



UCL Resources Limited

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ASX Market Announcements
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UCL Board REJECTS MAK's reduced offer

The Board of UCL Resources Limited (**ASX:UCL**) ("**UCL**" or the "**Company**") notes the announcement by Minemakers Limited ("**Minemakers**" or "**MAK**") of the **variation to its unsolicited takeover offer, including varied offer terms to 13 Minemakers shares for every 10 UCL shares.**

Based on MAK's closing share price of \$0.225 on 30 April 2012, the offer values UCL's shares at \$0.293 per share, a headline offer price 3.0% **lower** than MAK's previous offer.

The Directors of UCL continue to unanimously recommend that you **REJECT** Minemakers' offer and note the following:

- **UCL's major shareholders, the Twynam Group and Donwillow (together holding 31.69% of UCL shares) ("Twynam") announced to the market on 2 March 2012 that they had rejected MAK's unsolicited scrip offer and have advised they continue to do so;**
- **Under the offer, UCL shareholders will decrease their effective stake in the Sandpiper Project from 42.5% to 27.96%¹;**

In addition, as announced to the market, UCL has recently secured a new investor who is prepared to invest cash in UCL at 30 cents per UCL share to support ongoing development. UCL's Board notes that this investment is at a premium to MAK's headline offer value.

UCL has also recently announced that it will concurrently undertake a Rights Issue in order that all UCL shareholders have the opportunity to continue to participate in the development of the Company. In contrast, MAK's proposal, if successful, will see UCL shareholders' interest in the prized Sandpiper Project diluted, even allowing for MAK's increased ownership share of the Sandpiper Project, as they will hold a significantly smaller proportion of the consolidated entity than the proportion they currently hold in UCL.

Commenting on MAK's ongoing attempts to take control of UCL, Mr. Ian Ross, Non-Executive Chairman of UCL said, "MAK's offer has highlighted the significant value and attractions of the Sandpiper Project. Meanwhile, MAK now values its other projects, including the Wonarah project, at under \$12.0m."

The UCL Board remains strongly focused on the development of Sandpiper Project, a late stage project with cash flows anticipated to commence in 2014.

For the last six months, UCL has sought to engage with MAK regarding a transaction which would combine the two companies' respective ownership of the Sandpiper Project under a single entity in a way which would deliver value to both MAK and UCL shareholders. These attempts have been flatly rejected by MAK's board.

¹ The effective interest after the takeover is calculated as the sum of the effective interests of Twynam, Donwillow and UCL's other shareholders in Sandpiper, excluding MAK on the assumption that all non-MAK shareholders accept the offer with the exception of Twynam and Donwillow. The calculations have been completed on an undiluted basis.

Meanwhile, MAK has elected to divert its shareholders' funds to pursuing a hostile transaction, rather than devoting those funds to the development of the Sandpiper Project. MAK estimated in its Bidder's Statement dated 20 February 2012 that fees for services provided in connection with its original unsolicited approach would be of the order of \$1.4m.

The UCL Board once again encourages UCL shareholders to **REJECT** the unsolicited offer from Minemakers. To **REJECT** the offer shareholders should **DO NOTHING** and take **NO ACTION** in relation to the offer.

The Independent Expert, Grant Thornton is in the process of reviewing MAK's offer. In the meantime shareholders are urged to take **NO ACTION** in relation to the offer. Shareholders are encouraged to consult their independent professional adviser or contact the UCL Shareholders Information Line on 02 9233 4750 (within Australia) or +61 2 9233 4750 (outside Australia) with any queries.

Ian Ross
Chairman

About UCL

UCL Resources Limited (ASX:UCL) is developing, and has a 42.5% interest in, the Sandpiper Marine Phosphate Project off the coast of Namibia. The Sandpiper Project is believed to be the world's largest individual marine phosphate resource, with sufficient resources to support a 20-year mine life. A definitive feasibility study has been completed and production is expected to begin in the fourth quarter of 2013. UCL also has an interest in the Mehdiabad Zinc Project in Iran.

Competent Persons' Statement

The information in this announcement that relates to Mineral Resources for the Sandpiper Marine Phosphate Project is based on information compiled by Mr Roger Daniel who is a member of the Australasian Institute of Mining and Metallurgy. Mr Daniel is a full-time employee of the Company. Mr Daniel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Daniel consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears.

Please direct enquiries or requests for further information to:

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