

# MILLENNIUM

MINERALS LIMITED

ACN 003 257 556

of Ground Floor, 17 Ord Street,  
West Perth WA 6005

## **Circular to Shareholders**

**including**

**NOTICE OF ANNUAL GENERAL MEETING**

**EXPLANATORY STATEMENT**

**PROXY FORM**

**Annual General Meeting of Millennium Minerals Limited to be held at:  
The Celtic Club Inc  
48 Ord Street, West Perth, Western Australia 6005  
on 18 April 2013 commencing at 11.00am (WST).**

This document should be read in its entirety. If after reading this Circular to Shareholders, you have any questions or doubts as to how you should vote, you should contact your stockbroker, solicitor, accountant or professional adviser.

**MILLENNIUM MINERALS LIMITED**  
ACN 003 257 556

---

## **Corporate Directory**

<b>Directors</b>	Peter Rowe Non-Executive Chairman of Directors
	Ross Gillon Non-Executive Director
	Simon Durack Non-Executive Director
	Richard Procter Non-Executive Director
<b>Secretary</b>	Pierre Malherbe
<b>Head Office</b>	Ground Floor 17 Ord Street WEST PERTH WESTERN AUSTRALIA 6005 Phone: +61 8 9216 9011 Fax: +61 8 9481 0288 Website: <a href="http://www.millenniumminerals.com.au">www.millenniumminerals.com.au</a>
<b>Registered Office</b>	Ground Floor 17 Ord Street WEST PERTH WESTERN AUSTRALIA 6005
<b>Auditors</b>	Rothsays Chartered Accountants 96 Parry Street PERTH WA 6000
<b>Solicitors</b>	Allion Legal Level 2 50 Kings Park Road WEST PERTH WESTERN AUSTRALIA 6005
<b>Share Registry</b>	Advanced Share Registry Services 150 Stirling Highway NEDLANDS WESTERN AUSTRALIA 6009
<b>ASX Code</b>	MOY

## Notice of Annual General Meeting

NOTICE IS GIVEN THAT the Annual General Meeting of the Company will be held at The Celtic Club Inc, 48 Ord Street, West Perth, Western Australia 6005 on 18 April 2013 commencing at 11.00am (WST).

The Explanatory Statement to this Notice of Annual General Meeting provides additional information on matters to be considered at the Annual General Meeting and, together with the Proxy Form, forms part of this Notice of Annual General Meeting. Terms and abbreviations used in this Notice of Annual General Meeting and the Explanatory Statement are defined in the Glossary to the Explanatory Statement.

### **ORDINARY BUSINESS**

#### **PRESENTATION OF FINANCIAL STATEMENTS AND REPORTS**

To receive and consider the Annual Financial Report, together with the Directors' and Auditor's Reports for the year ended 31 December 2012.

**Note:** There is no requirement for Shareholders to approve these reports.

#### **1. ADOPTION OF REMUNERATION REPORT**

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **non-binding resolution**:

*"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, the Company adopts the annual remuneration report as set out in the Directors' Report for the year ended 31 December 2012."*

**Voting Exclusion:** Please refer to the voting exclusion statement for Resolution 1 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

**Note:** Resolution 1 shall be determined as if it were an ordinary (majority) resolution, but under s250R(3) of the Corporations Act, the vote does not bind the Directors of the Company.

#### **2. RE-ELECTION OF MR RICHARD PROCTER AS A DIRECTOR**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Richard Procter, who retires as a Director in accordance with Article 10.3 of the Constitution, and being eligible, offers himself for election, be and is hereby re-elected as a Director."*

#### **3. RE-ELECTION OF MR ROSS GILLON AS A DIRECTOR**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That Mr Ross Gillon, who retires as a Director in accordance with Article 10.3 of the Constitution, and being eligible, offers himself for election, be and is hereby re-elected as a Director."*

**4. RATIFICATION OF PLACEMENT TO INSTITUTIONAL INVESTORS**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue and allotment of 300,000,000 fully paid ordinary shares of the Company (**Shares**) at \$0.027 per Share by way of placement on 22 November 2012 to the parties, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** Please refer to the voting exclusion statement for Resolution 4 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

**5. RATIFICATION OF ISSUE OF SHARES**

To consider and, if thought fit, pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4, and for all other purposes, Shareholders approve and ratify the issue and allotment of 10,638,298 Shares to Wakeford Holdings Pty Ltd on 14 June 2012, and 100,872,448 Shares to eligible employees on 26 October 2012, for the purposes and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** Please refer to the voting exclusion statement for Resolution 5 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

**6. APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

To consider and, if thought fit, pass, with or without amendment, the following resolution as a **special resolution**:

*“That, for the purpose of Listing Rule 7.1A, and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, for the purpose and on the terms set out in the Explanatory Statement accompanying this Notice of Annual General Meeting.”*

**Voting Exclusion:** Please refer to the voting exclusion statement for Resolution 6 in the Explanatory Statement accompanying this Notice of Annual General Meeting.

## ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read this Notice of Annual General Meeting and the Explanatory Statement carefully before deciding how to vote on the Resolutions set out in this Notice of Annual General Meeting.

A Proxy Form is enclosed (as a loose leaf) with this Notice of Annual General Meeting. Lodgement of a Proxy Form will not preclude a Shareholder from attending and voting at the Annual General Meeting in person.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder who is entitled to attend and vote at the Annual General Meeting has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company;
- a Shareholder who is entitled to cast two or more votes at the Annual General Meeting may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified then, in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one half of the votes.

In accordance with section 250BA of the Corporations Act the Company specifies the following information for the purposes of receipt of proxy appointments:

**By mail:** Advanced Share Registry  
PO Box 1156  
NEDLANDS WA 6909

**By hand:** Advanced Share Registry  
150 Stirling Highway  
NEDLANDS WA 6009

**By fax:** +61 8 9481 0288

**By email:** [info@millenniumminerals.com.au](mailto:info@millenniumminerals.com.au)

To vote by proxy:

- (a) the signed and completed Proxy Form (enclosed with this Notice of Annual General Meeting); and
- (b) if the appointment is signed by the appointor's attorney – the authority under which the appointment was signed (e.g. a power of attorney), or a certified copy of it,
- (c) must be received by the Company at one of the addresses set out above by no later than 11.00am WST on 16 April 2013.

**Proxy Forms received later than this time will not be valid for the Annual General Meeting.**

### “Snap-Shot” Time

The Corporations Act permits the Company to specify a time, not more than 48 hours before the Annual General Meeting, at which a “snap-shot” of Shareholders will be taken for the purposes of determining Shareholder entitlements to vote at the Annual General Meeting.

The Company's directors have determined that all Shares of the Company that are on issue at 5.00pm WST, 16 April 2013 shall, for the purposes of determining voting entitlements at the Annual General Meeting, be taken to be held by the persons registered as holding the Shares at that time.

**DATED:** 20 March 2013

**BY ORDER OF THE BOARD**

**PETER ROWE**

Non Executive Chairman  
Millennium Minerals Limited

For personal use only

## Explanatory Statement

This Explanatory Statement has been prepared for the information of Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at The Celtic Club Inc, 48 Ord Street, West Perth, Western Australia 6005 on 18 April 2013 commencing at 11.00am (WST).

If Shareholders are in doubt about what to do in relation to the Resolutions set out in the Notice of Annual General Meeting, they should consult a financial or other professional adviser.

### FINANCIAL STATEMENTS AND REPORTS

The Annual Financial Report, Directors' Report and Auditor's Report for the Company for the year ended 31 December 2012 will be laid before the Annual General Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company. Shareholders will also be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

In addition to taking questions at the Annual General Meeting, written questions to the Chairman about the management of the Company, or to the Company's auditor about:

- the preparation and content of the Auditor's Report;
- the conduct of the audit;
- accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- the independence of the auditor in relation to the conduct of the audit,

may be submitted no later than 5.00pm (WST) on Thursday, 11 April 2013 to:

Pierre Malherbe  
Company Secretary  
Millennium Minerals Limited  
Ground Floor, 17 Ord Street  
West Perth WA 6005

- or -

Fax: + 61 8 9481 0288

## **RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT**

The Company's Remuneration Report for the year ended 31 December 2012 is set out in the 2012 Annual Report.

The Remuneration Report includes an explanation of the Company's remuneration policies and the remuneration arrangements in place for Directors and certain executives whose remuneration arrangements are required by law to be disclosed.

As required by the Corporations Act, a non-binding resolution to adopt the Remuneration Report is to be put to Shareholders at the Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors of the Company. However, the Corporations Act provides that if the Company's Remuneration Report resolution receives a "no" vote of 25% or more of votes cast at the Annual General Meeting, the Company's subsequent Remuneration Report must explain the Board's proposed action in response or, if the Board does not propose any action, the Board's reasons for not making any changes. The Board will take into account the outcome of the vote when considering the remuneration policy, even if it receives less than a 25% "no" vote.

In addition, the Corporations Act sets out a "two strikes" re-election process. Under the "two strikes" re-election process, if the Company's Remuneration Report receives a "no" vote of 25% or more of all votes cast at two consecutive annual general meetings (that is, "two strikes"), a resolution (the "spill resolution") must be put to the second annual general meeting, requiring Shareholders to vote on whether the Company must hold another general meeting (known as the "spill meeting") to consider the appointment of all of the Directors who must stand for re-appointment (other than the Managing Director). If the spill resolution is approved at the annual general meeting by a simple majority of 50% or more of the eligible votes cast, the spill meeting must be held within 90 days of that second annual general meeting (unless none of the Directors, other than the Managing Director, stand for re-appointment).

The Company's Remuneration Report did not receive a "no" vote of 25% or more at the Company's previous annual general meeting held on 24 April 2012.

Further information will be provided on the "spill resolution" and "spill meeting" for any annual general meeting at which the Company may face a "second strike".

### **Voting Exclusion**

The Company will disregard any votes cast on Resolution 1 by any member of the Key Management Personnel of the Company whose remuneration is included in the Remuneration Report, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 1 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on the Resolution, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 1 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

### **Recommendation**



The Directors unanimously recommend that Shareholders vote in favour of this Resolution 1 to adopt the Remuneration Report.

## **RESOLUTION 2 – RE-ELECTION OF MR RICHARD PROCTER AS A DIRECTOR**

Article 10.3 of the Constitution provides that one third of the Company's Directors must retire at each annual general meeting. Article 10.5 of the Constitution provides that the Director or Directors to retire at the annual general meeting must be those who have been in office longest since their last election. However, as between those Directors who were last elected on the same day, the Director that must retire must be determined by lot, unless the relevant Directors otherwise agree between themselves.

The current longest servicing Directors who have been in office since their last election are Mr Richard Procter and Mr Ross Gillon, each of whom were last re-elected on the same day. Those Directors have agreed that Mr Richard Procter will seek re-election.

Based on the foregoing, Mr Richard Procter retires from office. However, being eligible, Mr Richard Procter offers himself for re-election.

### **Recommendation**

The Directors (other than Mr Richard Procter) unanimously recommend that Shareholders vote in favour of this Resolution 2.

## **RESOLUTION 3 – RE-ELECTION OF MR ROSS GILLON AS A DIRECTOR**

Article 10.3 of the Constitution provides that one third of the Company's Directors must retire at each annual general meeting. Article 10.3 of the Constitution also requires any other Director who has held office for three years or more since last being elected to retire from office. Mr Ross Gillon was last re-elected on 28 May 2010 and accordingly, must retire from office on 28 May 2013.

As a result of the foregoing, Mr Ross Gillon offers himself for re-election at the Annual General Meeting.

### **Recommendation**

The Directors (other than Mr Ross Gillon) unanimously recommend that Shareholders vote in favour of this Resolution 3.

## **RESOLUTION 4 – RATIFICATION OF PLACEMENT TO INSTITUTIONAL INVESTORS**

### **Background**

As announced to the ASX on 14 November 2012, the Company agreed to issue 300,000,000 Shares by way of a placement to, primarily, existing institutional Shareholders of the Company, at 2.7 cents per Share to raise \$8.1 million (before expenses).

The purpose of Resolution 4 is for Shareholders to approve and ratify the issue of the 300,000,000 Shares which occurred on 22 November 2012.

## ASX Listing Rules

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Shareholder approval was not required under Listing Rule 7.1 for the issue by the Company of the 300,000,000 Shares. However, under Resolution 4, the Company now seeks from Shareholders approval for, and ratification of, the issue of 300,000,000 Shares so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

The Shares issued, for which approval and ratification is sought under Resolution 4, comprise 6.86% of the Company's current issued capital (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting).

## Regulatory Requirements

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

- (a) Number of securities allotted

The Company issued and allotted 300,000,000 Shares.

- (b) The price at which the securities were issued

The issue price was \$0.027 per Share.

- (c) Terms of the securities

The Shares allotted are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

- (d) Allottees of the securities

The allottees of the Shares were institutions and high net worth individuals being, primarily, existing Shareholders of the Company. None of the allottees were a Related Party of the Company at the time of issue.

- (e) The use of the funds raised

The purpose of the issue was to provide a working capital buffer for the Company to enable it to rapidly lift into full production, and for the ongoing exploration and development program, as further detailed in the Company's ASX Announcement on 14 November 2012.

## Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by any person who participated in the issue of Shares which are the subject of Resolution 4 and any person associated with that person. However, the Company will not disregard any votes cast on Resolution 4 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Recommendation**

The Directors believe that the ratification of the issue of the Shares the subject of Resolution 4 is beneficial for the Company as it allows the Company to ratify the issue of such Shares and retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 4.

## **RESOLUTION 5 – RATIFICATION OF ISSUE OF SHARES**

### **Background**

As announced to the ASX on 31 May 2012, the Company entered into a tenement purchase agreement for the purchase by the Company of a mining lease from Wakeford Holdings Pty Ltd (**Wakeford**) (**Acquisition**). As part consideration for the Acquisition, the Company agreed to issue Shares to Wakeford to the value of \$200,000.

A purpose of Resolution 5 is for Shareholders to approve and ratify the issue of 10,638,298 Shares to Wakeford as part consideration for the Acquisition, which occurred on 14 June 2012.

The Shares issued to Wakeford, for which approval and ratification is sought under Resolution 5, comprise 0.24% of the Company's current issued capital (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting).

The Company also issued 172,205,498 Performance Rights to eligible employees of the Company on 6 July 2012, 100,872,448 of which have vested and an equivalent number of Shares were issued to the relevant eligible employees. The balance of the Performance Rights have lapsed.

A purpose of Resolution 5 is for Shareholders to approve and ratify the issue of 100,872,448 Shares to eligible employees, the issue of which occurred on 26 October 2012.

The 100,872,448 Shares issued to eligible employees comprise 2.31% of the Company's current issued capital (based on the number of Shares on issue as at the date of this Notice of Annual General Meeting).

### **ASX Listing Rules**

Listing Rule 7.1 provides that, unless an exemption applies, a company must not, without prior approval of shareholders, issue or agree to issue Equity Securities if the Equity Securities will in themselves or when aggregated with the ordinary securities issued by the company during the previous 12 months, exceed 15% of the number of ordinary securities on issue at the commencement of that 12 month period.

Listing Rule 7.4 states that an issue by a company of securities made without approval under Listing Rule 7.1 is treated as having been made with approval for the purpose of Listing Rule 7.1 if the issue did not breach Listing Rule 7.1 and the company's members subsequently approve it.

Shareholder approval was not required under Listing Rule 7.1 for the issue by the Company of the 10,638,298 Shares to Wakeford, or the issue of 100,872,448 Shares to eligible employees. However, under Resolution 5, the Company now seeks Shareholder approval for, and ratification of, the issue of 10,638,298 Shares to Wakeford, and the issue of 100,872,448 Shares to eligible

employees, so as to limit the restrictive effect of Listing Rule 7.1 on any further issues of Equity Securities by the Company in the next 12 months.

### **Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following information:

(a) Number of securities allotted

The Company issued and allotted:

- 10,638,298 Shares to Wakeford; and
- 100,872,448 Shares to eligible employees.

(b) The price at which the securities were issued

The Shares were allotted to:

- Wakeford as part consideration for the Acquisition; and
- eligible employees of the Company upon vesting of Performance Rights,

and accordingly, none of Wakeford or any eligible employees were required to provide any cash consideration for the issue and allotment of the Shares.

(c) Terms of the securities

The Shares allotted are fully paid ordinary shares in the capital of the Company on the same terms and conditions as the Company's existing Shares and rank equally in all respects with the existing Shares.

(d) Allottee of the securities

The allottees of the Shares were Wakeford, and eligible employees of the Company. None of Wakeford or any eligible employees are a Related Party of the Company.

(e) The use of the funds raised

The Shares were allotted to:

- Wakeford as part consideration for the Acquisition; and
- eligible employees of the Company for nil consideration.

Accordingly, no funds were raised by the issue of the Shares.

## **Voting Exclusion**

The Company will disregard any votes cast on Resolution 5 by Wakeford (or its nominee) and any of its associates. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will also disregard any votes cast on Resolution 5 by any person who participated in the issue of Shares which are the subject of Resolution 5 and any person associated with that person. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Company will disregard any votes cast on Resolution 5 by any member of the Key Management Personnel of the Company, or a closely related party of such member. However, the Company will not disregard any votes cast on Resolution 5 by such person if:

- (a) the person is acting as proxy and the Proxy Form specifies how the proxy is to vote on Resolution 5, and the vote is not cast on behalf of a person who is otherwise excluded from voting on this Resolution 5 as described above; or
- (b) the person is the Chairman of the Meeting voting an undirected proxy and their appointment expressly authorises the Chairman to exercise the proxy even though Resolution 5 is connected with the remuneration of the Key Management Personnel of the Company.

If you are a member of the Key Management Personnel of the Company or a closely related party of such person (or are acting on behalf of any such person) and purport to cast a vote (other than as a proxy as permitted in the manner set out above), that vote will be disregarded by the Company (as indicated above) and you may be liable for an offence for breach of voting restrictions that apply to you under the Corporations Act.

## **Recommendation**

The Directors believe that the ratification of these issues is beneficial for the Company as it allows the Company to ratify the above issues of securities and retain the flexibility to issue further Equity Securities representing up to 15% of the Company's share capital during the next 12 months. Accordingly, the Directors unanimously recommend that Shareholders vote in favour of Resolution 5.

## **RESOLUTION 6 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY**

### **Listing Rule 7.1A**

Listing Rule 7.1A enables eligible entities to issue Equity Securities of up to 10% of its issued ordinary share capital through placements over a 12 month period following the entity's annual general meeting (**Additional 10% Placement Facility**). The Additional 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less, as at the time of the entity's annual general meeting. The Company is an eligible entity as at the time of this Notice of Annual General Meeting and is expected to be an eligible entity as at the time of the Annual General Meeting.

Resolution 6 seeks Shareholder approval to enable the Company to issue Equity Securities under the Additional 10% Placement Facility throughout the 12 months after the Annual General Meeting. The effect of Resolution 6 will be to allow the Directors to issue Equity Securities under Listing Rule 7.1A during the period set out below.

Resolution 6 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote at the Annual General Meeting (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

The exact number of Equity Securities that the Company may issue under the Additional 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (set out below).

The Company is seeking a mandate to issue securities under the Additional 10% Placement Facility to enable the Company to pursue its growth strategy with the flexibility to act quickly as potential business opportunities arise.

### **Regulatory Requirements**

In compliance with the information requirements of Listing Rule 7.3A, Shareholders are advised of the following information:

(a) **Minimum Issue Price**

Equity Securities issued under the Additional 10% Placement Facility must be in the same class as an existing class of quoted Equity Securities of the Company. As at the date of this Notice of Annual General Meeting, the Company has on issue one class of quoted Equity Securities, namely Shares.

The issue price of Equity Securities issued under the Additional 10% Placement Facility must not be lower than 75% of the volume weighted average price for securities in the same class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the Equity Securities are issued; or
- the date on which the price of Equity Securities is agreed, provided that the issue is thereafter completed within 5 business days.

(b) **Dilution**

As at the date of this Notice of Annual General Meeting, the Company has 4,372,781,946 Shares on issue. If Shareholders approve Resolution 6, the Company will have the capacity to issue approximately 437,278,195 Equity Securities under the Additional 10% Placement Facility in accordance with Listing Rule 7.1A.

The precise number of Equity Securities that the Company will have capacity to issue under Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the following formula:

**(A x D) – E**

- A is the number of fully paid ordinary shares on issue 12 months before the date of issue or agreement:
- i. plus the number of fully paid ordinary shares issued in the 12 months under an exception in Listing Rule 7.2;
  - ii. plus the number of partly paid ordinary shares that became fully paid in the 12 months;
  - iii. plus the number of fully paid ordinary shares issued in the 12 months with approval of holders of Shares under Listing Rule 7.1 and 7.4;
  - iv. less the number of fully paid ordinary shares cancelled in the 12 months.

*Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.*

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

If Resolution 6 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below (in the case of Options, only if the Options are exercised) to the extent Shareholders do not receive any Equity Securities under such issues. There is a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
- the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset, which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A(2) as at the date of this Notice of Annual General Meeting.

The below table also shows:

- two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of fully paid ordinary securities the Company has on issue. The

number of fully paid ordinary securities on issue may increase as a result of issues of fully paid ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a Shareholders' meeting; and

- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.012 50% decrease in Market Price	\$0.024 Market Price	\$0.036 50% increase in Market Price
<b>Current Variable A</b>  4,372,781,946 Shares	Shares issued	437,278,195 New Shares	437,278,195 New Shares	437,278,195 New Shares
	Funds raised	\$5,247,338	\$10,494,677	\$15,742,015
<b>50% increase in current Variable A</b>  6,559,172,919 Shares	Shares issued	655,917,292 New Shares	655,917,292 New Shares	655,917,292 New Shares
	Funds raised	\$7,871,008	\$15,742,015	\$23,613,023
<b>100% increase in current Variable A</b>  8,745,563,892 Shares	Shares issued	874,556,389 New Shares	874,556,389 New Shares	874,556,389 New Shares
	Funds raised	\$10,494,677	\$20,989,353	\$31,484,030

The table has been prepared on the following assumptions:

1. Current Variable A is calculated on the assumption that Shareholders ratify the issues of Shares the subject of Resolutions 4 and 5.
2. The Company issues the maximum number of Equity Securities available under the Additional 10% Placement Facility.
3. No Options are exercised into Shares before the date of issue of the Equity Securities.
4. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
5. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Facility, based on that Shareholder's holding at the date of the Annual General Meeting.
6. The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
7. The market price is 2.4 cents, being the closing price of the Shares on ASX on 18 March 2013.



(c) Issue Period

If Shareholders approve Resolution 6, the Company will have a mandate to issue Equity Securities under the Additional 10% Placement Facility under Listing Rule 7.1A from the date of the Annual General Meeting until the earlier of the following to occur:

- the date that is 12 months after the date of the Annual General Meeting; and
- the date of the approval by Shareholders of a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking),

(the **Additional 10% Placement Period**).

The Company will only issue and allot Equity Securities under the Additional 10% Placement Facility during the Additional 10% Placement Period.

(d) Purpose of Issues

The Company may seek to issue the Equity Securities for the following purposes:

- non-cash consideration for the acquisition of new assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expenses associated with such acquisition), continued and increased production, exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will provide further information at the time of issue of any Equity Securities under the Additional 10% Placement Facility in compliance with its disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A.

(e) Allocation Policy

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the Additional 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- the methods of raising funds that are available to the Company, including but not limited to, a rights issue or other issues in which existing security holders can participate;
- the effect of the issue of the Equity Securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (if applicable).

The allottees under the Additional 10% Placement Facility have not been determined as at the date of this Notice of Annual General Meeting but may include existing Shareholders and/or new Shareholders, who are not Related Parties or associates of a Related Party of the Company.

Further, if the Company is successful in acquiring new assets or investments, it is likely that the allottees under the Additional 10% Placement Facility will be the vendors of the new assets or investments.

(f) Previous issues of Equity Securities under Listing Rule 7.1A

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A and accordingly has not issued any Equity Securities pursuant to Listing Rule 7.1A in the 12 months preceding the date of the Annual General Meeting.

### **Voting Exclusion**

The Company will disregard any votes cast on Resolution 6 by any person who may participate in the issue of Equity Securities under the Additional 10% Placement Facility and any person who might obtain a benefit (except a benefit solely in the capacity of a holder of ordinary securities) if the Resolution is passed, and any person associated with those persons. However, the Company will not disregard any votes cast on Resolution 6 by such person if:

- (a) the person is acting as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person is the Chairman of the Annual General Meeting acting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

At the date of this Notice of Annual General Meeting, the Company has not approached any particular existing security holder or an identifiable class of existing security holders to participate in the issue of the Equity Securities. Accordingly, the proposed allottees of any Equity Securities under the Additional 10% Placement Facility are not as yet known or identified.

In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of any Equity Securities issued under the Additional 10% Placement Facility), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted, and there is no reason to exclude their votes.

No existing Shareholder's votes will therefore be excluded.

### **Recommendation**

The Directors believe that the Additional 10% Placement Facility is beneficial for the Company as it will give the Company the flexibility to issue further Equity Securities representing up to 10% of the Company's share capital during the next 12 months. Accordingly, the Board unanimously recommend that Shareholders approve Resolution 6.

## GLOSSARY

In this Explanatory Statement, the following terms have the following meanings unless the context otherwise requires:

<b>Annual Financial Report</b>	means the Company's financial report contained in the Annual Report.
<b>Annual Report</b>	means the Company's annual report for the financial year ended 31 December 2012.
<b>ASX</b>	means ASX Limited (ABN 98 008 624 691).
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>Auditor's Report</b>	means the auditor's report contained in the Annual Report.
<b>Board</b>	means Board of Directors.
<b>Company</b>	means Millennium Minerals Limited (ACN 003 257 556).
<b>Constitution</b>	means the Constitution of the Company.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth) and all regulations made pursuant to such legislation, as amended from time to time.
<b>Director</b>	means a Director of the Company and <b>Directors</b> has a corresponding meaning.
<b>Directors' Report</b>	means the Directors' report contained in the Annual Report.
<b>Equity Securities</b>	has the meaning given to that term in the ASX Listing Rules.
<b>Key Management Personnel</b>	means the key management personnel of the Company (as defined in Section 9 of the Corporations Act).
<b>Listing Rules or ASX Listing Rules</b>	Means the official listing rules of ASX, as amended or replaced from time to time, except to the extent of any waiver by ASX.
<b>Meeting or Annual General Meeting</b>	means the annual general meeting of the Company convened pursuant to this Notice of Annual General Meeting.
<b>Notice of General Meeting or Notice of Annual General Meeting</b>	means this notice of Annual General Meeting.
<b>Proxy Form</b>	the proxy form enclosed with this Notice of Annual General Meeting.
<b>Related Party</b>	has the meaning given to that term in the ASX Listing Rules and <b>Related Parties</b> has a corresponding meaning.
<b>Resolution</b>	means a resolution contained in this Notice of Annual General Meeting.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a member of the Company, as defined in the constitution of the Company.
<b>WST</b>	means Western Standard Time.

# MILLENNIUM MINERALS LIMITED

ACN 003 257 556

## Proxy Form

### 1 Appoints

If you appoint the Chairman as your proxy, but do not wish to direct your proxy how to vote on a Resolution, you must place a mark in the box below headed "Proxy's Discretion" in respect of that Resolution. By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest, subject to any restrictions at law.

If you appoint the Chairman as your proxy, but do not mark any box, the Chairman will be unable to exercise your proxy vote.

If you appoint the Chairman as your proxy and place a mark in any box below headed "Proxy's Discretion", the Chairman intends to exercise your proxy to vote in favour of that Resolution.

### 2 Important for Resolutions 1 and 5

By marking this box, you are expressly authorising the Chairman of the Annual General Meeting to exercise your proxy on Resolutions 1 and 5 as set out below.

If you do not mark this box, and you have not directed your proxy how to vote on Resolutions 1 and 5 the Chairman of the Annual General Meeting will not cast your votes on Resolutions 1 and 5 and your votes will not be counted in computing the required majority if a poll is called on these items. If you appoint the Chairman as your proxy you can direct the Chairman how to vote by either marking the boxes in Step 4 below (for example if you wish to vote against or abstain from voting) or by marking this box (in which case the Chairman will vote in favour of Resolutions 1 and 5).

The Chairman of the Meeting intends to vote all available proxies in favour of Resolutions 1 and 5.

### SIGNATURE OF SHAREHOLDER(S)

All single or joint holders of shares must sign this form.

Signature

Signature

Signature

Day time contact no.

Date

Insert here the name of the person you wish to appoint as proxy; **Shareholders cannot appoint themselves.**

Name of proxy – please print

.....

**OR**, failing the person named, or if no person is named, the **Chairman** of the Annual General Meeting to vote in accordance with the following directions or, if no directions have been given, as the Proxy (other than the Chairman) sees fit at the Annual General Meeting of the Company to be held on **18 April 2013** commencing at 11.00am (WST) and at any adjournment thereof.

I/We expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 5. I/We acknowledge that the Chairman may exercise my proxy even though Resolutions 1 and 5 are connected directly or indirectly with the remuneration of a member of Key Management Personnel and/or even if the Chairman has an interest in the outcome of these items and that votes cast by the Chairman, other than as proxy holder, would be disregarded because of that interest.



or in the case of a company

The **COMMON SEAL** of the company is affixed in accordance )  
with its constitution in the presence of:/Executed by the company )  
by its duly authorised officers in accordance with sub- )  
section 127(1) of the Corporations Act 2001:\* )

..... Signature of Director

..... Name of Director (Print)

..... Signature of Director/Secretary

..... Name of Director/Secretary (Print)

or signed by ..... under Power of Attorney on behalf of the company.

\* *delete as appropriate*

This proxy form must be signed by the Shareholder and, in the case of joint Shareholders, by each of the joint Shareholders. In the case of a corporation, this proxy form must be executed in accordance with section 127 of the Corporations Act 2001. In the case of a Sole Director/Secretary company, please indicate "Sole Director". If this proxy form is signed under Power of Attorney the original Power of Attorney (or a copy certified as a true copy by statutory declaration) must be forwarded with the proxy form.

**3 PROXY'S VOTING INSTRUCTIONS ⇨**

	FOR	AGAINST	ABSTAIN	PROXY'S DISCRETION
1. Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Re-Election of Mr Richard Procter as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Re-Election of Mr Ross Gillon as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Ratification of Placement to Institutional Investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Ratification of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If you wish to direct your proxy how to vote, place a mark on the appropriate box. If a mark is placed in a box, your total shareholding will be voted in that manner. You may, if you wish, split your voting direction by inserting the number of shares you wish to vote in the appropriate box. The direction will be invalid if a mark is made against more than one box for a particular item, or, if you have split your direction, if the total shareholding shown in "FOR", "AGAINST", "ABSTAIN" and "PROXY'S DISCRETION" boxes is more than your total shareholding on the share register. Each person who attends the Annual General Meeting is entitled to one vote only on a show of hands. A person who holds proxies for more than one Shareholder cannot vote on a show of hands if he or she holds proxies directing him or her to vote both for and against a resolution.

**4 APPOINTMENT OF A SECOND PROXY (OPTIONAL)**

If you want to appoint two proxies you may state here the percentage of your voting rights applicable to this proxy form. If you do not specify a particular percentage, each proxy is entitled to exercise 50% of your voting rights applicable to this proxy form.

%

A Shareholder is entitled to appoint up to two persons (whether Shareholders or not) to attend the Annual General Meeting and vote as proxies. If you wish to appoint two proxies please contact Mr Pierre Malherbe on +618 9216 9011 to obtain a second form. Both forms should be completed with the nominated percentage of your voting rights on each form. Please return the proxy forms together.

**Important Information**

**Deadline for Receipt of proxies** To be effective, a completed Proxy Form together with the power of attorney (if any) under which it is signed, must be received by the Company at one of the addresses set out on page 5 of this Notice of Annual General Meeting not less than 48 hours before the appointed time of the Annual General Meeting ie. no later than 11.00am WST on 16 April 2013.

**Destination of Completed Proxy Form** Once the Proxy Form is completed and all details checked by you, the form is to be sent or delivered to one of the addresses set out on page 5 of this Notice of Annual General Meeting.

**For Further Information** If you need any further information about this form or attendance at the Company's Annual General Meeting, please contact Mr Pierre Malherbe, Company Secretary on + 618 9216 9011.