



SHAREHOLDER UPDATE

23rd June 2006

Dear Shareholder,

Since our last announcement the Board has been pursuing a number of strategies in its quest to maximise shareholder value. We are now in a position to update you on those activities.

The Company has faced reluctance from an alternative exchange to list a stock which had sought de-listing from another exchange. Without a listing the Company lacks the ability to raise extra working capital to see through its kimberlite programme. Under these circumstances the Board has decided that it is in the shareholders best interest to sell the Company's assets for scrip and distribute the proceeds, in-specie, to the shareholders. This would result in each shareholder owning shares in three different publicly listed companies with an asset value of US\$0.02 (1.1p) per share.

In summary the Company's Greenland assets have been sold to Hudson Resources for 600,000 shares in Hudson; the Company's plant and equipment in Angola will be sold for cash and 7.5 million shares in Simba Mines Inc; the Company's diamond assets in Angola will be sold to a listed diamond entity for scrip valued at US\$25 million the details of which are in the final stages of negotiation.

Shareholders will have an interest in Copper, Cobalt and Diamonds in Angola, Democratic Republic of Congo (DRC) and Greenland. Please see the attached for details of the method and timing of these proposals.

The Board is of the belief that this course of action will achieve the following ends

1. Value will be restored to the shareholders
2. Shareholders will hold tradable equities
3. Market risk will be reduced
4. Geographic risk will be reduced
5. Shareholders will be afforded upside potential in other securities

The Board wishes to state and confirm to all shareholders that no current director has sold any of their shares in the Company at any time over the past two years.

Since accepting the role of interim CEO, it has been my objective to return value to the shareholders. I believe this proposal achieves that end.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Shane M Healy", is written over a light grey rectangular background.

Shane M Healy
CEO

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PROPOSED COURSE OF ACTION

GREENLAND ASSETS

The Company has sold its Greenland assets to its joint venture partner in Greenland, Hudson Resources Inc (Hudson) of Canada. Hudson has acquired the Sarfartoq (Garnet Lake) license for a consideration of 600,000 fully paid ordinary shares (US\$400k) in Hudson and has assumed all outstanding liabilities on the site (US\$250k). Total consideration value to the Company of US\$0.65m.

The Company was at the end of its 10 year lease and had applied for a further two years which is the limit allowed by law. The Company would then be required to vacate the site and make good the terrain and remove all plant and equipment. The cost of maintaining this license increased with each year. It was felt therefore that by selling and transferring the license to Hudson, our JV partner could continue to conduct its exploration programme with a new, lower cost, lease benefiting shareholders from their encouraging findings.

It is intended that the shares in Hudson be distributed to shareholders in-specie. The shares in Hudson are restricted from trading, one half for 12 months and the remainder for 24 months. The shares are currently listed on the Toronto TSX Ventures Exchange (HUD) and are trading at approximately C\$0.80

PLANT AND EQUIPMENT

The Company has a conditional contract to sell all its plant and equipment currently located in Angola to Rockbury Properties Limited. The consideration is to be US\$500k in cash and 7,500,000 fully paid ordinary shares in Simba Mines Inc. Simba is involved in extensive copper and cobalt assets in the DRC and Angola. Total consideration value to the Company US\$2.75m. This agreement has been signed by both parties.

The Company acquired this plant and equipment for US\$1.26m in cash (US\$126k) and shares (US\$1.134m) in South Africa and shipped the consignment to the Rio Lapi site in Angola. The cash consideration will be allocated to settling outstanding commitments in Angola.

It is intended that the shares in Simba be distributed to shareholders in-specie. Simba may make application for listing on the London Alternative Investment Market (AIM) within the next few months. Simba shares are currently listed on the NASDAQ Pink sheets and have been trading around US\$0.30.

DIAMOND CONCESSIONS IN ANGOLA

The Company is currently negotiating to sell its 20% interest in three diamond concessions in Angola to a yet to be named diamond entity. The name of the entity cannot be disclosed at this stage for reasons of confidentiality. But for the purposes of brevity it shall be referred here as “DiamondCo”. DiamondCo is currently listed on the NASDAQ Pink sheets and intends making application for listing on the AIM within the next two months. DiamondCo has significant diamond assets in Angola with concessions in Kimberlite as well as alluvial diamond licenses.

The consideration is yet to be negotiated but will be satisfied in DiamondCo scrip. It is anticipated that negotiations on this asset will be concluded by end July. The number of shares involved in the consideration is not known at this stage however total consideration value to the Company is expected to be in the order of US\$25.00 m.

To achieve this price existing NML shareholders would be required to share swap their NML shares for scrip in the “DiamondCo”. NML would then become a wholly owned subsidiary of “DiamondCo”.

It is intended that the shares in DiamondCo be distributed to shareholders in-specie.

CONSOLIDATION OF ISSUED SHARES

The Company has on issue 1,345,845,585 fully paid ordinary shares. The board will seek shareholders approval to consolidate these shares in a ratio of 1:100. The issued shares would therefore become 13,458,456. The underlying asset value of the Company is expected to be approximately US\$27.5m. Each share would therefore be valued at approximately US\$0.02 (1.1 pence) before consolidation and US\$2.00 post consolidation.

DISTRIBUTION POST CONSOLIDATION

If you held 1,000 post consolidation (100,000 now) you would receive 44 Hudson shares, 557 Simba shares and 1,871 DiamondCo shares. This assumes DiamondCo shares at US\$1.00 each.

UPSIDE ON SHARES DISTRIBUTED

The Board is of the opinion that the shares distributed to shareholders show prospects of considerable upside.

- Hudson has performed well over a sustained period and is expected to be successful in its explorations in Greenland.
- Simba is in advanced stages of consolidating a world class copper asset in Angola and the DRC. Copper is a metal in high demand which has every expectation of continuing.
- The “DiamondCo” has invested heavily in acquiring kimberlite and alluvial diamond assets in Angola which could place it among the largest diamond operations in Angola. The company has the kimberlite asset which NML lacked and for which we had been searching

TIMING

1. Sale of Greenland Asset - COMPLETED
2. Sale of Plant and Equipment – Signed expected completion End JULY
3. Sale of Angolan Assets - End JULY
4. General Meeting to authorise distribution of assets - End AUGUST

CONCLUSION

Shareholders will be returned in specie assets totalling approximately US\$27 million or US\$0.02 per share. These assets will be across three companies in diamonds and copper located in Greenland, Angola and DRC with securities listed on NASDAQ, TSX Ventures and AIM. There is considerable upside in these stocks.

London
23rd June 2006