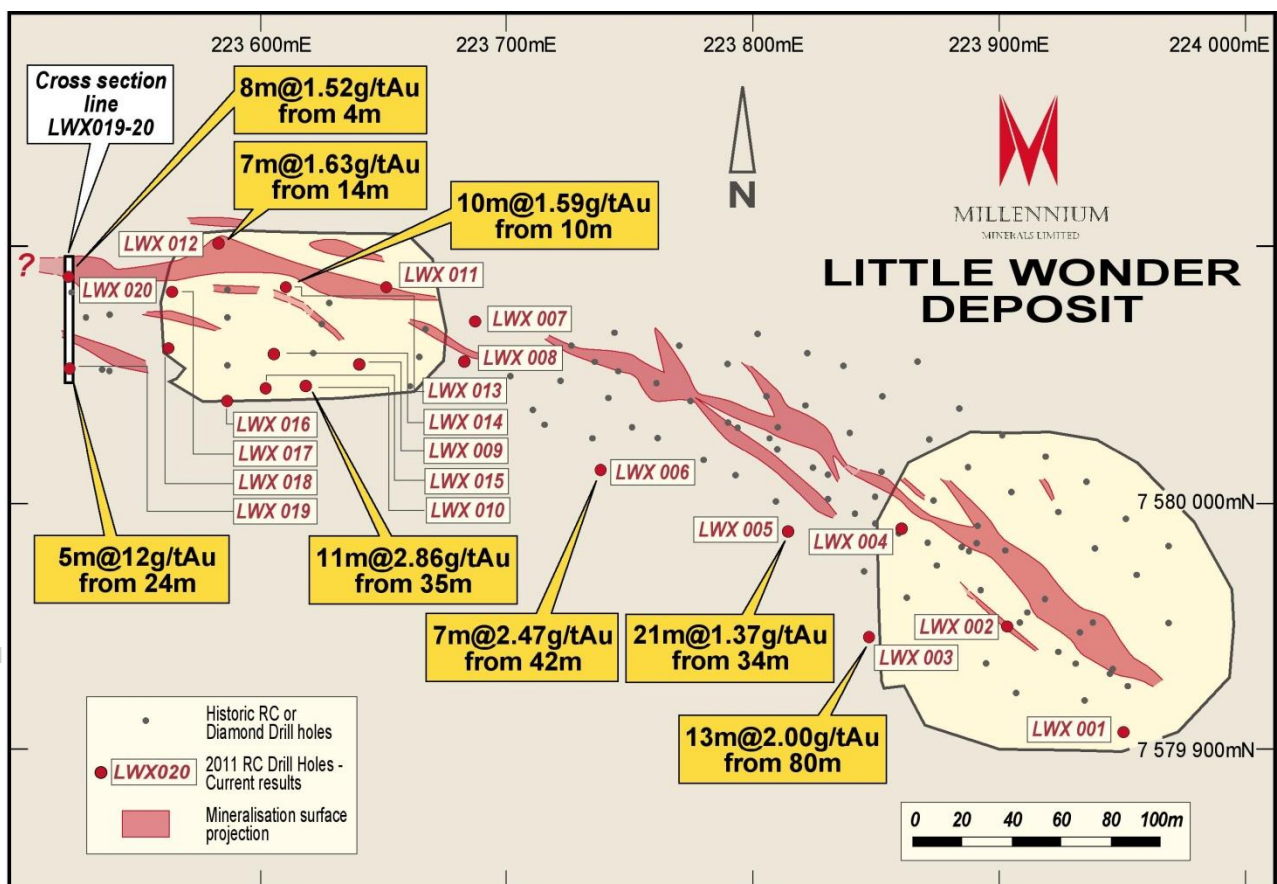
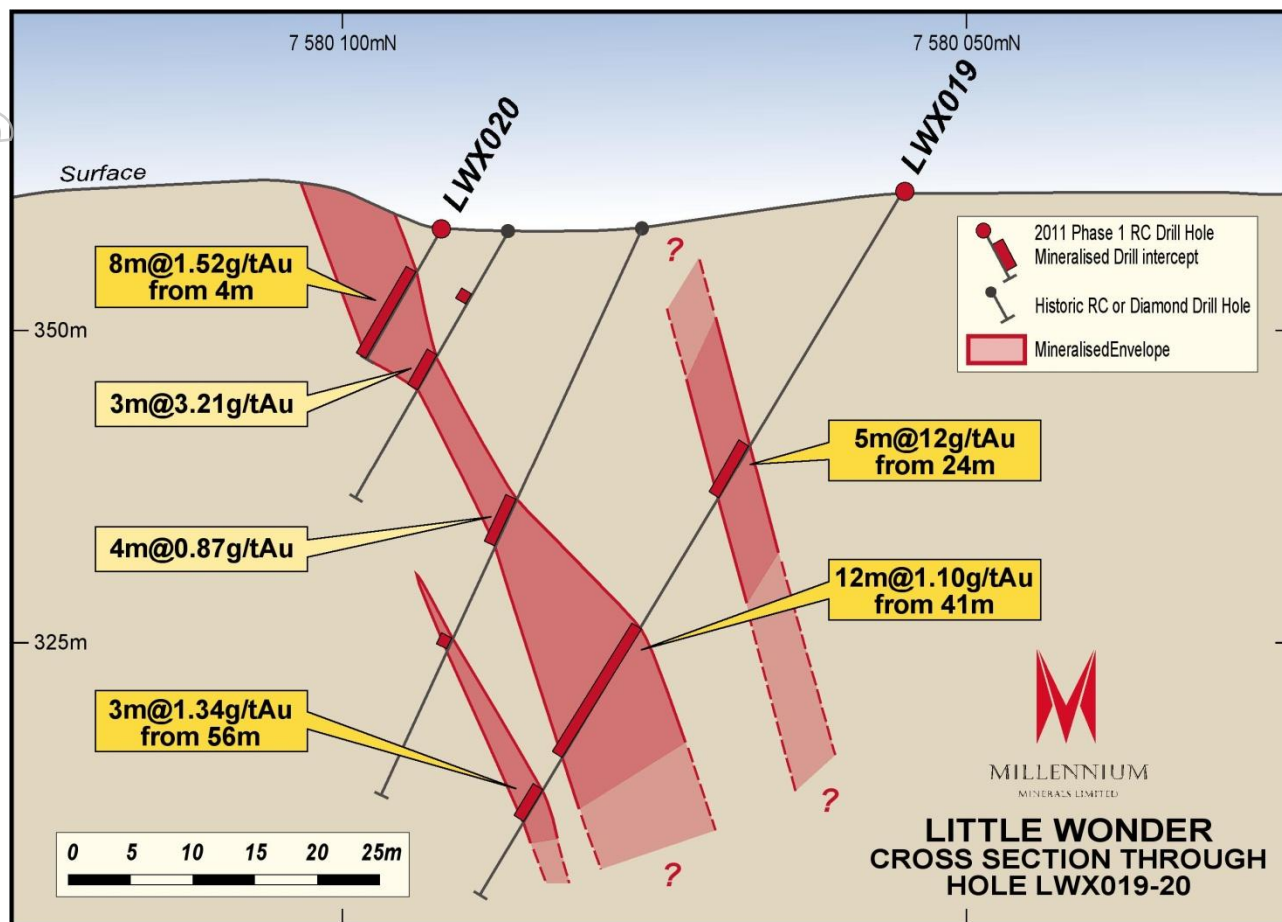


Figure 3: Little Wonder Cross Section through Holes LWX019-20

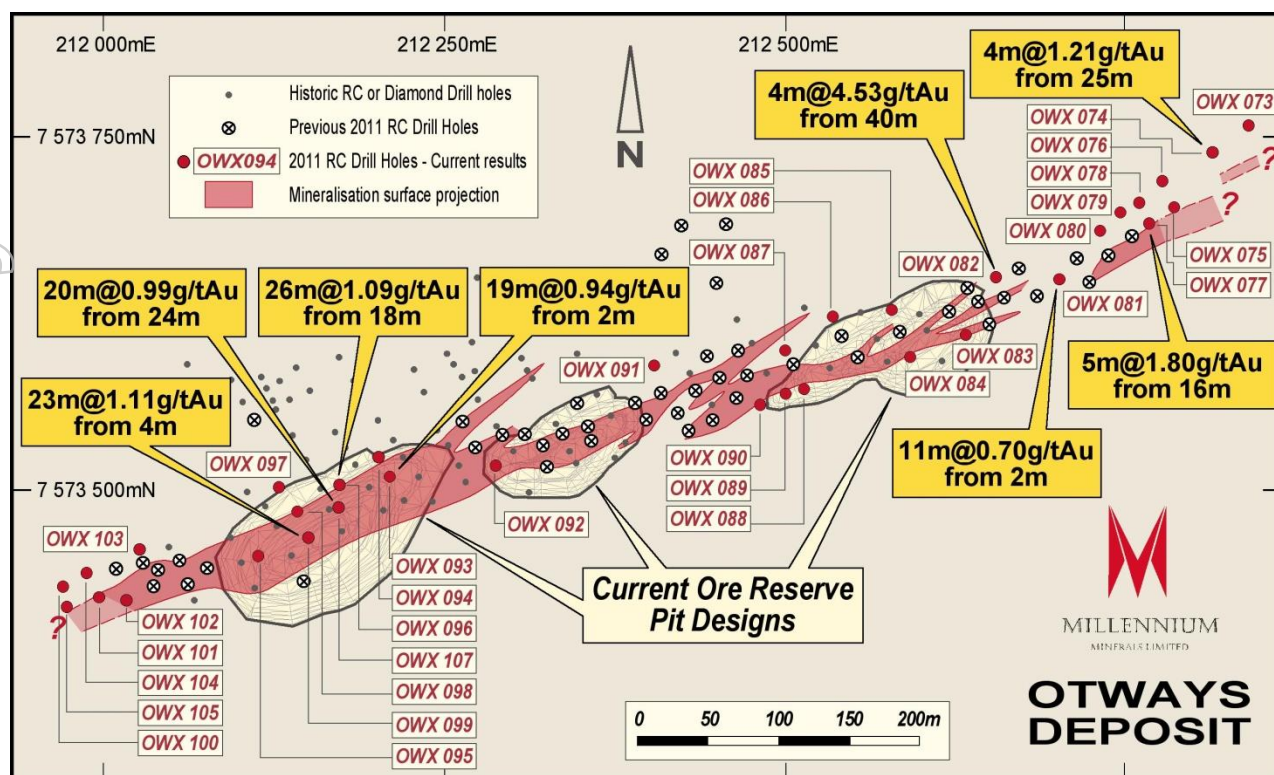


The **Otways** gold deposit is located approximately 9.5 kilometres to the northeast of the 1.5 Mt per annum CIL gold processing facility being constructed at Golden Eagle. Drilling to date has defined a JORC reported Measured, Indicated and Inferred Resource of 2.05 Mt at 0.82 g/t for 54,000 gold ounces at Otways (Table 3) within a global Mineral Resource of 34.68 Mt at 1.19 g/t for 1.33M gold ounces.

Since the last Mineral Resource estimate was completed in September 2010, 4,930 metres of RC drilling have been completed at the Otways deposit. This drilling continues to extend mineralisation along strike to the east and west, and provides increased confidence down dip in higher grade zones.

These intersections show that shallow ore-grade mineralisation continues for at least 250 metres to the east of the current proposed Otways pit design (Figure 4), and is still open to the east. This demonstrates the potential for a fourth pit within this extended zone, centred approximately 130 metres to the east of the easternmost Otways pit design. The results also infill to existing holes within and immediately below the current pit designs.

Figure 4: Otways Deposit Drill Hole Layout (Plan)



CORPORATE

Cash position as at 31 December 2011 was \$10.67 million. Project Finance facilities of \$35 million and the Asset lease finance facility of \$10 million will be drawn down progressively from the March quarter.

The substantive agreements relating to the Joint Venture with Northwest Resources were agreed late in the period and will be documented and executed during the next quarter.

The Nova Corporation Beatons Creek Joint Venture concluded the commercial terms for a gold recovery tribute agreement with Gravity Gold Pty Limited, focussed on alluvial gold potential on the Beatons Creek Tenements. The agreement is subject to Gravity Gold presenting acceptable technical and environmental operating proposals to the joint venture parties and gaining required state approvals. The Beatons Creek joint venture will be free carried on 20% of any gold produced by Gravity Gold and the joint venture parties will share that gold production on an equal basis.

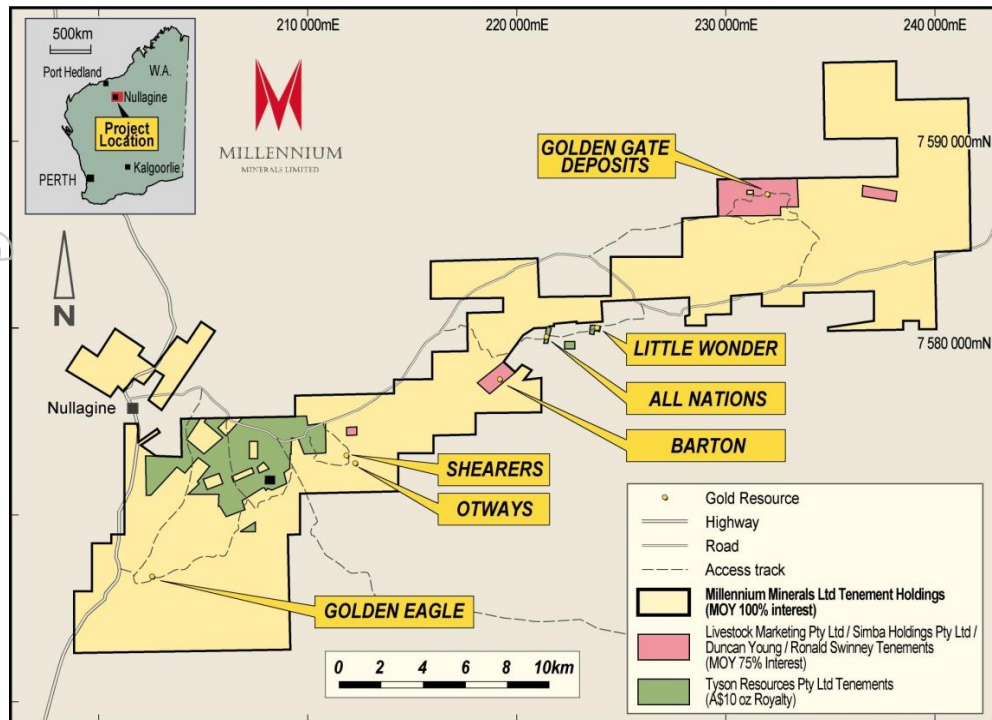
TENEMENTS

Millennium's tenement schedule is presented in Table 3.

BACKGROUND - NULLAGINE GOLD PROJECT

The Nullagine Gold Project (Figure 5) is a 1.33 million ounce gold resource contained within 7 deposits on granted mining leases (Tables 1 and 2). The largest deposit is Golden Eagle located approximately 10 km south of the township of Nullagine and containing 62% of the total Mineral Resource inventory. Construction commenced in July 2011 with first gold due in the 4th quarter of 2012.

Figure 5: Nullagine Deposit Location Plan



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Table 1. Nullagine Gold Project Mineral Resource Estimate December 2011 (0.5 g/t Au Cut off)

Deposit	Measured		Indicated		Inferred		Total		
	Mt	Grade Au (g/t)	Mt	Grade Au (g/t)	Mt	Grade Au (g/t)	Mt	Grade Au (g/t)	Ounces
Golden Eagle ²	13.61	1.23	4.44	1.03	4.2	1.06	22.27	1.16	829,000
Bartons ³	1.72	1.21	1.44	1.17	0.55	1.12	3.71	1.2	141,000
Shearers ³	0.59	1.27	1.48	1.01	0.26	1	2.33	1.1	81,000
Otways ³	1.15	0.81	0.9	0.87	0.692	0.92	2.74	0.86	75,000
All Nations ³	1.3	1.13	0.42	0.95	0.21	0.92	1.93	1.1	66,000
Little Wonder ³	0.17	1.2	0.38	1.2	0.01	1.3	0.56	1.2	22,100
Golden Gate (ABCD Reef) ⁴	-	-	0.58	3.24	0.11	2.6	0.68	3.12	69,000
Falcon ⁵	-	-	0.09	3.9	0.04	4.4	0.14	4	18,000
Condor ⁵	-	-	0.08	3.3	0.04	3.5	0.11	3.3	12,000
Harrier ⁵	-	-	0.1	1.8	0.04	1.8	0.14	1.8	8,000
Crow ⁵	-	-	0.02	4.5	0.02	4.5	0.04	4.5	5,000
G_Reef ⁵	-	-	0.03	2.1	-	-	0.03	2.1	2,000
Total	18.54	1.2	9.96	1.23	6.17	1.11	34.68	1.19	1,328,100

Notes:

- 1 Figures in Table may not sum due to rounding.
- 2 The Golden Eagle deposit was estimated using Multiple Indicator Kriging methodology for grade estimation by CSA Global.
- 3 The Bartons, Shearers, Otways, All nations and Little Wonder were estimated using Ordinary Kriging methodology for grade estimation by CSA Global.
- 4 The Mineral Resources at Golden Gate (ABCD reef) were estimated using Multiple Indicator Kriging methodology for grade estimation by Hellman and Schofield Pty Ltd.
- 5 The Mineral Resources at Golden Gate satellite deposits, namely Falcon, Harrier, Crow, G-Reef and Condor were estimated using Ordinary Kriging methodology for grade estimation by CSA Global.
- 6 The Golden Gate and Bartons deposits are the subject of a mining licence agreement whereby Millennium has the sole and exclusive right to explore and mine gold and other minerals. Millennium then is required to pay 25% of the net proceeds to the tenement owners (Livestock Marketing Pty Ltd, Duncan Thomas Young, Simba Holdings Pty Ltd and Ronald Lane Swinney) after mining and processing cost deductions.
- 7 Mineral Resource estimates include stated Ore Reserves.

Table 2. Nullagine Gold Project Ore Reserve Estimate December 2011

Prospect	Proved		Probable		Total		Ounces
	tonnes	grade (g/t)	tonnes	grade (g/t)	tonnes	grade (g/t)	
Golden Eagle	10,348,000	1.3	1,545,000	1.2	11,893,000	1.3	508,000
Bartons	1,144,000	1.4	498,000	1.4	1,642,000	1.4	73,000
All Nations	536,000	1.4	38,000	1.2	574,000	1.4	26,000
Shearers	532,000	1.3	388,000	1.2	920,000	1.2	37,000
Otways	336,000	1.0	78,000	1.0	414,000	1.0	13,000
Little Wonder	145,000	1.2	113,000	1.3	258,000	1.3	10,400
Golden Gate							
ABCD			464,000	3.4	464,000	3.4	51,000
Condor ²			72,000	3.1	72,000	3.1	7,300
Crow ²			19,000	4.1	19,000	4.1	2,500
Falcon ²			76,000	3.9	76,000	3.9	9,500
Harrier ²			38,000	2.0	38,000	2.0	2,400
G reef ²			11,000	2.0	11,000	2.0	700
Total	13,041,000	1.3	3,340,000	1.5	16,381,000	1.4	740,800

Notes:

- ¹ Numbers may not sum due to rounding.
- ² These deposits are collectively known as Golden Gate Area Satellite deposits.

Qualifying Statement

This release may include forward-looking statements. These forward-looking statements are based on Millennium's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Millennium, which could cause actual results to differ materially from such statements. Millennium makes no undertaking to subsequently update or revise the forward-looking statements made in this release, to reflect the circumstances or events after the date of this release.

Competent Persons Statements – Exploration Results

Mr I Hay (MAIG), a geologist employed full-time by Millennium Minerals Limited, compiled the technical aspects of this report. Mr Hay is a member of the Australian Institute of Geoscientists and has sufficient experience that is relevant to this style of mineralization and type of deposit under consideration and to the activity that is being reported on to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hay consents to the inclusion in the report of the matters in the form and context in which it appears.

Competent Persons Statements – Mineral Resources

*The information in this Report which relates to the **Golden Eagle Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Golden Eagle deposit Mineral Resource estimate has been compiled and prepared by Dr Bielin Shi, (MAusIMM) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The information in this Report which relates to the **Shearers Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Shearers deposit Mineral Resource estimate has been compiled and prepared by Mr. David Williams (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The information in this Report which relates to the **Otways Mineral Resource estimate** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Otways deposit Mineral Resource estimate has been compiled and prepared by Mr. Shane Fieldgate (MAusIMM, MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The information in this Report which relates to the **Little Wonder and Golden Gate Satellite Mineral Resource estimates** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The Little Wonder and Golden Gate satellite deposits Mineral Resource estimate has been compiled and prepared by Steven Hodgson, (MAIG) of CSA Global Pty. Ltd. who is a Competent Person as defined by the Australasian Code for the reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2004 Edition and who consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.*

*The information in this Report which relates to the **Bartons, All Nations and Golden Gate ABCD reef Mineral Resource estimates** accurately reflects information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The reported Mineral Resource as it relates to Bartons, All Nations, and Golden Gate ABCD reef has been compiled by Mr Nic Johnson. Mr Johnson is a Member of the Australian Institute of Geoscientists and an employee of Hellman &*

Schofield Pty Ltd. He has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking, to qualify as a Competent Person as defined in the 'Australasian Code for Reporting of Mineral Resources and Ore Reserves' of December 2004 ("JORC Code") as prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia. The Competent Persons listed consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

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

Competent Persons Statements – Ore Reserves

The information in this Report, which relates to the Ore Reserve estimates accurately reflect information prepared by competent persons (as defined by the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves). The information in this public statement that relates to the Ore Reserves at the Millennium Minerals Nullagine Project is based on information compiled by Mr Steve Lampron and Mr. Daniel Tuffin. Mr. Daniel Tuffin of Auralia Mining Consulting completed the Ore Reserve estimate. Mr Daniel Tuffin is a Member of the Australasian Institute of Mining and Metallurgy (#228649) and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify him as a Competent Person as defined in accordance with the Australasian Joint Ore Reserves Committee (JORC).

Table 3: Schedule of Interests in Mining Tenements

Prospect Area	Tenement	Registered Holder	Millennium Beneficial Interest
ALL NATIONS	M46/199	MILLENNIUM MINERALS LTD	100%
	M46/225	MILLENNIUM MINERALS LTD	100%
	M46/98	MILLENNIUM MINERALS LTD	100%
BARTONS	G46/02	LIVESTOCK MARKETING PTY LTD	*75%
	M46/164	LIVESTOCK MARKETING PTY LTD	*75%
	M46/3	LIVESTOCK MARKETING PTY LTD	*75%
	M46/441	TUPPERGLENDA PTY LTD	*75%
BEATONS CREEK	M46/10	MILLENNIUM MINERALS LTD	100%
	M46/11	MILLENNIUM MINERALS LTD	100%
	M46/9	MILLENNIUM MINERALS LTD	100%
BEATONS CREEK EAST	M46/263	MILLENNIUM MINERALS LTD	100%
CADJEBUT	M46/432	MILLENNIUM MINERALS LTD	100%
DAVIS RIVER	L46/41	MILLENNIUM MINERALS LTD	100%
			100%
EASTERN CREEK	M46/56	DAVID JOHN TAYLOR	100%
	M46/245	DAVID JOHN TAYLOR	100%
			100%
FEDERATION	M46/64	MILLENNIUM MINERALS LTD	100%
FIVE MILE	L46/33	MILLENNIUM MINERALS LTD	100%
	M46/192	MILLENNIUM MINERALS LTD	100%
	M46/212	TYSON RESOURCES PTY LTD	100%
	M46/213	TYSON RESOURCES PTY LTD	100%
	M46/234	TYSON RESOURCES PTY LTD	100%
	M46/235	TYSON RESOURCES PTY LTD	100%
	M46/261	**MILLENNIUM MINERALS LTD	100%
	M46/262	**MILLENNIUM MINERALS LTD	100%
	M46/264	TYSON RESOURCES PTY LTD	100%
	M46/265	TYSON RESOURCES PTY LTD	100%
	M46/266	TYSON RESOURCES PTY LTD	100%
	M46/445	MILLENNIUM MINERALS LTD	100%
	M46/446	MILLENNIUM MINERALS LTD	100%
	M46/50	SIMBA HOLDINGS PTY LTD	*75%
	P46/1123	MILLENNIUM MINERALS LTD	100%
FIVE MILE	P46/1452	MILLENNIUM MINERALS LTD	100%
	P46/1604	MILLENNIUM MINERALS LTD	100%
	P46/1605	MILLENNIUM MINERALS LTD	100%

GOLDEN EAGLE	L46/45	MILLENNIUM MINERALS LTD	100%
	M46/186	**MILLENNIUM MINERALS LTD	100%
	M46/267	MILLENNIUM MINERALS LTD	100%
	M46/300	MILLENNIUM MINERALS LTD	100%
	M46/436	MILLENNIUM MINERALS LTD	100%
	M46/443	MILLENNIUM MINERALS LTD	100%
	M46/444	MILLENNIUM MINERALS LTD	100%

GOLDEN GATE	M46/129	SIMBA HOLDINGS PTY LTD	*75%
	M46/163	**MILLENNIUM MINERALS LTD	100%
	M46/187	SIMBA HOLDINGS PTY LTD	*75%
	M46/189	SIMBA HOLDINGS PTY LTD	*75%
	M46/200	SIMBA HOLDINGS PTY LTD	*75%
	M46/448	LIVESTOCK MARKETING PTY LTD	*75%
	M46/457	BIGHEAD ENTERPRISES PTY LTD	100%
	M46/47	SIMBA HOLDINGS PTY LTD	*75%
	P46/1421	BIGHEAD ENTERPRISES PTY LTD	100%
	P46/1422	BIGHEAD ENTERPRISES PTY LTD	100%

LITTLE WONDER	M46/146	MILLENNIUM MINERALS LTD	100%
	M46/198	MILLENNIUM MINERALS LTD	100%

MIDDLE CREEK	M46/272	MILLENNIUM MINERALS LTD	100%
	M46/273	MILLENNIUM MINERALS LTD	100%
	M46/274	MILLENNIUM MINERALS LTD	100%
	M46/275	MILLENNIUM MINERALS LTD	100%
	M46/276	MILLENNIUM MINERALS LTD	100%
	M46/277	MILLENNIUM MINERALS LTD	100%
	M46/282	MILLENNIUM MINERALS LTD	100%
	M46/302	MILLENNIUM MINERALS LTD	100%
	M46/430	MILLENNIUM MINERALS LTD	100%
	M46/431	MILLENNIUM MINERALS LTD	100%
	M46/447	MILLENNIUM MINERALS LTD	100%
	P46/1270	MILLENNIUM MINERALS LTD	100%

MOSQUITO CREEK	M46/278	MILLENNIUM MINERALS LTD	100%
	M46/279	MILLENNIUM MINERALS LTD	100%
	M46/283	MILLENNIUM MINERALS LTD	100%
	M46/303	MILLENNIUM MINERALS LTD	100%
	M46/426	MILLENNIUM MINERALS LTD	100%
	M46/427	MILLENNIUM MINERALS LTD	100%
	M46/428	MILLENNIUM MINERALS LTD	100%
	M46/429	MILLENNIUM MINERALS LTD	100%

NULLAGINE	P46/1382	JOHN FRANCIS WALSH	100%
NULLAGINE SOUTH	P46/1557	MILLENNIUM MINERALS LTD	100%
	P46/1558	MILLENNIUM MINERALS LTD	100%
	P46/1559	MILLENNIUM MINERALS LTD	100%
	P46/1560	MILLENNIUM MINERALS LTD	100%
	P46/1561	MILLENNIUM MINERALS LTD	100%
	P46/1562	MILLENNIUM MINERALS LTD	100%
	P46/1563	MILLENNIUM MINERALS LTD	100%
	P46/1564	MILLENNIUM MINERALS LTD	100%
	P46/1565	MILLENNIUM MINERALS LTD	100%
	P46/1566	MILLENNIUM MINERALS LTD	100%
	P46/1567	MILLENNIUM MINERALS LTD	100%
	P46/1568	MILLENNIUM MINERALS LTD	100%
	P46/1569	MILLENNIUM MINERALS LTD	100%
	P46/1570	MILLENNIUM MINERALS LTD	100%
	P46/1571	MILLENNIUM MINERALS LTD	100%
	P46/1572	MILLENNIUM MINERALS LTD	100%
	P46/1573	MILLENNIUM MINERALS LTD	100%
	P46/1574	MILLENNIUM MINERALS LTD	100%
	P46/1575	MILLENNIUM MINERALS LTD	100%
	P46/1576	MILLENNIUM MINERALS LTD	100%
ONE MILE	L46/88	MILLENNIUM MINERALS LTD	100%
	L46/89	MILLENNIUM MINERALS LTD	100%
	L46/90	MILLENNIUM MINERALS LTD	100%
	L46/91	MILLENNIUM MINERALS LTD	100%
	L46/92	MILLENNIUM MINERALS LTD	100%
TWENTY MILE SANDY	M46/433	MILLENNIUM MINERALS LTD	100%
	M46/434	MILLENNIUM MINERALS LTD	100%

*The percentage noted is not a beneficial ownership interest in the tenements or the ore contained within the tenements, but the percentage of the net proceeds from the sale of product Millennium Minerals Limited is entitled to retain on sale of product derived from the tenements. Millennium Minerals Limited has an interest under a Mining Licence Agreement with Livestock Marketing Pty Ltd, Duncan Thomas Young, Simba Holdings Pty Ltd and Ronald Lane Swinney (the "Tenement Owners") whereby Millennium has the sole and exclusive right to enter upon the tenements, conduct exploration and extract gold and other minerals. Millennium is then required to pay 25% of the net proceeds to the Tenement Owners after deductions relating to mining and processing costs.

** Royalties Apply

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Millennium Minerals Limited

ABN

85 003257 556

Quarter ended ("current quarter")

31 December 2011

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (12 months) \$A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration and evaluation	(329)	(4,016)
	(b) development	(493)	(4,241)
	(c) production	-	-
	(d) administration	(917)	(3,178)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	233	683
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	468
Net Operating Cash Flows		(1,506)	(10,284)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects	-	-
	(b)equity investments	-	-
	(c) other fixed assets	(15,776)	(25,590)
1.9	Proceeds from sale of: (a)prospects	-	-
	(b)equity investments	-	-
	(c)other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)*	-	(78)
Net investing cash flows		(15,776)	(25,668)
1.13	Total operating and investing cash flows (carried forward)	(17,282)	(35,952)

*1.12 relates to funds lodged against cash-backed guarantees provided to the Department of Mines and Petroleum in respect of a mining lease.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(17,282)	(35,952)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	25,498	47,429
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) *	(1,600)	(3,829)
Net financing cash flows		23,898	43,600
Net increase (decrease) in cash held		6,616	7,648
1.20	Cash at beginning of quarter/year to date	4,147	3,115
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,763	10,763

*1.19 relates to capital raising costs

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	76
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Non Executive Directors and executive services.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

None

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

None

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities *	Nil	Nil
3.2 Credit standby arrangements	Nil	Nil

*3.1 Project finance facilities amounting to \$35 million are subject to finalising certain conditions precedent, and similarly in respect of a Lease Finance facility for \$10 million. Financial close is expected during the next quarter in respect of these facilities.

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	940
4.2 Development	24,353
4.3 Production	-
4.4 Administration	1,241
Total	26,258

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	10,763	4,147
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	10,763	4,147

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	P46/1606	100% ownership	100%	-
6.2 Interests in mining tenements acquired or increased	M46/0446	100% ownership	-	100%
	M46/0433	100% ownership	-	100%
	M46/0431	100% ownership	-	100%
	M46/0302	100% ownership	-	100%
	M46/0282	100% ownership	-	100%
	M46/0274	100% ownership	-	100%
	M46/0273	100% ownership	-	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	2,999,835,036	2,999,835,036		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,499,902,447 -	1,499,902,447 -		
7.5	+Convertible debt securities (description)	-	-		
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	- -	- -		
7.7	Options (description and conversion factor)	<u>Unlisted</u> 1,700,000 25,000,000 <u>Listed</u> 67,522,043 1,499,888,839	67,522,043 1,499,888,839	<i>Exercise price</i> 29 cents 3.25 cents 7.5 cents 3.0 cents	<i>Expiry date</i> 19 Dec 11 31 Dec 14 28 Feb 13 5 Jan 13
7.8	Issued during quarter	<u>Listed</u> 1,499,895,643		3.0 cents	5 Jan 13
7.9	Exercised during quarter	<u>Listed</u> 6,804		3.0 cents	5 Jan 13
7.10	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does /does not* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:



(Company secretary)

Date: 31/01/2012

Print name:

PIERRE MALHERBE

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 Issued and quoted securities. The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 Accounting Standards. ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.