



ACN 078 606 434

ASX RELEASE

TARGET RESPONSE STATEMENT AND RECOMMENDATION TO BONAPARTE SHAREHOLDERS TO REJECT UNION OFFER

Friday 29th May 2009

The Board of Bonaparte Diamond Mines NL ("Bonaparte" or "the Company") (ASX:BON) advises that the Company has lodged the Target Response Statement in response to the takeover bid announced by Union Resources Limited ("Union") (ASX:UCL) on 17 April 2009 for all of the shares in Bonaparte.

The consideration being offered by Union under its offer is 9 new Union Shares for every 1 of your Bonaparte Shares ("Union Offer"). The appointed Independent Expert, BDO Kendalls Corporate Finance (WA) Pty Ltd, has concluded that the Offer is fair and reasonable.

The Union Offer is in addition to the current offer from Minemakers Limited ("Minemakers") (ASX:MAK) announced on 5 March 2009. The original Minemakers bid offered 1 Minemakers Share for every 10 of your Bonaparte Shares. On 27 May 2009, Minemakers announced that it would increase the consideration under the Minemakers Offer to 1 Minemakers Share for every 9 of your Bonaparte Shares, if Minemakers achieves a 90% acceptance level for its offer ("Minemakers Offer").

On consideration of numerous factors including the Independent Expert's opinion, and the revised Minemakers Offer, the Independent Directors of Bonaparte have recommended that the Union Offer should be rejected and the Minemakers Offers should be accepted, in the absence of a superior proposal.

The primary reasons for this recommendation are that in the opinion of the Independent Directors of Bonaparte:

- Bonaparte's major shareholder (Minemakers) unlikely to accept the Union Offer;
- low levels of liquidity of Bonaparte Shares and Union Shares when compared to that of Minemakers;
- potential adverse tax consequences of accepting the Union Offer assuming Minemakers doesn't accept that offer;
- comparative values of the improved Minemakers Offer and the Union Offer;
- limited access to additional exploration assets as a Union shareholder;
- priority of the Sandpiper/Meob Phosphate Project;
- increased access to financial resources and global equity markets as a Minemakers shareholder; and
- other risks in accepting the Union Offer as set out in the Target's Statement.

The Union Offer is currently due to close on 29 June and the Minemakers Offer now closes on 10 June 2009. There are risks with either accepting or rejecting the Union Offer or the Minemakers Offer. The Directors recommend that you read the Target Statement in full and seek independent advice if you have any queries in respect of the Union Offer or the Minemakers' Offer.



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For further information please contact:

A handwritten signature in black ink, appearing to read 'Michael W Woodborne', with a long horizontal flourish extending to the right.

Michael W Woodborne
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