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11 May 2012 **ASX: UCL**

UCL RESOURCES THIRD SUPPLEMENTARY TARGET'S STATEMENT RELEASED

UCL Directors continue to REJECT Minemakers' Revised Offer

UCL Resources Limited (**ASX:UCL**) (**"UCL" or the "Company"**) today released a Third Supplementary Target's Statement in response to the unsolicited takeover Offer by Minemakers Limited (**"Minemakers" or "MAK"**).

The Third Supplementary Target's Statement considers and responds to the revised offer from MAK as set out in its Fifth Supplementary Bidder's Statement which is dated 30 April 2012 ("**Revised Offer**"). UCL's Directors continue to recommend unanimously that you **REJECT** Minemakers' Revised Offer.

MAK has varied its offer terms to 13 MAK Shares for every 10 UCL Shares held.

The Independent Expert, Grant Thornton Corporate Finance Pty Ltd (**"Grant Thornton"**), has reviewed the Revised Offer and has recently provided its report as to this to UCL which is summarised in, and attached to, the Third Supplementary Target's Statement.

The UCL Directors acknowledge the conclusion of the Grant Thornton report that on balance the Revised Offer is fair and reasonable as defined in ASIC Regulatory Guide 111. However, UCL notes that Grant Thornton makes some important comments with respect to this conclusion including:

- Grant Thornton's assessed value of UCL, MAK and the consideration offered has been determined having regard to medium to long term prospects as at the date of its report. Individual shareholders in UCL with a short term investment horizon may be financially disadvantaged by accepting the Revised Offer given the MAK share price is currently trading at a significant discount to Grant Thornton's assessment of the consideration offered;
- The value of UCL implied by the exchange ratio of the Revised Offer is approximately A$0.280 having regard to the MAK share price of A$0.215 as at 7 May 2012. This is lower than the proposed price of the Placement and the proposed Rights Issue price;
- Whilst the exchange ratio implied in the Revised Offer has increased, as MAK's share price has decreased since MAK's original offer was announced, the valuation of UCL implied by the Revised Offer has actually decreased from A$0.302 to A$0.280 having regard to the closing share price of MAK on 7 May 2012.

On this basis, while UCL's Directors acknowledge that some UCL shareholders may see value in the MAK Revised Offer and seek acceptance, the Directors of UCL continue to believe that UCL's Board and management team are better placed to realise the value inherent in the Sandpiper Marine Phosphate Project ("**Sandpiper Project**") for the reasons outlined in section 2 of the Third Supplementary Target's Statement, and summarised below:

1. The Sandpiper Project is a world-class resource, with great potential in a growing market. If the Revised Offer is successful, your interest in the world-class Sandpiper Project would decrease from 42.5% to approximately 28%[1].
2. UCL is best positioned to unlock value from the Sandpiper Project.
3. UCL is well-positioned to continue source financing for the Sandpiper Project and has strong support from equity providers.
4. The Board of UCL has no confidence that Minemakers can realise the value inherent in the Sandpiper Project.
5. The headline value of the offer is below the level at which UCL is currently seeking to raise funds from investors.
6. MAK's proposal will not lead to full consolidation of ownership of the Sandpiper Project.
7. The future value of your investment would dependent upon the price performance of MAK Shares, the price performance of which has been highly volatile.
8. The Independent Expert, Grant Thornton, has noted that some UCL shareholders may be financially disadvantaged under the Revised Offer.
9. UCL continues to pursue engagement with MAK with respect to an alternative transaction.

UCL's Directors continue to recommend unanimously that you **REJECT** Minemakers' Offer. To **REJECT** the Revised Offer shareholders should **DO NOTHING** and take **NO ACTION** in relation to the Revised Offer. UCL's Directors will not accept the Revised Offer with respect to their holdings in UCL.

Additional detail regarding the reasons for the recommendation by the UCL Board to **REJECT** MAK's Revised Offer are included in the attached Third Supplementary Target's Statement.

A full copy of the Third Supplementary Target's Statement is annexed to this announcement.

Please direct enquiries or requests for further information to:

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[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 and before accounting for the Placement and announced Rights Issue.

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UCL RESOURCES LTD

Third Supplementary Target's Statement

This is the third supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) **("Third Supplementary Target's Statement")** issued by UCL Resources Limited ABN 40 002 118 872 **("UCL"** or "**Company")** in relation to an off-market takeover bid made by Minemakers Limited ACN 116 296 541 **("Minemakers" or "MAK"),** pursuant to which Minemakers proposes to acquire all shares it does not already own in UCL.

The Directors of UCL continue to unanimously recommend that you **REJECT** Minemakers' Offer.

The Independent Expert, Grant Thornton Corporate Finance Pty Ltd ("**Grant Thornton**"), has reviewed the Revised Offer and has concluded that on balance the Revised Offer is fair and reasonable as defined in ASIC Regulatory Guide 111. However, UCL notes that Grant Thornton makes some important comments with respect to this conclusion, details of which are included in this Third Supplementary Target's Statement. Grant Thornton's full update letter is also attached to this document.

This Third Supplementary Target's Statement supplements, and should be read together with, UCL's original Target's Statement dated 21 March 2012 ("**Original Target's Statement"**), UCL's first Supplementary Target's Statement dated 3 April 2012 and UCL's Second Supplementary Target's Statement dated 30 April 2012. Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning where used in this Third Supplementary Target's Statement. This Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement (as supplemented).

This Third Supplementary Target's Statement is dated 11 May 2012, being the date on which this Third Supplementary Target's Statement was lodged with ASIC.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to its contents, please consult your professional adviser without delay.

Pottinger

Financial Adviser

EAKIN McCAFFERY COX solicitors

Legal Adviser

1. CONCLUSION OF THE INDEPENDENT EXPERT

Following its review of the Revised Offer, the Independent Expert, Grant Thornton, has concluded that on balance Minemakers' Revised Offer is fair and reasonable. However, UCL notes that Grant Thornton makes some important comments with respect to this conclusion including:

- Grant Thornton's assessed value of UCL, MAK and the consideration offered has been determined having regard to medium to long term prospects as at the date of its report. Individual shareholders in UCL with a short term investment horizon may be financially disadvantaged by accepting the Revised Offer given the MAK share price is currently trading at a significant discount to Grant Thornton's assessment of the consideration offered;
- The value of UCL implied by the exchange ratio of the Revised Offer is approximately A$0.280 having regard to the MAK share price of A$0.215 as at 7 May 2012. This is lower than the proposed price of the Placement and the proposed Rights Issue price;
- Whilst the exchange ratio implied in the Revised Offer has increased, as MAK's share price has decreased since MAK's original offer was announced, the valuation of UCL implied by the Revised Offer has actually decreased from A$0.302 to A$0.280 having regard to the closing share price of MAK on 7 May 2012;
- Grant Thornton also notes the announcement by UCL's largest shareholders, the Twynam Group and Donwillow (together holding 32.93% of UCL Shares) (**"Twynam"**) that Twynam continued to reject MAK's unsolicited scrip offer. Accordingly, as MAK will not be able to acquire 100% of UCL, the key benefits of the Revised Offer, being the combination of MAK and UCL interests in the Sandpiper Marine Phosphate Project (**"Sandpiper Project"**), may not be achieved.

On this basis, while UCL's Directors acknowledge that some UCL shareholders may see value in the MAK Revised Offer and seek acceptance, the Directors of UCL continue to believe that UCL's Board and management team are better placed to realise the value inherent in the Sandpiper Project for the reasons outlined in section 2 of this Third Supplementary Target's Statement.

A summary of Grant Thornton's fairness assessment is included below. UCL Shareholders are encouraged to read Grant Thornton's update letter in full, attached to this document.

Fairness assessment	**50% acquisition**		**100% acquisition**	
	Low (A$)	High (A$)	Low (A$)	High (A$)
Fair value of UCL share (control basis)	0.390	0.457	0.390	0.457
Fair value of Combined Group Share (minority basis)	0.267	0.363	0.258	0.351
Fair value of consideration offered on a minority basis	0.347	0.472	0.335	0.456
Premium / (Discount) %	(11%)	3%	(14%)	(0%)

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2. REASONS TO REJECT MAK'S REVISED OFFER

The Sandpiper Project is a world-class resource, with great potential in a growing market. If the Revised Offer is successful, your interest in the world-class Sandpiper Project would decrease from 42.5% to approximately 28%[2].

Based on MAK's closing share price of $0.225 on 30 April 2012, the offer values UCL's Shares at $0.2925 per share, a headline offer price 3.0% ***lower*** than MAK's previous offer.

Phosphate is a key ingredient in agricultural fertilizer and consumption is forecast to grow as global demand for food increases. The Sandpiper Project is believed to be one of the world's largest individual marine phosphate resources and a world-class phosphate operation in the making. The recently completed Definitive Feasibility Study (**"DFS"**) for the Sandpiper Project confirmed it is **technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders.** The Sandpiper Project is a late stage project with cash flows anticipated to commence in 2014.

UCL is best positioned to unlock value from the Sandpiper Project.

UCL's Board and management team are wholly focussed on the Sandpiper Project. Under the direction of UCL's Managing Director, Chris Jordinson, UCL has been a key driver of the Sandpiper Project's development plan.

Meanwhile, the UCL Board considers that the viability of MAK's Wonarah project, in which you are being offered an interest, is uncertain and the project is a distraction. MAK has not met the announced project milestones for Wonarah. In addition, sourcing of funding for Wonarah is uncertain due to MAK's inability to conclude funding negotiations with either Verte Group or NMDC Limited.

The Board of UCL notes that MAK has waived its minimum acceptance condition. Should MAK increase its holding in UCL to a level which may influence UCL's decision-making ability, UCL may or may not retain the development of the Sandpiper Project as its first priority.

UCL notes that UCL's major Shareholders, Twynam Group and Donwillow (together holding 32.93% 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.

UCL is well-positioned to continue sourcing finance for the Sandpiper Project and has strong support from equity providers.

UCL announced on 18 April 2012 that it had entered into a non-binding Memorandum of Understanding (**"MoU"**) with MB Holding Company LLC (**"MBHolding"**) under which MBHolding would take a placement in UCL of 15% of UCL's current share capital. Further to this announcement, UCL advised on 10 May 2012 that MBHolding has now completed its due diligence investigations under the MoU and intends to proceed with the placement of 12,121,061 UCL Shares, representing 15% of the outstanding issued shares of UCL, subject to the execution of a share subscription agreement. This new cornerstone investor will pay A$0.30 cents a share, at a premium 11.1% to the UCL Share price, which at close of business on 9 May 2012 was A$0.270 cents per Share, to raise A$3,636,318, before costs. Shares in respect of the placement will be issued to Mawarid Mining LLC (**"Mawarid"**), the wholly owned subsidiary of MBHolding.

UCL has also announced that it will concurrently undertake a Rights Issue of one UCL Share for every twelve Shares held at A$0.30 cents per UCL Share to raise a further A$2,323,203, before costs. UCL intends that the Rights Issue will be fully underwritten and has received indications from an underwriter of its willingness to fully underwrite the entire issue amount of A$2 323,203. UCL is currently finalising the underwriting agreement with respect to this arrangement.

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[2] 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 and before accounting for the Placement and announced Rights Issue.

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These funds will be used to continue the development of the Sandpiper Project and for working capital.

UCL continues to have good dialogue with debt providers and additional equity providers with respect to the funding of the Sandpiper Project. In contrast, MAK has made no announcements as to how it intends to fund the Sandpiper Project on an ongoing basis.

The Board of UCL has no confidence that Minemakers can realise the value inherent in the Sandpiper Project. In particular, the UCL Board believes that:

- MAK has not provided UCL Shareholders with clarity regarding its overall strategic intentions for the Combined Group.
- MAK has not provided any information regarding how it plans to raise the $200m of equity that would be required by MAK to fund the development of the Sandpiper Project should its Revised Offer be successful.
- Given these uncertainties, investors can have no confidence as to whether returns from the Sandpiper Project will flow to UCL Shareholders or be diverted to fund the very high capital costs of pursuing MAK's other projects, including the Wonarah project.

The headline value of the Revised Offer is below the level at which UCL is seeking to raise funds from investors.

- UCL has recently announced that MBHolding has completed its due diliugence investigations under the MoU between the parties and intends to proceed with a placement of UCL Shares at $0.30 per UCL Share to Mawarid, the wholly owned subsidiary of MBHolding (subject to the execution of a sahre subscription agreement). The proposed placement price is a $0.030 premium to the current UCL Share price and a premium of $0.021 per Share to the value of MAK's Revised Offer[3].
- The Revised Offer price is also below the proposed Rights Issue price.

MAK's Revised Offer will not lead to full consolidation of ownership of the Sandpiper Project.

- Twynam has indicated that it WILL NOT ACCEPT the Revised Offer in respect of its 32.93% shareholding. Accordingly, it is not possible for MAK to acquire 100% of UCL.
- Consequently, the key benefits of the Revised Offer, being the combination of MAK and UCL interests in the Sandpiper Project, may not be achieved.
- In addition, CGT rollover relief will not be available to UCL Shareholders which may create adverse tax consequences for some investors.

The future value of your investment would dependent upon the price performance of MAK Shares, the price performance of which has been highly volatile.

The price of MAK's shares has been highly volatile over time, having fallen over 92% since their high of $2.78 in April 2008 to $0.215 on 9 May 2012[4]. MAK's share price has fallen over 28% in the period since the announcement of MAK's original offer on 13 February 2012 to date[5].

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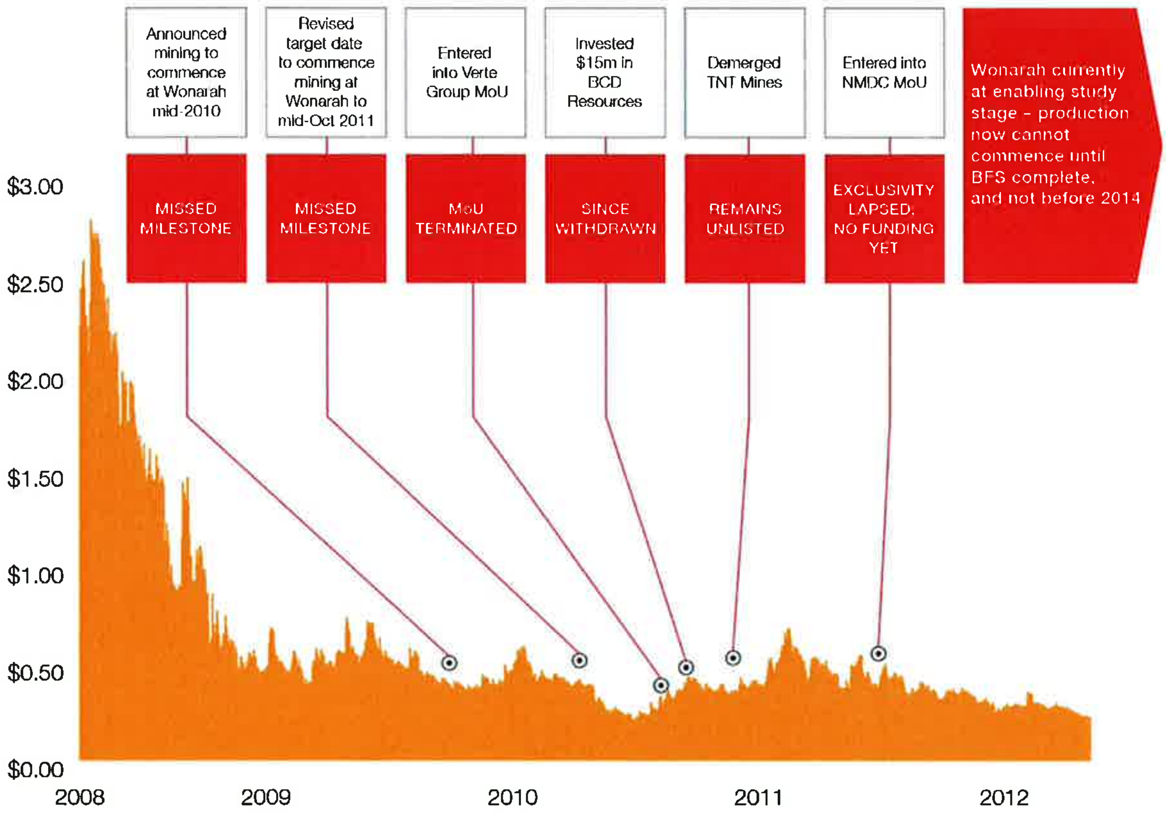
[3] Based on last traded prices of UCL and MAK on 9 May 2012. Source: Capital IQ as at 9 May 2012.
[4] Source: Capital IQ as at 9 May 2012
[5] Source: Capital IQ as at 9 May 2012

Figure 1: MAK Share price chart[6]



MAK has not advised UCL's Board of its future strategy. MAK is pursuing a range of projects, and has not indicated to UCL which project will be given priority or the means by which they will be funded.

<u>The Independent Expert, Grant Thornton, has noted that some UCL Shareholders may be financially disadvantaged under the Revised Offer.</u>

Grant Thornton has noted that individual Shareholders in UCL with a short term investment horizon may be financially disadvantaged by accepting the Revised Offer given the MAK share price is currently trading at a significant discount to Grant Thornton's assessment of the consideration offered.

<u>UCL continues to pursue engagement with MAK with respect to an alternative transaction.</u>

For the last nine 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. UCL would welcome further engagement with MAK to investigate alternative options.

[6] Source: Capital IQ as at 9 May 2012 and MAK ASX announcements

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3. CONSENT OF GRANT THORNTON

Grant Thornton has given, and has not, before the time of lodgement of this Third Supplementary Target's Statement with ASIC, withdrawn its written consent to the inclusion of the statements made by it in the form and context in which they appear in this Third Supplementary Target's Statement.

4. FURTHER INFORMATION

UCL Shareholders requiring additional information should call the UCL Shareholder's Information Line on +61 2 9233 4750 and should consult their stockbroker or other professional adviser.

Announcements relating to UCL and the Minemakers Offer can be obtained from UCL's website at www.uclresources.com.au and the ASX website at www.asx.com.au.

5. APPROVAL OF THIRD SUPPLEMENTARY TARGET'S STATEMENT

This Third Supplementary Target's Statement is dated 11 May 2012 (being the date on which this Third Supplementary Target's Statement was lodged with ASIC) and has been approved by a resolution passed by all Directors.

A copy of this Third Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the content of this Third Supplementary Target's Statement.

Signed for and on behalf of
UCL Resources Limited

Ian Ross
Chairman
UCL Resources Ltd

Dated 11 May 2012

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 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.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this report relative to markets for UCL's trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. UCL does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

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.

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10 May 2012

Dear Sirs

Third Update letter in relation to the Independent Expert's Report

Introduction

We refer to our Independent Expert's Report dated 18 March 2012 ("Initial IER") in respect to the off-market takeover bid announced by Minemakers Limited ("Minemakers" or "MAK") on 13 February 2012 in relation to all outstanding shares of UCL Resources Limited ("UCL" or "the "Company") that MAK did not own ("Offer").

This supplementary report has been prepared to consider the following:

- On 30 April 2012, MAK announced that the initial Offer of 9 MAK Shares for every 10 UCL Shares has been increased to 13 MAK Shares for every 10 UCL Shares ("Revised Offer"). The offer period has also been extended to 22 May 2012.

- On 10 May 2012, UCL announced the following:

    - The intention of MB Holding Company, through its wholly owned subsidiary Mawarid Mining LLC[1], to proceed with the placement of 12.1 million shares, representing 15% of the outstanding shares on issue to raise A$3.6 million (before costs) at the proposed price of A$0.30 per share ("Placement")[2].

    - It will undertake a rights issue of one share for every 12 shares held at the proposed price of A$0.30 per share to raise A$2.3 million before costs ("Rights

[1] Mawarid Mining LLC and MB Holding Company are referred to in the remaining of this document as MB Holding.

[2] We note that in order to issue this supplementary report in a timely fashion, Grant Thornton has not had the opportunity to review the legal documentations in relation to the Placement. However, Grant Thornton has reviewed a letter from MB Holding confirming completion of the legal due diligence investigations and the intention to proceed with the Placement, subject to finalising the subscription agreement. The Directors of UCL have represented to Grant Thornton that all the commercial terms of the Placement have been agreed and negotiations completed. UCL and MB Holding expect to finalise the legal documentations in relation to the Placement shortly. Once the legal documentations become available, Grant Thornton will review them and advise the Directors of UCL immediately if the content of this supplementary report needs to be amended or integrated.

Issue). UCL has received indications from an underwriter of its willingness to underwrite the entire Rights Issue amount.

We note that Grant Thornton has also issued two supplementary reports which were incorporated into the Supplementary Target's Statement dated 3 April 2012 and into the Second Supplementary Target's Statement dated 30 April 2012.

Included in Appendix A is a summary of Snowden valuation assessment of the mineral assets of UCL and MAK.

Summary of opinion

After careful consideration of the Revised Offer and the factors discussed below, Grant Thornton Corporate Finance has concluded that the Revised Offer is on balance now fair and reasonable to UCL Shareholders.

Our assessed value of UCL, MAK and the consideration offered has been determined having regard to medium to long term prospects as at the date of this report. Individual shareholders in UCL with a short-term investment horizon may be financially disadvantaged by accepting the Revised Offer given MAK share price is currently trading at a significant discount to our assessment of the consideration offered.

We strongly recommend UCL Shareholders to read this update letter in full.

Fairness Assessment

In our consideration of the Revised Offer, Grant Thornton has slightly amended the valuation methodologies used in the Initial IER to take into account the Placement. Refer to section 1 for details.

Pursuant to Australian Securities and Investments Commission Regulatory Guide 111 ("RG111"), an offer is fair if:

" the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer."

The following table summarises our assessment of the fairness of the Revised Offer.

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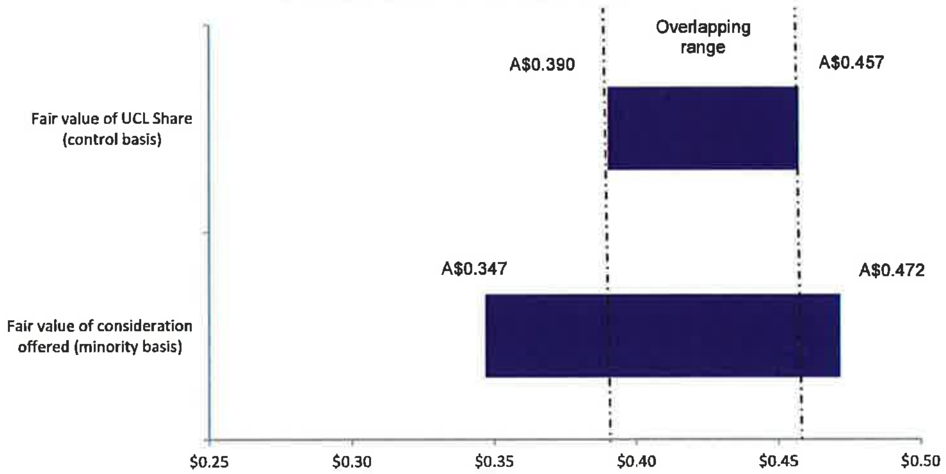
Fairness assessment	Section reference	50% acquisition Low A$	50% acquisition High A$	100% acquisition Low A$	100% acquisition High A$
Fair value of UCL Share (control basis)	Section 2.3	0.390	0.457	0.390	0.457
Fair value of Combined Group Share (minority basis)	Section 4	0.267	0.363	0.258	0.351
Share exchange ratio		1.3	1.3	1.3	1.3
Fair value of consideration offered on a minority basis		0.347	0.472	0.335	0.456
Premium/(Discount)		(0.043)	0.015	(0.055)	(0.001)
Premium/(Discount)%		(11%)	3%	(14%)	(0%)

Source: Calculations

Set out below is a graphic representation of our fairness assessment assuming that MAK acquires a 50% interest in UCL[3].

Fairness assessment (50% acquisition scenario)



Source: Calculations

As our assessment of the consideration offered on a minority basis overlaps our assessment of UCL on a control basis, we have concluded pursuant to RG111 that the Revised Offer is fair.

Additional Reasonableness Considerations

For the purpose of assessing whether or not the Revised Offer is reasonable to UCL Shareholders, in addition to the reasonableness considerations included in our Initial IER, we have considered the following likely advantages, disadvantages and other factors associated with the Revised Offer. We note that in accordance with RG111, the Revised Offer is reasonable if it is fair.

[3] We note that given UCL's largest shareholder, Twynam Agricultural Group Pty Ltd ("Twynam"), and fourth largest shareholder, Donwillow Pty Limited ("Donwillow"), stated that they will not accept the Offer or any revised or superior scrip offer from MAK, MAK is not able to acquire 100% of UCL.

Advantage - Contribution ratio

In forming our opinion in relation to the Revised Offer, we have also considered the contribution ratio to the Combined Group.
If the Revised Offer is successful and based on the revised exchange ratio of 13 MAK Shares every 10 UCL Shares, the existing UCL Shareholder will collectively own

- Approximately 14.5[4]% of the Combined Group if MAK acquires a 50% interest in UCL.

- Approximately 28.6[4]% of the Combined Group if MAK acquires a 100% interest in UCL.

In the table below, we have considered whether the collective interest of UCL Shareholders in the Combined Group is consistent with the relative value contributions of UCL and MAK based on the market value of net assets and share trading/placement price. We note that the analysis below is undertaken on a like for like basis with both UCL and MAK on a control basis (market value of net assets) or on a minority basis (share price)

The following table summarises our analysis:

Contribution Ratio	**50% acquisition**		**100% acquisition**	
	UCL	**MAK**	**UCL**	**MAK**
Percentage holding based on exchange ratio	14.5%	85.5%	28.6%	71.4%
Percentage holding based on our valuation assessment (mid-point)	12.6%	87.4%	24.5%	75.5%
Percentage holding based on VWAP as at 7 May 2012				
5 day	13.6%	86.4%	27.1%	72.9%
10 day	13.5%	86.5%	26.8%	73.2%
1 month	13.3%	86.7%	26.5%	73.5%
2 month	13.0%	87.0%	26.0%	74.0%
3 month	11.4%	88.6%	23.3%	76.7%

(1) All calculations exclude MAK's 13.1% interest in UCL
Source: Calculations

As set out in the table above, UCL collective shareholding in the Combined Group is higher than UCL value contribution to the combined group having regard to the market value of net assets and share trading.

Disadvantage - Current share price of MAK

As set out in the fairness section, we have assessed the value of the Combined Group between A$0.267 and A$0.363 on a minority basis under the 50% acquisition scenario.

[4] Excluding MAK's interest in UCL and excluding the shares to be issued under the Rights Issue and Placement.

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However, we note that the share price of MAK (proxy for the value of the Combined Group) has materially decreased in the last few months reducing from A$0.35 on 3 February 2012 to A$0.215 on 7 May 2012, a reduction of approximately 38.6%.

As discussed below, we have placed limited reliance on the current share price of MAK in our valuation assessment of the fairness of the Revised Offer.

In our opinion, the market capitalisation of UCL of A$24 million implied in the proposed Placement price of A$0.30 offers a relevant see through valuation of the Sandpiper Project. If this valuation of the Sandpiper Project is used in the valuation of MAK and other assets and liabilities (excluding the Wonarah Project) are considered, then a residual value of only A$6 million is obtained for the Wonarah Project on a minority basis. The preferred value of the Wonarah Project has been assessed by Snowden at approximately A$44.7 million on a control basis as set out in Appendix A.

Accordingly, based on the above comments and analysis, in our valuation assessment of MAK, we have relied on the VWAP observed over a longer period of time in order to smooth the impact of recent volatility.

Notwithstanding the analysis above, should the medium/long term share prices of MAK and UCL remain at the current levels, UCL Shareholders may be financially disadvantaged by accepting the Revised Offer due to the following:

- We note that the exchange ratio between one MAK Share and one UCL Share is 1.3 based on the closing share prices as at 7 May 2012[5]. This is consistent with the exchange ratio implied in the Revised Offer of 13 MAK Shares every 10 UCL Shares. Accordingly, UCL Shareholders with a short-term investment horizon may have no incentives to accept the Revised Offer (excluding brokerage cost savings) as they may obtain an equivalent financial outcome by selling their UCL Shares on the market and purchasing MAK Shares.

- The value of UCL implied in the exchange ratio is approximately A$0.28 having regard to MAK share price of A$0.215 as at 7 May 2012 (A$0.215*1.3=A$0.28). This is lower than the Placement price and Rights Issue price.

- Whilst the exchange ratio implied in the Revised Offer has increased by approximately 44% compared with the Initial Offer, the share price of MAK has reduced by approximately 35.8% between 10 February 2012 (one trading day before announcement of Offer) and 7 May 2012. Accordingly the valuation of UCL implied in the Revised Offer has actually decreased from A$0.302[6] to A$0.28 having regard to the closing share price of MAK on 7 May 2012.

[5] Closing share price of MAK of A$0.215 and closing share price of UCL of A$0.28 on 7 May 2012 (A$0.28/A$0.215=1.3).
[6] As set out in the Bidder's Statement and based on the closing share price of MAK of A$0.335 on 10 February 2012.

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Disadvantage - Intention of UCL major shareholder

On 2 March 2012, UCL's largest shareholder, Twynam and fourth largest shareholder, Donwillow stated that they will not accept the Takeover Offer or any revised or superior scrip offer from MAK.

Collectively, these two shareholders and their related parties hold 32.92% of UCL shares. Accordingly, MAK will not be able to acquire 100% of UCL Shares unless circumstances change significantly. Furthermore, we note that MAK has removed all the defeating conditions of the Revised Offer, including the 50% minimum acceptance condition.

If MAK fails to acquire a controlling interest in UCL equal to at least 50.1%, the key benefits of the Revised Offer being the combination of MAK and UCL interests in the Sandpiper Project or at least a greater co-ordination in sourcing the required funds will not be achieved.

Other factor – Placement and Rights Issue dilution

Our valuation assessment of UCL based on the market value of net assets does not include the dilutionary impact of the Placement and Rights Issue. Given the delay experienced by UCL in finalising the binding terms for the Placement and Rights Issue and the requirements to issue this supplementary report in a timely fashion, we have not had sufficient time to review detailed terms and conditions and to consider the behaviours and responses of all the major stakeholders involved, including MAK, MB Holding, Twynam and Donwillow.

Should the dilutionary impact of the Placement and Rights Issue be incorporated into our valuation assessment of UCL based on the market value of net assets, the high end of the valuation range of UCL will reduce by approximately 5% making the Revised Offer more fair for UCL Shareholders.

Reasonableness conclusion

Based on the qualitative factors identified above and in the Initial IER, it is our opinion that the Revised Offer is reasonable to UCL Shareholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the Initial IER.

The decision of whether or not to accept the Revised Offer is a matter for each UCL Shareholder to decide based on their own views of value of UCL and expectations about future market conditions, UCL's performance, risk profile and investment strategy. If UCL

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Shareholders are in doubt about the action they should take in relation to the Revised Offer, they should seek their own professional advice.

We recommend UCL Shareholders to read this supplementary report in conjunction with the Initial IER and the Supplementary Target's Statements released by UCL which are available on the ASX website www.asx.com.au.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Partner

LIZ SMITH
Partner

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1 Valuation methodology

In our consideration of the Revised Offer, Grant Thornton has slightly amended the valuation methodologies used in the Initial IER to take into account the proposed Placement price of A$0.30 per share to MB Holding to raise A$3.6 million.

We note that in order to issue this supplementary report in a timely fashion, Grant Thornton has not had the opportunity to review the legal documentations in relation to the Placement. However, Grant Thornton has reviewed a letter from MB Holding confirming completion of the legal due diligence investigations and the intention to proceed with the Placement, subject to finalising the subscription agreement.

The Directors of UCL have represented to Grant Thornton that all the commercial terms of the Placement have been agreed and negotiations completed. UCL and MB Holding expect to finalise the legal documentations in relation to the Placement shortly. Once the legal documentations become available, Grant Thornton will review them and advise the Directors of UCL immediately if the content of this supplementary report needs to be amended or integrated.

In relation the Placement, the Directors of UCL have advised that:

- MB Holding is deemed as independent party to UCL and its associates.
- The profile of MB Holding satisfies the definition of "sophisticated investors" for the purpose of Chapter 6D of the Corporations Act.
- The Placement to MB Holding was negotiated on an arm's length basis.

In our opinion, the price that an independent and sophisticated investor like MB Holding is prepared to pay for a significant shareholding in UCL in an arm's length transaction is a relevant evidence of fair market value and it cannot be disregarded in our consideration of the Revised Offer. Accordingly, in our valuation assessment of UCL for the purpose of the Revised Offer, we have had regard to the following valuation methodologies:

- Market value of net assets - this approach is consistent with the Initial IER.
- Placement price.

In order to preserve the required consistency between UCL and MAK, we have undertaken our valuation assessment of MAK having regards to the market value of net assets and share price.

As discussed before, our valuation assessment of UCL based on the market value of net assets does not include the dilutionary impact of the Placement and Rights Issue. Given the delay experienced by UCL in finalising the binding terms for the Placement and Rights Issue

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and the requirements to issue this supplementary report in a timely fashion, we have not had sufficient time to review detailed terms and conditions and to include them in our valuation assessment.

2 Revised valuation of UCL

2.1 Market value of net assets

The following table summarises our revised assessment of UCL based on the market value of net assets.

Valuation summary - UCL	Section reference	Low A$'000	High A$'000
Sandpiper Project	2.1.1	36,520	36,520
Mehdiabad Project		-	2,565
Other assets and liabilities	2.1.2	1,045	1,045
Value of UCL Note	2.1.3	(915)	(890)
Value of UCL Options	2.1.3	(33)	(26)
Value of UCL Performance Rights	2.1.3	(485)	(485)
Costs associated with Proposed Offer		(500)	(500)
UCL equity value (control basis)		35,632	38,229
Number of UCL Shares on issue		80,807,074	80,807,074
Assessed value per UCL Share (A$)(Control basis)		0.441	0.473

Source: Calculations

2.1.1 Sandpiper Project

As discussed in the Second Supplementary Target's Statement, Snowden revised the value of the mineral deposits contained in the Sandpiper Project to between A$24.2 million and A$48.3 million with a preferred value of A$36.3 million after considering the resource upgrade announced by UCL and MAK on 18 April 2012.

2.1.2 Other assets and liabilities

Based on the quarterly cash flow report released by UCL on 30 April 2012, the cash balance of UCL as at 31 March 2012 reduced to A$1.08 million compared to A$2.17 million as at 31 December 2011. We have incorporated the reduction of cash balance in our revised valuation assessment.

Other adjustment includes an update of the market value of 10 million listed options in Gold Anomaly Limited.

2.1.3 Value of UCL Note, UCL Option and Performance Rights

The value of UCL Note, UCL Option and Performance Rights has been updated to reflect the current underlying share price of UCL. As a result, the combined value of UCL Note, UCL Option and Performance rights has increased by approximately A$260,000.

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2.2 Placement

As discussed above, UCL announced the Placement of A$3.6 million at the proposed price of A$0.30 to MB Holding on 10 May 2012. In our opinion, the price that an independent and sophisticated investor like MB Holding is prepared to pay for a significant shareholding in UCL in an arm's length transaction is a relevant evidence of fair market value.

It is noted that the placement price is in relation to a minority holding in UCL and accordingly, do not incorporate a premium for control. Evidence from studies indicates that premiums for control on successful takeovers have frequently been in the range of 20% to 40% in Australia and that the premiums vary significantly from transaction to transaction.

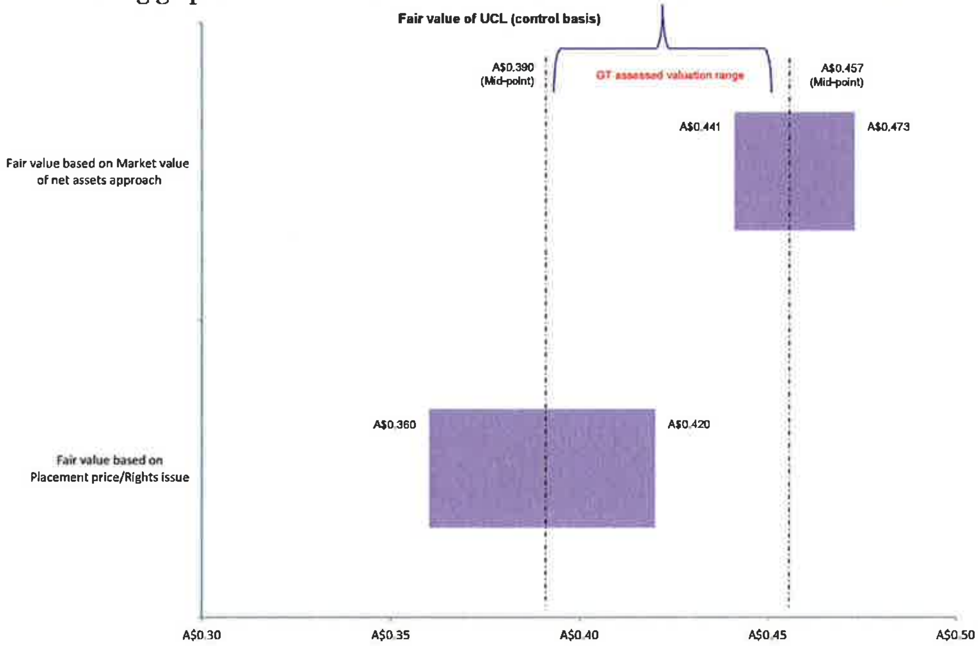
Our assessment of UCL on a control basis having regard to the Placement price is summarised below:

Value of UCL Share	Low	High
	A$	A$
Placement price	0.300	0.300
Control premium	20%	40%
Assessed value of UCL Share (control basis)	0.360	0.420

Source: Calculations

2.3 Valuation conclusion

The following graph summarises our valuation assessment of UCL on a control basis.



Source: Calculations

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We have assessed the fair market value of UCL on a control basis between A$0.390 and A$0.457 having regard to the mid-point of the selected valuation methodologies. Set out below is our assessment of the implied equity value of UCL.

Value of UCL	Low A$'000	High A$'000
GT assessed valuation range (control basis)	0.390	0.457
Number of outstanding shares	80,807,074	80,807,074
Implied equity value of UCL on a control basis	31,515	36,931

Source: Calculations

As set out in the graph above, the market value of UCL based on the Placement price is lower than our valuation assessment based on the market value of net assets. In our opinion, the difference is due to the following:

- the uncertainty in relation to future funding requirements for the Sandpiper Project which may cause dilution to existing UCL Shareholders.
- The volatility in the financial markets is significant and the availability of debt and equity funding limited and difficult to source even for highly prospective projects like the Sandpiper.
- The funding risks for the Sandpiper Project have increased after the release of the DFS given the capital costs of the project have increased from A$144 million to A$355 million[7].

We further note that as discussed before, we have not incorporated into our valuation assessment of UCL on a control basis (based on the market value of net assets) the dilutionary impact implied in the Placement and Rights Issue.

Based on the above analysis and discussions, we believe the selected fair market value range of UCL provide a balanced valuation between the prospects of this project and the challenges and risks attached to the funding requirements of the Sandpiper Project.

[7] Including costs associated with reverse osmosis desalination plant

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3 Revised valuation of MAK

3.1 Market value of net assets

The following table summarises our revised assessment of the value of MAK based on the market value of net assets.

Valuation summary - MAK	Section reference	Low A$'000	High A$'000
Sandpiper Project	2.1.1	36,520	36,520
Wonarah Project	3.1.1	44,749	44,749
Rocky Point Project		560	2,800
Investment in UCL		3,314	4,157
Investment in JDC		1,000	1,000
Investment in TNT		1,246	1,246
Investment in AMMG	3.1.2	809	869
Other assets and liabilities	3.1.3	14,561	14,561
Value of MAK Options	3.1.4	(965)	(729)
Costs associated with Proposed Takeover		(1,400)	(1,040)
MAK equity value (control basis)		100,394	104,134
Number of MAK Shares on issue		228,236,727	228,236,727
Assessed value per MAK Share ($)(Control basis)		0.440	0.456

Source: Calculations

3.1.1 Wonarah Project

As set out in Appendix A, Snowden has assessed the value of Wonarah phosphate resource in the range of A$29.75 million to A$60.45 million, with a preferred value of A$44.75 million.

3.1.2 Investment in AMMG

The value of investment in AMMG has been updated based on the current underlying share price of AMMG.

3.1.3 Other assets and liabilities

Based on the quarterly cash flow report released by MAK on 30 April 2012, the cash balance of MAK as at 31 March 2012 was A$12.2 million compared to A$14.1 million as at 31 December 2011. We have incorporated the reduction of the cash balance in our revised valuation assessment.

3.1.4 Value of MAK Options

The value of MAK Options has been updated based on the underlying share price.

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3.2 Quoted security price

The share price of MAK has materially decreased in the last few months reducing from A$0.35 on 3 February 2012 to A$0.215 on 7 May 2012, a reduction of approximately 38.6%. In our valuation assessment of MAK based on the trading prices, we have placed limited reliance on the current trading prices of MAK due to the following:

- Apparent low value attributed the Wonarah Project.
- Recent share price volatility of MAK and relative performance compared with UCL share price.

Both these issues are analysed below.

Apparent low value attributed the Wonarah Project

We note that the market capitalisation of UCL of A$24 million implied in the proposed Placement price of A$0.30 offers, in our opinion, a relevant see through valuation of the Sandpiper Project. We note that this valuation is at the low end of Snowden's assessed range of the Sandpiper Project.

The share price of MAK of A$0.215 as at 7 May 2012 implies a market capitalisation of approximately A$49 million. If the following assets are deducted from the current market capitalisation of MAK:

- See through value of the Sandpiper Project implied in UCL Placement of A$24.2 million.
- MAK's cash balance of A$12.2 million as at 31 March 2012.
- MAK's interest in UCL of approximately A$3.2 million[8].
- Value of the investments in TNT, JDC and AMMG and other assets and liabilities of A$3.4 million.

then a residual value of approximately A$6.0 million is obtained for the Wonarah Project. Snowden has assessed the market value of the Wonarah Project on a control basis between A$30 million and A$60 million with a preferred value of A$45 million as set out in Appendix A.

Recent share price volatility of MAK and relative performance compared with UCL share price

In the graph below, we have compared the share price performance of MAK and UCL with the S&P/ASX 200 Resource Index since January 2012.

[8] Based on the proposed Placement price of A$0.30.

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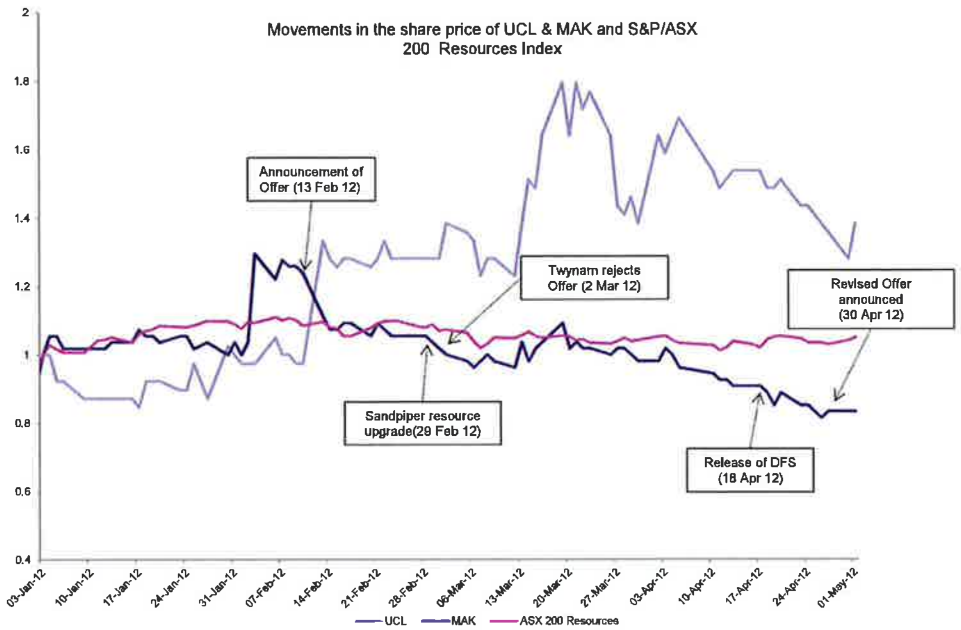

Source: CapitalIQ and ASX announcements

In relation to the share price of MAK of A$0.215 on 7 May 2012, we note the following:

- It is materially below our assessment of MAK based on the market value of net assets even when a premium for control is taken into account[9].
- MAK has not released any price catalyst information in relation to the Wonarah Project. In the absence of announcements in relation to the Wonarah Project, the share price movements of MAK and UCL should be relative consistent given the Offer and the fact that the two companies have the same interest in the Sandpiper Project.
- UCL announced on 18 April 2012 the intention to undertake a placement at the proposed price of A$0.30 per share. The Placement was then announced to the market on 10 May 2012. In our opinion the initial announcement has offered price support to UCL in volatile market conditions.
- The release of the DFS has highlighted that the capital costs for the Sandpiper Project have almost doubled compared with the scoping study. Whilst this should have a similar impact on UCL and MAK, we note that MAK already has large and significant funding requirements for the Wonarah Project and UCL has, in our opinion, provided support to the share price with the announcement of the Placement at the proposed price of A$0.30 per share.

[9] We note that also our assessment of UCL based on the trading prices is below the assessment based on the market value of net assets.

Based on the discussions and analysis above, we have relied on the VWAP of MAK observed over a longer period of time.

In our valuation assessment of MAK based on the trading prices, we have considered the following:

- Share trading up to 8 May 2012 to take into account the latest information released to the market in relation to the Sandpiper and Wonarah Projects.
- Share price of MAK before the date of the Offer (13 February 2012).
- Share price of MAK prior to 3 February 2012. It is noted that the share price of MAK increased by 25% to A$0.35 on 3 February 2012 on significantly high volume. MAK also received an ASX price query in relation to these movements in the share price.

Set out below is a summary of our VWAP analysis of MAK:

MAK VWAP analysis			
Prior to	08-May-12	13-Feb-12	03-Feb-12
5 day	0.225	0.345	0.279
10 day	0.226	0.334	0.279
1 month	0.238	0.325	0.281
2 month	0.259	0.309	0.281
3 month	0.279	0.307	0.297
4 month	0.292	0.317	0.313
5 month	0.289	0.323	0.321
6 month	0.293	0.334	0.336

Source: CapitalIQ

Based on the above analysis, we have assessed the value per share of MAK based on the trading prices to be in range of A$0.26 and A$0.33 on a minority basis.

We note that our valuation range implies a residual value between A$16.3 million and A$32.3 million for the Wonarah Project on a minority basis as summarised below which is below the market value of the Wonarah Project assessed by Snowden on a control basis as set out in Appendix A.

	Min – share price A$0.26	Max – share price A$0.33
Market cap of MAK	A$59.3 m	A$75.3 m
Less see through value of Sandpiper Project	(A$24.2 m)	(A$24.2 m)
Less cash balance as at 31 March	(A$12.2 m)	(A$12.2 m)
Less MAK's investment in UCL	(A$3.2 m)	(A$3.2 m)

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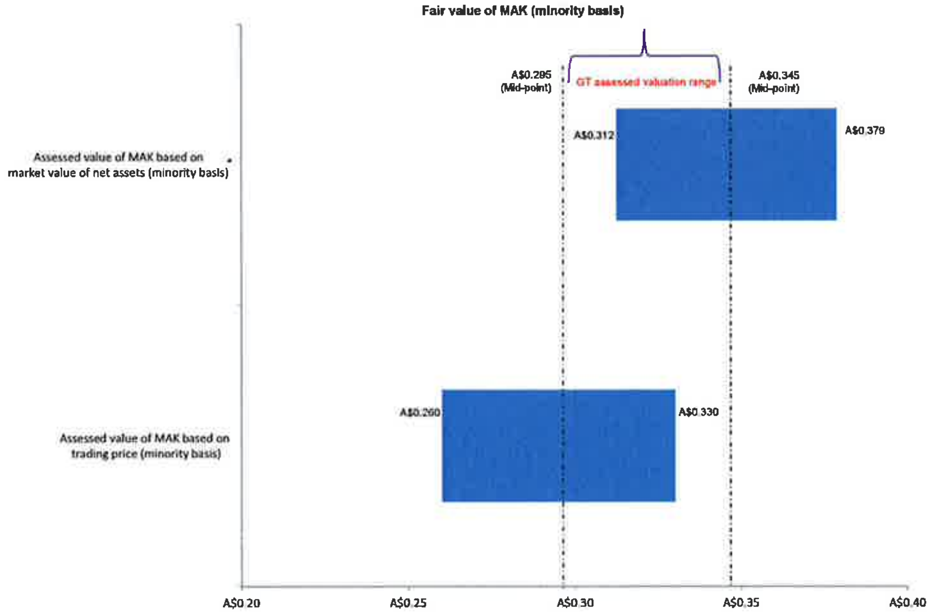
Value of investments in TNT, JDC and AMMG and other assets and liabilities	(A$3.4 m)	(A$3.4 m)
Residual value	**A$16.3 m**	**A$32.3 m**

3.3 Valuation conclusion on MAK market value

The following table summarises our valuation assessment of MAK:



* Calculated by applying a minority discount in range of 17% and 29% to our assessed value on control basis as set out in section 3.1

Source: Calculations

We have assessed the fair market value of MAK on a minority basis between A$0.295 and A$0.345 having regard to the mid-point of the selected valuation methodologies.

We believe the selected fair market value range of MAK provides a balanced valuation between the prospects of the Sandpiper and Wonarah Projects and the challenges and risks attached to the funding requirements.

Similarly to our valuation assessment of UCL, the market value of MAK based on the trading prices is lower than our valuation assessment based on the market value of net assets. Refer to our discussion in sections 2.3 and 3.2 for details of why we believe our assessed valuation range is reasonable.

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4 Revised valuation of the Combined Group

The following table summarises our revised valuation assessment of the Combined Group.

Valuation summary - Combined Group	50% acquisition		100% acquisition	
	Low	High	Low	High
	A$'000	A$'000	A$'000	A$'000
Value of UCL	15,757	18,465	31,515	36,931
Value of MAK[1]	87,529	102,264	87,529	102,264
Adjustment for MAK's investment in UCL[2]	(2,931)	(4,015)	(2,931)	(4,015)
Value of Combined Group	100,355	116,714	116,112	135,179
Number of MAK Shares in Combined Group	266,993,266	266,993,266	319,517,864	319,517,864
Value per MAK share in Combined Group on a control basis (A$)	0.376	0.437	0.363	0.423
Minority discount	29%	17%	29%	17%
Value per MAK share in Combined Group on a minority basis (A$)	0.267	0.363	0.258	0.351

Note 1: Based on assessed valuation range of MAK between A$0.295 and A$0.345 on a minority basis grossed up for the average control premium of 30%

Note 2: Based on the selected valuation range of UCL on a minority basis

Source: Calculations

Note 1 – Calculation of MAK Shares in Combined Group[10]

Number of MAK Shares in Combined Group		50% acquisition	100% acquisition
Number of outstanding UCL Shares		80,807,074	80,807,074
Percentage interest acquired under the Proposed Offer		50%	100%
UCL Shares to be acquired by MAK		40,403,537	80,807,074
UCL Shares already held by MAK		(10,590,815)	(10,590,815)
Additional UCL Shares to be acquired by MAK		29,812,722	70,216,259
Share exchange ratio		1.3	1.3
Number of new MAK Shares to be issued under Proposed Offer	A	38,756,539	91,281,137
Existing MAK Shares	B	228,236,727	228,236,727
Number of MAK Shares in Combined Group	A + B	266,993,266	319,517,864

Source: Calculations

5 Fairness assessment consistent with the valuation approach in the Initial IER

As discussed above and as a consequence of the announcements recently released by UCL in relation to the Placement, we have slightly changed our approach to value UCL and MAK compared with the Initial IER. Specifically, in the Initial IER, the fairness assessment of the Offer was based on the valuation assessment of both UCL and MAK based on the market value of net assets only.

[10] Excluding the Placement and Rights Issue.

Accordingly for completeness, we believe it is appropriate to show in the table below, the fairness assessment of the Revised Offer only having regard to the market value of net assets which is consistent with the approach adopted in the Initial IER.

Fairness assessment	50% acquisition		100% acquisition	
	Low	High	Low	High
	A$	A$	A$	A$
Fair value of UCL Share (control basis)	0.441	0.473	0.441	0.473
Fair value of Combined Group Share (minority basis)	0.306	0.370	0.295	0.359
Share exchange ratio	1.3	1.3	1.3	1.3
Fair value of consideration offered on a minority basis	0.397	0.481	0.383	0.467
Premium/(Discount)	(0.044)	0.008	(0.058)	(0.006)
Premium/(Discount)%	(10%)	2%	(13%)	(1%)

Source: Calculations

As outlined in the table above, the theoretical assessment of the fairness of the Revised Offer using a valuation approach consistent with the Initial IER does not alter the outcome of our opinion.

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APPENDIX A – SNOWDEN SUMMARY REPORT

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SNOWDEN

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10 May 2012

The Directors
UCL Resources Limited
Suite 2, Level 2 Watson House
300 George Street
SYDNEY NSW 2000

Dear Sirs

UPDATED INDEPENDENT VALUATION OF UCL AND MINEMAKER MINERAL ASSETS

Background

Further to Snowden Mining Industry Consultants ("Snowden")'s valuation of UCL Resource Limited ("UCL") and Minemakers Limited ("MAK")'s mineral assets in the Independent Technical Report ("ITR") dated 27 March 2012 and Snowden's revised valuation of the Sandpiper Phosphate Project on 27 April 2012, Grant Thornton ("GT") has requested Snowden to prepare an updated valuation of UCL's and MAK's mineral assets.

Snowden reviewed the updated Mineral Resources of the Sandpiper Project dated 16 April 2012 and undertook a high level review of the Sandpiper Phosphate Project Definitive Feasibility Study ("DFS") and financial models of the DFS study produced in early April 2012.

Sandpiper Mineral Resource Update

Table 1 shows a summary of the revised Mineral Resources at 16 April 2012 at a 15% Block cut-off grade ("BCOG"), prepared by UCL's independent Qualified Person ("QP"), which increased the quantity of Measured Resources.

Table 1 Sandpiper project, updated Mineral Resources (16 April 2012)

Resource Details	Dry Tonnes (Mt)	Grade %P_2O_5
Measured (ML 170 ITRA)	60.08	20.83
Indicated (ML170 ITRA)	104.95	19.63
Indicated (ML170)	61.75	19.6
Inferred (ML170 & EPLs)	1,607.8	18.9
Total	**1,834.58**	**19.0**

ITRA = Initial Target Recovery Area

Snowden reviewed the updated Mineral Resources and noted that the criteria for upgrading the resources from Indicated to Measured is based on closer drill hole spacing which is reasonable. There appears to be good continuity of grade and thickness in the centre of the deposit where the Measured Mineral Resources occur. Snowden also noted that the Measured Resources have increased but as a result of the upgrade the total Indicated and Inferred Resources have decreased.

Sandpiper Definitive Feasibility Study

Snowden undertook a high level review of the Sandpiper Definitive Feasibility Study (DFS) and concluded that the DFS is well prepared, comprehensive and professionally compiled involving a number of reputable consultant organisations, but is not complete in a number of areas. The process design (beneficiation plant) of the project has been undertaken to an appropriate standard.

Snowden concluded that the DFS is not yet at a bankable feasibility study level as there are a number of uncertainties and risks that need to be addresses or mitigated. These risks can be summarised as:

- Dredging operation (contract, feasibility, production levels, feed grade).
- Permitting and (terrestrial) environmental agreements
- Geotechnical and construction (foundation) issues.
- Fresh water issues (Reverse Osmosis plant).
- Port facilities (storage, ship loading, charges).
- Marketing of phosphate.

Despite these risks, Snowden considers that the project has economic value.

Updated Mineral Asset Valuation

UCL Valuation

Snowden considers that the Sandpiper Project is not currently at a level of definition or has the definitive data for Snowden to prepare a net present value (NPV) based valuation on a discounted cash flow (DCF). This methodology is only applied by Snowden for valuations on operating mines or where a complete bankable DFS is available. Many of the outstanding requirements to produce a bankable DFS are being addressed by UCL. Accordingly, Snowden based its revised valuation of Sandpiper on the updated Mineral Resources and increase in Measured Resources.

Table 2 shows the revised summary market valuation of UCL's mineral assets based on US$:A$ exchange rate at 23 April 2012. There has been no change to the Iranian Mehdiabad zinc and copper project mineral asset valuations. The UCL mineral assets show a range in values from a low of A$24.68 million to a high of A$51.43 million with a preferred value of A$37.79 million. The revised valuation by Snowden represents an increase of 6% of the previous valuation of UCL's mineral assets.

Table 2 Revised Summary of UCL's mineral asset valuation (A$) at exchange rate of 1.0345 A$:US$ (April 2012)

Project	Location	Holding	Low (A$M)	High (A$M)	Preferred (A$M)
Sandpiper phosphate	Namibia	42.5%	24.17	48.34	36.25
Mehdiabad Zinc	Iran	24.5%	0.51	3.04	1.52
Mehdiabad Copper	Iran	24.5%	0.00	0.05	0.02
Total			**24.68**	**51.43**	**37.79**

Minemakers Valuation

As a result of the increase in value of the Sandpiper Project the valuation of MAK's mineral assets has also increased. There has been no change to the mineral asset valuations of the other projects, which are all based in Australia. Table 3 shows MAK's mineral assets with a range in values from a low of A$55.48 million to a high of A$113.09 million with a preferred value of A$83.93 million.

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Table 3 MAK Mineral Assets (April 2012)

Project	Location	Holding	Low (A$M)	High (A$M)	Preferred (A$M)
Sandpiper phosphate resource	Namibia	42.5%	24.17	48.34	36.25
Wonarah phosphate resource	Northern Territory	100%	29.27	58.54	43.91
Wonarah phosphate exploration	Northern Territory	100%	0.48	1.91	0.84
Rocky Point phosphate exploration	Namibia	70%	0.56	2.80	1.68
TNT Mines	Tasmania	19%	1.00	1.50	1.25
Port Keats rock salt	Northern Territory	100%	na*	na*	na*
Fraser iron	Western Australia	80%	na**	na**	na**
Total			**55.48**	**113.09**	**83.93**

Snowden Mining Industry Consultants

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, which operates from offices in Perth, Brisbane, Johannesburg, Vancouver, Calgary, Oxford and Belo Horizonte (Brazil), has prepared independent technical reviews and mineral asset valuations on a variety of mineral commodities in many countries.

This letter was prepared by Mr Terry Parker (Principal Consultant – Corporate) and was reviewed by Mr Craig Morley (Senior Principal Consultant) in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

Neither Snowden nor those involved in the preparation of this revised valuation have any material interest in the companies or mineral assets considered in this letter.

Yours faithfully

Mr T Parker
B.Sc.(Hons) Geology, MBA, Diploma Surface Mining, FAusIMM(CP)
Principal Consultant – Corporate Services

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