Key reasons why you should REJECT the UCL Offer

MINEMAKERS LIMITED

Your Directors unanimously recommend that you REJECT the UCL Offer. In making this recommendation, your Directors believe that:

The Independent Expert concluded the UCL Offer is NEITHER FAIR NOR REASONABLE	• The UCL Offer: – is NOT FAIR, because the value of a Minemakers Share is higher than the consideration offered by UCL – is NOT REASONABLE and there are a number of disadvantages to accepting the UCL Offer	**See section 1.1**
The terms of the UCL Offer are unattractive for Minemakers Shareholders	• The UCL Offer: – is priced at a discount to Minemakers' trading values – materially dilutes Minemakers Shareholders' interest in the Combined Group – materially undervalues Minemakers' other assets, including the Wonarah project – includes a mandatory cash component which is unattractive, particularly given Minemakers is trading at historical lows – is not conditional on achieving a 100% outcome	**See section 1.2**
Minemakers has clear, methodical and achievable plans to maximise the value of both the Sandpiper and Wonarah projects	• Minemakers is well progressed in the transition from explorer to developer by adding fertiliser industry and project development expertise to its Board and management team • Minemakers has outlined clear, methodical and achievable plans to finance and develop the Sandpiper project • Minemakers plans to develop the Wonarah project in a manner that minimises near-term cash outlay and maximises long-term shareholder value	**See section 1.3**
UCL's board and management team lacks the necessary skills, experience and credibility to maximise the value of the Combined Group	• UCL does not have the same level of depth, fertiliser knowledge or project development experience as Minemakers • UCL's conduct in rejecting Minemakers' attempts to combine the two entities and then making its own offer for Minemakers is hypocritical and wasteful • UCL's own shareholders (excluding Mawarid) would hold less of the Combined Group under the UCL Offer than under Minemakers' previous offer for UCL • UCL's disclosure practices are questionable. For example, the Takeovers Panel declared that UCL's initial bidder's statement was materially deficient and found UCL failed to conduct itself in a professional and businesslike fashion • UCL has a limited understanding of the Wonarah project and is not well placed to maximise its significant potential value	**See section 1.4**
A successful combination of Minemakers and UCL must create an entity that will be attractive to capital markets and maximise future fund raising options. The UCL Offer fails this test	• The board and management team proposed by UCL for the Combined Group is unlikely to have market appeal • UCL's proposed funding arrangements with Mawarid are unattractive and would limit the financial flexibility of the Combined Group by providing Mawarid significant influence in future fundraisings • The shareholding structure of the Combined Group is unlikely to be conducive to attracting institutional investors • Minemakers is the preferred vehicle for consolidating ownership of the Sandpiper project	**See section 1.5**

This is a summary only. Shareholders should review the Target's Statement in its entirety, including all the reasons why your Directors recommend you REJECT the UCL Offer.

MINEMAKERS LIMITED
ACN 116 296 541

This is an important document and requires your immediate attention.

If you are in doubt as to how to deal with this document, you should consult your financial or other professional adviser immediately.

TARGET'S STATEMENT

In relation to the takeover bid made by

UCL Resources Limited

ACN 002 118 872

for all the ordinary shares in

Minemakers Limited

ACN 116 296 541

Your Directors unanimously recommend that you

REJECT the UCL Offer

Minemakers Shareholders can call the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia)

Financial Adviser Azure Capital

Legal Adviser CORRS CHAMBERS WESTGARTH lawyers

Key dates

Date of the UCL Offer	20 July 2012
Date of this Target's Statement	23 July 2012
Offer closes unless extended or withdrawn	7.00pm (Sydney time) on 20 August 2012

Important notices

Nature of this document

This document is a Target's Statement issued by Minemakers Limited (**Minemakers**) under Part 6.5 Division 3 of the Corporations Act in response to the Replacement Bidder's Statement and the UCL Offer.

A copy of this Target's Statement was lodged with ASIC on 23 July 2012. Neither ASIC nor its officers take any responsibility for the content of this Target's Statement.

Defined terms

A number of defined terms are used in this Target's Statement. Unless the contrary intention appears, the context requires otherwise or words are defined on page 40 -- 42 of this Target's Statement, words and phrases in this Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

This Target's Statement does not take into account your individual objectives, financial situation or particular needs. It does not contain personal advice. Your Directors encourage you to seek independent financial and taxation advice before making a decision as to whether or not to accept the UCL Offer.

Disclaimer as to forward looking statements

Some of the statements appearing in this Target's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied in any forward looking statement. You are cautioned not to place undue reliance on any forward looking statement. The forwarding looking statements in this Target's Statement reflect views held only as at the date of this Target's Statement.

Disclaimer as to information

Minemakers has prepared the information concerning UCL contained in this Target's Statement using publicly available information. Minemakers has not independently verified the information concerning UCL contained in this Target's Statement. Minemakers does not make any representation or warranty (express or implied) regarding the accuracy or completeness of such information (subject to the Corporations Act).

Maps and diagrams

Any maps, diagrams, charts, graphs and tables contained in this Target's Statement are illustrative only and may not be drawn to scale. Unless stated otherwise, all data contained in maps, diagrams, charts, graphs and tables is based on information available as at the date of this Target's Statement.

Privacy

Minemakers has collected your information from the Minemakers register of Minemakers Shareholders for the purpose of providing you with this Target's Statement. The type of information Minemakers has collected about you includes your name, contact details and information on your shareholding in Minemakers. Without this information, Minemakers would be hindered in its ability to issue this Target's Statement. The Corporations Act requires the name and address of Minemakers Shareholders to be held in a public register. Your information may be disclosed on a confidential basis to external service providers (such as Minemakers' share registry and print and mail service providers) and may be required to be disclosed to regulators (such as ASIC and the ASX). If you would like to obtain details of the information held about you by Minemakers, please contact Computershare Investor Services Limited at the address shown below. A copy of Minemakers' privacy policy is available on request by calling the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia). The address for Minemakers is Ground Floor, 20 Kings Park Road, West Perth Western Australia 6005. The address for Computershare Investor Services Limited is GPO Box 52, Melbourne, Victoria 3001.

Shareholder Information Line

Minemakers has established a Shareholder Information Line which Minemakers shareholders may call if they have any queries in relation to the UCL Offer. The telephone number for the Shareholder Information Line is 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia).

Further information relating to the UCL Offer can be obtained from Minemakers' website at www.minemakers.com.au.

Contents

MINEMAKERS LIMITED

ABN 48 116 296 541

Chairman's Letter

23 July 2012

Dear Minemakers Shareholder

Take NO ACTION and REJECT the UCL takeover bid

You should have recently received a bidder's statement from UCL Resources Ltd (**UCL**) in relation to its unsolicited, conditional cash and share takeover offer to acquire all of your Minemakers Shares (**UCL Offer**). UCL announced its takeover offer Minemakers on 18 May 2012. UCL's delay in sending its bidder's statement is due to the Australian Takeovers Panel finding that UCL's original bidder's statement to be materially deficient and ordering UCL to issue a replacement bidders statement (**Replacement Bidder's Statement**).

The UCL Offer was announced despite Minemakers' takeover offer for UCL earlier this year still being open for acceptance. Minemakers made this offer for UCL in an attempt to consolidate the two companies so as to facilitate the development of the Sandpiper phosphate project.

UCL declined to engage with Minemakers in relation to, or recommend to UCL shareholders to accept, that offer despite its own independent expert concluding that the terms of Minemakers offer for UCL were fair and reasonable for UCL shareholders. Now UCL seeks to combine the two companies on the terms set out in the UCL Offer included in its Replacement Bidder's Statement.

Your Directors continue to believe that the consolidation of the two companies makes sense. <u>But not at an unrealistic price</u>.

The Directors of Minemakers believe that the UCL Offer is both inadequate and opportunistic, is poorly structured, would dilute Minemakers Shareholders' combined interest in the Sandpiper project, and does not appropriately reflect the inherent value of the Wonarah project and Minemakers' other assets.

Your Directors also believe that the UCL board and management team does not have the skills and credibility to manage the development of either the Sandpiper or Wonarah project.

Your Directors unanimously recommend that you <u>REJECT</u> the UCL Offer.

This recommendation is supported by the conclusion of the Independent Expert, BDO Corporate Finance (WA) Pty Limited, that the UCL Offer is NEITHER FAIR NOR REASONABLE for Minemakers Shareholders. The Independent Expert has valued Minemakers Shares at between \$0.41 and \$0.60, with a preferred value of \$0.54, which is significantly higher than the assessed valuation range for the consideration offered by UCL for each Minemakers Share.

Your Directors do not intend to accept the UCL Offer in respect of their own Minemakers Shares.

To REJECT the UCL Offer you should simply DO NOTHING and TAKE NO ACTION in relation to all documents sent to you by UCL.

STREET ADDRESS: LEVEL 2 34 COLIN STREET, WEST PERTH WA 6005 POSTAL ADDRESS: PO BOX 1704 WEST PERTH WA 6872

PHONE: (08) 9264 7000 FAX: (08) 9264 7099 EMAIL: FRONTDESK@MINEMAKERS.COM.AU

This booklet contains Minemakers' target's statement, in which the Directors provide their formal response to the UCL Offer. We encourage you to read carefully all of the information contained in this booklet. If you have any queries in relation to the Directors' recommendation, please call the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia).

Despite the recommendation to reject the UCL Offer, Minemakers remains willing to discuss and agree a fair transaction that combines UCL and Minemakers to the benefit of both sets of shareholders.

In the absence of UCL's willingness to do so, your Directors believe that enough time and money has been spent on investigating the combination of the two companies, and that those resources are better spent on the development of the Sandpiper project and Minemakers other assets.

Yours sincerely,

Andrew Drummond

Executive Chairman

Key reasons why you should REJECT the UCL Offer

1 The Independent Expert concluded the UCL Offer is NEITHER FAIR NOR REASONABLE

2 The terms of the UCL Offer are unattractive for Minemakers Shareholders

3 Minemakers has clear, methodical and achievable plans to maximise the value of both the Sandpiper and Wonarah projects

4 UCL's board and management team lack the necessary skills, experience and credibility to maximise the value of the Combined Group

5 A successful combination of Minemakers and UCL must create an entity that will be attractive to capital markets and maximise future fund raising options. The UCL Offer fails this test

Further details in relation to the key reasons to REJECT the UCL Offer are set out in section 1 of this Target's Statement.

Directors' recommendation and intentions

Directors' recommendation	After taking into account each of the matters in this Target's Statement and the Replacement Bidder's Statement, each of your Directors recommends that you **REJECT** the UCL Offer.
Intentions of your Directors in relation to the UCL Offer	Each Director who holds or controls Minemakers Shares, intends to **REJECT** the UCL Offer in relation to those Shares. Details of the relevant interests of each Director in Minemakers Shares are set out in section 8.3 of this Target's Statement.

To **REJECT** the UCL Offer, you should **DO NOTHING** and **TAKE NO ACTION** in relation to all documents sent to you by UCL

1 Why you should REJECT the UCL Offer

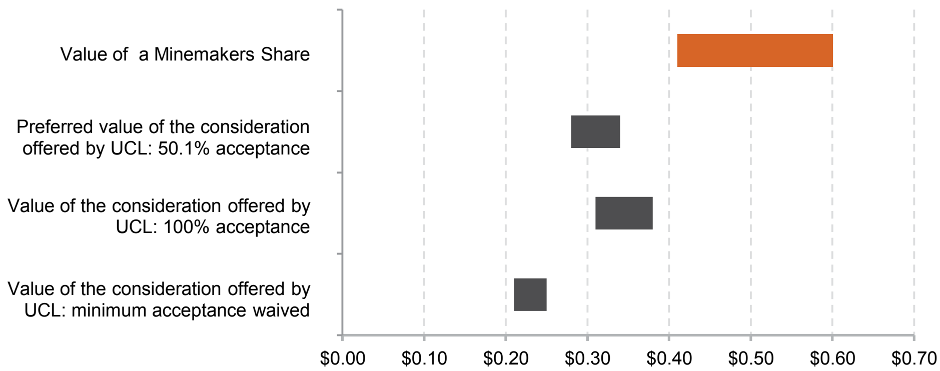
1.1 The Independent Expert concluded the UCL Offer is NEITHER FAIR NOR REASONABLE

Minemakers appointed BDO Corporate Finance (WA) Pty Ltd as its Independent Expert to undertake an independent assessment of the UCL Offer. The Independent Expert's Report is attached as Annexure 1 of this Target's Statement.

The Independent Expert has concluded that the UCL Offer is **NEITHER FAIR NOR REASONABLE**.

As the chart below demonstrates, the assessed valuation range for a Minemakers Share of $0.41 to $0.60 is significantly higher than the assessed valuation range for the consideration offered by UCL for each Minemakers Share of $0.21 to $0.38, depending on the level of acceptances received by UCL. Therefore the Independent Expert has determined the UCL Offer is **NOT FAIR** for Minemakers Shareholders.

Independent Expert's fairness assessment



The Independent Expert has also concluded the UCL Offer is **NOT REASONABLE**, and highlighted the following disadvantages:

- UCL Shares have significantly lower liquidity than Minemakers Shares;
- the UCL Offer would result in dilution of Minemakers Shareholders' effective interests in the Sandpiper and Wonarah projects;
- the cash consideration paid under the UCL Offer may lead to the requirement for subsequent fund raising during volatile times;
- the UCL Offer would result in the loss of Minemakers' TSX listing;
- The convertible notes used to fund the cash consideration of the UCL Offer will lead to further dilution or further fund raising activities;
- Twynam and Mawarid will have a large combined shareholding, which may reduce liquidity, the appeal of the Combined Group to institutional investors and project financing flexibility; and
- The UCL Share price may decline if UCL receives acceptances for more than 50%, but less than 100% of Minemakers Shares, as UCL would be required by law to procure that Minemakers disposes of its shareholding in UCL.

The Independent Expert has concluded that the UCL Offer is NEITHER FAIR NOR REASONABLE. The Independent Expert's valuation range for a Minemakers Share of $0.41 to $0.60, with a preferred value of $0.54, supports your Directors' view that the UCL Offer is inadequate and undervalues your Minemakers Share.

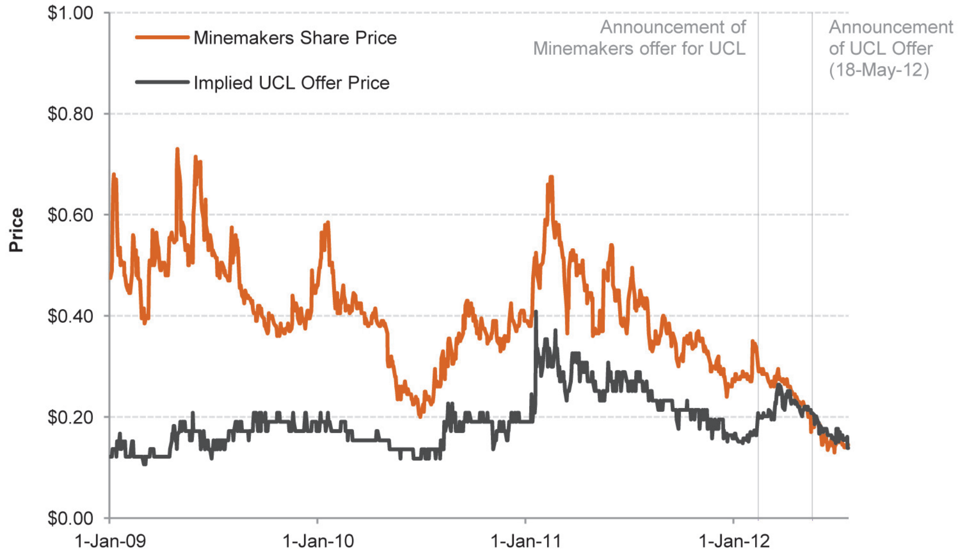
1.2 The terms of the UCL Offer are unattractive for Minemakers Shareholders

(a) The UCL Offer is priced at a discount to Minemakers' trading values

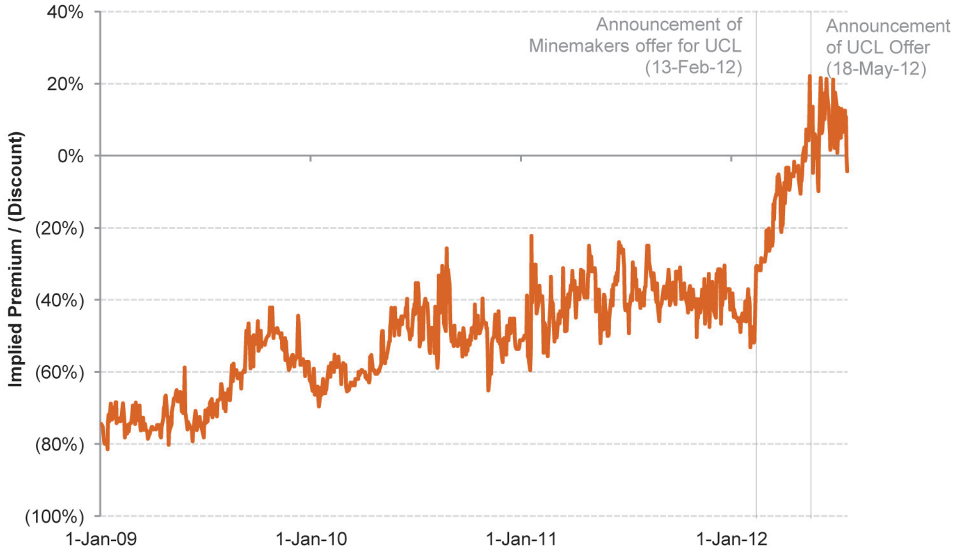
The Minemakers Board believes that the pricing of the UCL Offer is inadequate and undervalues your Minemakers Shares.

The UCL Offer has been opportunistically timed, given that Minemakers Shares are trading at historical lows. UCL's share price has also been inflated in recent times by Minemakers takeover bid for UCL. As shown in the charts below, prior to announcement of Minemakers' offer for UCL, the implied value of the UCL Offer has not represented a premium to Minemakers' share price since the beginning of 2009.

Implied UCL Offer price compared to Minemakers Share price



Implied premium / (discount) of UCL Offer price

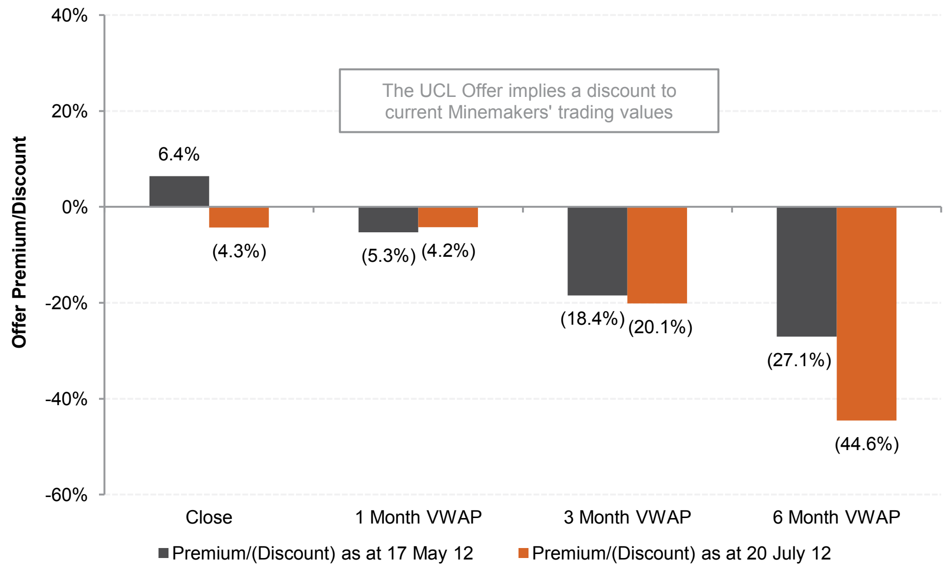


Source: Bloomberg as at 20 July 2012.

Your Directors believe that UCL is attempting to secure control of Minemakers without paying an appropriate premium for control.

As shown below, on the date of the announcement of the UCL Offer, the implied value of the UCL Offer[1] represented only a 6.4% premium to the prevailing Minemakers Share price at the time, and a discount to the 1 month, 3 month and 6 month VWAPs of Minemakers. However, taking into account trading since the UCL Offer was announced, the implied value of the UCL Offer is at a discount to Minemakers' trading values[2].

Implied premium / (discount) of the UCL Offer



Source: Bloomberg as at 20 July 2012.

(b) **Under the UCL Offer, Minemakers Shareholders would have a materially lower shareholding in the Combined Group and reduced exposure to the Combined Group's assets than under the Minemakers offer for UCL**

UCL claims that the UCL Offer is designed to be equitable to both sets of shareholders.

This is not the case.

In fact, the UCL Offer would result in Minemakers Shareholders being significantly worse off than either currently or under Minemakers' offer for UCL for the following reasons:

1 Lower shareholding in the Combined Group

Had Minemakers' offer for UCL been successful, Minemakers Shareholders would have owned 70% of the Combined Group[3]. UCL's own independent expert confirmed that Minemakers' offer was fair and reasonable to UCL shareholders.

In contrast, if the UCL Offer is successful, Minemakers Shareholders would own only 54% of the Combined Group[4] and UCL would control it despite offering no material premium for control. This would result in a significant shift of value away from Minemakers Shareholders to Mawarid, the entity controlled by UCL director, Dr Mohammed Al-Barwani, that is providing a significant portion of the cash funding for the UCL Offer.

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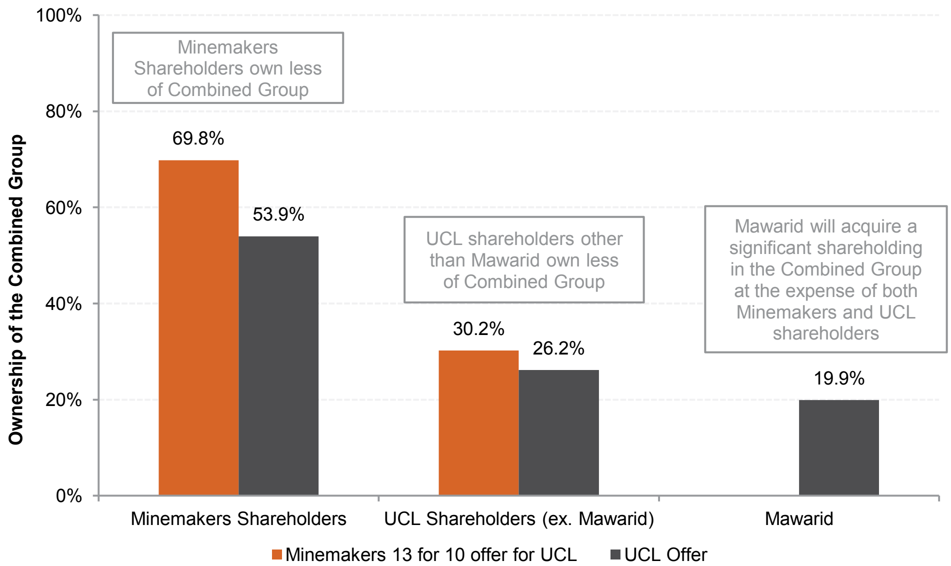
1 Based on an implied value for the UCL Offer of A$0.208, based on the closing price of UCL on 17 May 2012.

2 Based on an implied value for the UCL Offer of A$0.139, based on the closing price of UCL on 20 July 2012.

3 Analysis of Minemakers offer assumes Minemakers had obtained acceptances in respect of 100% of UCL Shares (prior to UCL's placement to Mawarid and rights issue) and is conducted on a fully diluted basis (i.e. assuming conversion of convertible note by Donwillow and exercise of UCL in the money options and UCL performance rights, but excluding Minemakers' out of the money options.

4 Analysis of UCL Offer assumes UCL obtains acceptances in respect of 100% of Minemakers Shares, is conducted on a fully diluted basis (i.e. assuming conversion of convertible notes by Donwillow and Mawarid, exercise of UCL in the money options and UCL performance rights but excluding Minemakers' out of the money options and assumes the UCL Shares owned by Minemakers are cancelled.

Comparison of ownership of Combined Group

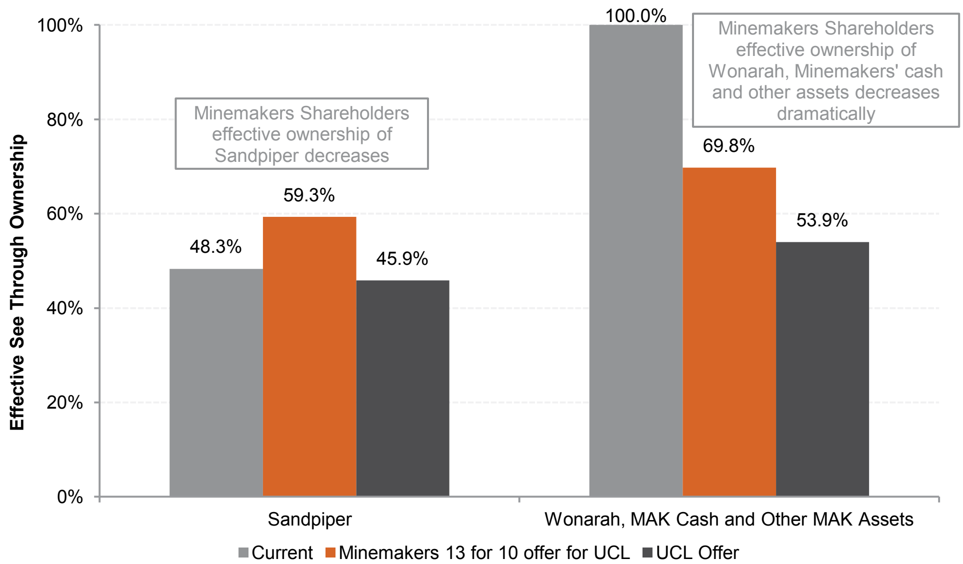


2 Material dilution of interest in non-Sandpiper assets

UCL's assertion also ignores the material dilution of Minemakers Shareholders' effective interest in Minemakers' non-Sandpiper assets, such as the Wonarah project and Minemakers' cash.

As shown in the diagram below, if the UCL Offer is successful, Minemakers Shareholders' effective interest in these assets would reduce from 100% currently to 54%[5]. This also compares unfavourably with an effective interest of approximately 70% had Minemakers' offer for UCL been successful.

Comparison of effective see through ownership of assets by Minemakers Shareholders



[5] Analysis of UCL Offer as per footnote 4 and analysis of Minemakers offer as per footnote 3. Analysis of Minemakers Shareholders' indirect interest in the Sandpiper project (via Minemakers' shareholding in UCL) assumes conversion of convertible note by Donwillow, and exercise of UCL in the money options and UCL performance rights.

(c) **The UCL Offer materially undervalues Minemakers' other assets, including the significant Wonarah project**

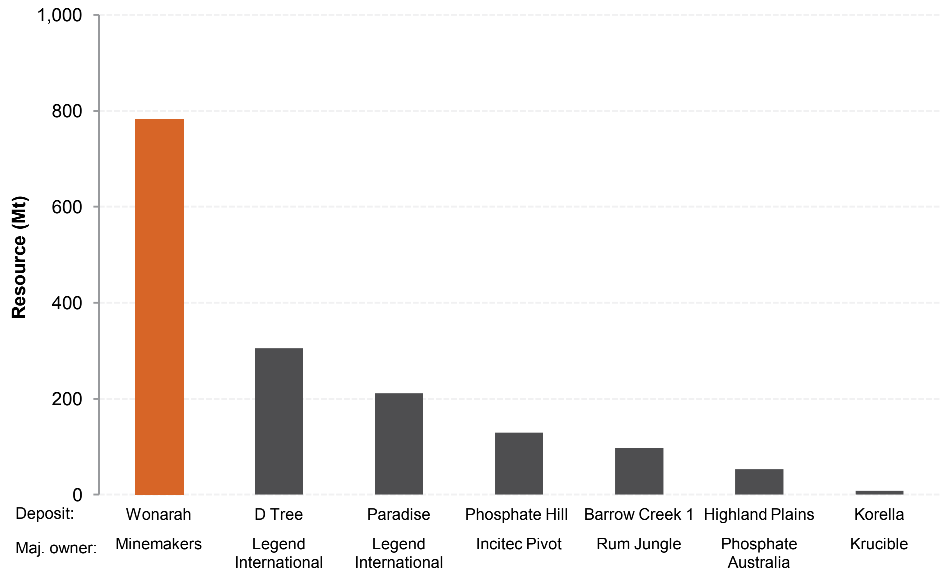
The UCL Offer implies a see-through value of less than A$10 million for Minemakers' non-Sandpiper, non-cash assets[6], including:

- the Wonarah project;
- its 70% shareholding in the Rocky Point project, an earlier stage marine phosphate project located north of Sandpiper;
- its strategic investment in JDC, a US-based developer of patented dry kiln technology for the production of superphosphoric acid; and
- other minority shareholdings.

Your Directors believe that this significantly undervalues these assets. In particular, in an environment of global population growth and increasing fertiliser needs for crops, livestock feed and biofuels, your Directors believe the Wonarah project is a strategic asset that has the potential to generate significant value for shareholders.

As shown below, the Wonarah project contains Australia's largest known phosphate Mineral Resource[7] and is well-located, with access to key infrastructure including major highways, railways and ports. It is also fully permitted for DSO mining, has key agreements in place with the Aboriginal freehold owners and has been granted "major project" status by the Northern Territory government. An enabling study completed in November 2011, indicated potentially robust project economics for the development of a rock phosphate mine and downstream fertiliser production operation.

Australian phosphate deposits



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6 The see through value of UCL's interest in Sandpiper is A$8.5 million, based on a market capitalisation for UCL of A$15.7 million (based on the closing price of UCL on 20 July 2012 of A$0.15 per share and assuming conversion of convertible note by Donwillow, exercise of UCL in the money options and UCL performance rights), less cash of A$7.2 million (based on cash as at 31 March 2012, adjusted for the exercise of UCL in the money options and UCL performance rights, and completion of the placement and rights issue). This implies a see through value for the Wonarah project and Minemakers' other non-cash assets of A$9.5 million, based on a market capitalisation for Minemakers of A$32.4 million (based on the implied value of the UCL Offer of A$0.139 per Minemakers Share as at the same date), less the see through value of Minemakers' interest in Sandpiper of A$8.5 million (based on the see through value of UCL's interest in Sandpiper), less cash of A$12.2 million (as at 31 March 2012), less the see through value of Minemakers' interest in UCL of A$2.1 million (based on the market capitalisation of UCL above).

7 Includes Australian phosphate resources that are JORC compliant, but excludes deposits that are predominantly rare earths projects. Phosphate Hill resource is based on last reported JORC resource in 2005. Source: Intierra and company announcements.

(d) **The inclusion of a mandatory cash component in the UCL Offer is unattractive**

A material portion of the consideration payable pursuant to the UCL Offer is in the form of cash.

Your Directors consider this cash component unattractive because:

- Minemakers Shareholders must accept cash if they accept the UCL Offer. It is not an election to receive cash or UCL Shares;
- the UCL Offer is being made at a time of general market weakness and when Minemakers Shares are trading at historically low prices. By accepting, you will be selling down part of your Minemakers shareholding for cash at an implied price that is at a discount to historic share trading prices and also well below the Independent Expert's valuation range for a Minemakers Share of $0.41 to $0.60, with a preferred value of $0.54;
- UCL is not giving Minemakers Shareholders the ability to exchange all of their Minemakers Shares for shares in the Combined Group. This has the effect of reducing the proportion of the Combined Group held by Minemakers Shareholders; and
- Capital gains tax (**CGT**) scrip-for-scrip roll-over relief will not be available in respect of the cash portion of the UCL Offer, meaning you may be required to pay CGT if you accept the UCL Offer (see section 7 for more details).

(e) **The UCL Offer is not conditional on achieving a 100% outcome**

The UCL Offer is only conditional upon UCL achieving acceptances of 50.1%.

If you accept the UCL Offer and UCL does not obtain acceptances of 90% or more (which would enable it to proceed to compulsory acquisition) then:

- you may be left as a minority shareholder of UCL. UCL is a smaller and less diverse company, and UCL Shares have significantly lower liquidity than Minemakers Shares;
- there would be complicated cross shareholdings between UCL and Minemakers, because Minemakers is already a shareholder in UCL. In that scenario, UCL may be required by law to procure that Minemakers dispose of its UCL shareholding, which may put downward pressure on the UCL Share price and reduce the value of your UCL Shares; and
- if UCL achieves ownership of less than 80% in Minemakers as a result of the UCL Offer, CGT scrip-for-scrip roll-over relief may not be available for the scrip portion of the UCL Offer, meaning you may be required to pay CGT.

1.3 Minemakers has clear, methodical and achievable plans to maximise the value of both the Sandpiper and Wonarah projects

(a) Minemakers is well progressed in the transition from explorer to developer by adding fertiliser industry and project development expertise to its Board and management team

Minemakers has begun the process of transitioning from a minerals explorer to a phosphate project development company, including the recent appointment of Dick Block to the Minemakers board of directors and Cliff Lawrenson to the position of Managing Director and Chief Executive Officer.

Cliff Lawrenson B.Com.(Hons)	**Managing Director and Chief Executive Officer**	Cliff Lawrenson joins Minemakers after holding the position of Chief Executive Officer of FerrAus Limited which he led to a recommended takeover by Atlas Iron Limited in December 2011. Mr Lawrenson held the position of Group Chief Executive Officer of GRD Limited from 2006 which incorporated GRD Minproc Limited, OceanaGold Limited and Global Renewables. Prior to joining GRD Limited, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the United States of America and Singapore. He has worked extensively in investment banking around the world, including with Macquarie Bank in Australia and holds postgraduate qualifications in Finance and Strategy. Mr Lawrenson has served on several boards in international locations where he led the development and financing of numerous major infrastructure projects. He is also Non-Executive Chairman of Pacific Energy Limited and Bold Resources Limited.
Richard H. (Dick) Block B.Sc. (Chemical Engineering)	**Non Executive Director**	Dick Block is a US based mining and processing industry executive with almost 4 decades experience in the fertilizer and base and precious metals businesses. The majority of his career was with the Freeport-McMoRan group of companies, where he rose to Executive Vice President and COO of Freeport-McMoRan Inc. and Senior Vice President of Freeport-McMoRan Copper & Gold Inc. In addition, he was President of two of the world's largest phosphate mining and fertilizer producing firms, Agrico Chemical Company and IMC-Agrico Company. Further, he was deeply involved in the Queensland Nickel JV in Australia in the 1980s. Mr Block has been a senior executive or member of the Board of Directors of six NYSE and TSE listed firms, including Amax Gold Inc. and Kinross Gold Corporation. Also, he has been a member of the Board of a number of trade, nonprofit and charitable organisations, including the International Fertilizer Industry Association, The Fertilizer Institute, the Phosphate Chemicals Export Association (PhosChem), The Sulphur Institute, United Way of the North Shore and Illinois Public High School District 115.

These appointments supplement Minemakers' substantial existing board and management capabilities. Minemakers current board of directors is set out in section 8.1.

(b) Minemakers jointly manages the Sandpiper project and has already outlined clear, methodical and achievable plans to finance and develop the asset so as to maximise value for existing shareholders

The feasibility study results released by Minemakers on 18 April 2012 and the economic results and development plan released on 19 June 2012 respectively provide a solid technical and financial foundation and path forward for the development of the Sandpiper project.

As noted by Minemakers on 19 June 2012, a number of matters need to be resolved before competitive, committed financing can expect to be secured. UCL's independent technical expert, Snowden, has also confirmed this.[8] These matters include:

- converting mineral resources to ore reserves;
- finalising location and securing land for processing sites;
- confirming access to port and estimated port charges;
- confirming the water strategy and entering into agreements with Namibia Water Corporation;
- completing environmental studies and permitting;
- refining the product marketing strategy;
- completing a detailed financial model suitable for project financing purposes
- continuing to optimise capital and operating cost estimates, and undertaking final front end engineering design; and
- completing the negotiations on contracts for dredging, EPCM and key staff positions.

In Minemakers' opinion, the NMP Joint Venture should continue to optimise the feasibility study results and engage with financiers in a prepared, systematic and methodical manner that ensures the NMP Joint Venture is in a position to obtain the most competitive financing possible.

Minemakers plans to continue to work with UCL as its joint venture partner to develop the Sandpiper project as rapidly as possible in the interests of all joint venture parties.

(c) Minemakers plans to develop the Wonarah project as a downstream fertiliser operation, in a manner that minimises near-term cash outlay and maximises long-term shareholder value

Resource definition and mining permitting for the Wonarah project is largely in place, creating the ability to commence DSO rock phosphate mining operations in a reasonably short timeframe, if desired.

However, Minemakers is focused on developing a larger operation at the Wonarah project with downstream processing capabilities. An enabling study completed by Minemakers in November 2011 indicated robust project economics arising from the development of such an operation and Minemakers believes this would have the potential to significantly improve the value of the project.

With this objective in mind, Minemakers has commenced discussions with a number of large, strategic players to form a joint venture. Minemakers will seek for the incoming partner to:

- acquire an initial equity interest in the Wonarah project;
- co-fund the final definitive feasibility study on the Wonarah project;
- have the right to increase its investment post-completion of the definitive feasibility study; and
- facilitate the securing of project finance debt.

Minemakers expects to have sufficient corporate resources to ensure that the development of the Wonarah project in the manner described above does not impact the rapid development of the Sandpiper project.

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8 Snowden has stated that "*... the DFS is not at a bankable feasibility study level as there are a number of uncertainties and risks that need to be addressed or mitigated.*" Source: UCL Second Supplementary Target's Statement, 30 April 2012.

1.4 UCL's board and management team lacks the necessary skills, experience and credibility to maximise the value of the Combined Group

(a) The UCL board and management team do not have sufficient depth, fertiliser knowledge or development experience to develop the Sandpiper or Wonarah projects

Minemakers believes that the UCL board and management team lack the necessary skills and experience to develop the assets of the Combined Group.

- to Minemakers knowledge, UCL currently has just two full-time executive employees whilst Minemakers has three times as many direct employees (6) engaged on the Sandpiper project as UCL (2);
- based on UCL's public disclosure, it appears the UCL board and management team have limited prior experience in developing and financing major projects such as the Sandpiper and Wonarah projects, as well as no prior experience in the fertiliser industry. In contrast, as discussed in section 1.3 of this Target's Statement, Minemakers has begun the process of transitioning from a minerals explorer to a phosphate project development company;
- UCL's recent disclosure wrongly infers that UCL manages the Sandpiper project. Minemakers and UCL jointly manage the Sandpiper project;
- Minemakers believes UCL's conduct in the past 6 months may have damaged the credibility of the Sandpiper project with debt and equity investors. For example:
  - on 18 April 2012, UCL published a number of financial metrics which Minemakers believes was premature and inaccurate. In particular, Minemakers considers that the release of "geared" financial metrics was without any reasonable basis, as all discussions with lenders remain at a very early stage; and
  - prior to announcing its Offer, and before agreeing a timetable with its joint venture partner, UCL publicly stated a target date for first production from the Sandpiper project of the second half of 2013. UCL now states this will be 12 months later in the second half of 2014. Minemakers believes even this revised timetable is unlikely to be achievable. Continuing to provide key milestone dates which are not achievable has the potential to negatively impact upon the credibility of the Sandpiper project in the marketplace; and
  - some of the UCL board and management team have previously overseen a failed Iranian zinc project investment, which has resulted in significant loss of UCL shareholder funds.

(b) UCL's outright rejection of Minemakers' takeover offer, but then subsequently making its own offer for Minemakers, is hypocritical and wasteful

Minemakers believes the actions of the UCL board in rejecting the Minemakers' offer and making a subsequent offer for Minemakers indicates they are not well suited to govern the Combined Group in the interests of all shareholders.

In particular:

- in rejecting the Minemakers' offer, the UCL board's view was inconsistent with the views of its own independent expert which found Minemakers' revised offer for UCL to be fair and reasonable;
- the UCL board has historically been highly critical of the Wonarah project and refused to engage in discussions with Minemakers regarding a combination of UCL and Minemakers that included Wonarah. For the UCL board to now make an offer for the whole of Minemakers (including the Wonarah project) is inconsistent with its historical position;

- in rejecting Minemakers' offer and making a subsequent offer for Minemakers, UCL has forced both companies to incur further costs in relation to a transaction which aims to achieve a similar outcome to that previously proposed by Minemakers; and
- rather than engaging with Minemakers on its offer, UCL has delivered Mawarid an increased interest in UCL and the Combined Group if the UCL Offer is successful, at the expense of its own shareholders (refer to chart in the section 1.2(b) above).

(c) **UCL's disclosure practices are questionable. For example, the Takeovers Panel declared that UCL's initial bidder's statement was materially deficient and ordered corrective disclosure be made**

Minemakers believes that UCL's recent disclosures raise real concerns about whether UCL's board and management understand the standard of disclosure required for a public company. For example:

- UCL's original bidder's statement lodged with ASIC on 28 May 2012 contained material information deficiencies. The Takeovers Panel made a declaration of unacceptable circumstances in relation to UCL's disclosure and required UCL to prepare a replacement bidder's statement to address the deficiencies in relation to:
  - the proposed funding of the UCL Offer;
  - related party transactions;
  - capital structure of the combined group; and
  - recent sales prices of Minemakers Shares and UCL Shares and the stated premium of the UCL Offer.

  UCL lodged the Replacement Bidders Statement on Friday, 13 July 2012, almost 2 months after it lodged its original bidders statement;
- The Takeovers Panel found UCL failed to conduct itself in a professional and businesslike fashion in rectifying the identified disclosure issues and ordered UCL to pay certain costs incurred by Minemakers during proceedings;
- Even following the Takeovers Panel decision, UCL's Replacement Bidder's Statement still contains a number of deficiencies, including:
  - incorrectly calculating that, if UCL was to acquire 100% of Minemakers, UCL would be able to draw the full A$9 million under the Mawarid convertible note, with the consequence being that an additional A$0.5 million of UCL's existing cash reserves would need to be used to fund the cash consideration of the UCL Offer;
  - overstating the pro-forma cash reserves of the Combined Group in the 50.1% acquisition scenario by almost A$4 million[9] and failing to state that UCL would not necessarily be able to access Minemakers' cash assets for its own purposes in this scenario;
  - incorrectly stating that Dr Mohammed Al-Barwani's appointment to the UCL board was conditional on entering into the convertible note agreement;
  - not highlighting the significant risk and loss of financial flexibility which Minemakers believes is inherent in the convertible note agreed with Mawarid to finance the UCL Offer; and
  - failing to disclose the convertible note cannot be repaid early without Mawarid's consent;

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[9] Refer to page 39 of the Replacement Bidder's Statement, on which UCL's adjusted cash of A$15.9 million in the 50.1% acquisition scenario is the same of UCL's adjusted cash in the 100% acquisition scenario (page 38), despite UCL stating on page 42 that A$4.7m would be available to be drawn in the 50.1% acquisition scenario compared to A$9.0 million in the 100% acquisition scenario.

- UCL's publication of economic analysis on Sandpiper on 18 April 2012 was followed by more detailed corrective disclosure on 30 April 2012, raising questions as to why this information was not disclosed on 18 April 2012;
- UCL's publication of an updated rights issue cleansing notice on 5 June 2012, following an original cleansing notice on 28 May 2012;
- UCL put a convertible note in place with Mawarid without seeking the approval of UCL shareholders despite Mawarid being controlled by UCL director Dr Mohammed Al-Barwani, which meant that at the time of entering the convertible note agreement Mawarid was a related party of UCL; and
- UCL only announced the memorandum of understanding with Mawarid for a 15% placement in UCL on 18 April 2012, despite it being entered into on 11 April 2012. In Minemakers' view, this was material, price sensitive information which remained undisclosed for seven (7) days, despite UCL's enhanced disclosure obligations by virtue of the Minemakers' takeover offer being open for acceptance. When it did disclose the subscription arrangements with Mawarid, UCL did not disclose the additional rights granted to Mawarid, being a board seat and first rights to participate in future equity raisings. Minemakers considers such contractual rights to be material in the context of UCL raising further development capital.

(d) **UCL is not well placed to secure the required equity financing for the Sandpiper project – the uncommercial rights provided to Mawarid is prima facie evidence of this**

UCL states in its Replacement Bidder's Statement that it has "*... demonstrated that it is better placed to secure the required equity funding" for the Sandpiper project*".

The unattractive short-term funding arrangements UCL has recently put in place with Mawarid to raise A$14.9 million does not demonstrate a capability to secure the required equity funding for a project of the magnitude of the Sandpiper project.

(e) **UCL has a limited understanding of the Wonarah project and is not well placed to maximise its significant potential value**

The UCL board and management team do not have an in-depth knowledge of the Wonarah project, have been highly critical of it in the past and, in the opinion of your Directors, are not well suited to maximising its value. In its Replacement Bidder's Statement, UCL states that it "*intends to conduct a review of Wonarah*" and "*until that review is finalised, UCL will not be in a position to comment further on its intentions*".

Your Directors believe there is a material risk that UCL will seek to sell this strategic asset outright at a discounted price or otherwise mothball the project, rather than seek to develop it.

1.5 A successful combination of Minemakers and UCL must create an entity that will be attractive to capital markets and maximise future fund raising options. The UCL Offer fails this test

Despite the recommendation to reject the UCL Offer, Minemakers remains willing to discuss and agree a fair transaction that combines UCL and Minemakers to the benefit of both sets of shareholders.

However, any such transaction must result in an entity in which the interests of the respective entity's shareholders represent the fair value of the assets contributed by each company, is attractive to capital markets, and has maximum available fundraising options. The UCL Offer does not achieve any of these objectives.

If UCL is not prepared to agree to a fair transaction, then Minemakers believes that enough time and money has been spent on investigating the combination of the two companies, and that those resources are better spent on the development of the Sandpiper Project.

(a) The board and management proposed by UCL for the Combined Group is unlikely to have market appeal

UCL intends for the board of management of the Combined Group to be predominantly comprised of UCL representatives. UCL states in its Replacement Bidder's Statement that it intends to appoint as few as one of Minemakers' current Directors, being Ted Ellyard, to the Board of the Combined Group. Ted Ellyard has confirmed to the Board that he does not intend to accept this invitation should the UCL Offer be successful.

In addition, UCL has indicated that, subject to a strategic review, as few as two of Minemakers' existing management are intended to be retained as management of the Combined Group.

Minemakers believes the board and management of the Combined Group proposed by UCL will lack the required skills, experience and credibility and will not have market appeal.

(b) Funding provided to UCL by Mawarid is unattractive and limits the financial flexibility of the Combined Group by providing Mawarid significant influence in future fundraisings

In May 2012, UCL completed a placement to Mawarid, raising A$3.6 million in exchange for issuing Mawarid a 13.04% interest in UCL. While the placement was priced at a small premium to the prevailing UCL Share price at the time, UCL also granted Mawarid a board seat and first rights to participate in all future equity raisings conducted by UCL. UCL did not disclose those rights when it announced that it had entered into the subscription agreement with Mawarid.

UCL has also entered into a convertible note agreement with Mawarid to provide the majority of the cash consideration under the UCL Offer. This convertible note subsequently entered into with Mawarid to partially fund the UCL Offer is a highly unattractive instrument for a number of reasons, including:

- it contains onerous terms which are likely to limit the ability of the Combined Group to obtain competitive debt financing for the Sandpiper project during the next 18 months without Mawarid's consent. In particular:
  - UCL has undertaken that it will not grant any security over its assets, prior to the convertible note being converted or redeemed, without Mawarid's consent. Minemakers believes that debt financiers of Sandpiper would likely require security over UCL's shares in NMP, such that Mawarid may be able to block such a project financing; and
  - UCL is unable to repay the convertible note prior to its redemption date (being 18 months after the date of issue), without Mawarid's consent;
- it will introduce unnecessary debt into the capital structure of the Combined Group, with an interest rate of 7.5% and an 18 month term. The Combined Group must service this debt and, should Mawarid elect not to convert it to equity, repay it;

- it will likely result in further dilution of shareholders of the Combined Group when the debt is either converted, through the issue of shares to Mawarid, or repaid, through the issue of shares to raise the necessary funds for repayment; and
- the conversion price of A$0.25 was a discount to the prevailing UCL market price at the time the UCL Offer and the convertible note was announced, effectively providing a free option for Mawarid. The Black & Scholes valuation of this embedded option is approximately A$4.5 million[10].

(c) If the UCL Offer is successful, the resulting shareholding structure of the Combined Entity will be less conducive to attracting institutional investors

If the UCL Offer is successful, Twynam Group and Mawarid could together control 31%[11] of the Combined Group. In the opinion of your Directors, this has the potential to:

- reduce financing flexibility in obtaining finance for the Sandpiper project;
- reduce the institutional appeal of investing in the Combined Group;
- reduce liquidity and free float in the Combined Group; and
- deliver Mawarid and Twynam Group substantial influence in future activities.

Minemakers notes that there is no certainty on the quantum, structure or pricing of any further funding that Twynam Group or Mawarid may provide to the Combined Group. Furthermore, both Twynam Group and Mawarid have strategic interests outside of their respective investments in UCL and so, compared to institutional and financial investors, there is greater risk that their respective interests may not align with the interests of other shareholders. The favourable treatment of Mawarid is already evident through the issues identified above.

(d) Minemakers is the preferred vehicle for consolidating ownership of Sandpiper

Minemakers is a larger company than UCL, has significantly higher liquidity, more qualified board and management and, in the opinion of your Directors, has greater market appeal.

Minemakers also has a TSX listing. The TSX has significantly deeper capital markets for fertiliser companies. It is home to 15 companies with operating or development phosphate, potash or fertilizer assets with a market capitalisation of greater than C$20 million. These companies have a combined market capitalisation of approximately C$56 billion. Whilst Minemakers has not yet needed to raise capital on the TSX to date, your Directors believe the North American capital markets may be an important future source of development capital for both the Sandpiper and Wonarah projects.

If UCL were to be the surviving listed entity, this would lead to Minemakers' TSX listing being lost. To replicate this TSX listing would take considerable time and expense.

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[10] Black & Scholes valuation is based on a face value for the convertible note of A$9 million which is convertible into 36 million shares at A$0.25 per share, an 18 month term, UCL Share price of A$0.26, risk free rate of 2.86% and 18 month historical volatility (calculated on a weekly basis) of 98.84%. The UCL Share price, risk free rate and 18 month historical volatility are as at 17 May 2012 (the day prior to announcement of the convertible note) according to Bloomberg.

[11] Analysis of UCL Offer assumes UCL obtains acceptances in respect of 100% of Minemakers Shares, is conducted on a fully diluted basis (i.e. assuming conversion of convertible notes by Donwillow and Mawarid and exercise of UCL in the money options and UCL performance rights, but excludes Minemakers' out of the money options and assuming the UCL Shares owned by Minemakers are cancelled.

2 Your Directors' response to UCL claims

UCL made a number of claims in its Replacement Bidder's Statement in support of its UCL Offer. Your Directors' response to the key claims is summarised in the table below.

UCL claims that...	Minemakers REJECTS these claims...
It has demonstrated that it is better placed to secure the required equity funding to develop the Sandpiper project	Securing funding by way of a placement, underwriting and convertible note for a combined amount of $14.9 million from Mawarid does not support a conclusion that UCL is "better placed" than Minemakers to fund UCL's share of development costs associated with the Sandpiper project, which UCL estimates as being approximately $200 million. This is particularly so when the Mawarid funding arrangements contain a number of unattractive features which significantly reduce the funding flexibility of the Combined Group for the more important capital raising required to fund the development of the Sandpiper project (see section 1.5(b) for further details). This unattractive financing may not have been required if UCL had engaged with Minemakers on the Minemakers' offer. UCL even admitted it did not conduct its own due diligence enquiries on Mawarid prior to proceeding with these arrangements which have delivered Mawarid voting power of approximately 19.6% in UCL(on an undiluted basis), raising concerns about the conduct of the UCL Board in agreeing to such arrangements. Furthermore, over the same period, as Minemakers had no immediate need or intention to raise capital, there is no objective comparative information to support UCL's views.
UCL has attempted to engage with Minemakers regarding the combination of the two companies' respective ownership of Sandpiper	Minemakers repeatedly attempted to engage with UCL regarding the terms of a transaction to effect the combination of the two companies. These attempts were rejected, as UCL asserted that it did not want the Wonarah project to be part of the Combined Group. Minemakers believes that the Wonarah project has significant potential value, and may assist with financing of the Sandpiper project. UCL has now put forward an offer which, if successful, would result in UCL acquiring (amongst other things) the Wonarah project. UCL's actions are hypocritical and have forced both companies to incur unnecessary transaction costs. This could have been avoided if UCL engaged with Minemakers in relation to its earlier takeover offer.
The UCL Offer is designed to be equitable to both sets of shareholders	The UCL Offer would actually result in Minemakers Shareholders being significantly worse off than both currently and under Minemakers' takeover offer for UCL. In fact, even UCL shareholders (excluding Mawarid) will be worse off under the UCL Offer. A detailed explanation of the reasons for this is set out in section 1.2(b) of this Target's Statement.
The financial terms offered are better for Minemakers Shareholders than Minemakers' takeover offer for UCL	Minemakers notes that UCL puts forward no valid information to substantiate this claim. The cash component of the UCL Offer materially dilutes Minemakers Shareholders' interest in the Sandpiper project and other Minemakers' assets. Further, the Minemakers' offer for UCL was made prior to UCL's placement to Mawarid and the UCL rights issue being announced. When the Mawarid funding arrangements are taken into account, Minemakers Shareholders would be worse off than they would have been had the Minemakers' takeover offer for UCL been successful.

UCL claims that...	Minemakers REJECTS these claims...
The UCL board has no confidence that Minemakers can realise the value inherent in Sandpiper	Minemakers has outlined clear, methodical and achievable plans to finance and develop the Sandpiper project. In contrast, Minemakers believes that UCL's development plans for the Sandpiper project are unrealistic, unlikely to be achievable and have the potential to negatively impact the project's credibility. Minemakers plans to develop the Wonarah project in a manner that minimises near-term cash outlay and maximises long-term shareholder value. Minemakers has begun the process of transitioning from a minerals explorer to a phosphate project development company, including the recent appointment of Dick Block to the Minemakers board of directors and Cliff Lawrenson to the position of Chief Executive Officer. These appointments supplement Minemakers' substantial existing board and management capabilities In contrast, to Minemakers knowledge UCL currently has just two full-time executive employees. Based on UCL's public disclosure, it appears the UCL board and management team have limited prior experience in developing and financing major projects such as the Sandpiper and Wonarah projects, as well as no prior experience in the fertiliser industry.
The UCL board considers UCL to be an attractive investment opportunity	UCL Shares are highly illiquid and the implied value of the UCL Offer is a material discount to the price of Minemakers Shares over the medium to longer term. UCL bases its claim on the fact the UCL Share price increased during the period from 10 February 2012 (being the last trading day before the announcement of Minemakers' offer for UCL) to 17 May 2012 (being the last trading day before the UCL Offer). UCL then notes this increase was likely to have been affected as a result of Minemakers' offer for UCL, in which Minemakers offered to acquire the UCL Shares at a premium to then market prices.

3 Frequently asked questions

This section answers some commonly asked questions about the UCL Offer. It is not intended to address all relevant issues for Minemakers Shareholders. This section should be read together with all other parts of this Target's Statement.

Question		Answer
1	**What is UCL's offer for my Minemakers Shares?**	UCL is offering: ▪ 1 UCL Share for every 1.6 Minemakers Shares; and ▪ $0.045 for each Minemakers Share, held by you.
2	**What is the Replacement Bidder's Statement?**	The Replacement Bidder's Statement was prepared by UCL and was despatched to Minemakers Shareholders on 20 July 2012. UCL was ordered by the Australian Takeovers Panel to lodge the Replacement Bidder's Statement as its original bidder's statement was found to be materially deficient. The Replacement Bidder's Statement describes the terms of the UCL Offer for your Minemakers Shares and information relevant to your decision whether or not to accept the UCL Offer.
3	**What is this Target's Statement?**	This Target's Statement has been prepared by Minemakers and provides Minemakers' response to the Replacement Bidder's Statement and UCL Offer, including the unanimous recommendation of your Directors to **REJECT** the UCL Offer.
4	**What choices do I have as a Minemakers Shareholder?**	As a Minemakers Shareholder, you have the following choices in respect of your Shares: ▪ **REJECT** the UCL Offer by doing nothing. Your Directors recommend that you **REJECT** the UCL Offer; ▪ sell your Shares on the ASX (unless you have previously accepted the UCL Offer and you have not validly withdrawn your acceptance); or ▪ accept the UCL Offer. There are implications in relation to each of the above choices. A summary of these implications is set out in section 4 of this Target's Statement.
5	**What are your Directors recommending?**	Your Directors unanimously recommend that you **REJECT** the UCL Offer. If there is a change to this recommendation or any material development in relation to the UCL Offer, your Directors will inform you.
6	**What has the Independent Expert concluded?**	The Independent Expert has concluded that the UCL Offer is **NEITHER FAIR NOR REASONABLE** to Minemakers Shareholders. The Independent Expert's Report is set out in Annexure 1 to this Target's Statement. Your Directors encourage you to read the Independent Expert's Report in full as part of your consideration of the UCL Offer.

Question		Answer
7	**Why should I REJECT the UCL Offer?**	Your Directors are unanimously recommending that you **REJECT** the UCL Offer because: 1 the Independent Expert has concluded that the UCL Offer is neither fair nor reasonable; 2 the terms of the UCL Offer are unattractive to Minemakers Shareholders; 3 Minemakers has clear, methodical and achievable plans to maximise the value of both the Sandpiper and Wonarah projects; 4 UCL's board and management team lacks the necessary skills, experience and credibility to maximise the value of the Combined Group; and 5 a successful combination of Minemakers and UCL must create an entity that will be attractive to capital markets and maximise future fund raising options. The UCL Offer does not achieve these objectives. Further details as to why you should **REJECT** the UCL Offer are set out in the 'Key reasons to **REJECT** the UCL Offer' section of this Target's Statement (which starts on page 4) and in section 1.
8	**What do your Directors intend to do with their own Minemakers Shares?**	Each Director who has a relevant interest in Minemakers Shares intends to **REJECT** the UCL Offer in respect of any Minemakers Shares that they own or control. Refer to section 8.3(c) of this Target's Statement for further detail.
9	**How do I REJECT the UCL Offer?**	To **REJECT** the UCL Offer, you should **DO NOTHING**. You should **TAKE NO ACTION** in relation to all documents sent to you by UCL.
10	**What are the consequences of accepting the UCL Offer now, while it remains conditional?**	If you accept the UCL Offer, unless withdrawal rights are available (see question 22 below) and you exercise those rights, you will give up your right to sell your Minemakers Shares on the ASX or otherwise deal with your Minemakers Shares while the UCL Offer remains open (including the acceptance of any potential higher competing offer). While the UCL Offer remains conditional, you will not be paid consideration under the UCL Offer. You should take into account the possibility that there may be a delay in certain conditions being satisfied (e.g. the Namibian Competition Commission approval), or even that a condition may not be satisfied or waived (see question 15 below).
11	**What are the consequences of the UCL Offer becoming unconditional?**	If you accept the UCL Offer after the UCL Offer becomes unconditional or the UCL Offer becomes unconditional after you have accepted, you will be entitled to receive the consideration paid under the UCL Offer. UCL will be entitled to attend meetings of Minemakers and vote on behalf of those Minemakers Shareholders who have accepted the UCL Offer in order to defeat resolutions relating to competing offers which may adversely affect the success of the UCL Offer.
12	**What happens if the consideration payable under the UCL Offer is increased?**	If UCL increases the consideration payable under the UCL Offer, your Directors will carefully consider the revised offer and advise you accordingly.
13	**When does the UCL Offer close?**	The UCL Offer is presently scheduled to close at 7.00pm (Sydney time) on 20 August 2012, but the Offer Period can be extended in certain circumstances. See section 8.11 for details of the circumstances in which the Offer Period can be extended.

Question		Answer
14	**What are the conditions to the UCL Offer?**	The UCL Offer is subject to the following Conditions: ▪ minimum acceptance of 50.1%; ▪ Namibian Competition Commission approval; ▪ no loss or announcement of loss of rights to the tenements comprising the Sandpiper or Wonarah projects, or rejection or licence applications or renewals material to these projects; ▪ no prescribed occurrences, regulatory prohibition or judicial restraint occurring; and ▪ conduct of business conditions. The Conditions are set out in full in Annexure 2 of this Target's Statement.
15	**What happens if the conditions of the UCL Offer are not satisfied or waived?**	If the Conditions are not satisfied or waived before the UCL Offer closes[12], the UCL Offer will lapse and acceptances will be cancelled. You would then be free to deal with Minemakers Shares even if you had accepted the UCL Offer.
16	**When will I be paid if I accept the UCL Offer?**	If you accept the UCL Offer and the UCL Offer becomes unconditional, UCL will pay you the consideration under the UCL Offer by the earlier of: ▪ 21 days after the end of the Offer Period; or ▪ one month after the later of receipt of your valid acceptance and the date on which the UCL Offer becomes unconditional. See section 8.15 of the Replacement Bidder's Statement for further details on when you will be sent your consideration.
17	**What are the tax implications of accepting the UCL Offer?**	The taxation consequences of accepting the UCL Offer depend on a number of factors and will vary according to your particular circumstances. A general outline of the taxation consequences of accepting the UCL Offer is set out in section 7 of this Target's Statement.
18	**Is there a number that I can call if I have further queries in relation to the UCL Offer?**	If you have any further queries in relation to the UCL Offer, you can call the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia). Calls to these numbers may be recorded.
19	**What happens if I do nothing?**	You will remain a Minemakers Shareholder. However, UCL has stated that if it becomes entitled to compulsorily acquire your Minemakers Shares, it intends to do so. See section 8.17 of this Target's Statement for more details. If UCL acquires between 50.1% and 90% of Minemakers Shares and UCL Offer becomes unconditional, you will be a minority shareholder in Minemakers. The implications of this are described in section 5.4 of this Target's Statement.
20	**Can I be forced to sell my Minemakers Shares?**	You cannot be forced to sell your Minemakers Shares unless UCL acquires a relevant interest in at least 90% of all Minemakers Shares by the end of the Offer Period, and proceeds to compulsory acquisition of your Minemakers Shares. If UCL does proceed to compulsory acquisition of your Minemakers Shares, you will receive the last price offered by UCL for Minemakers Shares before compulsory acquisition commenced. See section 8.17 of this Target's Statement for more details.

[12] In the case of the No Prescribed Occurrences Condition, by the end of 3 Business Days after the Offer Period.

Question		Answer
21	**What if I am a Foreign Shareholder?**	Any Minemakers Shareholder whose address (as recorded in the register of Minemakers Shareholders provided by Minemakers to UCL) is in a place outside Australia and its external territories or New Zealand, will not be entitled to receive UCL Shares under the UCL Offer. Instead, the relevant UCL Shares (that would otherwise be transferred to such Foreign Shareholders) will be allotted to a nominee approved by ASIC who will offer those securities for sale and will distribute to each of those Foreign Shareholders their proportion of the proceeds of sale net of expenses. See section 5.5 of the Replacement Bidder's Statement for further details.
22	**If I accept the UCL Offer, can I withdraw my acceptance?**	You may only withdraw your acceptance of the UCL Offer if: ▪ UCL varies the UCL Offer in a way that postpones, for more than one month, the time when UCL needs to meet its obligations under the UCL Offer. This will occur if UCL extends the Offer Period by more than one month and the UCL Offer is still subject to the Conditions; and ▪ the Conditions have not been waived at the time of your purported withdrawal. See section 8.14 of this Target's Statement for further details.

4 Your choices as a Minemakers Shareholder

Your Directors unanimously recommend that you REJECT the UCL Offer

However, as a Minemakers Shareholder you have three choices currently available to you:

4.1 REJECT the UCL Offer

Minemakers Shareholders who do not wish to accept the UCL Offer or sell their Minemakers Shares on market should DO NOTHING.

If you do not wish to accept the UCL Offer, do not take any action in relation to documents sent to you by UCL.

4.2 Sell your Minemakers Shares on market

Minemakers Shareholders can sell their Minemakers Shares on market for the market price at the time.

On 20 July 2012, Minemakers' share price closed at A$0.145, which is higher than the implied value of the UCL Offer at A$0.139 per Minemakers Share[13], based on the closing price of UCL on 20 July 2012 of A$0.15. The latest price for Minemakers Shares may be obtained from the ASX website www.asx.com.au.

Minemakers Shareholders who sell their Minemakers Shares on market may incur a brokerage charge.

Minemakers Shareholders who wish to sell their Minemakers Shares on market should contact their broker for information on how to effect that sale.

4.3 Accept the UCL Offer

Minemakers Shareholders may elect to accept the UCL Offer. Minemakers shareholders who accept the UCL Offer:

- will not receive the consideration under the UCL Offer unless and until each of the conditions to the UCL Offer are satisfied or waived;
- may not be able to withdraw their acceptance and sell their Minemakers Shares; and
- may be liable to pay CGT or income tax on the disposal of their Minemakers Shares which may have financial consequences for some Minemakers Shareholders (see section 7 of this Target's Statement for further details of the tax consequences of the UCL Offer).

Minemakers Shareholders who wish to accept the UCL Offer should refer to the Replacement Bidder's Statement for instructions on how to do so.

[13] Based on the closing price of UCL on 20 July 2012 of A$0.15 per share.

5 Information about the UCL Offer

5.1 Summary of the UCL Offer

The consideration being offered by UCL under its takeover bid is:

- 1 UCL Shares for every 1.6 Minemakers Share; and
- $0.045 in cash for each Minemakers Share,

held by you.

If you are a Foreign Shareholder, you will not be entitled to receive UCL Shares. Instead, the UCL Shares to which you would otherwise be entitled will be sold by a nominee approved by ASIC and the net proceeds paid to you.

The UCL Offer is subject to a number of conditions. The Conditions are discussed in section 5.3 of this Target's Statement.

5.2 Value of the UCL Offer

The consideration offered for Minemakers Shares under the UCL Offer is comprised substantially of UCL Shares, the value of which is uncertain and subject to market volatility. The implied value of the UCL Offer is set out below, based on the closing price of UCL Shares as at 20 July 2012, and the 1 month, 3 month and 6 month VWAPs up to and including 20 July 2012.

	Closing Price	1 Month VWAP	3 Month VWAP	6 Month VWAP
UCL Share price	A$0.150	A$0.165	A$0.247	A$0.259
Implied value of the UCL Offer[14]	A$0.139	A$0.148	A$0.199	A$0.207

Minemakers Shareholders should consider that Minemakers announced an offer to acquire UCL on 13 February 2012 at a premium of 59.7% to the then market price of UCL Shares. It is likely this positively affected the price of UCL Shares following this date.

Minemakers Shareholders should also consider their personal tax consequences of accepting the UCL Offer, as acceptance may result in CGT liabilities that significantly reduce the post-tax proceeds available to you. You should refer to section 7 of this Target's Statement for more detailed discussion of the potential tax consequences of the UCL Offer.

5.3 Conditions to the UCL Offer

The UCL Offer is subject to a number of conditions which are set out in full in Annexure 2 of this Target's Statement.

If all of the Conditions are not satisfied, or waived by UCL, before the end of the Offer Period[15], then the UCL Offer will lapse and no consideration will be received by Minemakers Shareholders who have accepted the UCL Offer. Furthermore, Minemakers Shareholders who accept the UCL Offer will, in the meantime, lose the ability to deal with their Minemakers Shares or accept any potential higher competing offer, except in certain limited circumstances.

When considering how these Conditions might affect the prospects of success of the UCL Offer, you should be aware of the following information:

[14] Calculated as the relevant price of UCL Shares shown in the table, divided by 1.6 plus A$0.045 (representing the cash component of the UCL Offer).

[15] In the case of the No Prescribed Occurrences Condition, by the end of three Business Days after the end of the Offer Period.

(a) Many of the Conditions are wholly or partly out of Minemakers' and UCL's control.

These Conditions include 50.1% minimum acceptance and Namibian Competition Commission approval and other regulatory clearances or compliances.

There is no certainty whether these Conditions will be satisfied.

(b) **Many of the Conditions require Minemakers to take (or refrain from taking) various actions, where satisfying those Conditions may not be in the interests of Minemakers Shareholders.**

These Conditions include not entering into any new material transactions (such as acquisitions, disposals or new commitments such as capital expenditure), borrowing or agreeing to borrow any money or appointing any additional director to the Minemakers' board.

Given the extent to which these Conditions unduly restrict Minemakers' activities over a potentially lengthy period, it is possible that by pursuing opportunities in the interests of Minemakers Shareholders, one or more of these conditions could be breached in the future.

For example, it could be unclear whether capital expenditure required to be incurred on various value-accretive expansion projects would fall within the ordinary course of business exceptions. There may also be other opportunities which Minemakers may wish to pursue during the Offer Period. Minemakers would make a decision to pursue any such opportunity, or take any other action, having regard to the best interests of Minemakers, the fiduciary duties of Minemakers and your Directors, and the applicable policies of the Takeovers Panel.

5.4 Retaining your Minemakers Shares: minority shareholder consequences

If, at the end of the Offer Period, UCL has a relevant interest in 90% or more of Minemakers Shares, UCL will be entitled to compulsorily acquire all outstanding Minemakers Shares. In this case, Minemakers will become 100% owned by UCL and no minority shareholders will remain.

If, at the end of the Offer Period, UCL does not have a relevant interest in at least 90% of the Minemakers Shares, but has acquired effective control of Minemakers, then you will be a minority shareholder of Minemakers.

In such circumstances, Minemakers Shareholders who do not accept the UCL Offer will be minority shareholders in Minemakers. This has a number of possible implications, including:

- UCL will be in a position to cast the majority of votes at a general meeting of Minemakers. This will enable UCL to control the appointment of directors to the board of Minemakers;
- the liquidity of Minemakers Shares may be lower than at present, and there is a risk that Minemakers could be fully or partially removed from certain S&P/ASX market indices due to a lack of free float and/or liquidity; and
- subject to the spread and number of remaining Minemakers Shareholders and the requirements under the ASX Listing Rules, UCL has indicated in the Replacement Bidder's Statement that it intends to seek to have Minemakers removed from the official list of the ASX.

In addition, if UCL acquires 75% or more of the Minemakers Shares it will be able to pass a special resolution at a general meeting of Minemakers Shareholders. This will enable UCL to, among other things, change the constitution of Minemakers.

If the UCL Offer lapses, or if UCL acquires less than 50% of Minemakers Shares, the trading price of Minemakers Shares may be higher or lower than the implied value of the UCL Offer. If you remain a Minemakers Shareholder in this circumstance, you will continue to enjoy the risks and rewards of being a Minemakers Shareholder.

5.5 Treatment of Foreign Shareholders

Any Minemakers Shareholder whose address (as recorded in the register of Minemakers Shareholders) is in a place outside Australia and its external territories or New Zealand, is not entitled to be issued with UCL Shares under the UCL Offer.

Instead, the relevant UCL Shares (that would otherwise be transferred to such Foreign Shareholders) will be allotted to a nominee approved by ASIC. The nominee will sell the UCL Shares as soon as reasonably practicable after the end of the Offer Period in such a manner, at such a price and on such other terms and conditions as are determined by the nominee, and will distribute to each of those Foreign Shareholders their proportion of the proceeds of sale net of expenses.

See section A.10 of the Replacement Bidder's Statement for further details.

6 Profile of Minemakers

6.1 Overview of Minemakers

Minemakers is an Australian mineral exploration and development company, listed on the ASX, the TSX and the Namibian Stock Exchange.

Minemakers key assets are its interests in two significant undeveloped sedimentary phosphate deposits, namely the Sandpiper marine phosphate project in Namibia and the Wonarah phosphate project located in the Northern Territory.

Minemakers also holds a 70% interest in a marine phosphate exploration project located north of the Sandpiper project, a 4.7% strategic equity interest in JDC, a developer of dry kiln technology for the phosphate industry, and a number of other strategic investments.

6.2 Principal projects

(a) Sandpiper project, Namibia (42.5% direct, 6.1% indirect)

The Sandpiper project, a significant undeveloped deposit of unconsolidated phosphatic sediments, is situated offshore on the Namibian continental shelf approximately 160 kilometres south west of the port of Walvis Bay.

The Sandpiper Project is held by the joint venture company, Namibian Marine Phosphate (Pty) Limited (the **NMP Joint Venture**). The NMP Joint Venture is owned by Minemakers (42.5%), UCL (42.5%) and Tungeni Investments cc (15%), and is jointly managed by Minemakers and UCL.

The NMP Joint Venture recently completed a feasibility study on the Sandpiper project, which indicates the Sandpiper project is expected to be technically feasible and has the potential to be a long life project capable of delivering attractive investments returns for shareholders.

The feasibility study envisages steady-state production of 3.0 Mtpa of phosphate concentrate product (rock phosphate) grading 27.5-28.0% P_2O_5 over an initial mine life of 20 years, including a two-year ramp up period.

(b) Wonarah project, Australia (100%)

The 100%-owned Wonarah project is situated approximately 260 kilometres east of Tennant Creek in the Northern Territory, Australia.

The Wonarah project is Australia's largest known phosphate rock deposit, with an estimated Mineral Resource of approximately 782 Mt @ 17.8% P_2O_5 (at a 10% P_2O_5 cut-off). Due to the very large resource size and favourable proximity to key regional markets, Minemakers believes that Wonarah is most likely to be optimised as a vertically integrated fertiliser production operation.

Minemakers has recently announced that it has formally commenced a process to attract and select suitable parties interested in a joint venture arrangement on Wonarah to complete feasibility studies in relation to the project and to assist in securing development funding.

6.3 Minemakers' other assets

In addition to its interests in the Sandpiper and Wonarah projects, Minemakers has a portfolio of other assets and investments.

(a) Rocky Point project

Minemakers holds a 70% shareholding in Minemakers Tungeni JV Exploration (Pty) Ltd, which is the owner of the Rocky Point project. The remaining 30% shareholding is held by Tungeni Investments. The Rocky Point project comprises four exploration tenements of 4,000 km² in total area located north of the Sandpiper project, that are prospective for marine phosphate deposits.

The NMP Joint Venture has a pre-emptive right to acquire the Rocky Point project in certain circumstances, including if a decision is made to proceed to completion of a definitive feasibility study or apply for a mining licence or an offer is made by a third party to purchase the Rocky Point project.

(b) **JDCPhosphate Inc.**

Minemakers holds a 4.7% equity interest in JDC, a company focused on the development of patented dry kiln technology for the production of superphosphoric acid. Minemakers is investigating the possibility of using JDC's dry kiln technology at the Wonarah project. Minemakers also holds the sole Australian rights to JDC's dry kiln technology until September 2017, and at its sole discretion it can transfer those rights to Namibia for its own benefit.

(c) **TNT Mines Limited**

Minemakers has a 19% interest in TNT Mines, an unlisted public company holding tin, tungsten and fluorspar assets in Tasmania. TNT Mines has advised Minemakers that it intends to provide shareholders with liquidity by undertaking an initial public offering on ASX or a sale of TNT Mines to an existing listed company for scrip, when equity market conditions are sufficiently favourable to permit this.

(d) **AMMG**

In October 2011, Minemakers announced that it had agreed to sell its West South-down iron ore project to AMMG. Upon confirmation that the tenements comprising the project have been renewed and landowner agreements have been assigned, Minemakers expects to receive 5 million shares and 2 million A$0.20 exercise price options in AMMG.[16]

(e) **Cash**

As of the 30 June 2012 balance, Minemakers had cash on hand of approximately A$8.9 million. An additional A$15.0 million is available to Minemakers through a committed equity facility provided by Haverstock Master Fund, LLC.

6.4 Key risk factors

In considering Minemakers and the UCL Offer, Minemakers Shareholders should be aware of the risks relating to Minemakers, its business and assets. These risks include those specific to the industry in which Minemakers operates and general economic conditions, which may affect the future operating and financial performance of Minemakers. Many of the risks are outside the control of Minemakers and the Directors, and there can be no certainty that Minemakers' objectives or anticipated outcomes will be achieved.

These risks have been previously disclosed by Minemakers, including in greater detail in the bidder's statement dated 20 February 2012 in respect of its takeover bid for UCL. A copy of this bidder's statement may be obtained from the ASX website at www.asx.com.au and Minemakers' website at www.minemakers.com.au.

Your Directors consider that there is significantly less risk associated with holding Minemakers Shares, than with holding UCL Shares, as Minemakers has an interest in a much greater diversity of assets compared to UCL.

[16] AMMG shares last closed at A$0.091 on 20 July 2012, (Source: Bloomberg).

7 Australian taxation consequences

7.1 Introduction

The following is intended only as a general guide to the income tax position under current Australian income tax law and administrative practice as at the date of this Target's Statement. Income tax is a complex area of law and the income tax consequences for you may differ from those detailed below, depending on your particular circumstances. As this guide is of a general nature only it is recommended that you obtain your own independent professional advice in respect of the Australian income tax consequences of the UCL Offer.

The following is an overview of the likely Australian income tax consequences of accepting the UCL Offer for an Australian tax resident Minemakers Shareholder who holds their Minemakers Shares on capital account.

The following may not apply to certain Minemakers Shareholders, such as if you are a dealer in securities, you hold Minemakers Shares on revenue account or as trading stock, you are an insurance company or a collective investment scheme. In addition, the following may not apply to you if you acquired your shares as a result of an employment or services arrangement. Such persons may be subject to special rules.

The following may also not apply to non-Australian tax resident Minemakers Shareholders. The Australian income tax implications for non-Australian resident Minemakers Shareholders are complex and will depend upon their own specific circumstances. Non-Australian tax resident Minemakers Shareholders may also have tax implications in their country of residence.

7.2 Capital gains tax

The transfer of Minemakers Shares to UCL pursuant to the UCL Offer will trigger a capital gains tax (**CGT**) event for you. The income tax implications for you will depend on whether you choose to obtain partial scrip-for-scrip roll-over relief under Subdivision 124-M of the *Income Tax Assessment Act 1997* (**ITAA 1997**) in relation to the disposal of your Minemakers Shares.

7.3 Pre-CGT shares

If you acquired (or are deemed to have acquired) your Minemakers Shares before 20 September 1985, then any capital gain or capital loss that arises on disposal of your Minemakers Shares under the UCL Offer will be disregarded.

Any UCL Shares that you acquire under the UCL Offer will not be "pre-CGT" shares and may therefore be subject to CGT on a subsequent disposal.

7.4 Indexation

If you acquired (or are deemed to have acquired) your Minemakers Shares before 11.45am (legal time in the Australian Capital Territory) on 21 September 1999 then you may choose to calculate the cost base of your Minemakers Shares in accordance with the indexation rules in the ITAA 1997 for the purposes of working out a capital gain in relation to the Minemakers Shares (but not a capital loss).

However, if you choose to calculate your cost base in accordance with the indexation rules and you are an individual, the trustee of a trust or a complying superannuation entity then the CGT discount will not be available to you (see below).

7.5 Eligibility for partial scrip-for-scrip roll-over relief from CGT

Broadly, you may choose to obtain partial scrip-for-scrip roll-over relief from CGT in respect of your Minemakers Shares if:

- you receive UCL Shares under the UCL Offer;
- you hold your Minemakers Shares on capital account;
- you acquired your Minemakers Shares on or after 20 September 1985;
- you would, apart from the application of the partial roll-over, make a capital gain from the disposal of your Minemakers Shares; and
- UCL becomes the holder of 80% or more of the Minemakers Shares as a result of the UCL Offer.

7.6 Where partial scrip-for-scrip roll-over relief is chosen

Where the above conditions are met, Minemakers Shareholders who wish to obtain partial scrip-for-scrip roll-over relief must choose to obtain the roll-over relief.

Where partial scrip-for-scrip roll-over relief is chosen, any capital gain arising from the disposal of your Minemakers Shares will be disregarded to the extent that the shares are exchanged for UCL Shares. Roll-over relief is not available in respect of a capital gain to the extent of any cash received under the UCL Offer. The roll-over is, therefore, a partial roll-over only.

For the purposes of working out the amount of a capital gain on the cash component, a portion of the cost base of your Minemakers Shares may be allocated to the cash component as follows:

$$\textbf{Cost base of Minemakers Shares transferred} \times \frac{\textbf{Cash received}}{\textbf{(Market value of UCL Shares received + cash received)}}$$

The remaining portion of the cost base of the Minemakers Shares (ie. the portion to which the roll-over relief will apply) will be used to determine the cost base and reduced cost base of the UCL Shares that you receive under the UCL Offer.

The market value of the UCL Shares should be determined using the market value of the UCL Shares on the date you accepted the UCL Offer.

You may be entitled to a CGT discount under Division 115 of the ITAA 1997 in respect of the capital gain (see below).

If you choose scrip-for-scrip roll-over relief, your UCL Shares will also be taken to have been acquired at the time your Minemakers Shares were originally acquired for the purposes of applying the CGT discount rules.

Where a capital loss arises, you will not be eligible to obtain scrip-for-scrip roll-over relief.

7.7 Where partial scrip-for-scrip roll-over relief is not chosen

Where partial scrip-for-scrip roll-over relief is not chosen, you may make a capital gain or capital loss in respect of all of your Minemakers Shares.

A capital gain will arise to the extent that the capital proceeds from the UCL Offer exceed the cost base of your Minemakers Shares. In this regard, the capital proceeds will be equal to the market value of the UCL Shares you receive (on the date you accepted the UCL Offer) plus the amount of cash you receive.

A capital loss will arise to the extent that the reduced cost base of your Minemakers Shares is less than the capital proceeds you receive.

You may be entitled to the CGT discount under Division 115 of the ITAA 1997 (see below).

Where partial scrip-for-scrip roll-over relief is not chosen, the cost base of the UCL Shares will be equal to their market value, as determined on the date you accepted the UCL Offer.

Where partial scrip-for-scrip roll-over relief is not chosen, the acquisition date of the UCL Shares for CGT purposes will be the date on which you accepted the UCL Offer.

7.8 CGT discount

If you are an individual, the trustee of a trust or a complying superannuation entity, you may be entitled to a discount in calculating a capital gain on your Minemakers Shares.

To be eligible for the CGT discount, you must have acquired the Minemakers Shares at least 12 months before accepting the UCL Offer and you must not have chosen to index the cost base of the Minemakers Shares (see above).

The amount of the discount is:

- 50% in respect of a Minemakers Shareholder that is an individual or the trustee of a trust; and
- 33⅓% in respect of a Minemakers Shareholder that is a complying superannuation entity.

The CGT discount is applied to the capital gain after the application of any available capital losses.

7.9 Duty

If you accept the UCL Offer you will not be required to pay any duty on the disposal of your Minemakers Shares, on the acquisition of UCL Shares, or on a subsequent disposal of UCL Shares.

7.10 Goods and services tax

None of the following transactions is subject to Australian GST:

- the transfer of Minemakers Shares pursuant to the UCL Offer (except brokerage if any);
- the payment of dividends on UCL Shares; and
- a disposal of UCL Shares (except brokerage if any).

8 Additional information

8.1 Directors

As at the date of this Target's Statement, your Directors are:

Name	Position
Cliff Lawrenson	Chief Executive Officer and Managing Director
Andrew Drummond	Executive Chairman
Dennis Wilkins	Finance Director
Edward (Ted) Ellyard	Non Executive Director
Richard O'Shannassy	Non Executive Director
Richard H (Dick) Block	Non Executive Director

8.2 Directors' recommendation

After taking into account each of the matters in this Target's Statement and the Replacement Bidder's Statement, each of your Directors recommends that you REJECT the UCL Offer.

In considering whether to accept the UCL Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Replacement Bidder's Statement;
- have regard to your individual risk profile, portfolio strategy, tax position and financial circumstances; and
- obtain financial advice from your broker or financial adviser on the UCL Offer and obtain taxation advice on the effect of accepting the UCL Offer.

The reasons for your Directors' recommendations are set out in section 1 of this Target's Statement.

8.3 Interests and dealings in Minemakers securities

(a) Interests in Minemakers Shares

As at the date of this Target's Statement, your Directors had the following relevant interests in Minemakers Shares:

Director	Number of Minemakers Shares	Number of options
Cliff Lawrenson	10,000	15,000,000
Andrew Drummond	10,936,175	4,000,000
Dennis Wilkins	538,717	1,500,000
Edward (Ted) Ellyard	7,215,079	2,000,000
Richard O'Shannassy	1,047,652	1,500,000
Richard H (Dick) Block	Nil	1,500,000

(b) **Dealings in Minemakers Shares**

No Director has acquired or disposed of a relevant interest in any Shares in the 4 month period ending on the date immediately before the date of this Target's Statement.

(c) **Intentions of your Directors in relation to the UCL Offer**

Each of your Directors who has a relevant interest in Minemakers Shares presently intends to **REJECT** the UCL Offer in relation to those Minemakers Shares.

8.4 Interests and dealings in UCL securities

(a) **Interests in UCL Shares**

As at the date of this Target's Statement, no Director had a relevant interest in any UCL Shares.

(b) **Dealings in UCL Shares**

No Director has acquired or disposed of a relevant interest in any Shares in the 4 month period ending on the date immediately before the date of this Target's Statement.

8.5 Benefits and agreements

(a) **Benefits in connection with retirement from office**

No person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from a board or managerial office of Minemakers or related body corporate of Minemakers.

(b) **Agreements connected with or conditional on the UCL Offer**

There are no agreements made between any Director and any other person in connection with, or conditional upon, the outcome of the UCL Offer other than in their capacity as a holder of Shares.

(c) **Benefits from UCL**

None of the Directors has agreed to receive, or is entitled to receive, any benefit from UCL which is conditional on, or is related to, the UCL Offer, other than in their capacity as a holder of Minemakers Shares as outlined in section 8.5(a) of this Target's Statement.

(d) **Interests of Directors in contracts with UCL**

None of the Directors has any interest in any contract entered into by UCL.

8.6 Material litigation

There is no current litigation of a material nature against Minemakers. Your Directors have no knowledge of any potential material litigation.

8.7 Issued capital

As at 20 July 2012, being the last practicable date prior to lodgement of this Target's Statement, the issued capital of Minemakers consisted of 233,504,006 fully paid ordinary shares.

8.8 Substantial holders

As at 20 July 2012, being the last practicable date prior to lodgement of this Target's Statement, there are no substantial shareholders of Minemakers.

8.9 Notice of Status of Conditions

Sections 11.17 and A.15 of the Replacement Bidder's Statement indicate that UCL will give a Notice of Status of Conditions to the ASX and Minemakers on 13 August 2012.

UCL is required to set out in its Notice of Status of Conditions:

- whether the UCL Offer is free of any or all of the conditions;
- whether, so far as UCL knows, any of the conditions have been fulfilled; and
- UCL's voting power in Minemakers.

If the Offer Period is extended by a period before the time by which the Notice of Status of Conditions is to be given, the date for giving the Notice of Status of Conditions will be taken to be postponed for the same period. In the event of such an extension, UCL is required, as soon as practicable after the extension, to give a notice to the ASX and Minemakers that states the new date for the giving of the Notice of Status of Conditions.

If a condition is fulfilled (so that the UCL Offer becomes free of that condition) during the bid period but before the date on which the Notice of Status of Conditions is required to be given, UCL must, as soon as practicable, give the ASX and Minemakers a notice that states that the particular condition has been fulfilled.

As at 23 July 2012, UCL had not given notice that any of the conditions had been fulfilled.

8.10 Offer Period

Unless the UCL Offer is extended or withdrawn, it is open for acceptance from 20 July 2012 until 7.00pm (Sydney time) on 20 August 2012.

The circumstances in which UCL may extend or withdraw the UCL Offer are set out in section 8.11 and section 8.12 respectively of this Target's Statement.

8.11 Extension of the Offer Period

UCL may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 8.9 of this Target's Statement) while the UCL Offer is subject to conditions. However, if the UCL Offer is unconditional (that is, all the conditions are fulfilled or freed), UCL may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

- UCL improves the consideration offered under the UCL Offer; or
- UCL's voting power in Minemakers increases to more than 50%.

If either of these 2 events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

8.12 Withdrawal of UCL Offer

UCL may not withdraw the UCL Offer if you have already accepted it. Before you accept the UCL Offer, UCL may withdraw the UCL Offer with the written consent of ASIC and subject to the conditions (if any) specified in such consent.

8.13 Effect of acceptance

If you accept the UCL Offer, then, unless withdrawal rights are available (see section 8.14 of this Target's Statement below) and you exercise these rights, you will give up your right to sell Minemakers Shares on market or to any other person that may make a takeover bid, or deal with them in any manner. The effect of acceptance of the UCL Offer is set out in section A.8 of the Replacement Bidder's Statement. Minemakers Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their Minemakers Shares (including all rights to receive dividends and to receive and subscribe for shares, stock, units, notes or options declared, paid, or issued by Minemakers) and the representations and warranties which they give by accepting the UCL Offer.

In particular, Minemakers Shareholders should note that on the UCL Offer, or any contract resulting from the acceptance of the UCL Offer, becoming unconditional, UCL will be entitled to attend meetings of Minemakers and vote on their behalf in respect of their Minemakers Shares in order to defeat resolutions relating to competing offers which may adversely affect the success of the UCL Offer.

8.14 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the UCL Offer.

You may only withdraw your acceptance of the UCL Offer if:

- UCL varies the UCL Offer in a way that postpones, for more than one month, the time when UCL needs to meet its obligations to pay for Minemakers Shares under the UCL Offer. This will occur if UCL extends the Offer Period by more than one month and the UCL Offer is still subject to the Conditions; and
- the Conditions have not been waived at the time of your purported withdrawal.

8.15 When you will receive your consideration if you accept the UCL Offer

You will be issued your consideration on or before the later of:

- one month after the date the UCL Offer becomes or is declared unconditional; and
- one month after the date you accept the UCL Offer if the UCL Offer is, at the time of acceptance, unconditional,

but, in any event (assuming the UCL Offer becomes or is declared unconditional), no later than 21 days after the end of the Offer Period.

However, there are certain exceptions to the above timetable for the issuing of consideration. Full details of when you will be issued your consideration are set out in section 9 of the Replacement Bidder's Statement.

8.16 Lapse of UCL Offer

The UCL Offer will lapse if the Conditions are not freed or fulfilled by the end of the Offer Period; in which case, all contracts resulting from acceptance of the UCL Offer and all acceptances that have not resulted in binding contracts are void. In that situation, you will be free to deal with your Minemakers Shares as you see fit.

8.17 Compulsory acquisition

(a) Compulsory acquisition following takeover

UCL has indicated in section 8.3(a) of the Replacement Bidder's Statement that if it satisfies the required thresholds, it intends to compulsorily acquire any outstanding Minemakers Shares.

UCL will be entitled to compulsorily acquire any Minemakers Shares in respect of which it has not received an acceptance of the UCL Offer on the same terms as the UCL Offer if, during or at the end of the Offer Period:

- UCL and its associates have a relevant interest in at least 90% (by number) of the Minemakers Shares; and
- UCL and its associates have acquired at least 75% (by number) of the Minemakers Shares that UCL offered to acquire.

If this threshold is met, UCL will have one month after the end of the UCL Offer Period within which to give compulsory acquisition notices to Minemakers Shareholders who have not accepted the UCL Offer. Minemakers Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant shareholder to establish to the satisfaction of a court that the terms of the UCL Offer do not represent 'fair value' for their Minemakers Shares. If compulsory acquisition occurs, Minemakers Shareholders who have their Minemakers Shares compulsorily acquired are likely to be paid their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are despatched to them.

(b) **Later compulsory acquisition by 90% holder**

Even if UCL does not satisfy the compulsory acquisition threshold, it is possible that UCL will, at some time after the end of the Offer Period, become the beneficial holder of 90% of the Minemakers Shares. UCL would then have rights to compulsorily acquire Minemakers Shares not owned by it within 6 months of becoming the holder of 90% of Minemakers Shares. UCL's offered price for compulsory acquisition under this procedure would have to be considered in a report of an independent expert.

8.18 Consents

The following persons have given and have not, before the date of this Target's Statement, withdrawn their consent:

- to be named in this Target's Statement in the form and context in which they are named;
- for the inclusion of their respective reports or statements (if any) noted next to their names and the references to those reports or statements in the form and context in which they are included in this Target's Statement; and
- the inclusion of other statements in this Target's Statement which are based on or referable to statements made in those reports or statements, or which are based on or referable to other statements made by those persons in the form and context in which they are included.

Name of person	Named as
Corrs Chambers Westgarth	Legal adviser
Azure Capital Limited	Financial adviser
Computershare Investor Services Pty Limited	Minemakers share registrar
BDO Corporate Finance (WA) Pty Limited	Independent Expert

Each of the above persons:

- does not make, or purport to make, any statement in this Target's Statement other than those statements referred to above and as consented to by that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Target's Statement other than as described in this section with the person's consent.

As permitted by ASIC Class Order 01/1543, this Target's Statement contains statements which are made, or based on statements made, in documents lodged by UCL with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by UCL. Pursuant to the Class Order, the consent of UCL is not required for the inclusion of such statements in this Target's Statement. Any Minemakers Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia).

In addition, as permitted by ASIC Class Order 03/635, this Target's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.
- In addition, as permitted by ASIC Class Order 07/429, this Target's Statement contains security price trading data sourced from Bloomberg without their consent.

8.19 Continuous disclosure

Minemakers is a disclosing entity under the Corporations Act and subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules. These obligations require Minemakers to notify the ASX of information about specified matters and events as they occur for the purpose of making that information available to the market. In particular, Minemakers has an obligation (subject to limited exceptions) to notify the ASX immediately on becoming aware of any information which a reasonable person would expect to have a material effect on the price or value of Shares.

Copies of the documents filed with the ASX may be obtained from the ASX website at www.asx.com.au and Minemakers' website at www.minemakers.com.au.

In addition, Minemakers will make copies of the following documents available for inspection at Ground Floor, 20 Kings Park Road, West Perth, Western Australia (between 9.00 am and 5.00 pm on Business Days):

- its 2011 Annual Report;
- its constitution; and
- any continuous disclosure document lodged by Minemakers with the ASX between the lodgement of its 2011 Annual Report on 25 October 2011 and the date of this Target's Statement. A list of these documents is included in Annexure 3.

A copy of these documents may be requested to be provided free of charge by contacting the Shareholder Information Line on 1300 667 838 (for calls made from within Australia) or +61 2 8022 7902 (for calls made from outside Australia), Monday to Friday during normal business hours.

Copies of documents lodged with ASIC in relation to Minemakers may be obtained from, or inspected at, an ASIC office.

8.20 No other material information

This Target's Statement is required to include all the information that Minemakers Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the UCL Offer, but:

- only to the extent to which it is reasonable for investors and their professional advisers to expect to find this information in this Target's Statement; and
- only if the information is known to any Director.

Your Directors are of the opinion that the information that Minemakers Shareholders and their professional advisers would reasonably require to make an informed assessment whether to accept the UCL Offer is:

- the information contained in the Replacement Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in Minemakers' releases to the ASX, and in the documents lodged by Minemakers with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

Your Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Replacement Bidder's Statement is accurate. However, your Directors do not take any responsibility for the contents of the Replacement Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in it.

In deciding what information should be included in this Target's Statement, your Directors have had regard to:

- the nature of the Shares;
- the matters that shareholders may reasonably be expected to know;
- the fact that certain matters may reasonably be expected to be known to shareholders' professional advisers; and
- the time available to Minemakers to prepare this Target's Statement.

Glossary and interpretation

1 Glossary

In this Target's Statement defined terms have the meanings set out below:

Term	Meaning
$, A$ or AUD	Australian dollar
AMMG	Australia Minerals and Mining Group Limited
Announcement Date	18 May 2012, being the date of the announcement of the UCL Offer
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited or the Australian Securities Exchange, as appropriate
ASX Listing Rules	the listing rules of the ASX
Business Day	a day on which banks are open for business in Sydney, excluding a Saturday, Sunday or public holiday
CGT	capital gains tax
Combined Group	the combined UCL and Minemakers entity including Minemakers and its Subsidiaries following the acquisition of all, or the majority of the Minemakers Shares.
Conditions	the conditions set out in Annexure 2 to this Target's Statement
Condition Period	the period beginning on 18 May 2012 and ending at the end of the Offer Period
Corporations Act	the *Corporations Act 2001* (Cth) (as modified or varied by ASIC)
Director	a director of Minemakers
Foreign Shareholder	a Minemakers Shareholder whose address as shown in the register of members of Minemakers is in a jurisdiction other than Australia, its external territories or New Zealand and the law of that jurisdiction makes it, in the reasonable opinion of UCL, unlawful or too onerous for UCL to make the UCL Offer, and to issue UCL Shares, to that Minemakers Shareholder
Independent Expert	BDO Corporate Finance (WA) Pty Limited
Independent Expert's Report	the independent expert's report prepared by the Independent Expert which is contained in Annexure 1 to this Target's Statement
Indicated	has the meaning given in the JORC Code
Inferred	has the meaning given in the JORC Code
JDC	JDCPhosphate Inc

Term	Meaning
JORC Code	the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time
MAP	monoammonium phosphate
Measured	has the meaning given in the JORC Code
Minemakers	Minemakers Limited ACN
Minemakers Option	an option to subscribe or acquire one or more Minemakers Shares
Minemakers Share	a fully paid ordinary share in the capital of Minemakers
Minemakers Shareholder	a holder of one or more Minemakers Shares
Mt	million metric tonnes
Mtpa	million metric tonnes per annum
NMP Joint Venture	the joint venture between Minemakers (Namibia) (Pty) Ltd (a Subsidiary of Minemakers), Sea Phosphates (Namibia) (Pty) Ltd (a Subsidiary of UCL and Tungeni Investments
No Prescribed Occurrences Condition	the condition to the UCL Offer in section A.11(a)(v) of the Replacement Bidder's Statement
Notice of Status of Conditions	UCL's notice disclosing the status of the conditions to the UCL Offer which is required to be given by subsection 630(3) of the Corporations Act.
NPV	net present value
NSX	Namibian Stock Exchange
Offer Period	the period during which the UCL Offer will remain open for acceptance in accordance with section A.3 of the Replacement Bidder's Statement
Ore Reserve	has the meaning given in the JORC Code
Mineral Resource	has the meaning given in the JORC Code
Public Authority	any government or representative of government or any governmental, semi governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets, including ASIC and ASX (and any other stock exchange).
Replacement Bidder's Statement	the replacement bidder's statement of UCL dated Friday,13 July 2012
Shareholder Information Line	1 1300 667 838 (for calls made from within Australia) ; or 2 +61 2 8022 7902 (for calls made from outside Australia)

Term	Meaning
SPA	superphosphoric acid
Subsidiary	a subsidiary within the meaning given to that term in section 9 of the Corporations Act
Sydney time	the local time in Sydney, being either Australia Eastern Daylight Time or Australian Eastern Standard Time, as the context requires
Target's Statement	this document (including the annexures), being the statement of Minemakers under Part 6.5 Division 3 of the Corporations Act
TNT Mines	TNT Mines Limited
TSX	Toronto Stock Exchange
Tungeni Investments	Tungeni Investments cc, a company incorporated in Namibia
US$	United States dollars
UCL	UCL Resources Limited ACN 002 118 872
UCL Offer	the offer by UCL for all Minemakers Shares, the terms of which are contained in Annexure A of the Replacement Bidder's Statement
UCL Share	a fully paid ordinary share in the capital of UCL
VWAP	volume-weighted average share price

2 Interpretation

In this Target's Statement:

- Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
- Words of any gender include all genders.
- Words importing the singular include the plural and vice versa.
- An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
- A reference to a section, clause, annexure and schedule is a reference to a section of, clause of and an annexure and schedule to this Target's Statement as relevant.
- A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
- Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
- A reference to time is a reference to Sydney time.

Authorisation

This Target's Statement has been approved by a resolution passed by your Directors. Each of your Directors voted in favour of that resolution.

Signed for and on behalf of Minemakers:

23 July 2012

Andrew Drummond
Executive Chairman

Annexure 1 – Independent Expert's Report

MINEMAKERS LIMITED
Independent Expert's Report

10 July 2012

Financial Services Guide

10 July 2012

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ("**we**" or "**us**" or "**ours**" as appropriate) has been engaged by Minemakers Limited ("**Minemakers**") to provide an independent expert's report on UCL Resources Limited's ("**UCL**") off market take-over bid to acquire all of the shares in Minemakers. You will be provided with a copy of our report as a retail client because you are a shareholder of Minemakers.

Financial Services Guide
In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide ("**FSG**"). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- Who we are and how we can be contacted;
- The services we are authorised to provide under our Australian Financial Services Licence, Licence No. 316158;
- Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- Any relevant associations or relationships we have; and
- Our internal and external complaints handling procedures and how you may access them.

Information about us
BDO Corporate Finance (WA) Pty Ltd is a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide services primarily in the areas of audit, tax, consulting and financial advisory services.

We do not have any formal associations or relationships with any entities that are issuers of financial products. However, you should note that we and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business.

Financial services we are licensed to provide
We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients.

When we provide the authorised financial services we are engaged to provide expert reports in connection with the financial product of another person. Our reports indicate who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice
We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice.

Fees, commissions and other benefits that we may receive
We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee for this engagement is approximately $55,000.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

Other Assignments
In March 2011, BDO prepared an independent expert's report for Minemakers on the proposal to demerge Minemakers TTT Pty Ltd from Minemakers.

Remuneration or other benefits received by our employees
All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Minemakers for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals
We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution
Internal complaints resolution process
As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme
A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("**FOS**"). FOS is an independent organisation that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial service industry. FOS will be able to advise you as to whether or not they can be of assistance in this matter. Our FOS Membership Number is 12561. Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly via the details set out below.

Financial Ombudsman Service
GPO Box 3
Melbourne VIC 3001
Toll free: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au

Contact details
You may contact us using the details set out at the top of our letterhead on page 1 of this FSG.

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PO Box 700 West Perth WA 6872
Australia

10 July 2012

The Directors
Minemakers Limited
Ground Floor, 20 Kings Park Road
West Perth
WA 6005

Dear Sirs

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 18 May 2012, UCL Resources Limited ("**UCL**") announced an off market take-over offer for all of the shares in Minemakers Limited ("**Minemakers**" or "**the Company**"). UCL is offering the shareholders of Minemakers ("**the Offer**"):

- 1 UCL share for every 1.6 shares held in Minemakers; plus
- 4.5 cents cash per share held in Minemakers.

2. Summary and opinion

2.1 Purpose of the report

The directors of Minemakers have requested that BDO Corporate Finance (WA) Pty Ltd ("**BDO**") prepare an independent expert's report ("**our Report**") to express an opinion as to whether or not the consideration offered by UCL to the Minemakers shareholders for their shares in Minemakers is fair and reasonable to the non associated shareholders of Minemakers ("**Shareholders**").

Although there is no legal requirement for an independent expert's report pursuant to section 640 of the Corporations Act 2001 ("**the Act**") (as UCL neither has common directors with Minemakers nor holds 30% of Minemakers' voting shares), the directors of Minemakers have requested that BDO prepare this report as if it were an independent expert's report pursuant to section 640, and to provide an opinion on whether the offer is fair and reasonable to Minemakers shareholders.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission ("**ASIC**"), Regulatory Guide 111 ("**RG 111**"), 'Content of Expert's Reports' and Regulatory Guide 112 ("**RG 112**") 'Independence of Experts'.

In arriving at our opinion, we have assessed the terms of the Offer as outlined in the body of this report. We have considered:

- How the value of a Minemakers share compares to the value of the consideration offered by UCL for each Minemakers share;
- The likelihood of a superior alternative offer being available to Minemakers shareholders;
- Other factors which we consider to be relevant to Shareholders in their assessment of the Offer; and
- The position of Shareholders should the Offer not be successful.

2.3 Opinion

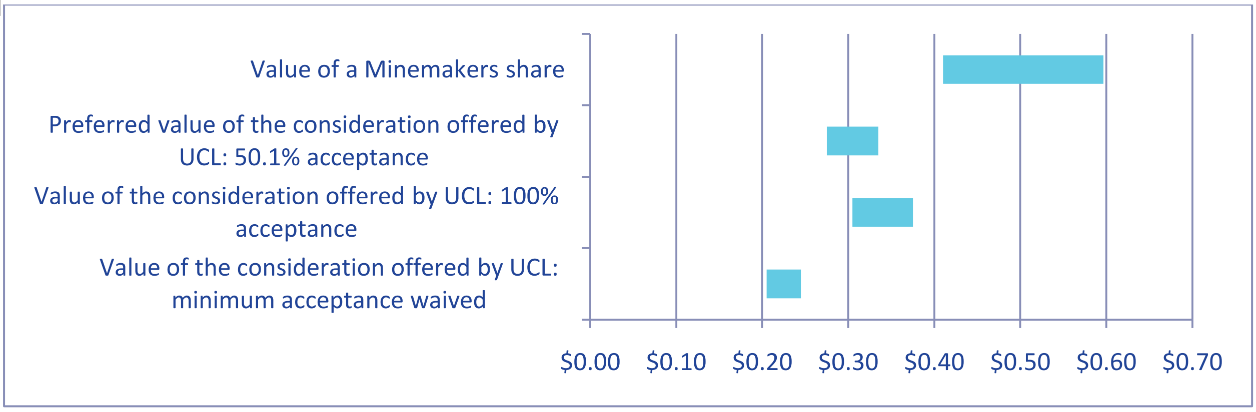
We have considered the terms of the Offer as outlined in the body of this report and have concluded that, the Offer is neither fair nor reasonable to Shareholders.

2.4 Fairness

In section 12 we determined how the value of a Minemakers share compares to the value of the consideration offered by UCL for each Minemakers share, as detailed hereunder.

	Ref	Low $	Preferred $	High $
Value of a Minemakers share	10.4	0.41	0.54	0.60
Preferred value of the consideration offered by UCL (50.1% acceptance)	11.7	0.28	0.31	0.34
Value of the consideration offered by UCL (100% acceptance)	11.7	0.31	0.34	0.38
Value of the consideration offered by UCL (minimum acceptance waived)	11.7	0.21	0.23	0.25

The above valuation ranges are graphically presented below:



The above pricing indicates that, in the absence of any other relevant information, the Offer is not fair for Shareholders.

2.5 Reasonableness

We have considered the analysis in section 13 of this report, in terms of both:

- advantages and disadvantages of the Offer; and
- alternatives, including the position of Shareholders if the Offer does not proceed.

In our opinion, the position of Shareholders if the Offer is rejected is more advantageous than the position if the Offer is accepted. Accordingly, in the absence of any other relevant information, we believe that the Offer is not reasonable for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
13.4	Certainty of cash element	13.5	The offer is not fair
13.4	Consolidated group for the development of the Sandpiper Project	13.5	Lower liquidity of UCL shares
		13.5	Dilution of effective interest in the Sandpiper Project
		13.5	Dilution of effective interest in the Wonarah Project
		13.5	Timing of the Offer
		13.5	Loss of access to Toronto Stock Exchange
		13.5	Convertible notes used to finance the cash element of the Offer
		13.5	Strategic shareholders with a greater level of influence
		13.5	Potential decrease in the UCL share price if more than 50% but less than 100% of Shareholders accept the Offer

Other key matters we have considered include:

Section	Description
13.1	Alternative offers
13.2	The practical level of control
13.3	Consequences of rejecting the Offer

3. Scope of the Report

3.1 Purpose of the Report

There is no requirement under ASX Listing Rules ("**Listing Rules**") or Corporations Act Regulations for Minemakers to engage an independent expert in relation to the Offer.

Notwithstanding the above, Minemakers has engaged BDO to prepare this report for provision to Shareholders to assist them in deciding whether to accept or reject the Offer.

3.2 Regulatory guidance

Neither the Listing Rules nor the Act defines the meaning of "fair and reasonable". In determining whether the Offer is fair and reasonable, we have had regard to the views expressed by ASIC in RG 111. This regulatory guide provides guidance as to what matters an independent expert should consider to assist security holders to make informed decisions about transactions.

This regulatory guide suggests that where the transaction is a control transaction, the expert should focus on the substance of the control transaction rather than the legal mechanism to affect it. In our opinion, the Offer is a control transaction as defined by RG 111 and we have therefore assessed the Offer to consider whether, in our opinion, it is fair and reasonable to Shareholders.

3.3 Adopted basis of evaluation

RG 111 states that a transaction is fair if the value of the offer price or consideration is greater than the value of the securities subject of the offer. This comparison should be made assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length. When considering the value of the securities subject of the offer in a control transaction the expert should consider this value inclusive of a control premium. Further to this, RG 111 states that a transaction is reasonable if it is fair. It might also be reasonable if despite being 'not fair' the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of any higher bid.

Having regard to the above, BDO has completed this comparison in two parts:

- A comparison between the value of a Minemakers share and the value of the consideration being offered by UCL per Minemakers share (fairness – see section 12 "Is the Offer fair?"); and
- An investigation into other significant factors to which Shareholders might give consideration, prior to accepting the Offer, after reference to the value derived above (reasonableness – see section 13 "Is the Offer reasonable?").

This assignment is a Valuation Engagement as defined by APES 225 Valuation Services. A Valuation Engagement means an engagement or assignment to perform a valuation and provide a valuation report where we determine an estimate of value of the Company by performing appropriate valuation procedures and where we apply the valuation approaches and methods that we consider to be appropriate in the circumstances.

4. Outline of the Offer

On 18 May 2012, UCL announced an off market take-over offer for all of the shares in Minemakers. UCL is offering the shareholders of Minemakers:

- 1 UCL share for every 1.6 shares held in Minemakers; plus
- 4.5 cents cash per share held in Minemakers.

Therefore, for every 1 Minemakers share, UCL is offering:

- 0.625 of a UCL share; plus
- 4.5 cents cash.

The Offer is subject to conditions including:

- 50.1% minimum acceptance;
- Namibian Competition Commission Approval;
- No loss, or announcement of loss, of rights to the tenements comprising the Sandpiper and Wonarah Projects, or rejection of licence applications or renewals materials to these projects;
- No prescribed occurrences, regulatory prohibition, judicial restraint or unanticipated distribution occurring; and
- Customary conduct of business conditions

The total cash amount that UCL may become obliged to pay to satisfy all expenses incurred by UCL in relation to the Offer, including the cash component of the consideration, will be provided under a convertible note agreement entered into between UCL and its cornerstone shareholder, Mawarid Mining LLC ("**MML**") on 17 May 2012 for up to $9 million, and from UCL's current cash resources. The loan is redeemable in UCL shares at an issue price of 25 cents per share.

Prior to UCL making an offer for the shares in Minemakers, on 13 February 2012, Minemakers announced an off market take-over offer for all of the issued shares in UCL ("**MAK Offer**"). Minemakers offered the shareholders of UCL, 9 Minemakers shares for every 10 UCL shares held.

On 1 May 2012, Minemakers announced an increase to the consideration of the offer to 13 Minemakers shares for every 10 UCL shares held.

The MAK Offer closed on 22 May 2012. Following the MAK Offer, Minemakers' shareholding in UCL had increased by 2.65%. The increase equated to approximately 5% prior to the dilution due to UCL's placement of 12,121,061 shares issued to MML on 15 May 2012. On 18 April 2012, UCL announced it had entered into a Memorandum of Understanding with MB Holding Company LLC ("**MB Holding**") under which MB Holding would take a placement in UCL of 15% (pre rights issue and placement) of UCL's issued capital. 12,121,061 shares were issued to MML, a wholly owned subsidiary of MB Holding. MML paid $0.30 per share to raise $3,636,318 before costs.

On 10 May 2012, UCL announced a rights issue of 1 share for every 12 shares held at $0.30 each to raise $2,297,878.50. The rights issue closed on 26 June 2012 and was undersubscribed by $1,970,353.20. The rights issue was fully underwritten by MML. MML took up its entitlement on its 12,121,061 shares as well as the undersubscribed shares which brings MML's shareholding to 19.58% of the current issued capital. Minemakers did not participate in the rights issue and therefore Minemakers' interest in UCL has reduced to 14.25%.

Minemakers' interest in Projects	
Effective interest in the Sandpiper Project	48.6%
Current interest in the Wonarah Project	100%

Note that Minemakers' interest in the Sandpiper Project has been calculated by adding its direct interest of 42.5% and its indirect interest of 14.25% in UCL's 42.5% interest. The table below shows the effective interest that Minemakers' shareholders will have in the Sandpiper and Wonarah Projects following a 50.1% takeover by UCL and a 100% takeover by UCL:

UCL share capital following the Offer	50.1% accept	100% accept
Current UCL shares on issue	100,587,730	100,587,730
Issue of UCL shares to Minemakers	79,159,255	158,002,504
Cancellation of UCL shares held by Minemakers	-	(14,332,401)
New shares issued on the conversion of the MML convertible note	21,114,278	36,000,000
Conversion of $500K note	3,333,334	3,333,334
Issue of Performance Rights	808,334	808,334
Exercise of 'in the money' options	88,890	88,890
Total shares on issue	**205,091,821**	**284,488,391**
Percentage of shares held by Minemakers' shareholders that accept the Offer	**38.6%**	**55.5%**

50.1% acceptance by Shareholders

The issue of UCL shares to Minemakers' shareholders is calculated as 1 UCL share for every 1.6 Minemakers shares based on 50.1% of the diluted number of shares on issue as calculated in section 10.1 under note 5, being 252,804,006 shares.

The Act does not permit subsidiaries to own shares in their holding company. Therefore, in the event that 50.1% of Shareholders accept the Offer, UCL will procure that Minemakers sell its holding in UCL. We have assumed that this sale will be undertaken via on-market trading.

The calculation assumes that 21,114,278 convertible notes are converted to shares in UCL. The calculation also assumes that UCL shares are issued to the holders of UCL Performance Rights and all UCL options that are in the money are exercised. See note 5 & 6 in section 11.1. The conversion of 21,114,278 convertible notes is based on MML holding a maximum of 19.9% of the issued capital in UCL as shown below:

MML's shareholding following 50.1% acceptance	
MML's current shareholding	19,698,994
New shares issued on the conversion of the MML convertible note	21,114,278
MML's total shareholding following 50.1% acceptance	40,813,272
Total shares on issue	205,091,821
Percentage of the issued capital held by MML	19.9%

Under the terms of the convertible note, MML's voting power must not exceed 19.9% on the conversion of notes into shares in UCL. Our calculation assumes that the convertible notes are converted to shares in UCL as the conversion price is less than the net asset value per UCL share as set out in section 11.1. The conversion price is 25 cents.

100% acceptance by Shareholders

The issue of UCL shares to Minemakers' shareholders is calculated as 1 UCL share for every 1.6 Minemakers shares based on the diluted number of shares on issue as calculated in section 10.1 under note 5, being 252,804,006 shares.

UCL's shares that are currently held by Minemakers will be cancelled under a 100% takeover.

The calculation assumes that all of the convertible notes are converted to shares in UCL, UCL shares are issued to the holders of UCL Performance Rights and all of UCL options that are in the money are exercised. See note 5 & 6 in section 11.1. The conversion price of the notes is 25 cents per UCL share. Our calculation assumes that the convertible notes are converted to shares in UCL as the conversion price is less than the net asset value per UCL share as set out in section 11.1.

5. Profile of Minemakers Limited

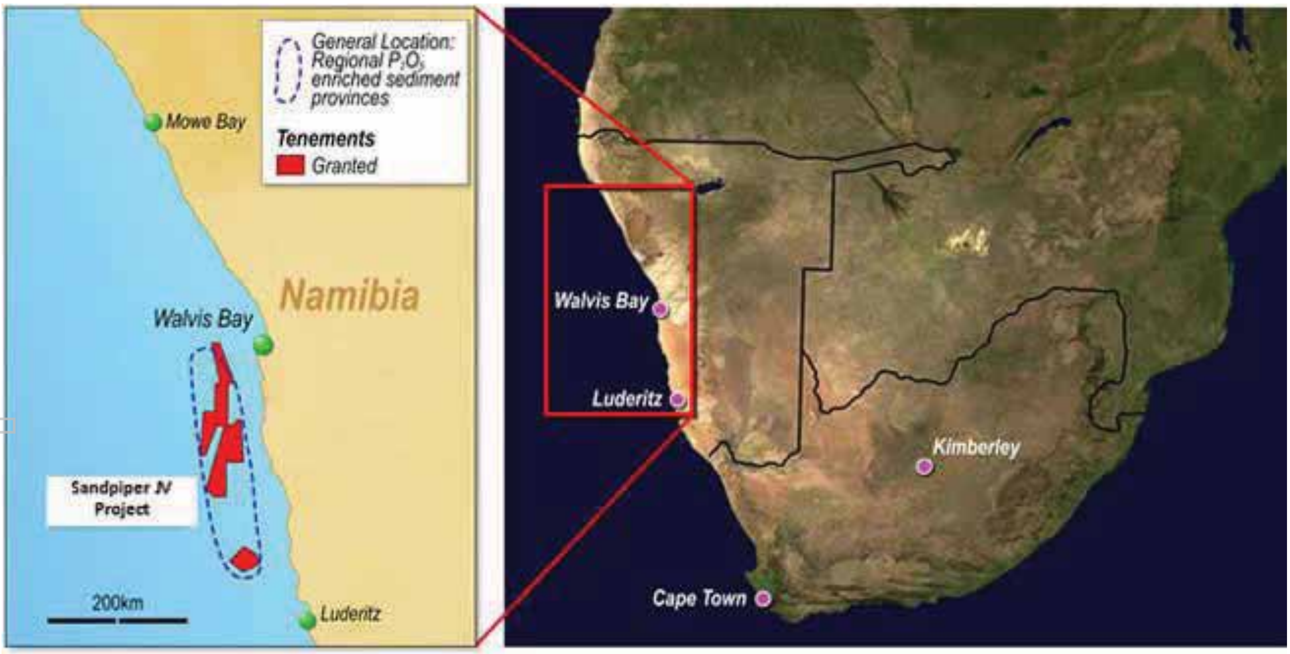
5.1 History

Minemakers is a phosphate exploration and development company. The Company listed on the ASX in October 2006 and secured a secondary listing on the Namibian Stock Exchange in July 2010. Minemakers also listed on the Toronto Stock Exchange in September 2010. The Company's key interests lie in its 42.5% ownership in the Sandpiper Project and its 100% ownership in the Wonarah Project.

5.2 Projects

Sandpiper Project

The Company acquired its direct interest in the Sandpiper Joint Venture Project ("**Sandpiper JV**") in October 2008. The Sandpiper Project is held by the joint venture company, Namibian Marine Phosphate (Pty) Ltd ("**NMP**"). NMP is owned by Minemakers (42.5%), UCL (42.5%) and Tungeni (15%). The project covers approximately 7,000 km^2 and is located 60 kilometres offshore from the coast of Namibia, south of the port of Walvis Bay which is illustrated in the maps below. Recent changes to the phosphate market as well as advances in dredging technology have enabled consultants to devise a process which should enable the development of the project based on a simple beneficiation process to allow recovery of a commercially acceptable phosphate concentrate from the phosphate sands.



Source: www.minemakers.com.au

The project comprises one mining licence (ML170), covering 2,233 km^2 and is valid for 20 years. The deposits were delineated during regional scientific studies in the 1970's but have remained undeveloped until now for economic reasons. There are also six mining exploration licences.

Favourable results were obtained from the scoping study conducted in November 2010 which led to the progressing of the project to a feasibility study stage. The results from the feasibility study were released to the market on 18 April 2012 in which the Company announced that it expects a steady state production of 3.0 million tonnes per annum of phosphate concentrate product (rock phosphate) grading 27.5%-28.0% P_2O_5 over an initial mine life of 20 years, including a two year ramp up period.

On 19 June 2012, Minemakers released results of its economic modelling of the Sandpiper Project feasibility study and proposed work plan and timing. Minemakers calculated the post-tax ungeared NPV of the project to be US$217 million based on CRU's long term Bayovar rock phosphate price forecasts and US$554 million using the current Bayovar rock phosphate price. These values have not been considered in the valuation of the Sandpiper Project for the purposes of this report because under RG111, it is only considered appropriate to use a DCF where Reserves are present.

Wonarah Project

The Wonarah Project was discovered in 1967 and is Australia's largest undeveloped rock phosphate project by resource. It is located in the Northern Territory approximately 250 kilometres east of Tennant Creek and 1,000 kilometres from Darwin.

Source: www.minemakers.com.au

Rio Tinto undertook sufficient drilling in the Main Zone of mineralisation to allow an initial JORC compliant Inferred Resource estimate of 72Mt at 23% P_2O_5. They also discovered outcropping mineralisation at the Arruwurra deposit with mineralisation controlled by palaeohighs approximately 12-16kms southwest of the Main Zone.

Mineralisation is hosted by lowermost sedimentary units of the Georgina Basin which also hosts the producing mine at Phosphate Hill to the east in the Mt Isa district. Following a four month drilling programme which commenced in April 2008 of both the Main Zone and Arruwurra deposits, Minemakers announced an initial JORC compliant 461Mt Inferred Resource which was, at the time, Australia's largest JORC compliant rock phosphate resource.

A Mining Agreement was signed at a ceremony in Tennant Creek on 25 February 2011 between the Executive of the Arruwurra Aboriginal Corporation, Chair and Deputy Chair of the Central Land Council, and the directors of Minemakers. The Agreement gives assents to the development of the Wonarah deposit, which includes the mining operation, beneficiation processing operation, production of fertilisers and the entire associated infrastructure.

In June 2011, Minemakers announced that it had entered into a non-binding Memorandum of Understanding ("**MOU**") with NMDC Limited ("**NMDC**"), India's largest mining company. The MOU had an exclusivity period that expired earlier in 2012 and the MOU expired in early June 2012. Minemakers has now formally commenced a process to attract and select suitable parties interested in a joint venture arrangement on Wonarah. Minemakers remains open to NMDC participating in the process.

Full details of all of Minemakers' projects are set out in the Optiro report in Appendix 4.

Namibian Exploration (Rocky Point Phosphate)

The Rocky Point Project comprises some 4,000km^2 in granted licences. The project area incorporates the core area of the marine phosphate mineralisation province, to the north of Walvis Bay where published regional mapping indicates phosphate content of greater than 20% by weight. The tenements are held by Minemakers Tungeni Joint Venture Exploration (Namibia) (Pty) Ltd, in which Minemakers holds a 70% interest and is the project operator. Namibian partners, Tungeni Investments hold a 30% interest.

An initial shallow penetrating grab sampling programme in 2011 confirmed widespread phosphate mineralisation.

Other assets

Minemakers has a 100% ownership in the three exploration licenses near Port Keats, Northern Territory, in which it aims to search for Rock Salt and Potash. The Company has indicated its aim to drill test a large seismic structure on the Northern Territory coastline. It has been interpreted to be a rock salt dome and if this proves to be the case, conventional solution mining technology could enable the Company to set up a major salt production facility allowing for export to the Asian markets.

Minemakers also hold the following assets:

- 14,332,401 shares in UCL
- 4.7% equity interest in JDC Phosphate Inc ("**JDC**"), an unlisted Florida based company
- 19% interest in TNT Mines Limited ("**TNT**"), an unlisted company that demerged from Minemakers in July 2011
- On 10 October 2011, the market was advised that Minemakers had entered into a Sale Agreement with Investment in Australia Minerals and Mining Group Limited ("**AMMG**") to sell its 80% interest in the West Southdown magnetite project in the south of Western Australia. Consideration for Minemakers' 80% interest is 5 million shares and 2 million 20 cent options in AMMG. The AMMG investment is not included in the Company's balance sheet as at 31 March 2012.

5.3 Historical Balance Sheet

Minemakers Ltd - Statement of Financial Position	Unaudited as at 31-Mar-12 $	Reviewed as at 31-Dec-11 $	Audited as at 30-Jun-11 $	Audited as at 30-Jun-10 $
CURRENT ASSETS				
Cash and cash equivalents	12,248,178	9,519,358	10,909,315	31,135,611
Trade and other receivables	3,067,141	7,483,148	9,729,211	858,570
Financial assets at fair value through profit & loss	-	-	-	50,667
TOTAL CURRENT ASSETS	**15,315,319**	**17,002,506**	**20,638,526**	**32,044,848**
NON-CURRENT ASSETS				
Trades and other receivables	1,289,500	1,289,500	1,289,500	1,289,500
Available-for-sale financial assets	4,176,139	3,222,965	3,562,027	1,104,231
Plant & equipment	677,708	675,097	856,931	1,223,046
Capitalisation exploration and evaluation expenditure	39,707,894	39,210,536	37,964,069	34,114,386
Investments accounted for using the equity method	2,500,789	1,730,459	678,176	-
TOTAL NON-CURRENT ASSETS	**48,352,030**	**46,128,557**	**44,350,703**	**37,731,163**
TOTAL ASSETS	**63,667,349**	**63,131,063**	**64,989,229**	**69,776,011**
CURRENT LIABILITIES				
Trade and other payables	634,977	580,696	1,234,867	969,966
Provisions	216,287	230,307	279,621	195,792
TOTAL CURRENT LIABILITIES	**851,264**	**811,003**	**1,514,488**	**1,165,758**
NON-CURRENT LIABILITIES				
Provisions	1,289,500	1,289,500	1,289,500	1,289,500
TOTAL NON-CURRENT LIABILITIES	**1,289,500**	**1,289,500**	**1,289,500**	**1,289,500**
TOTAL LIABILITES	**2,140,764**	**2,100,503**	**2,803,988**	**2,455,258**
NET ASSETS	**61,526,585**	**61,030,560**	**62,185,241**	**67,320,753**
EQUITY				
Issued capital	86,400,854	86,400,854	87,947,116	87,187,241
Reserves	11,719,926	10,704,040	11,996,646	5,814,711
Accumulated losses	(36,508,118)	(35,990,303)	(37,685,712)	(25,666,452)
Capital and reserves attributable to members of Minemakers Limited	61,612,662	61,114,591	62,258,050	67,335,500
Non-controlling interest	(86,077)	(84,031)	(72,809)	(14,747)
TOTAL EQUITY	**61,526,585**	**61,030,560**	**62,185,241**	**67,320,753**

Source: Minemakers 2011 Annual Report, reviewed half-year financial report to 31 December 2011 and unaudited management accounts for the nine month period ended 31 March 2012.

Trade and other receivables is made up of trade receivables, government taxes receivable, sundry receivables and a security deposit. Minemakers confirmed that all items are likely to be collected.

Available for sale assets consists of Minemakers investments in:

- 14,332,401 shares in UCL
- 4.7% equity interest in JDC
- 19% interest in TNT Mines Limited

Investments accounted for using the equity method relate to Minemakers' investment in NMP, the JV company holding the Sandpiper Project.

We have not undertaken a review of Minemakers' unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 "Review of Historical Financial Information" and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

5.4 Historical Statement of Comprehensive Income

Minemakers Ltd - Statement of Comprehensive Income	Reviewed half year to 31-Dec-11 $	Audited year to 30-Jun-11 $	Audited year to 30-Jun-10 $
Revenue	1,011,184	1,343,871	1,857,171
Other income	112,157	776	332,150
Gain on deconsolidation	3,157,095	-	-
Depreciation expense	(110,234)	(314,078)	(385,091)
Salaries and employee benefits expense	(925,483)	(1,991,805)	(1,261,150)
Exploration expenditure	(77,550)	(1,639,195)	(1,573,629)
Impairment expense	(302,903)	(463,657)	(236,919)
Corporation expense	(415,927)	(1,324,951)	(698,332)
Administration expense	(338,078)	(422,616)	(551,256)
Share based payment expense	(94,708)	(5,410,348)	(1,229,654)
Net foreign currency loss	-	(763,214)	-
Other expenses	(331,367)	(1,094,446)	(736,094)
Share of net profit/(loss) in associate	-	2,340	(564,570)
(Loss) before income tax	**1,684,186**	**(12,077,323)**	**(5,047,374)**
Income tax expense	-	-	
Loss for the year	**1,684,186**	**(12,077,323)**	**(5,047,374)**
Other comprehensive income			
Exchange differences on translation of foreign operations	(296,922)	(42,698)	(74,927)
Available-for-sale financial assets	4,548,824	814,285	(779,019)
Other comprehensive income for the period, net of tax	**4,251,902**	**771,587**	**(853,946)**
Total other comprehensive income for the period	**5,936,088**	**(11,305,736)**	**(5,901,320)**

Source: Minemakers 2011 Annual Report and reviewed half-year financial report to 31 December 2011.

The $3.16 million gain on deconsolidation for the half-year 31 December 2011 relates to the demerger of TNT Mines Ltd from the consolidated group via an in specie distribution of 80% of shares to Minemakers' shareholders.

5.5 Capital Structure

The share structure of Minemakers as at 22 June 2012 is outlined below:

	Number
Total ordinary shares on issue	233,504,006
Top 20 shareholders	48,636,709
Top 20 shareholders - % of shares on issue	**20.83%**

Source: Share registry provided by Minemakers

The range of shares held in Minemakers as at 22 June 2012 is as follows:

Range of Shares Held	Number of Shareholders	Number of Shares	Percentage of Issued Shares
1 - 1,000	1,162	578,889	0.25%
1,001 - 5,000	2,142	6,350,423	2.72%
5,001 - 10,000	1,497	12,203,871	5.23%
10,001 - 100,000	3,009	95,235,944	40.79%
100,001 - and over	321	119,134,879	51.02%
TOTAL	**8,131**	**233,504,006**	**100.00%**

Source: Share registry provided by Minemakers

The ordinary shares held by the most significant shareholders as at 22 June 2012 are detailed below:

Name	Number of Shares Held	Percentage of Issued Shares
Paul Askins	6,841,950	2.93%
Jerele Mining Pty Ltd	4,041,988	1.73%
Shay Drummond	3,200,356	1.37%
Key International Pty Ltd	2,929,466	1.25%
Golden Archer Resources Pty Ltd	2,900,000	1.24%
Subtotal	19,913,760	8.52%
Others	213,590,246	91.48%
Total ordinary shares on Issue	**233,504,006**	**100.00%**

Source: Share registry provided by Minemakers

The Minemakers unlisted options on issue as at 22 June 2012 are outlined below:

Number of Unlisted Options	Vesting date	Expiry Date	Exercise Price ($)	Cash raised if exercised
1,000,000	-	21-Aug-13	0.97	$970,000
1,000,000	-	21-Aug-12	0.29	$290,000
500,000	-	1-Jul-14	0.47	$235,000
500,000	-	3-Jan-16	0.47	$235,000
12,500,000	-	25-Mar-15	0.71	$8,875,000
500,000	-	17-Aug-13	0.49	$245,000
1,375,000	3-Jan-13	3-Jan-14	0.36	$495,000
300,000	-	16-Oct-14	0.32	$96,000
5,000,000	-	18-Jun-17	0.23	$1,150,000
5,000,000	-	18-Jun-17	0.27	$1,350,000
5,000,000	-	18-Jun-17	0.31	$1,550,000
1,500,000	-	15-Jun-16	0.22	$330,000
34,175,000				**$15,821,000**

Source: Share registry provided by Minemakers

6. Profile of UCL Resources Limited

6.1 History

UCL was incorporated on 31 March 1981 and received official admittance to the ASX on 15 December 1983. UCL is a mineral resource explorer and emergent producer. UCL's primary interests include the Namibian Sandpiper JV and the Mehdiabad Zinc Project in Iran.

UCL's registered office is in Sydney, New South Wales. UCL's board of directors include Chris Jordinson as Managing Director as well as Ian W Ross, Dr Mohammed Al-Barwani, Stephen Gemell and Gida Nakazibwe-Sekandi as Non-Executive Directors.

On 18 April 2012, UCL announced it had entered into a Memorandum of Understanding with MB Holding Company LLC ("**MB Holding**") under which MB Holding would take a placement in UCL of 15% (pre rights issue and placement) of UCL's issued capital. 12,121,061 shares were issued to Mawarid Mining LLC ("**MML**"), a wholly owned subsidiary of MB Holding on 15 May 2012. MML paid $0.30 per share to raise $3,636,318 before costs.

On 21 May 2012, Dr Mohammed Al-Barwani was appointed as a director of UCL. Dr Al Barwani controls MB Holding and MML, a wholly owned subsidiary of MB Holding. As a consequence, UCL and MML are related parties within the meaning of section 228(4) of the Corporations Act.

On 10 May 2012 UCL announced its plans to issue a non-renounceable rights issue to raise up to A$2,297,878. The funds raised, through the pro rata rights issue of one share for every twelve shares held at A$0.30, are intended to facilitate working capital requirements relating to the Namibian Sandpiper JV.

The rights issue closed on 26 June 2012 and was undersubscribed by $1,970,353.20. The rights issue was fully underwritten by MML. MML took up its entitlement on its 12,121,061 shares as well as the undersubscribed shares which brings MML's shareholding to 19.58% of the current issued capital.

The total cash amount that UCL may become obliged to pay to satisfy all expenses incurred by UCL in relation to the Offer, including the cash component of the consideration, will be provided under a convertible note agreement entered into between UCL and its cornerstone shareholder, MML on 17 May 2012 for up to $9 million, and from UCL's current cash resources.

The terms of the MML Convertible Note Agreement are:

• Purpose	To fund the cash component of the UCL Offer
• Conditions Precedent	(i) this Bidder's Statement is lodged with the ASX and ASIC and the Offer is made in accordance with the conditions set out in Annexure A of this Bidders Statement and all applicable laws and regulations; (ii) the *Offer* has become or is declared *unconditional*; (iii) *UCL obtains* a *relevant interest in at least 50.1% of the* Securities of *MAK*; (iv) the prescribed occurrences conditions in the Offer have not been waived unless MML has consented; and

	(v) there being no breach of the MML Convertible Note Agreement by the Company (other than a trivial or insubstantial breach).
• Issue price per UCL Share upon conversion of New Convertible Note	$0.25, unless there is an Event of Default in which case it is the lower of $0.20 or equal to the closing price of the Shares on the day of the Event of Default or if more than one day on which an Event of Default has occurred, the lowest such price.
• Maximum Number of new UCL Shares to be issued upon conversion of New Convertible Notes	36,000,000 based on issue price of $0.25
• Subscription Sum (summary)	The lower of: • $9,000,000; • The amount required to fund the cash component of the UCL Offer • That amount which will, on a fully diluted basis, result in Mawarid's voting power exceeding 19.9%.
• Tenor	18 months
• Interest rate	7.5 percent per annum, unless there is an Event of Default in which case it is 12.5 percent per annum.
• Conversion ratio	One (1) New Convertible Note into one (1) UCL Share
• Conversion at election of which party	Mawarid

In February 2012 Minemakers proposed an off market takeover bid for the shares of UCL which it did not own at the time. Under the conditions of the bid, UCL Shareholders were offered 9 Minemakers shares for every 10 UCL shares ("**MAK Offer**").

The board of UCL considered the MAK Offer to be "inadequate and opportunistic". The UCL board unanimously recommended that its shareholders reject the takeover offer from Minemakers.

An independent expert's report was prepared by Grant Thornton Corporate Finance Pty Ltd ("**GT**"). GT concluded that the MAK Offer was not fair and not reasonable to the UCL shareholders.

On 1 May 2012, Minemakers announced an increase to the consideration of the MAK Offer to 13 Minemakers shares for every 10 UCL shares held.

On 11 May 2012, GT advised that the revised MAK Offer was fair and reasonable to the UCL shareholders.

The MAK Offer closed on 22 May 2012. Following the offer, Minemakers' shareholding in UCL had increased by 2.65%. Minemakers currently holds 14,332,401 shares in UCL which equates to 14.25% of the issued capital.

6.2 Projects

Sandpiper Project

UCL's major asset is its 42.5% interest in NMP, which owns the Sandpiper Project. NMP is owned by UCL (42.5%), Minemakers (42.5%) and Tungeni (15%). The project covers approximately 7,000 km^2 and is located 60 kilometres offshore from the coast of Namibia, south of the port of Walvis Bay. For further information in regards to the profile of the Sandpiper Project please refer to section 5.2.

Mehdiabad Project

The Mehdiabad Project ("**Mehdiabad Project**") is located in Central Iran and involves the exploration for zinc, lead, silver and copper.

The Mehdiabad Project operates through an incorporated Iranian JV company Mehdiabad Zinc Company **("MZC")** owned by UCL, Karoun Dez Dasht **("KDD Group")** and Itok GmbH **("Itok")**, and a number of minority shareholders.

A third party to the MZC JV company, the Iranian Mines and Mining Industries Development and Renovation Organisation **("IMIDRO")**, holds the exploration licence relating to the Mehdiabad Project.

In December 2006, IMIDRO purported to terminate several agreements between the shareholders in MZC relating to the Mehdiabad Project. No progress with respect to the Mehdiabad Project has been made since that time and consequently expenditure on the Mehdiabad Project has been fully impaired in the books of UCL.

6.3 Historical Balance Sheet

The following adjustments were made to the reviewed 31 December 2011 balance sheet to arrive at the adjusted unaudited 31 March 2012 balance sheet:

- Decreased cash by $1.09 million to arrive at a cash balance of $1.08 million
- Increased investments accounted for using the equity method by $707,000 being the exploration and evaluation payments for the quarter to 31 March 2012.
- Increased the accumulated losses by $387,610 to account for the net cash outflow that was not capitalised.

These adjustments were based on UCL's Appendix 5B, Mining exploration entity quarterly report for 31 March 2012 which was released on the ASX on 30 April 2012.

Note that the cash balance as at 31 March 2012 does not include cash relating to the share placement to Mawarid Mining LLC or the 1 for 12 rights issue at $0.30 per share that was announced on 10 May 2012.

UCL Resources Ltd - Statement of Financial Position	Adjusted as at 31-Mar-12 $	Reviewed as at 31-Dec-11 $	Audited as at 30-Jun-11 $	Audited as at 30-Jun-10 $
CURRENT ASSETS				
Cash and cash equivalents	1,081,000	2,175,610	4,452,797	531,203
Trade and other receivables	62,438	62,438	68,747	27,177
Available-for-sale financial assets	90,000	90,000	150,000	130,000
TOTAL CURRENT ASSETS	**1,233,438**	**2,328,048**	**4,671,544**	**688,380**
NON-CURRENT ASSETS				
Other financial assets	6,930	6,930	50,583	52,728
Investments accounted for using the equity method	5,831,718	5,124,718	3,616,957	1,251,687
Property, plant & equipment	10,533	10,533	11,952	15,496
Intangibles	-	-	-	798,022
TOTAL NON-CURRENT ASSETS	**5,849,181**	**5,142,181**	**3,679,492**	**2,117,933**
TOTAL ASSETS	**7,082,619**	**7,470,229**	**8,351,036**	**2,806,313**
CURRENT LIABILITIES				
Trade and other payables	283,891	283,891	311,677	179,012
Provisions	49,127	49,127	27,149	16,108
Borrowings	500,000	500,000	-	-
TOTAL CURRENT LIABILITIES	**833,018**	**833,018**	**338,826**	**195,120**
NON-CURRENT LIABILITIES				
Borrowings	-	-	500,000	-
TOTAL NON-CURRENT LIABILITIES	**-**	**-**	**500,000**	**-**
TOTAL LIABILITES	**833,018**	**833,018**	**838,826**	**195,120**
NET ASSETS	**6,249,601**	**6,637,211**	**7,512,210**	**2,611,193**
EQUITY				
Contributed equity	101,687,383	101,687,383	101,687,383	95,710,673
Reserves	1,719,402	1,719,402	1,917,781	1,948,012
Accumulated losses	(97,157,184)	(96,769,574)	(96,092,954)	(95,047,492)
TOTAL EQUITY	**6,249,601**	**6,637,211**	**7,512,210**	**2,611,193**

Source: UCL's 2011 Annual Report, UCL's reviewed financial report for the half year ended 31 December 2011 and Appendix 5B, Mining exploration entity quarterly report for 31 March 2012

We have not undertaken a review of UCL's unaudited accounts in accordance with Australian Auditing and Assurance Standard 2405 "Review of Historical Financial Information" and do not express an opinion on this financial information. However nothing has come to our attention as a result of our procedures that would suggest the financial information within the management accounts has not been prepared on a reasonable basis.

6.4 Historical Statement of Comprehensive Income

UCL Resources Ltd - Statement of Comprehensive Income	Reviewed half-year to 31-Dec-11 $	Audited year to 30-Jun-11 $	Audited year to 30-Jun-10 $
Revenue from continuing operations	29,113	51,417	75,248
Other income		(51,661)	151,472
Expenses, excluding finance costs and impairment loss	(691,985)	(965,159)	(1,245,739)
Finance costs	(20,622)	(24,654)	(571)
Impairment loss on Mehdiabad Project	-	-	(17,373,679)
Share of loss of associates and jointly controlled entity accounted for using the equity method	6,874	(1,509)	(195,912)
Write-off exploration assets	-	(53,896)	(56,585)
(Loss) before income tax	**(676,620)**	**(1,045,462)**	**(18,645,766)**
(Loss) from continuing operations	**(676,620)**	**(1,045,462)**	**(18,645,766)**
Income tax expense	-	-	-
Loss for the year	**(676,620)**	**(1,045,462)**	**(18,645,766)**
Other comprehensive income			
Foreign currency translation reserve	(288,808)	(50,231)	2,976
Available-for-sale investment revaluation reserve	(60,000)	20,000	120,223
Total other comprehensive income for the period, net of tax	**(348,808)**	**(30,231)**	**123,199**
Total other comprehensive income for the period	**(1,025,428)**	**(1,075,693)**	**(18,522,567)**

Source: UCL's 2011 Annual Report, UCL's reviewed financial report for the half year ended 31 December 2011

6.5 Capital Structure

The shares on issue of UCL as at 4 June 2012 are outlined below:

	Number
Total ordinary shares on issue	100,587,730

Source: UCL's Appendix 3B, released to the ASX on 4 June 2012

UCL's top five shareholders as at 4 July 2012 are outlined below:

Name	Number of Shares Held	Percentage of Issued Shares
Twynam Agricultural Group Pty Ltd	20,355,439	20.24%
Marwarid Mining LLC	19,698,994	19.58%
Minemakers Limited	14,332,401	14.25%
JP Morgan Nominees Australia Limited	6,281,507	6.24%
Donwillow Pty Ltd	5,251,343	5.22%
Subtotal	65,919,684	65.53%
Others	34,668,046	34.47%
Total ordinary shares on Issue	**100,587,730**	**100.00%**

Source: UCL's ASX announcement released on 6 July 2012 and Minemakers Limited

The current shares on issue include the placement of 12,121,061 shares issued to MML.

The current shares on issue include 7,695,595 shares issued in relation to the rights issue announced on 10 May 2012. 1 share was issued for every 12 held at $0.30 per share to raise $2,297,878.

UCL's unlisted options on issue as at 18 March 2012 are outlined below:

Number of Unlisted Options	Expiry Date	Exercise Price ($)	Cash raised if exercised
200,000	31-Mar-13	0.60	$120,000
44,445	13-Mar-13	0.63	$28,000
44,445	13-Mar-15	0.39	$17,334
44,445	13-Mar-15	0.15	$6,667
333,335			**$172,001**

Source: UCL's Appendix 5B, Mining exploration entity quarterly report for 31 March 2012

As at the date of this report, the following UCL performance rights ("**Performance Rights**") have been approved to be issued:

- 606,668 to Mr I Ross
- 1,616,668 to Mr C Jordinson
- 202,000 to Ms G Nakazibwe-Sekandi
- 808,334 to Mr R Daniel

As at 28 May 2011, only the 808,334 Performance Rights to Mr Daniel have been issued.

As at 28 May 2011, the vesting requirements attached to Mr Daniel's Performance Rights have not been met. However, the Sandpiper feasibility study has recently been completed which, subject to the UCL Board confirmation, may result in Mr Daniel being eligible to take up a number of his Performance Rights.

In a letter dated 16 May 2012, after receiving submissions from UCL, ASIC determined that non-executive directors of UCL were not entitled to UCL Performance Rights. Mr Ross and Ms Nakazibwe-Sekandi are non-executive directors of UCL and are therefore not entitled to UCL Performance Rights

No other UCL performance rights are on issue.

We note that the UCL performance rights disclosed in the Bidder's Statement differ from the 2,425,336 performance rights shown in the Grant Thornton independent expert's report dated 18 March 2012. The GT independent expert's report was prior to ASIC determination.

7. Economic analysis

7.1 Current Economic Conditions

Growth in the world economy picked up in the early months of 2012, having slowed in the second half of 2011. But more recent indicators continue to suggest weakening in Europe and a slower pace of growth in China. Conditions in other parts of Asia have recovered from the effects of last year's natural disasters, but the ongoing trend is unclear and could be dampened by the effects of slower growth outside the region. The United States continues to grow at a modest pace. Commodity prices have declined, which is helping to reduce inflation and providing scope for some countries to ease macroeconomic policies. Australia's terms of trade have peaked, though they remain historically high.

Financial markets have initially responded positively to signs of further progress towards longer-term sustainability in European financial affairs, but Europe will remain a potential source of adverse shocks for some time. While capital markets remain open to corporations and well-rated banks, low appetite for risk has seen long-term interest rates faced by highly rated sovereigns, including Australia, decline to exceptionally low levels. Share markets have remained volatile.

In Australia, recent data suggest that the economy continued to grow in the first part of 2012, at a pace somewhat stronger than had been earlier indicated. Labour market conditions also firmed a little, notwithstanding job shedding in some industries; the rate of unemployment remains low.

There have been no changes to the Reserve Bank of Australia's outlook for inflation. Over the coming one to two years, and abstracting from the effects of the carbon price, inflation is expected to be consistent with the target. Maintaining low inflation over the longer term will, however, require growth in domestic costs to slow as the effects of the earlier exchange rate appreciation wane.

Interest rates for borrowers have declined, to be a little below their medium-term averages. Business credit has increased more strongly in recent months, though credit growth remains modest overall. The housing market remains subdued. The exchange rate has been volatile recently, but overall remains high.

Source: www.rba.gov.au *Statement by Glenn Stevens, Governor: Monetary Policy Decision 3 July 2012*

8. Industry analysis

8.1 Overview

Phosphate rock is a general term that refers to rock with a high concentration of phosphate minerals, most commonly of the apatite group. Phosphate rock is the major feedstock mined for the manufacture of phosphoric acid, which in turn is used for the production of phosphate fertilisers. Phosphate rock can be applied directly to soil as a fertilizer which has shown to be a valuable source of nutrients in some conditions. Phosphate rock and phosphoric acid is also used in the manufacture of animal feed supplements, food preservatives, anti-corrosion agents, cosmetics, fungicides, ceramics, water treatment and metallurgy. Phosphate minerals are often used for control of rust and prevention of corrosion on ferrous materials applied with electrochemical conversion coatings. Phosphate deposits can be classified into three main types, being marine sedimentary deposits of phosphorites, apatite rich igneous rocks, and modern and ancient guano accumulations.

8.2 Key Drivers

Production and exploration levels of phosphate rock are highly sensitive to the demand and supply of the final product, as well as other factors including oil prices, climate, exchange rates, and political and regulatory factors. The following table sets out the 2011 estimate of phosphate rock production by country and the actual production levels recorded by these countries in 2010.

Country	Mine Production ('000s/mt)		Reserves ('000s/mt)
	2010	2011e	
United States	25,800	28,400	1,400,000
Algeria	1,800	1,800	2,200,000
Australia	2,600	2,700	250,000
Brazil	5,700	6,200	310,000
Canada	700	1,000	2,000
China	68,000	72,000	3,700,000
Egypt	6,000	6,000	100,000
India	1,240	1,250	6,100
Iraq	-	-	5,800,000
Israel	3,140	3,200	180,000
Jordan	6,000	6,200	1,500,000
Mexico	1,510	1,620	30,000
Morocco and Western Sahara	25,800	27,000	50,000,000
Peru	791	2,400	240,000
Russia	11,000	11,000	1,300,000
Senegal	950	950	180,000
South Africa	2,500	2,500	1,500,000
Syria	3,000	3,100	1,800,000
Togo	850	800	60,000
Tunisia	7,600	5,000	100,000
Other Countries	6,400	7,400	500,000
Total	**181,381**	**190,520**	**71,158,100**

Source: US Geological Survey, Mineral Commodity Summaries 2012.

The demand for phosphate rock is primarily driven by the state of the fertiliser manufacturing industry, which in turn, is highly correlated with the global demand for agriculture products.

Oil prices have a positive correlation with the demand and therefore are correlated to the pricing observed in the phosphate rock industry. As the price of crude oil increases, alternative energy sources such as biofuel and ethanol become more prevalent. These alternative energy sources require extensive agriculture therefore increasing the demand for fertiliser products, which in turn stimulates growth in the phosphate rock industry.

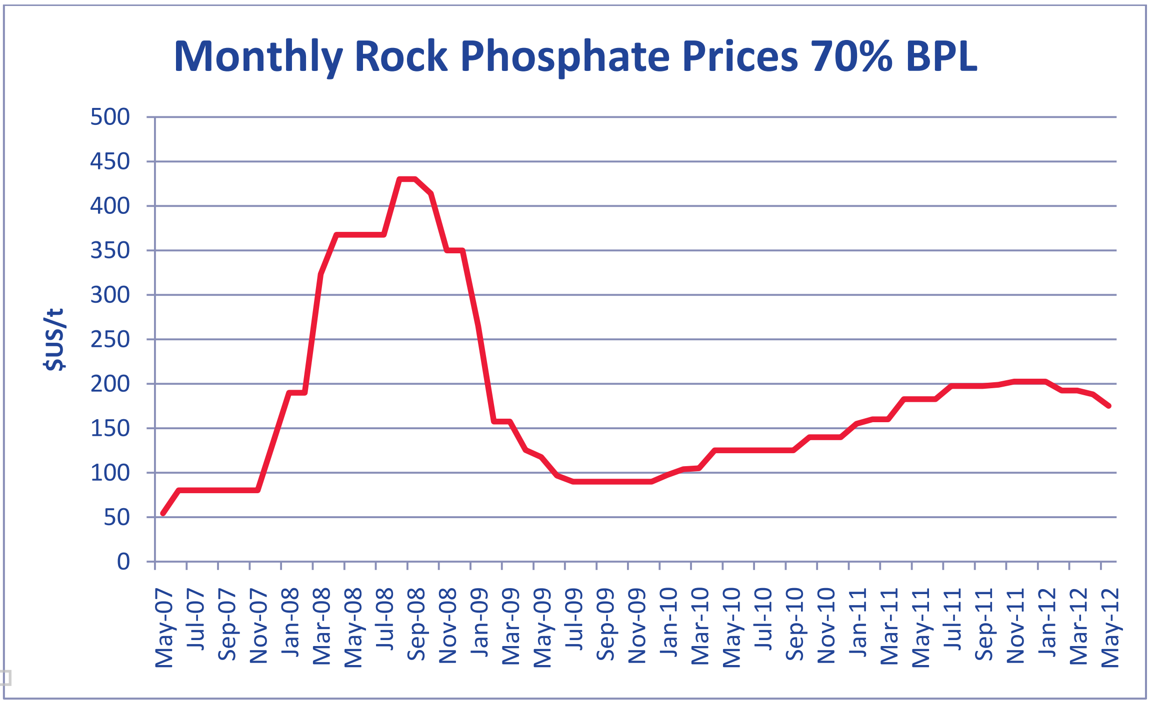
Climate conditions can also impact on the demand for fertiliser products and consequently the demand for phosphate rock, with the dry, harsh conditions experienced in places such as Africa requiring increasing use of fertiliser products.

Exchange rates movements can impact the demand for phosphate rock with a majority of trading being denominated in US Dollars. However, with the availability of hedging instruments, exchange rates do not have a high impact on the demand for phosphate rock products.

Due to the risky nature of exploration activities and the uncertainty surrounding infant exploration projects, phosphate rock explorers and producers are hesitant in bearing additional sovereign risk by exploring in foreign countries. As a result, the investment capital required for phosphate rock exploration is often restricted to those politically stable economies, therefore hindering phosphate rock supply in smaller developing countries.

8.3 Prices

The price that a producer can obtain for phosphate rock concentrate is contingent upon the percentage of P_2O_5 it contains. Phosphate prices are not quoted on a public exchange however the Moroccan Phosphate Rock, containing 70% Bone Phosphate of Lime (1% BPL = 0.458% P_2O_5) (“**BPL**”) is commonly used as a pricing benchmark. These historical prices are often used as a base for forecasting phosphate prices, with adjustments made for the grade, impurities and other competitive factors. The following chart outlines the historical price movements of the Moroccan price benchmark over the past five years.



Source: www.indexmundi.com

8.4 Outlook

According to the 2012 US Geological Survey world phosphate rock capacity is projected to increase over the short term to an anticipated 256 Mt in 2015, an increase of 19% from 215 Mt in 2011. This projected growth is anticipated as a result of the establishment of new mines by current producers and additional capacity from emerging suppliers. The Africa region is expected to be a major source of the projected surge in capacity, accounting for approximately half of the anticipated growth in the industry. Other significant new mines are expected in Australia, Brazil, Namibia and Saudi Arabia. World consumption of P_2O_5 contained in fertilizers is projected to grow at a rate of 2.5% per year for the next 5 years, with the largest increases in Asia and South America.

9. Valuation approach adopted

There are a number of methodologies which can be used to value a business or the shares in a company. The principal methodologies which can be used are as follows:

- Capitalisation of future maintainable earnings (“**FME**”)
- Discounted cash flow (“**DCF**”)
- Quoted market price basis (“**QMP**”)
- Net asset value (“**NAV**”)
- Market based assessment

A summary of each of these methodologies is outlined in Appendix 2.

Different methodologies are appropriate in valuing particular companies, based on the individual circumstances of that company and available information. In our assessment of the value of Minemakers’ shares we have chosen to employ the following methodologies:

- Net asset value (“**NAV**”) – primary methodology
- Quoted market price basis (“**QMP**”) – secondary methodology

We have chosen these methodologies for the following reasons:

- Minemakers does not generate regular trading income. Therefore there are no historic profits that could be used to represent future earnings. This means that the FME valuation approach is not appropriate;
- Minemakers has no foreseeable future net cash inflows and therefore the application of DCF is not possible. Under RG111, it is considered that it is only appropriate to use a DCF where Reserves are present;
- Minemakers’ most significant assets are its interest in the JV company, Namibian Marine Phosphate which consists of the Sandpiper deposit and the Wonarah Project in Australia’s Northern Territory and as such we require a specialist valuation of the projects.

  We instructed Optiro Pty Ltd (“**Optiro**”) to provide an independent specialist current market valuation of the Sandpiper JV and the Wonarah Project. Optiro’s full report may be found in Appendix 4;

  Optiro has applied the Geoscientific rating method, the comparables transaction method and the joint venture terms method in their valuation of the Sandpiper and Wonarah exploration licences; and
- Minemakers is listed on the ASX, TSX and the Namibian Stock Exchange. This provides an indication of the market value where an observable market for the securities exists.

10. Valuation of Minemakers Limited

10.1 Net Asset Valuation of Minemakers

The value of Minemakers' assets on a going concern basis is reflected in our valuation below:

Minemakers Ltd - Statement of Financial Position	Note	Unaudited as at 31-Mar-12 $	Adjusted low value $	Adjusted preferred value $	Adjusted high value $
CURRENT ASSETS					
Cash and cash equivalents	1	12,248,178	11,123,178	11,123,178	11,123,178
Trade and other receivables	2	3,067,141	1,546,141	1,546,141	1,546,141
TOTAL CURRENT ASSETS		**15,315,319**	**12,669,319**	**12,669,319**	**12,669,319**
NON-CURRENT ASSETS					
Trades and other receivables		1,289,500	1,289,500	1,289,500	1,289,500
Available-for-sale financial assets	3	4,176,139	5,566,278	5,996,250	6,426,222
Plant & equipment		677,708	677,708	677,708	677,708
Mineral assets	4	39,707,894	99,548,500	112,976,500	126,394,500
Investments accounted for using the equity method	4	2,500,789	-	-	-
TOTAL NON-CURRENT ASSETS		**48,352,030**	**107,081,986**	**120,939,958**	**134,787,930**
TOTAL ASSETS		**63,667,349**	**119,751,305**	**133,609,277**	**147,457,249**
CURRENT LIABILITIES					
Trade and other payables		634,977	634,977	634,977	634,977
Provisions		216,287	216,287	216,287	216,287
TOTAL CURRENT LIABILITIES		**851,264**	**851,264**	**851,264**	**851,264**
NON-CURRENT LIABILITIES					
Provisions		1,289,500	1,289,500	1,289,500	1,289,500
TOTAL NON-CURRENT LIABILITIES		**1,289,500**	**1,289,500**	**1,289,500**	**1,289,500**
TOTAL LIABILITES		**2,140,764**	**2,140,764**	**2,140,764**	**2,140,764**
Value			**117,610,541**	**131,468,513**	**145,316,485**
Number of shares			233,504,006	233,504,006	233,504,006
Value per Minemakers share			**0.50**	**0.56**	**0.62**
Number of shares (diluted)	5		252,804,006	252,804,006	252,804,006
Value per Minemakers share (diluted)	5		**0.49**	**0.54**	**0.60**

The table above indicates the value of a Minemakers share is between $0.50 and $0.62, with a preferred value of $0.56. The value of a Minemakers share on a diluted basis is between $0.49 and $0.60, with a preferred value of $0.54 as shown in note 5.

The following adjustments were made to the net assets of Minemakers as at 31 March 2012 in arriving at our valuation.

Note 1: Trade and other receivables

Minemakers advised us that a loan to TNT has been exchanged for a royalty against future realised mineral sales production. The exchanged loan value is $1.521 million. We have deducted $1.521 million from the low, preferred and high value of the current trade and other receivables.

Note 2: Cash and cash equivalents

We have been advised by Minemakers that the costs of the Offer will be $870,000 if 50.1% of the Shareholders accept the Offer and $1,125,000 for a 100% acceptance. We have deducted $1,125,000 from the cash balance.

Note 3: Available-for-sale assets

We note that Minemakers currently holds the following investments:

- 14,332,401 UCL shares
- 4.7% equity interest in JDC, an unlisted Florida based company
- 19% interest in TNT, an unlisted company that demerged from Minemakers in July 2011

On 10 October 2011, the market was advised that Minemakers had entered into a Sale Agreement with Investment in AMMG to sell its 80% interest in the West Southdown magnetite project in the south of Western Australia. Consideration for Minemakers' 80% interest is 5 million shares and 2 million 20 cent options in AMMG. The AMMG investment is not included in the Company's balance sheet as at 31 March 2012.

Investment in UCL

We have valued Minemakers interest in UCL with reference to our value per UCL share on a minority interest basis as calculated in section 11.1 of this report. Minemakers holds 14,332,401 shares in UCL.

Investment in UCL	Low	Preferred	High
Value of a UCL share ($)	0.35	0.39	0.42
Minority discount	26%	24.5%	23%
Minority value of a UCL share ($)	0.26	0.29	0.32
Multiply by 14,332,401 shares			
Value of Minemakers' minority interest in UCL	**3,726,424**	**4,156,396**	**4,586,368**

We have applied a minority discount of between 23% and 26% based on the inverse of our control premium as calculated in our control premium study below.

Our control premium study is based on observed premiums paid by acquirers of mining companies listed on the ASX since 2006. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium
2012	4	10.79	
2011	36	312.98	32.76
2010	57	389.87	40.80
2009	70	121.64	34.36
2008	45	512.21	38.87
2007	46	473.93	25.26
2006	43	151.25	22.26
	Median	**312.98**	**33.56**
	Mean	**281.81**	**32.39**

Source: Bloomberg

The minority discount is calculated to be between 23% and 26%, being the inverse of a control premium of between 30% and 35%.

Investment in JDC

Minemakers holds 71,467 shares in JDC, which equates to a 4.7% equity interest. We have valued UCL's interest in JDC to be $40,292 based on JDC's net asset position as at 31 December 2011.

Investment in TNT

Minemakers holds 15,619,524 shares in TNT, which equates to a 19% interest. In December 2011, TNT raised $1.3 million through a rights issue at 8 cents per share. We have valued the shares in TNT at $0.08 per share which values UCL's interest at approximately $1.25 million.

Investment in AMMG

We have assessed the value of the 5 million shares in AMMG to be $500,000. We have calculated this value by applying AMMG's 5 day volume weighted average price ("**VWAP**") on 10 July 2012, being $0.10.

We have valued the AMMG options using the binomial option pricing model. The key inputs in our calculation are:

- We have applied AMMG's 5 day VWAP on 10 July 2012 as our underlying share price.
- The exercise price is $0.20.
- We have used the Australian Government 2-year bond rate of 2.39% as at 9 July 2012 as an input to our option pricing model.
- The options have a two year life.
- The recent volatility of the share price of AMMG was calculated by Hoadley's volatility calculator for a two year period, using data extracted from Bloomberg.

AMMG options		
Underlying Security spot price		0.10
Exercise price		0.20
Issue date		10-Jul-12
Expiration date		10-Jul-14
Life of the Options		2 years
Volatility		95%
Risk free rate		2.39%
Number of Options		2,000,000
Valuation per Option		0.025
Value of AMMG options	$	50,000

A summary of the available-for-sale investments are shown below:

AFS investments	Low $	Preferred $	High $
UCL	3,726,424	4,156,396	4,586,368
JDC	40,292	40,292	40,292
TNT	1,249,562	1,249,562	1,249,562
AMMG shares	500,000	500,000	500,000
AMMG options	50,000	50,000	50,000
Total value of AFS investments	**5,566,278**	**5,996,250**	**6,426,222**

Note 4: Valuation of Minemakers' mineral assets

Sandpiper & Wonarah Projects

We instructed Optiro to provide an independent market valuation of the exploration assets held by Minemakers. Optiro considered a number of different valuation methods when valuing the exploration assets of Minemakers; the Sandpiper and Wonarah Projects. In valuing the Sandpiper and Wonarah Projects, Optiro has applied the Geoscientific rating method, the comparables transaction method and the joint venture terms method. Optiro's full report including a summary of these methods can be found in appendix 4. We consider these methods to be appropriate given the Wonarah and Sandpiper projects are considered to be advanced stage exploration projects to pre-development projects.

The range of values for the Wonarah and Sandpiper mineral assets, as calculated by Optiro is set out below:

Mineral Asset	Low $	Preferred $	High $	Currency	Interest
Wonarah Mineral Resources	62,880,000	70,570,000	78,250,000	AUD	100%
Wonarah Exploration Potential	2,420,000	3,160,000	3,900,000	AUD	100%
Sandpiper Mineral Resources	76,930,000	87,420,000	97,910,000	AUD	100%
Sandpiper Exploration Potential	3,090,000	4,360,000	5,630,000	AUD	100%
Total	**145,320,000**	**165,510,000**	**185,690,000**		

The range of values for each of Minemakers' interest in these exploration assets as calculated by Optiro is set out below:

Mineral Asset	Low $	Preferred $	High $	Currency	Interest
Wonarah Mineral Resources	62,880,000	70,570,000	78,250,000	AUD	100%
Wonarah Exploration Potential	2,420,000	3,160,000	3,900,000	AUD	100%
Sandpiper Mineral Resources	32,695,250	37,153,500	41,611,750	AUD	42.5%
Sandpiper Exploration Potential	1,313,250	1,853,000	2,392,750	AUD	42.5%
Total value of Minemakers' interest	**99,308,500**	**112,736,500**	**126,154,500**		

The Sandpiper Project was previously accounted for using the equity method as at 31 March 2012.

Rocky Point Project

We have been advised by Minemakers that the expenditure to date on the Rocky Point Project is $240,000. We have adopted this value for the purpose of our valuation.

Port Keats Salt Project

We have been advised by Minemakers that the current book value of the Port Keats Salt Project is nil. We have not adjusted this value in our valuation.

Note 5: Net asset value on a diluted basis

Based on the net asset value per share of Minemakers as calculated above, the following options on issue are in the money. Note that Minemakers has 1,375,000 options on issue with an exercise price of $0.36, however, they do not vest until 3 January 2013 and therefore have not been included in the calculation below.

Number of Unlisted Options	Expiry Date	Exercise Price ($)	Cash raised if exercised
1,000,000	21-Aug-12	0.29	$290,000
500,000	1-Jul-14	0.47	$235,000
500,000	3-Jan-16	0.47	$235,000
500,000	17-Aug-13	0.49	$245,000
300,000	16-Oct-14	0.32	$96,000
5,000,000	18-Jun-17	0.23	$1,150,000
5,000,000	18-Jun-17	0.27	$1,350,000
5,000,000	18-Jun-17	0.31	$1,550,000
1,500,000	15-Jun-16	0.22	$330,000
19,300,000			**$5,481,000**

The table below shows the value of a Minemakers share following the exercise of the options. This value takes into account both the cash raised from the exercise of the options and the dilutionary effect from the issue of shares upon exercise.

Minemakers Ltd - value per share	Adjusted low value $	Adjusted preferred value $	Adjusted high value $
Total assets	119,751,305	133,609,277	147,457,249
Add cash raised on the exercise of the options	5,481,000	5,481,000	5,481,000
Total assets (fully diluted)	**125,232,305**	**139,090,277**	**152,938,249**
Total liabilities	**2,140,764**	**2,140,764**	**2,140,764**
Value of Minemakers post dilution	**123,091,541**	**136,949,513**	**150,797,485**
Number of shares on issue	233,504,006	233,504,006	233,504,006
Additional shares issued upon the exercise of options	19,300,000	19,300,000	19,300,000
Number of shares on issue (diluted basis)	**252,804,006**	**252,804,006**	**252,804,006**
Value per Minemakers share (fully diluted)	**0.49**	**0.54**	**0.60**

The table above indicates the value of a Minemakers share is between $0.49 and $0.60, with a preferred value of $0.54.

10.2 Quoted Market Prices for Minemakers' Securities

To provide a comparison to the valuation of Minemakers in section 10.1, we have also assessed the quoted market price for a Minemakers share.

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company.

RG 111.11 suggests that when considering the value of a company's shares for the purposes of approval, the expert should consider a premium for control. An acquirer could be expected to pay a premium for control due to the advantages they will receive should they obtain 100% control of another company. These advantages include the following:

- control over decision making and strategic direction;
- access to underlying cash flows;
- control over dividend policies; and
- access to potential tax losses.

UCL will be obtaining up to 100% of Minemakers. RG 111 states that the expert should calculate the value of a target's shares as if 100% control were being obtained. RG 111.13 states that the expert can then consider an acquirer's practical level of control when considering reasonableness. Reasonableness has been considered in section 13.

Therefore, our calculation of the quoted market price of a Minemakers share including a premium for control has been prepared in two parts. The first part is to calculate the quoted market price on a minority interest basis. The second part is to add a premium for control to the minority interest value to arrive at a quoted market price value that includes a premium for control.

Minority interest value

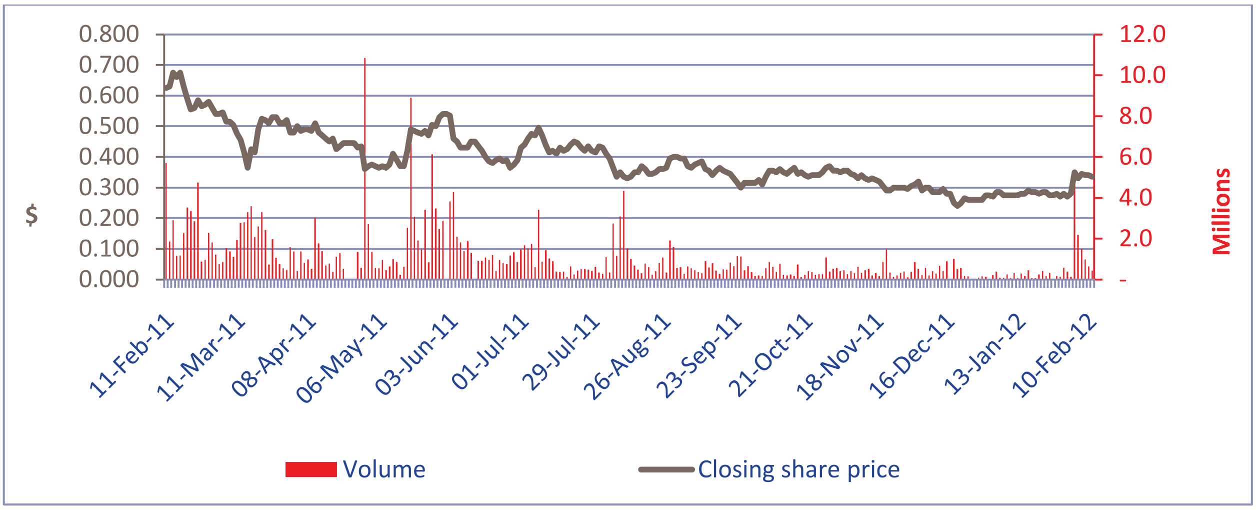
Our analysis of the quoted market price of a Minemakers share is based on the pricing prior to the announcement of the MAK Offer for UCL on 13 February 2012. This is because the value of a Minemakers share after the announcement may include the effects of any change in value as a result of the MAK Offer and UCL's Offer on 18 May 2012. However, we have considered the value of a Minemakers share following the announcement of UCL's offer when we have considered reasonableness in section 13.

Typically, our analysis would cover the period leading up 18 May 2012 when UCL announced its takeover offer. However, due to the earlier takeover offer from Minemakers on 13 February 2012, and the revised offer on 1 May 2012, we have adjusted the share price analysis to prior to 13 February 2012 to eliminate any price movements that could be attributable to the MAK Offer.

Since 13 February 2012, the global share market has been relatively volatile. We have analysed the movements in the Australian All Ordinaries Index, the ASX300 Metals and Mining Index, the TSX Composite Index and the TSX Composite Metals and Mining index between 13 February 2012 and 5 June 2012 to determine a quoted market price, excluding movements attributable to both companies' takeover bids. In this way, we have imputed what the Minemakers share price might have been in the absence of the MAK Offer.

Information on the MAK Offer was announced to the market on 13 February 2012. Therefore, the following chart provides a summary of the share price movement over the 12 months to 10 February 2012 which was the last trading day prior to the announcement. Minemakers is listed on the ASX, TSX and the Namibian Stock Exchange. We have analysed the share price movement on both the ASX and TSX. We have not included our analysis of the quoted market price movements on the Namibian Stock Exchange due to less than 0.001% of the issued capital being traded over our analysis period.

ASX quoted market price



Source: Bloomberg

The daily price of Minemakers' shares from 10 February 2011 to 10 February 2012 has ranged from a low of $0.235 on 20 December 2011 to a high of $0.71 on 10 February 2011.

During this period a number of announcements were made to the market. The key announcements and commentary are set out in appendix 3.

To provide further analysis of the market prices for a Minemakers share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 February 2012.

	10 February 2012	10 Days	30 Days	60 Days	90 Days
Closing Price	$0.335				
Weighted Average		$0.336	$0.323	$0.307	$0.318

The above weighted average prices are prior to the date of the announced MAK Offer to avoid the influence of any movement in price of Minemakers shares that has occurred since the announcement.

An analysis of the volume of trading in Minemakers shares for the twelve months to 10 February 2012 is set out below:

	Share price low $	Share price high $	Cumulative Volume traded	As a % of Issued capital
1 trading day	0.335	0.350	436,097	0.19%
10 trading days	0.270	0.365	11,917,649	5.10%
30 trading days	0.270	0.365	15,785,407	6.76%
60 trading days	0.235	0.365	27,759,594	11.89%
90 trading days	0.235	0.375	39,309,078	16.83%
180 trading days	0.235	0.505	119,448,914	51.15%
1 year	0.235	0.710	277,810,487	118.97%

This table indicates that Minemakers' shares display a high level of liquidity, with 118.97% of the Company's current issued capital being traded in a twelve month period on the ASX. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market.

TSX quoted market price

Source: Bloomberg

Note that the share prices have been translated into Australian dollars to allow for the ASX and TSX analysis to be comparable.

The daily price of Minemakers' shares from 10 February 2011 to 10 February 2012 has ranged from a low of $0.285 on 23 January 2012 to a high of $0.686 on 16 February 2011.

To provide further analysis of the market prices for a Minemakers share, we have also considered the weighted average market price for 10, 30, 60 and 90 day periods to 10 February 2012.

	10 February 2012	10 Days	30 Days	60 Days	90 Days
Closing Price	$0.326				
Weighted Average		$0.326	$0.295	$0.323	$0.348

The above weighted average prices are prior to the date of the announced MAK Offer to avoid the influence of any movement in price of Minemakers shares that has occurred since the announcement.

An analysis of the volume of trading in Minemakers shares for the twelve months to 10 February 2012 is set out below:

	Share price low $	Share price high $	Cumulative Volume traded	As a % of Issued capital
1 day	0.326	0.326	-	0.00%
10 days	0.303	0.326	1,100	0.00%
30 days	0.285	0.336	17,100	0.01%
60 days	0.285	0.480	66,900	0.03%
90 days	0.285	0.480	138,400	0.06%
180 days	0.285	0.634	545,800	0.23%
1 year	0.285	0.686	1,021,110	0.44%

This table indicates that only a small percentage of Minemakers' issued capital is traded on the TSX with less than 1% of the total issued capital trading in a twelve month period.

We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of Minemakers, we consider there to be a high level of liquidity with more than 118% of the total issued capital being traded in a twelve month period on the ASX and TSX.

Our assessment is that a range of values for a Minemakers share on 10 February 2012, based on market pricing on the ASX and TSX, is between $0.32 and $0.35.

We have adjusted the range of values above to account for the average decline in the share prices of companies listed on the ASX and TSX between 13 February and 25 June 2012.

Index	Representative of the:	Return over the period
All Ordinaries	Australian market	-6.6%
TSX Composite	Canadian market	-8.6%
ASX 300 Metals and Mining	ASX listing mining companies	-21.9%
TSX Composite Metals and Mining	TSX listed mining companies	-19.3%

The data shows the overall average decline in the return of stocks listed on the ASX and TSX from 13 February 2012 to 25 June 2012.

Minemakers is not included in the ASX 300 Metals and Mining index (“**ASX 300**”), however, the share price movements of Minemakers have a stronger correlation to the ASX 300 index than the All Ordinaries and TSX Composite. Due to this, we have applied a discount range of 10 - 15% to our assessed quoted market price of Minemakers.

Our assessment is that a range of values for a Minemakers share based on market pricing, after disregarding post announcement pricing, is between $0.29 and $0.30.

Control Premium

We have reviewed the control premiums paid by acquirers of mining companies listed on the ASX. We have summarised our findings below:

Year	Number of Transactions	Average Deal Value (AU$m)	Average Control Premium
2012	4	10.79	
2011	36	312.98	32.76
2010	57	389.87	40.80
2009	70	121.64	34.36
2008	45	512.21	38.87
2007	46	473.93	25.26
2006	43	151.25	22.26
	Median	**312.98**	**33.56**
	Mean	**281.81**	**32.39**

In arriving at an appropriate control premium to apply, we note that observed control premiums can vary due to the:

- Nature and magnitude of non-operating assets;
- Nature and magnitude of discretionary expenses;
- Perceived quality of existing management;
- Nature and magnitude of business opportunities not currently being exploited;
- Ability to integrate the acquiree into the acquirer’s business;

- Level of pre-announcement speculation of the transaction;
- Level of liquidity in the trade of the acquiree's securities.

UCL has made a takeover offer for all of Minemakers' shares and as a result, should be expected to pay a control premium. Taking the research above into consideration, a control premium between 30 - 35% is appropriate.

Quoted market price including control premium

Applying a control premium to Minemakers' quoted market share price results in the following quoted market price value including a premium for control:

	Low $	High $
Quoted market price value	0.29	0.30
Control premium	30%	35%
Quoted market price valuation including a premium for control	**0.38**	**0.41**

Therefore, our valuation of a Minemakers share based on the quoted market price method and including a premium for control is between $0.38 and $0.41.

10.3 Valuation cross-check: resource multiple

As a cross check to the NAV and QMP valuations above, we have analysed the resource multiple observed for companies listed on the ASX with phosphate projects as their primary focus.

The table below shows that the weighted average enterprise value per unit of inferred and indicated resource is 0.95.

	Rum Jungle Resources Ltd	Minbos Resources Ltd	Phosphate Australia Ltd
Market cap @ 17 May 2012 ($m)	43.9	18.8	8.24
Net cash ($m)	4.25	4.79	2.95
EV ($m)	39.65	14.01	5.29
Interest in project	100%	50%	100%
Name of project	Ammaroo Phosphate	Cabinda Project	Highland Plains Phosphate
Location	Australia	Angola	Australia
Resource size (Million Tonnes)	253	304	56
Resource Size, adjusted for project equity (Million Tonnes)	253	152	56
Average Grade (% P_2O_5)	15.0%	11.5%	16.0%
Total Contained Mineral (Million Tonnes P_2O_5)	38.0	17.5	9.0
EV/ unit of resource	1.0	0.8	0.6
Weighted average	**0.95**		

Brief details of the comparative entities are as follows:

Rum Jungle Resources Limited ("Rum Jungle") - Ammaroo Project

Rum Jungle Resources Limited is a mineral exploration company. Rum Jungle is focused on exploring for minerals that include uranium, potash, phosphate and base metals in the Northern Territory and Queensland.

The Ammaroo Phosphate project is located north east of Alice Springs and 80-180km east of Barrow Creek. Rum Jungle Resources' Exploration Licences are in the highly prospective western side of the Georgina Basin. This basin contains the largest known phosphate deposits in Australia.

Minbos Resources Ltd ("Minbos") - Cabinda Project

Minbos Resources Ltd explores for and produces phosphate. Minbos operates in Angola.

Minbos's Cabinda Project is a joint venture with LR Group. Minbos has a 50% interest in the Cabinda Project. The licence covers known phosphate prospects in Cabinda.

Phosphate Australia Ltd ("PA") - Highland Plains Project

Phosphate Australia Ltd is an exploration company. PA's exploration projects are predominantly phosphate focused, but iron and uranium prospecting is also high in some areas.

PA owns 100% of the Highland Plains Project situated in the Northern Territory of Australia. The Highland Plains Projects has a JORC compliant phosphate resource.

The table below shows the enterprise value per unit of inferred and indicated resource for Minemakers is 0.41.

	Minemakers	
Market cap ($m)	136.5	
Net cash ($m)	11.1	
EV ($m)	125.4	
Effective interest in project	100.0%	48.6%
Name of project	Wonarah Project	Sandpiper Project
Location	Australia	Namibia
Resource size (Million Tonnes)	782	1835
Resource Size, adjusted for project equity (Million Tonnes)	782	891
Average Grade (% P_2O_5)	17.8%	19.1%
Total Contained Mineral (Million Tonnes P_2O_5)	139.2	170.2
	Total	**309.4**
EV/ unit of resource		**0.41**

Note that the market capitalisation of Minemakers has been calculated by multiplying 252,804,006 by $0.54, being the diluted number of shares and the preferred value of a Minemakers share as set out in section 10.1.

We have applied Minemakers' effective interest post the issue of the UCL rights as shown in section 4 in our calculation.

This analysis shows that the value of a Minemakers share on a NAV basis has a lower enterprise value per unit of resource than the comparable companies. We consider that this is attributable to the potential exploration upside of Rum Jungle and PA's other projects. In addition, we would expect Minbos to have a higher multiple due to its stage of development.

In our opinion, this cross-check shows that Minemakers has not been overvalued using the NAV approach.

10.4 Assessment of Minemakers' Value

The results of the valuations performed are summarised in the table below:

	Low $	Preferred $	High $
Net asset value (Section 10.1)	0.49	0.54	0.60
Quoted market prices (Section 10.2)	0.38		0.41

We consider the net asset value to more accurately reflect the value of a Minemakers share due to the NAV incorporating the potential value of the projects. We are also in the opinion that the Minemakers QMP reflects the issue that the Sandpiper Project is not controlled by a single entity.

Based on the results above we consider the value of a Minemakers share to be between $0.41 and $0.60 with a preferred value of $0.54. We have applied the high range of the QMP method to be the low end of our range and the preferred and high value using the NAV method.

11. Valuation of consideration

As consideration for all of the shares in Minemakers, UCL is offering the shareholders of Minemakers:

- 1 UCL share for every 1.6 shares held in Minemakers; and
- 4.5 cents cash per share held in Minemakers.

Therefore, for every 1 Minemakers share, UCL is offering 0.625 of a UCL share plus 4.5 cents cash.

Assessing non-cash consideration in control transactions

When assessing non-cash consideration in control transactions, RG 111.31 suggests that a comparison should be made between the value of the securities being offered (allowing for a minority discount) and the value of the target entity's securities, assuming 100% of the securities are available for sale. This comparison reflects the fact that:

(a) the acquirer is obtaining or increasing control of the target; and

(b) the security holders in the target will be receiving scrip constituting minority interests in the combined entity.

RG 111.32 suggests that if we use the quoted market price of securities to value the offered consideration, then we must consider and comment on:

(a) the depth of the market for those securities;

(b) the volatility of the market price; and

(c) whether or not the market value is likely to represent the value if the takeover bid is successful.

Under RG 111.34 it is noted that if, in a scrip bid, the target is likely to become a controlled entity of the bidder, the bidder's securities can also be valued using a notionally combined entity. However, it should still be noted that the accepting holders are likely to hold minority interests in that combined entity.

We have assessed the value of the consideration on a combined entity basis (50.1% and 100%) as well as valuing UCL on a net asset basis and the quoted market price for a UCL share on a minority interest basis.

In section 11.1 we have valued a share in UCL as it currently stands in order to value the consideration that a Minemakers shareholder would receive in the event that UCL waives the 50.1% minimum acceptance level.

In section 11.2 and 11.3 we have assessed the value of the consideration on a combined entity basis in the event that 50.1% of Shareholders accept the Offer and in the event that 100% of Shareholders accept the Offer.

In section 11.4 we have valued a UCL share on a minority interest basis using the quoted market price method.

11.1 Net asset valuation of UCL

The value of UCL's assets on a going concern basis is reflected in our valuation below. :

UCL Resources Ltd - Statement of Financial Position	Note	Unaudited as at 31-Mar-12 $	Adjusted low value $	Adjusted preferred value $	Adjusted high value $
CURRENT ASSETS					
Cash and cash equivalents	1	1,081,000	15,721,863	15,721,863	15,721,863
Trade and other receivables		62,438	62,438	62,438	62,438
Available-for-sale financial assets	2	90,000	10,000	10,000	10,000
TOTAL CURRENT ASSETS		**1,233,438**	**15,794,301**	**15,794,301**	**15,794,301**
NON-CURRENT ASSETS					
Other financial assets		6,930	6,930	6,930	6,930
Mineral assets	3	5,831,718	34,008,500	39,006,500	44,004,500
Property, plant & equipment		10,533	10,533	10,533	10,533
TOTAL NON-CURRENT ASSETS		**5,849,181**	**34,025,963**	**39,023,963**	**44,021,963**
TOTAL ASSETS		**7,082,619**	**49,820,264**	**54,818,264**	**59,816,264**
CURRENT LIABILITIES					
Trade and other payables		283,891	283,891	283,891	283,891
Provisions		49,127	49,127	49,127	49,127
Borrowings	4	500,000	9,000,000	9,000,000	9,000,000
TOTAL CURRENT LIABILITIES		**833,018**	**9,333,018**	**9,333,018**	**9,333,018**
TOTAL LIABILITES		**833,018**	**9,333,018**	**9,333,018**	**9,333,018**
Value			**40,487,246**	**45,485,246**	**50,483,246**
Number of shares	5		104,773,843	104,773,843	104,773,843
Value per UCL share			**0.39**	**0.43**	**0.48**
Number of shares (diluted)	6		140,818,288	140,818,288	140,818,288
Value per UCL share (diluted)	6		**0.35**	**0.39**	**0.42**

We have been limited to publically available information in our assessment of UCL's value. The balance sheet as at 31 March 2012 is based on the reviewed 31 December 2011 half year financial report with adjustments made for items shown in UCL's Appendix 5B, Mining exploration entity quarterly report for 31 March 2012 which was released on the ASX on 30 April 2012.

The table above indicates the value of a UCL share on a control basis is between $0.39 and $0.48, with a preferred value of $0.43. The value of a UCL share on a diluted basis is between $0.35 and $0.42, with a preferred value of $0.39 as calculated in note 6.

The following adjustments were made to the net assets of UCL as at 31 March 2012 in arriving at our valuation.

Note 1: Cash and cash equivalents

$6,667 has been added to include the cash raised from the notional exercise of 44,445 options on issue that are in the money as at the date of this report.

UCL issued 12,121,061 shares to MML in relation to a share placement as explained in section 4. $3,636,318 has been added to the cash balance to include the cash raised from the placement.

$2,297,878 has been added to the cash balance to account for the underwritten rights issue announced on 10 May 2012, issuing 1 share for every 12 held at $0.30 per share. The rights issue closed on 26 June 2012 and was undersubscribed by $1,970,353.20. The rights issue was fully underwritten by MML. MML took up the undersubscribed shares.

$9 million has been added to the cash balance in relation to the convertible note agreement between UCL and Mawarid Mining LLC that was entered into on 17 May 2012.

We have deducted $300,000, being the estimated costs in relation to the Offer per UCL's Bidder's Statement released on 28 May 2012.

Note 2: AFS assets

The available-for-sale assets comprises of 10 million listed options issued by ASX listed company, Gold Anomaly Limited. We have calculated the fair value based on the 5 day VWAP as at 10 July 2012, being $0.001.

Note 3: Valuation of UCL's mineral assets

We instructed Optiro to provide an independent market valuation of the exploration assets held by Minemakers, including the Sandpiper project, of which UCL has a 42.5% interest in.

The range of values for the Sandpiper Project as calculated by Optiro is set out below:

Mineral Asset	Low $	Preferred $	High $	Currency	Interest
Sandpiper Mineral Resources	32,695,250	37,153,500	41,611,750	AUD	42.5%
Sandpiper Exploration Potential	1,313,250	1,853,000	2,392,750	AUD	42.5%
Total value of UCL's interest	**34,008,500**	**39,006,500**	**44,004,500**		

The table above indicates a range of values between $34.01 million and $44 million, with a preferred value of $39.01 million.

UCL holds a 25% interest in the Mehdiabad Zinc Project in Iran. In 2006, the IMIDRO terminated several mining agreements governing the Mehdiabad Zinc Project. UCL is in continued negotiations to resolve the issue. However, according to the quarterly activity statement released to the ASX on 30 April 2012, the situation is unresolved.

In December 2009, UCL impaired the carrying value of the exploration expenditure associated with the Mehdiabad Project which had previously been capitalised.

We have assessed UCL's interest in the Mehdiabad Project to have no value due to the period of time that the dispute has existed and the uncertainty of UCL in being able to progress with the project to realise value from it.

Note 4: Borrowings

The conversion price of the $500,000 convertible note is $0.15 per share (post 1:30 consolidation). We have assumed that as the market price of a UCL share as at the date of this report is higher that the conversion price, that these will be converted. Therefore we have removed the liability from the balance sheet and increased the shares on issue to reflect the conversion.

A liability of $9 million has been added in relation to the convertible note agreement between UCL and Mawarid Mining LLC which is to be used in funding the cash component of the Offer. Note that this liability is removed when the value of UCL is calculated on a diluted basis per note 6 below.

Note 5: Shares on issue

The number of shares on issue has been increased by 3,333,334 shares to reflect the conversion of the convertible note as explained in note 4.

The number of shares on issue has been increased to include the 44,445 options on issue, with an exercise price of $0.15, that are in the money based on the market price of a UCL share as at the date of this report.

We have increased the shares on issue by 808,334 to account for Mr Daniel's Performance Rights which he may soon be eligible to take up.

We note that the UCL performance rights disclosed in the Bidder's Statement differ from the 2,425,336 performance rights shown in the Grant Thornton independent expert's report dated 18 March 2012.

A summary of the shares on issue is shown below:

Note 5: shares on issue	
Current shares on issue	100,587,730
Conversion of note	3,333,334
Exercise of 15 cent options	44,445
Issue of performance rights	808,334
Total	**104,773,843**

Note 6: Net asset value on a diluted basis

Based on the net asset value per share of UCL as calculated above, the following options on issue are in the money.

Number of Unlisted Options	Expiry Date	Exercise Price ($)	Cash raised if exercised
44,445	13-Mar-15	0.39	$17,334

Based on the net asset value per share of UCL as calculated above, we have assumed that the $9 million convertible note will be converted into 36,000,000 shares based on a conversion price of 25 cents and the liability reduced by $9 million.

The table below shows the value of a UCL share following the exercise of the options and conversion of notes. This value takes into account both the cash raised from the exercise of the options, the reduction in the convertible note liability and the dilutionary effect from the issue of shares upon exercise and conversion.

UCL Resources Ltd - value per share	Adjusted low value $	Adjusted preferred value $	Adjusted high value $
Total assets	49,820,264	54,818,264	59,816,264
Add cash raised on the exercise of the options	17,334	17,334	17,334
Total assets (fully diluted)	**49,837,597**	**54,835,597**	**59,833,597**
Total liabilities	9,333,018	9,333,018	9,333,018
Reduction in liability	(9,000,000)	(9,000,000)	(9,000,000)
Total liabilities (fully diluted)	**333,018**	**333,018**	**333,018**
Value of UCL post dilution	**49,504,579**	**54,502,579**	**59,500,579**
Number of shares on issue per note 5	104,773,843	104,773,843	104,773,843
Additional shares issued upon the exercise of options	44,445	44,445	44,445
Additional shares issued upon the conversion of notes	36,000,000	36,000,000	36,000,000
Number of shares on issue (diluted basis)	**140,818,288**	**140,818,288**	**140,818,288**
Value per UCL share (fully diluted)	**0.35**	**0.39**	**0.42**

The table above indicates the value of a UCL share on a control basis is between $0.35 and $0.42, with a preferred value of $0.39.

Minority interest value

If Minemakers shareholders accept the UCL offer, they will be given UCL shares as consideration and will therefore be a minority shareholder of UCL. For this reason, we have applied a minority discount to assess the value on a minority interest basis.

We have calculated the minority discount as the inverse of the control premium as set out in section 10.1, note 2.

We have applied a minority discount of between 23% and 26% based on the inverse of our control premium of between 30 – 35%.

Net asset value of a UCL share	Low	Preferred	High
Value per share on a control basis	0.35	0.39	0.42
Minority discount	26%	24.5%	23%
Value per UCL share on a minority interest basis	**0.26**	**0.29**	**0.32**

11.2 Net asset valuation of UCL following the Offer - 50.1% acceptance

The value of UCL following 50.1% acceptance of the Offer is shown below:

	UCL following 50.1% takeover		
	Low $	Preferred $	High $
Net assets of UCL following 50.1% acceptance of the Offer	101,076,080	112,801,508	124,521,926
Number of shares	205,091,821	205,091,821	205,091,821
Value per share	**0.49**	**0.55**	**0.61**
Minority discount	26.0%	24.5%	23.0%
Value per UCL share on a minority interest basis	**0.36**	**0.42**	**0.47**

The value of a UCL share on a minority interest basis following a 50.1% acceptance of the Offer is between $0.36 and $0.47 with a preferred value of $0.42.

The number of shares is shown in the capital structure as set out in section 4 of this report.

If Minemakers shareholders accept the UCL offer, they will be given UCL shares as consideration and will therefore be a minority shareholder of UCL. For this reason, we have applied a minority discount to assess the value on a minority interest basis.

We have calculated a minority discount of between 23% and 26% based on the inverse of our control premium of between 30 – 35% as set out in section 10.1, note 2.

The following adjustments were made in the calculation of a UCL share on a control basis following a 50.1% acceptance of the Offer:

Assets	Note	Low $	Preferred $	High $
UCL's total assets	1	49,837,597	54,835,597	59,833,597
Adjustments UCL's assets				
Cash consideration of the Offer	2	(5,699,466)	(5,699,466)	(5,699,466)
Reduction in cash drawn from convertible note to reflect 50.1% acceptance	3	(3,721,431)	(3,721,431)	(3,721,431)
UCL's total assets after adjustments		**40,416,700**	**45,414,700**	**50,412,700**
Minemakers' total assets per note 5, section 10.1	4	125,232,305	139,090,277	152,938,249
Adjustments Minemakers' assets				
Reduction in transaction costs to reflect 50.1% acceptance	5	255,000	255,000	255,000
Sale of Minemakers' investment in UCL (cash)	6	2,121,195	2,121,195	2,121,195
Sale of Minemakers' investment in UCL (AFS)	7	(3,726,424)	(4,156,396)	(4,586,368)
Minemakers' total assets after adjustments		**123,882,076**	**137,310,076**	**150,728,076**
Multiply by 50.1%				
50.1% of Minemakers' total assets		**62,064,920**	**68,792,348**	**75,514,766**
Total assets of UCL following 50.1% acceptance of the Offer		**102,481,621**	**114,207,049**	**125,927,467**

Liabilities	Note	Low $	Preferred $	High $
UCL's total liabilities	8	333,018	333,018	333,018
Minemakers' total liabilities	9	1,072,523	1,072,523	1,072,523
Total liabilities of UCL following 50.1% acceptance of the Offer		**1,405,541**	**1,405,541**	**1,405,541**

Total assets of UCL following 50.1% acceptance of the Offer

Note 1

UCL's total assets are on a diluted basis per note 6 in section 11.1.

Note 2

The cash consideration of the Offer has been deducted, being $5,699,466. The calculation is shown below. The cash consideration is based on the diluted number of shares per note 5 in section 10.1.

Cash consideration of the Offer	
Minemakers' diluted number of shares	252,804,006
50.1% of Minemakers' diluted number of shares	126,654,807
Multiply by 4.5 cents per share	
Cash consideration of the Offer ($)	5,699,466

Note 3

The total assets of UCL as calculated in section 11.1 include $9 million that was added to the cash balance in relation to the convertible note issued to Mawarid Mining LLC. We have reduced the cash balance by $3,721,431as the convertible loan will be limited $5,278,570 which equates to the issue of shares to UCL up to a maximum of 19.9% of the issued capital multiplied by 25 cents. (21,114,278 x $0.25)

Note 4

Minemakers assets are per note 5, section 10.1.

Note 5

Minemakers total assets include the costs of the offer that were deducted in note 2 in section 10.1 on a 100% takeover basis. $255,000 has been added back to the total assets, being the difference between the costs of the Offer on a 50.1% and 100% basis ($1,125,000 less $870,000).

Note 6

We have adjusted for Minemakers' holding of UCL shares because the Act does not permit subsidiaries to own shares in their holding company. Therefore, in the event that 50.1% of Shareholders accept the Offer, UCL will procure that Minemakers sell its holding in UCL. We have assumed that this sale is achieved via on-market trading. There are two elements to this adjustment:

- Addition of the estimated sale proceeds from the on-market sale; and
- Deduction of the assessed value of Minemakers' holding of UCL shares (note 7 below).

We have valued Minemakers' shareholding in UCL with reference to the market price of UCL shares as reflected in UCL's 10 day VWAP on 10 July 2012, being $0.197. We have used the market value of a UCL share in this calculation as it would be a forced sale of shares and the price may differ from what a non-associated shareholder could dispose of their shares for and does not represent market value as contemplated by RG111.

We have applied a 25% marketability discount to the 10 day VWAP to account for the size of the parcel in comparison to the trading volumes of UCL's shares. As shown in section 11.4, over a 180 trading day period to 10 February 2012, just over 10 million UCL shares were traded which is less than the approximately 14.3 million UCL shares held by Minemakers.

Including the marketability discount we have valued a UCL share at $0.148 as shown below:

Value of a UCL share including a marketability discount	
UCL's 10 day VWAP on 10 July 2012 ($)	0.197
Marketability discount	25%
Value of a UCL share including a marketability discount ($)	0.148

We have estimated the sale proceeds from Minemakers' holding of UCL shares at $2,121,195 as shown below and have added the cash amount from this sale to the total assets.

Cash proceeds from the sale of Minemakers' UCL shares	
Value of a UCL share including a marketability discount ($)	0.148
Number of UCL shares held by Minemakers	14,332,401
Cash proceeds from sale of Minemakers holding of UCL shares ($)	2,121,195

Note 7

The value of the UCL investment as shown below, that was included in the calculation in section 10.1, has been deducted from the total assets.

AFS investments	Low $	Preferred $	High $
UCL	3,726,424	4,156,396	4,586,368

Total liabilities

Note 8

UCL's total liabilities are on a diluted basis per note 6 in section 11.1.

Note 9

Minemakers liabilities have been calculated as 50.1% of the total liabilities of Minemakers per note 5, section 10.1.

11.3 Net asset valuation of UCL following the Offer - 100% acceptance

The value of UCL following 100% acceptance of the Offer is shown below:

	UCL following 100% takeover		
	Low $	Preferred $	High $
Net assets of UCL following 100% acceptance of the Offer	157,493,516	175,919,516	194,335,516
Number of shares	284,488,391	284,488,391	284,488,391
Value per share	**0.55**	**0.62**	**0.68**
Minority discount	26.0%	24.5%	23.0%
Value per UCL share on a minority interest basis	**0.41**	**0.47**	**0.53**

The value of a UCL share on a minority interest basis following a 100% acceptance of the Offer is between $0.41 and $0.53 with a preferred value of $0.47.

The number of shares is shown in the capital structure as set out in section 4 of this report.

If Minemakers shareholders accept the UCL offer, they will be given UCL shares as consideration and will therefore be a minority shareholder of UCL. For this reason, we have applied a minority discount to assess the value on a minority interest basis.

We have calculated a minority discount of between 23% and 26% based on the inverse of our control premium of between 30 – 35% as set out in section 10.1, note 2.

The following adjustments were made in the calculation of a UCL share on a control basis following 100% acceptance of the Offer:

Assets	Note	Low $	Preferred $	High $
UCL's total assets	1	49,837,597	54,835,597	59,833,597
Adjustments UCL's assets				
Cash consideration of the Offer	2	(11,376,180)	(11,376,180)	(11,376,180)
UCL's total assets after adjustments		**38,461,417**	**43,459,417**	**48,457,417**
Minemakers' total assets	3	125,232,305	139,090,277	152,938,249
Adjustments Minemakers' assets				
Cancellation of Minemakers' investment in UCL (AFS)	4	(3,726,424)	(4,156,396)	(4,586,368)
Minemakers' total assets after adjustments		**121,505,881**	**134,933,881**	**148,351,881**
Total assets of UCL following 100% acceptance of the Offer		**159,967,298**	**178,393,298**	**196,809,298**

Liabilities	Note	Low $	Preferred $	High $
UCL's total liabilities	5	333,018	333,018	333,018
Minemakers' total liabilities	6	2,140,764	2,140,764	2,140,764
Total liabilities of UCL following 100% acceptance of the Offer		**2,473,782**	**2,473,782**	**2,473,782**

Total assets

Note 1

UCL's total assets are on a diluted basis per note 6 in section 11.1.

Note 2

The cash consideration of the Offer has been deducted, being $11,376,180. The calculation is shown below:

Cash consideration of the Offer	
Minemakers' diluted number of shares	252,804,006
Multiply by 4.5 cents per share	0.045
Cash consideration of the Offer ($)	11,376,180

Note 3

Minemakers assets are on a diluted basis per note 5, section 10.1.

Note 4

Minemakers investment in UCL has been eliminated on consolidation. The value of the investment as calculated in note 2 section 10.1, and shown below, has been deducted from the total assets value.

AFS investments	Low $	Preferred $	High $
UCL	3,726,424	4,156,396	4,586,368

Note 5

UCL's total liabilities are on a diluted basis per note 6 in section 11.1.

Note 6

Minemakers liabilities are on a diluted basis per note 5, section 10.1.

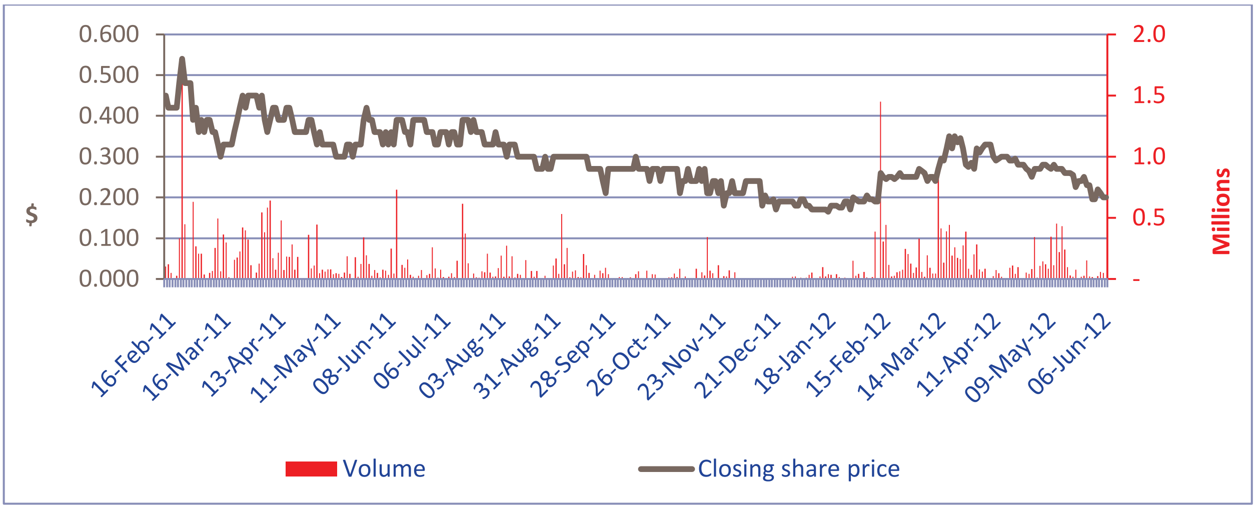
11.4 Quoted Market Prices for UCL's Securities

The quoted market value of a company's shares is reflective of a minority interest. A minority interest is an interest in a company that is not significant enough for the holder to have an individual influence in the operations and value of that company. We have assessed the quoted market price for a UCL share on a minority interest basis.

Minority interest value

Our analysis of the quoted market price of a UCL share is based on the pricing prior to the announcement of MAK Offer on 13 February 2012 and the pricing post the closing of the MAK Offer on 22 May 2012 in an attempt to eliminate any movements in the UCL share price that could be attributed to the MAK Offer.

Therefore, the following chart provides a summary of the share price movement from twelve months prior to the 13 February 2012 takeover announcement to 6 June 2012.



Source: Bloomberg

The daily price of UCL's shares from 13 February 2011 to 6 June 2012 has ranged from a low of $0.165 on 14 December 2011 to a high of $0.60 on 22 February 2011.

Note that on 29 November 2011, UCL's shares were consolidated on a 1:30 basis. The graph above shows the prices and volumes prior to 29 November 2011 on a consolidated basis.

UCL's share price increased 37%, closing at $0.26 following the MAK Offer on 13 February 2012. The share price continued to climb until mid to late March 2012 before starting to lose value. From 23 February 2012 to 8 March 2012 Twynam Agricultural Group Pty Ltd ("**Twynam**"), UCL's largest shareholder, increased its shareholding by purchasing 995,868 UCL shares on market which supported the price of UCL shares at that time. On 22 May 2012, the day the MAK Offer closed, the share price closed unchanged from the previous trading day at $0.225.

During this period a number of announcements were made to the market. The key announcements and commentary are set out in appendix 3.

To provide further analysis of the market prices for a UCL share, we have also considered the weighted average market price for a five day period prior to the MAK Offer announcement on 13 February 2012 and the VWAP for the five day period following the close of the Minemakers offer as shown below:

UCL - ASX pricing	6 - 10 February 2012	23 - 29 May 2012
5 trading day VWAP	$0.190	$0.233

The above weighted average prices are prior to the date of the announcement of the MAK Offer and post the close of the MAK Offer, to avoid the influence of any movement in price of UCL's shares that has occurred since the MAK Offer was announced and open.

An analysis of the volume of trading in UCL's shares for the twelve months to 12 February 2012 is set out below:

	Share price low $	Share price high $	Cumulative Volume traded	As a % of Issued capital
1 day	0.190	0.190	-	0.00%
10 days	0.180	0.205	690,892	0.69%
30 days	0.165	0.205	1,096,131	1.09%
60 days	0.165	0.240	1,607,460	1.60%
90 days	0.165	0.300	2,696,807	2.68%
180 days	0.165	0.420	10,011,399	9.95%
1 year	0.165	0.600	24,911,444	24.77%

This table indicates that UCL's shares display a low level of liquidity, with 24.77% of the Company's current issued capital being traded in a twelve month period. For the quoted market price methodology to be reliable there needs to be a 'deep' market in the shares. RG 111.69 indicates that a 'deep' market should reflect a liquid and active market. We consider the following characteristics to be representative of a deep market:

- Regular trading in a company's securities;
- Approximately 1% of a company's securities are traded on a weekly basis;
- The spread of a company's shares must not be so great that a single minority trade can significantly affect the market capitalisation of a company; and
- There are no significant but unexplained movements in share price.

A company's shares should meet all of the above criteria to be considered 'deep', however, failure of a company's securities to exhibit all of the above characteristics does not necessarily mean that the value of its shares cannot be considered relevant.

In the case of UCL, the shares display a low level of liquidity with less than 25% of the total issued capital being traded in twelve months. Throughout the year, there are many trading days where no UCL shares are traded.

UCL's share price movement has been very volatile with the VWAP fluctuating between $0.165 and $0.546 over the twelve month period to 12 February 2012.

Our assessment is that a range of values for a UCL share on a minority interest basis, based on market pricing, and after disregarding post announcement pricing, is between $0.19 and $0.23. However, due to the low level of liquidity, the quoted market price of UCL may not be reflective of its market value.

11.5 Assessment of the value of a UCL share (and equivalent value for a Minemakers share based on the terms of the Offer)

The results of the valuations performed are summarised in the table below:

Value per UCL share	Low ($)	Preferred ($)	High ($)
Net asset value (section 11.1)	0.26	0.29	0.32
Value of UCL following 50.1% acceptance of the Offer (section 11.2)	0.36	0.42	0.47
Value of UCL following 100% acceptance of the Offer (section 11.3)	0.41	0.47	0.53
Quoted market prices (section 11.4)	0.19	n/a	0.23

The low level of liquidity means that the value derived under the QMP method is not considered a reliable reflection of the value of UCL's shares to shareholders.

UCL's major asset is its interest in the Sandpiper JV Project and because of this, a net asset valuation approach is more appropriate than the QMP method.

We consider the value of a UCL share following 50.1% acceptance of the Offer to be the most appropriate value to use in our calculation of the consideration offered by UCL. The value following 50.1% acceptance calculates the value of a UCL share in a less advantageous position for Minemakers shareholders compared to a 100% takeover. This value assumes that UCL does not waive its minimum acceptance level of 50.1%.

Based on the results above, we consider the value of a UCL share on a minority interest basis to be between $0.36 and $0.47 with a preferred value of $0.42.

UCL is offering 0.625 UCL shares for every Minemakers share, this would equate to a value per Minemakers share of between $0.23 and $0.29 with a preferred value of $0.26.

Alternate scenario - 100% acceptance

We have considered the value of a UCL share following a 100% takeover.

We consider the minority interest value of a UCL share following 100% acceptance to be between $0.41 and $0.53 with a preferred value of $0.47. This would equate to a value per Minemakers share of between $0.26 and $0.33 with a preferred value of $0.29 for every 0.625 UCL share.

Alternate scenario -minimum acceptance waived

We have considered the value of a UCL share on a minority interest basis if UCL was to waive the minimum acceptance level.

We consider the minority interest value of a UCL share if the minimum acceptance level is waived to be between $0.26 and $0.32 with a preferred value of $0.29. This would equate to a value per Minemakers share of between $0.16 and $0.20 with a preferred value of $0.18 for every 0.625 UCL share.

11.6 Cash consideration

In addition to the scrip consideration offered by UCL, UCL is offering the shareholders of Minemakers 4.5 cents cash per Minemakers share.

11.7 Total consideration offered by UCL

Preferred valuation - 50.1% acceptance

Consideration offered by UCL	Low $	Preferred $	High $
Value of 0.625 of a UCL share	0.23	0.26	0.29
Cash consideration	0.045	0.045	0.045
Total consideration offered per Minemakers share	**0.28**	**0.31**	**0.34**

Alternate scenario - 100% acceptance

Consideration offered by UCL	Low $	Preferred $	High $
Value of 0.625 of a UCL share	0.26	0.29	0.33
Cash consideration	0.045	0.045	0.045
Total consideration offered per Minemakers share	**0.31**	**0.34**	**0.38**

Alternate scenario -minimum acceptance waived

Consideration offered by UCL	Low $	Preferred $	High $
Value of 0.625 of a UCL share	0.16	0.18	0.20
Cash consideration	0.045	0.045	0.045
Total consideration offered per Minemakers share	**0.21**	**0.23**	**0.25**

12. Is the Offer fair?

The value of the cash and scrip consideration offered by UCL is compared below to the value of a Minemakers share:

	Ref	Low $	Preferred $	High $
Value of a Minemakers share	10.4	0.41	0.54	0.60
Preferred value of the consideration offered by UCL (50.1% acceptance)	11.7	0.28	0.31	0.34
Value of the consideration offered by UCL (100% acceptance)	11.7	0.31	0.34	0.38
Value of the consideration offered by UCL (minimum acceptance waived)	11.7	0.21	0.23	0.25

We note from the table above that the range of values of the consideration offered per Minemakers share in all three scenarios is less than the value of a Minemakers share. Therefore, we consider that the Offer is not fair.

13. Is the Offer reasonable?

13.1 Alternative offers

On 13 February 2012, Minemakers announced an off market take-over offer for all of the shares in UCL. Minemakers offered the shareholders of UCL, 9 Minemakers shares for every 10 UCL shares held.

On 1 May 2012, Minemakers announced an increase to the consideration of the offer to 13 Minemakers shares for every 10 UCL shares held.

Minemakers' offer closed on 22 May 2012. Following the offer, Minemakers shareholding in UCL had increased by 2.65%. The increase equated to approximately 5% prior to the dilution due to UCL's placement of 12,121,061 shares issued to MML on 15 May 2012. Minemakers current shareholding in UCL is 15.67%.

The main asset of Minemakers is its interest in the Sandpiper Project which is a joint venture with a complex ownership structure. This reduces the likelihood of an alternative bidder emerging either for the Sandpiper Project itself or for Minemakers. We are not aware of any such alternative proposal.

13.2 Practical Level of Control

The Offer is conditional to a minimum acceptance of 50.1%. If the Offer is successful and this condition is met, then UCL will hold an interest of over 50.1% and up to 100% in Minemakers.

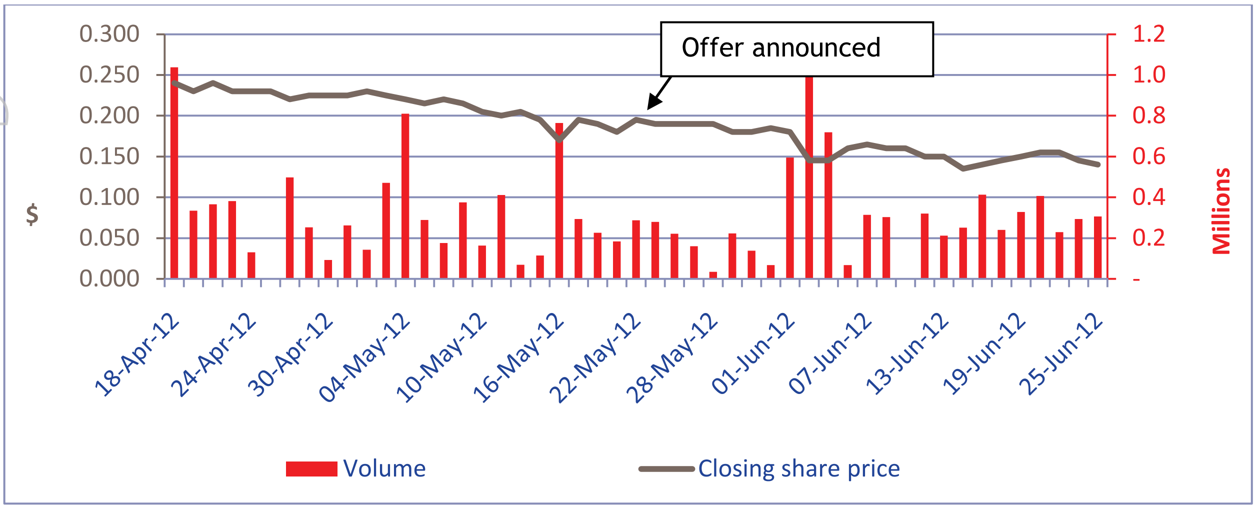
When shareholders are required to approve an issue that relates to a company there are two types of approval levels. These are general resolutions and special resolutions. A general resolution requires 50% of shares to be voted in favour to approve a matter and a special resolution requires 75% of shares on issue to be voted in favour to approve a matter. If the Offer is approved then UCL will be able to block special resolutions and pass general resolutions if they hold only 50.1%. UCL will be able to pass special resolutions if Minemakers shareholders holding 75% of the issued capital accept the Offer.

UCL's control of Minemakers following the Offer will be significant when compared to all other shareholders. If the Offer is approved then UCL will hold an interest of over 50.1% and up to 100% in Minemakers. Therefore, in our opinion, UCL should be required to pay a control premium.

13.3 Consequences of rejecting the Offer

Effect on share price

We have analysed movements in Minemakers' share price since the Offer was announced. A graph of Minemakers' share price since the announcement is set out below.



Source: Bloomberg

The price closed at $0.14 on 25 June 2012, 26% lower than the closing share price on 18 May 2012, the day of the announcement. Other than a 2% price increase on 22 May 2012, compared to the day of the announcement, the share price has remained lower than the closing share price on the day prior to the announcement.

Given the above analysis it is possible that if the Offer is not approved then Minemakers' share price may not decline.

13.4 Advantages of accepting the Offer

We have considered the following advantages when assessing whether the Offer is reasonable.

Advantage	Description
Certainty of the cash element	The cash element of the Offer allows Minemakers' shareholders to realise some cash for their investment – no dividends have been paid on Minemakers shares to date. However there may be capital gains tax implications for some shareholders.
Consolidated group for developing Sandpiper Project	The Offer represents one way in which consolidation of the Minemakers/ UCL group may be achieved which will improve the prospects for securing funding for the further development of the Sandpiper project

13.5 Disadvantages of accepting the Offer

If the Offer is successful, in our opinion, the potential disadvantages to Shareholders include those listed in the table below:

Disadvantage	Description
The offer is not fair	As set out in Section 12 the Offer is not fair. RG 111 states that an offer is reasonable if it is fair - in this case it is not fair.
Lower liquidity of UCL shares	UCL shares have shown a significantly lower level of liquidity to Minemakers shares (refer section 11.3 re liquidity of UCL shares and section 10.2 re liquidity of Minemakers shares). This means that the holder of UCL shares is likely to have more difficulty in realising the value of those shares on the market. Although it is likely that trading in UCL shares will become more liquid if the Offer is accepted, there is no basis to assume that the liquidity will increase to the level experienced by Minemakers.
Dilution of effective interest in Sandpiper Project	Currently Minemakers has a 48.6% interest in the Sandpiper Project. If the Offer is accepted by all shareholders the current Minemakers shareholders will effectively have an interest of 47.2% in the Sandpiper Project through their UCL shares.
Dilution of effective interest in Wonarah Project	Currently Minemakers holds 100% of the Wonarah Project. If the Offer is accepted by all shareholders then the current Minemakers shareholders will effectively have an interest of 55.5% in the Wonarah Project through their UCL shares.
Timing of the Offer	Accepting the Offer at a time of difficult market conditions would disadvantage Minemakers shareholders particularly in respect of the cash element of the Offer compared to contemplating an offer made during buoyant market conditions. In effect, the cash paid out will reduce the amounts available to progress the project and lead to subsequent fund raising during volatile times.
Loss of access to Toronto Stock Exchange	Minemakers currently has a listing on the Toronto Stock Exchange. Whilst the current level of trading in Minemakers shares on the Toronto Stock Exchange is low, the depth of companies listed on the TSX with phosphate, potash and fertiliser interests make it potentially a good source for future funding to develop the Sandpiper and Wonarah Projects which would be lost if the Offer is accepted.
Convertible notes used to finance the cash element of the offer	The terms of the convertible notes to be used to finance the cash element of the Offer require repayment in 18 months. At that point in time there will either be a conversion which will dilute the interests of existing shareholders or the convertible notes will have to be repaid which will present the consequence of finding the cash to do so and that in turn may require a capital raising which would also dilute the interests of existing shareholders.
Strategic shareholders with a greater level of	Accepting the Offer will introduce a major strategic shareholder to the combined group in Twynam Agricultural Group Pty Ltd with its significant shareholding in UCL. After making assumptions about the conversion of the convertible notes held by

influence	Mawarid Mining LLC, the holding of Twynam and Mawarid together in the combined group would exceed 30%. The existence of such a major block is likely to reduce liquidity in the combined group, may reduce the appeal of investing in the group for institutional investors and may reduce flexibility in obtaining finance for projects. Also the existence of Twynam and Mawarid as significant shareholders is likely to reduce the opportunity for UCL to receive a takeover offer from a third party. Refer to the Bidder's Statement for further details about Twynam and Mawarid.
Potential decline in the UCL share price if more than 50% of Shareholders accept the Offer but less than 100%, forcing Minemakers to dispose of their investment in UCL	The Act does not permit subsidiaries to own shares in their holding company. If more than 50% of Shareholders accept the Offer but less than 100%, Minemakers will be required to sell its shares in UCL. Minemakers may choose to sell its UCL's shares via on-market trading. Due to the large number of shares owned by Minemakers and the low level of liquidity of UCL shares, Minemakers may need to sell its UCL shares at a discount which could see a decline in the UCL share price.

14. Conclusion

We have considered the terms of the Offer as outlined in the body of this report and have concluded that the Offer is neither fair nor reasonable to the Shareholders of Minemakers.

15. Sources of information

This report has been based on the following information:

- Draft Notice of General Meeting and Target's Statement on or about the date of this report;
- Audited financial statements of Minemakers for the years ended 30 June 2010, 30 June 2011 and reviewed 31 December 2011 half-year financial statements;
- Unaudited management accounts of Minemakers for the period ended 31 March 2012;
- Audited financial statements of UCL for the years ended 30 June 2010, 30 June 2011 and reviewed 31 December 2011 half-year financial statements;
- UCL's Appendix 5B, Mining exploration entity quarterly report for 31 March 2012;
- Independent Valuation Report of Minemakers' mineral assets dated 10 July 2012 performed by Optiro Pty Ltd;
- Bidder's Statement from UCL dated 18 May 2012 and revised Bidder's Statement dated on or about 16 July 2012;
- Share registry information;
- Information in the public domain; and
- Discussions with Directors and Management of Minemakers.

16. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of $55,000 (excluding GST and reimbursement of out of pocket expenses). Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Minemakers in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by Minemakers, including the non provision of material information, in relation to the preparation of this report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Minemakers and UCL and any of their respective associates with reference to ASIC Regulatory Guide 112 "Independence of Experts". In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Minemakers and UCL and their respective associates.

A draft of this report was provided to Minemakers and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this report as a result of this review.

BDO is the brand name for the BDO International network and for each of the BDO Member firms.

BDO (Australia) Ltd, an Australian company limited by guarantee, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of Independent Member Firms. BDO in Australia, is a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International).

17. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of the Australian Institute of Chartered Accountants. Adam's career spans 14 years in the Audit and Assurance and Corporate Finance areas. Adam has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Member of the Institute of Chartered Accountants in Australia. He has over twenty years experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 150 public company independent expert's reports under the Corporations Act or ASX Listing Rules. These experts' reports cover a wide range of industries in Australia. Sherif Andrawes is the Chairman of BDO in Western Australia.

18. Disclaimers and consents

This report has been prepared at the request of Minemakers for inclusion in the Target's Statement which will be sent to all Minemakers shareholders. Minemakers engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider whether the consideration offered by UCL in its take-over offer for all of the shares in Minemakers, is fair and reasonable to the Minemakers shareholders.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Target's Statement. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Target's Statement other than this report.

BDO Corporate Finance (WA) Pty Ltd has not independently verified the information and explanations supplied to us, nor has it conducted anything in the nature of an audit or review of Minemakers or UCL in accordance with standards issued by the Auditing and Assurance Standards Board. However, we have no reason to believe that any of the information or explanations so supplied are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company.

The Directors of the Company are responsible for conducting appropriate due diligence in relation to UCL. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Offer, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Minemakers, or any other party.

BDO Corporate Finance (WA) Pty Ltd has also considered and relied upon independent valuations for mineral assets held by Minemakers.

The valuer engaged for the mineral asset valuation, Optiro Pty Ltd, possess the appropriate qualifications and experience in the industry to make such assessments. The approaches adopted and assumptions made in arriving at their valuation are appropriate for this report. We have received consent from the valuer for the use of their valuation report in the preparation of this report and to append a copy of their report to this report.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd has no obligation to update this report for events occurring subsequent to the date of this report.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD

Adam Myers

Director

Sherif Andrawes

Director

APPENDIX 1- Glossary of Terms

Reference	Definition
$	Australian dollar
The Act	The Corporations Act 2001
All Ordinaries	The Australian All Ordinaries Index is a capitalization weighted index. The index is made up of the largest 500 companies as measured by market cap that are listed on the ASX
AMMG	Australia Minerals and Mining Group Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ASX 300	The ASX 300 Metals & Mining Index is based on the ASX 300, and is comprised of companies that are classified in the Metals & Mining Industry
AUD	Australian dollars
Bidder's Statement	The Bidder's Statement released by UCL on 18 May 2012 and the revised Bidder's Statement released on or about 16 July 2012
BDO	BDO Corporate Finance (WA) Pty Ltd
BPL	Bone Phosphate of Lime
The Company	Minemakers Limited
DCF	Discounted Future Cash Flows
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
FME	Future Maintainable Earnings
FSG	Financial Services Guide
IMIDRO	The Iranian Mines and Mining Industries Development and Renovation Organisation
JDC	JDC Phosphate Inc
JORC	The Australasian Joint Ore Reserves Committee (JORC), which is sponsored by the Australian mining industry and its professional organisations. The Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code) is widely accepted as a standard for professional reporting purposes.

JV	Joint Venture
KDD Group	Karoun Des Dasht
Listing rules	ASX Listing Rules
MAK Offer	On 13 February 2012, Minemakers announced an off market take-over offer for all of the shares in UCL. Minemakers offered the shareholders of UCL, 9 Minemakers shares for every 10 UCL shares held. On 1 May 2012, Minemakers announced an increase to the consideration of the offer to 13 Minemakers shares for every 10 UCL shares held.
MB Holding	MB Holding Company LLC
Mehdiabad Project	Mehdiabad Zinc Project
Minemakers	Minemakers Limited
MML	Mawarid Mining LLC, a wholly owned subsidiary of MB Holding
MOU	Memorandum of Understanding
MZC	Mehdiabad Zinc Company
NAV	Net Asset Value
NMDC	NMDC Limited
NMP	Namibian Marine Phosphate (Pty) Ltd.
The Offer	UCL's off market take-over bid to acquire all of the shares in Minemakers. The consideration offered to Minemakers' shareholders is 0.625 UCL shares and 4.5 cents cash for every 1 Minemakers share.
Optiro	Optiro Pty Ltd
Performance Rights	Performance rights issued by UCL
QMP	Quoted market price
Our Report	This Independent Expert's Report prepared by BDO
RG111	Content of expert reports (March 2011)
RG112	Independence of experts (March 2011)
Sandpiper JV Project	The Sandpiper Project in Namibia held by the joint venture company, Namibian Marine Phosphate (Pty) Ltd. NMP is owned by Minemakers (42.5%), UCL (42.5%) and Tungeni (15%).

Shareholders	Shareholders of Minemakers not associated with UCL
TNT	TNT Mines Limited
TSX	Toronto Stock Exchange
TSX Composite Index	The Toronto Stock Exchange Composite Index is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX.
TSX Composite Metals & Mining Index	The constituents of the Metals & Mining GICS Industry are a subset of the constituents of the TSX Composite Index that have been classified according to the Global Industry Classification Standard.
UCL	UCL Resources Limited
VWAP	Volume Weighted Average Price

APPENDIX 2 – Valuation Methodologies

Methodologies commonly used for valuing assets and businesses are as follows:

1 *Net asset value (“NAV”)*

Asset based methods estimate the market value of an entity’s securities based on the realisable value of its identifiable net assets. Asset based methods include:

- Orderly realisation of assets method
- Liquidation of assets method
- Net assets on a going concern method

The orderly realisation of assets method estimates fair market value by determining the amount that would be distributed to entity holders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the entity is wound up in an orderly manner.

The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame. Since wind up or liquidation of the entity may not be contemplated, these methods in their strictest form may not be appropriate. The net assets on a going concern method estimates the market values of the net assets of an entity but does not take into account any realisation costs.

Net assets on a going concern basis are usually appropriate where the majority of assets consist of cash, passive investments or projects with a limited life. All assets and liabilities of the entity are valued at market value under this alternative and this combined market value forms the basis for the entity’s valuation.

Often the FME and DCF methodologies are used in valuing assets forming part of the overall Net assets on a going concern basis. This is particularly so for exploration and mining companies where investments are in finite life producing assets or prospective exploration areas.

These asset based methods ignore the possibility that the entity’s value could exceed the realisable value of its assets as they do not recognise the value of intangible assets such as management, intellectual property and goodwill. Asset based methods are appropriate when an entity is not making an adequate return on its assets, a significant proportion of the entity’s assets are liquid or for asset holding companies.

2 *Quoted Market Price Basis (“QMP”)*

A valuation approach that can be used in conjunction with (or as a replacement for) other valuation methods is the quoted market price of listed securities. Where there is a ready market for securities such as the ASX, through which shares are traded, recent prices at which shares are bought and sold can be taken as the market value per share. Such market value includes all factors and influences that impact upon the ASX. The use of ASX pricing is more relevant where a security displays regular high volume trading, creating a “deep” market in that security.

3 *Capitalisation of future maintainable earnings (“FME”)*

This method places a value on the business by estimating the likely FME, capitalised at an appropriate rate which reflects business outlook, business risk, investor expectations, future growth prospects and other entity specific factors. This approach relies on the availability and analysis of comparable market data.

The FME approach is the most commonly applied valuation technique and is particularly applicable to profitable businesses with relatively steady growth histories and forecasts, regular capital expenditure requirements and non-finite lives.

The FME used in the valuation can be based on net profit after tax or alternatives to this such as earnings before interest and tax (“**EBIT**”) or earnings before interest, tax, depreciation and amortisation (“**EBITDA**”). The capitalisation rate or "earnings multiple" is adjusted to reflect which base is being used for FME.

4 *Discounted future cash flows (“DCF”)*

The DCF methodology is based on the generally accepted theory that the value of an asset or business depends on its future net cash flows, discounted to their present value at an appropriate discount rate (often called the weighted average cost of capital). This discount rate represents an opportunity cost of capital reflecting the expected rate of return which investors can obtain from investments having equivalent risks.

Considerable judgement is required to estimate the future cash flows which must be able to be reliably estimated for a sufficiently long period to make this valuation methodology appropriate.

A terminal value for the asset or business is calculated at the end of the future cash flow period and this is also discounted to its present value using the appropriate discount rate.

DCF valuations are particularly applicable to businesses with limited lives, experiencing growth, that are in a start up phase, or experience irregular cash flows.

5 *Market Based Assessment*

The market based approach seeks to arrive at a value for a business by reference to comparable transactions involving the sale of similar businesses. This is based on the premise that companies with similar characteristics, such as operating in similar industries, command similar values. In performing this analysis it is important to acknowledge the differences between the comparable companies being analysed and the company that is being valued and then to reflect these differences in the valuation.

APPENDIX 3 – ASX announcements & commentary

MINEMAKERS

Date	Announcement	Closing Share Price Following Announcement $ (movement)	Closing Share Price Three Days After Announcement $ (movement)
14/05/2012	Eighth Supplementary Bidders Statement	0.205 (▲2.5%)	0.195 (▼4.9%)
14/05/2012	NCC Condition Freed and Status of Conditions	0.205 (▲2.5%)	0.195 (▼4.9%)
11/05/2012	UCL: Third Supplementary Target`s Statement	0.20 (▼2.4%)	0.205 (▲2.5%)
9/05/2012	Seventh Supplementary Bidders Statement	0.215 (▼2.3%)	0.205 (▲4.7%)
4/05/2012	Offer Variation	0.22 (▼2.2%)	0.215 (▼2.3%)
4/05/2012	UCL: Takeover Bid - Defeating Condition	0.22 (▼2.2%)	0.215 (▼2.3%)
4/05/2012	Patersons Research Note Recommending UCL accept MAK Offer	0.22 (▼2.2%)	0.215 (▼2.3%)
30/04/2012	Increased Final Offer for UCL	0.225 (-)	0.225 (-)
30/04/2012	UCL: Second Supplementary Target`s Statement	0.225 (-)	0.225 (-)
30/04/2012	Minemakers Appoints C Lawrenson as CEO and Managing Director	0.225 (-)	0.225 (-)
30/04/2012	Quarterly Cashflow Report	0.225 (-)	0.225 (-)
30/04/2012	Quarterly Activities Report	0.225 (-)	0.225 (-)
18/04/2012	Fourth Supplementary Bidders Statement for UCL	0.24 (▼2.0%)	0.23 (▼4.2%)
18/04/2012	Positive Feasibility Study Results and Resource Upgrade	0.24 (▼2.0%)	0.23 (▼4.2%)
16/04/2012	Trading Halt	0.245 (-)	0.23 (▼6.1%)
11/04/2012	Third Supplementary Bidders Statement for UCL	0.25 (▼2.0%)	0.245 (▼2.0%)
10/04/2012	ASIC Relief Obtained	0.255 (▼1.9%)	0.245 (▼3.9%)
4/04/2012	Extension of Minemakers` Offer	0.27 (▼1.8%)	0.26 (▼3.7%)
2/04/2012	UCL: Definitive Feasibility Study - Received by NMP	0.265 (-)	0.26 (▼1.9%)
21/03/2012	UCL: Takeover Bid - Independent Expert`s Report	0.28 (▲1.8%)	0.27 (▼3.6%)
21/03/2012	UCL: Takeover Bid - Target`s Statement	0.28 (▲1.8%)	0.27 (▼3.6%)
20/03/2012	UCL: Sandpiper Marine Phosphate DFS update	0.275 (▼6.8%)	0.275 (-)
19/03/2012	Clarification of Press Speculation Regarding NMDC	0.295 (▲5.4%)	0.275 (▼6.8%)
8/03/2012	Takeover Offer for UCL 2nd Supplementary Bidders Statement	0.27 (▲1.9%)	0.26 (▼3.7%)
2/03/2012	UCL: UCL largest shareholder rejects MAK`s unsolicited offer	0.27 (▼1.8%)	0.265 (▼1.9%)
1/03/2012	Takeover Offer by Minemakers Limited for UCL Resources	0.275 (▼1.8%)	0.265(▼3.6%)
29/02/2012	UCL: Sandpiper Marine Phosphate Resources Upgrade	0.28 (▼1.8%)	0.265 (▼5.4%)
21/02/2012	UCL Resources Rebuffs Minemakers Takeover Bid	0.295 (▲3.5%)	0.285 (▼3.4%)
16/02/2012	Completion of Recovery of Investment in BCD Resources NL	0.295 (▲1.7%)	0.285 (▼3.4%)
13/02/2012	UCL: Minemakers Limited - Takeover Proposal	0.30(▼10.4%)	0.295 (▼1.7%)
13/02/2012	Minemakers Announces Proposal to Acquire UCL Resources	0.30(▼10.4%)	0.295 (▼1.7%)

3/02/2012	Response to ASX Price and Volume Query	0.35 (▲25%)	0.33 (▼5.7%)
31/01/2012	Quarterly Cashflow Report	0.28 (▲3.7%)	0.35 (▲25.0%)
31/01/2012	Quarterly Activities Report	0.28 (▲3.7%)	0.35 (▲25.0%)
20/01/2012	UCL: Sandpiper Final Laboratory Report	0.28 (▼1.8%)	0.285 (▲1.8%)
28/11/2011	Wonarah Enabling Study Confirms Economic Potential	0.3 (-)	0.305 (▲1.7%)
25/11/2011	Minemakers Board and Executive Changes	0.3 (-)	0.3 (-)
22/11/2011	Minemakers Secures $15M Equity Facility	0.29 (▼4.9%)	0.3 (▲3.4%)
4/11/2011	UCL: Sandpiper Project - Pilot Plant Progress	0.355 (▲1.4%)	0.355 (-)
31/10/2011	Quarterly Cashflow Report	0.37 (▲1.4%)	0.35 (▼5.4%)
27/10/2011	Quarterly Activities Report	0.35 (▲2.9%)	0.37 (▲5.7%)
11/10/2011	AKA: AMMG Acquires Southdown Extension Iron Ore Project	0.36 (▲2.9%)	0.355 (▼1.4%)
7/10/2011	UCL: Sandpiper Phosphate - Bulk Sample Completed	0.355 (-)	0.35 (▼1.4%)
5/10/2011	Wonarah Phosphate Deposit Significant Resource Additions	0.335 (▲8.1%)	0.35 (▲4.5%)
6/09/2011	Sandpiper Project Bulk Sampling Programme Update	0.365 (▼1.4%)	0.385 (▲5.5%)
31/08/2011	Updated Resource Estimate for Namibian Sandpiper Project	0.4 (-)	0.37 (▼7.5%)
29/07/2011	Quarterly Cashflow Report	0.415 (▼1.2%)	0.435 (▲4.8%)
29/07/2011	Quarterly Activities Report	0.415 (▼1.2%)	0.435 (▲4.8%)
15/07/2011	Sandpiper Phosphate Namibia Notice to Grant Mining License	0.43 (▲4.9%)	0.42 (▼2.3%)
5/07/2011	Wonarah Progress Update	0.475 (▲3.3%)	0.47 (▼1.1%)
4/07/2011	Record Date for In Specie Distribution	0.46 (▲4.5%)	0.495 (▲7.6%)
8/06/2011	UCL: Sandpiper JV Definitive Feasibility Study Progress	0.43 (-)	0.45 (▲4.7%)
2/06/2011	Wonarah Phosphate Development MOU Signed with NMDC Limited	0.535 (▼0.9%)	0.45 (▼15.9%)
1/06/2011	Trading Halt	0.54 (-)	0.45 (▼16.7%)
26/05/2011	Response to ASX Query	0.505 (▲7.4%)	0.53 (▲5.0%)
24/05/2011	Termination of Verte Mandate	0.485 (▲2.1%)	0.5 (▲3.1%)
18/05/2011	Media Speculation regarding Indian MOU for Wonarah	0.49 (▲16.7%)	0.475 (▼3.1%)
29/04/2011	Quarterly Cashflow Report	0.36 (▼17.2%)	0.37 (▲2.8%)
29/04/2011	Quarterly Activities Report	0.36 (▼17.2%)	0.37 (▲2.8%)
17/03/2011	UCL: Namibian Phosphate JV Progress	0.415 (▼2.4%)	0.525 (▲26.5%)
15/03/2011	Wonarah Phosphate Positive Dry Kiln Testwork Progress	0.365 (▼12.0%)	0.49 (▲34.2%)
28/02/2011	Wonarah Phosphate Project Historic Mining Agreement Signed	0.58 (▲1.8%)	0.54 (▼6.9%)

On 13 February 2012 Minemakers announced its intention to make an off market takeover bid for the remaining shares in UCL. Under the offer UCL shareholders are to receive 9 Minemakers shares for every 10 UCL shares held which implies a value of $0.302 per UCL share based on the closing price of Minemakers of $0.335 at 10 February 2012. On the day of the announcement Minemakers' share price fell 10.4%.

On the 3 February 2012 the share price of Minemakers increased 25% which prompted an ASX price query. In the response to the price query the Company declared that it was not aware of any market sensitive information that has not been released to the market.

On 5 October 2011 Minemakers increased the estimated inferred resources on the Wonarah Phosphate Deposit for the Main Zone by approximately 60%. This was viewed by the market as positive news with the share price increasing 8.1% on the day of the announcement and 4.5% in the three days following the announcement.

On 4 July 2011 the Company announced the timetable relating to the in-specie distribution of 50 million TNT Mines Limited shares to Minemakers shareholders. The share price increased 4.5% on the day of this announcement and increased 7.6% three days following the announcement.

On 2 June 2011 Minemakers announced to the market that they signed a non-binding MOU with Bombay Stock Exchange listed NMDC Limited to develop the Wonarah Phosphate deposit in the Northern Territory. NMDC management are to join Minemakers in undertaking a Feasibility Study in relation to the phosphate deposit. On the day of the announcement the share price fell 0.9% and continued to decrease in the days following the announcement with a 3 day fall in share price of 15.9%. It appears that this decline in share price was a result of the market previously building this news into its expectations with an announcement being made on 18 May 2011 that there has been press speculation that the agreement will be signed shortly. Following this announcement the daily share price closed 16.7% higher, however the market adjusted with the share price falling 3.1% three days after the announcement.

The quarterly activities and cashflow reports were released to the market on 29 April 2011. The major highlights were that field investigations for the Wonarah Project were deferred until June and that the Feasibility Study for the Namibian Phosphate Project commenced. The net effect of the release of the quarterly reports was that the share price declined 17.2% on the day of the announcement but then increased 2.8% in the three days after the announcement.

The announcement made to the market on 17 March 2011 is a copy of UCL's announcement to the market as to the progress of the Namibian Phosphate Joint Venture. On the day of the announcement the share price closed 2.4% lower however in the three days following the announcement the share price increased 26.5%.

On 15 March 2011 Minemakers announced that they received positive results from the testwork with respect to phosphorus recovery using the patented dry kiln process, rather than the conventional sulphuric acid wet technique. On the day of the announcement the share price closed 12% lower however in the subsequent three days the share price increased 34.2%.

UCL RESOURCES

Date	Announcement	Closing Share Price Following Announcement $ (movement)	Closing Share Price Three Days After Announcement $ (movement)
14/05/2012	MAK: Eighth Supplementary Bidders Statement	0.012 (-)	0.012 (-)
14/05/2012	NCC Condition Freed and Status of Conditions	0.27 (-)	0.26 (▼3.7%)
14/05/2012	MB Holding Subscription Agreement	0.27 (-)	0.26 (▼3.7%)
14/05/2012	Change in substantial holding from MAK	0.27 (-)	0.26 (▼3.7%)
11/05/2012	Third Supplementary Target`s Statement	0.27 (▼3.6%)	0.27 (-)
10/05/2012	Share Placement and Rights Issue	0.28 (▲3.7%)	0.27 (▼3.6%)
9/05/2012	MAK: Seventh Supplementary Bidders Statement	0.27 (▼1.8%)	0.27 (-)
4/05/2012	MAK: Offer Variation	0.28 (▲3.7%)	0.28 (-)
4/05/2012	Takeover Bid - Defeating Condition	0.28 (▲3.7%)	0.28 (-)
4/05/2012	MAK: Patersons Research Note Recommending UCL accept Offer	0.28 (▲3.7%)	0.28 (-)
2/05/2012	MAK: Clarification of NCC Condition	0.27 (-)	0.28 (▲3.7%)
2/05/2012	MAK: Response to the UCL Board Rejection of Increased Offer	0.27 (-)	0.28 (▲3.7%)
1/05/2012	Board Recommends Reject Revised Takeover Offer	0.27 (▲8.0%)	0.28 (▲3.7%)
30/04/2012	MAK: Increased Final Offer for UCL	0.25 (▼5.7%)	0.27 (▲8.0%)
30/04/2012	Second Supplementary Target`s Statement	0.25 (▼5.7%)	0.27 (▲8.0%)
30/04/2012	Quarterly Cashflow Report	0.25 (▼5.7%)	0.27 (▲8.0%)
30/04/2012	Quarterly Activities Report	0.25 (▼5.7%)	0.27 (▲8.0%)
18/04/2012	Minemakers Fourth Supplementary Bidders Statement	0.29 (▼3.3%)	0.28 (▼3.4%)
18/04/2012	MAK: Sandpiper Feasibility Inclusion of Economic Analysis	0.29 (▼3.3%)	0.28 (▼3.4%)
18/04/2012	Placement, DFS Results and Resources upgrade	0.29 (▼3.3%)	0.28 (▼3.4%)
16/04/2012	Trading Halt	0.3 (-)	0.29 (▼3.3%)
11/04/2012	Third Supplementary Bidders Statement from MAK	0.29 (▼3.3%)	0.3 (▲3.4%)
10/04/2012	ASIC Relief Obtained	0.3 (▼9.1%)	0.3 (-)
4/04/2012	MAK: Extension of Minemakers` Offer	0.32 (▲3.2%)	0.33 (▲3.1%)
2/04/2012	Definitive Feasibility Study - Received by NMP	0.32 (▲18.5%)	0.33 (▲3.1%)
21/03/2012	Takeover Bid - Independent Expert`s Report	0.35 (▲9.4%)	0.32 (▼8.6%)
21/03/2012	Takeover Bid - Target`s Statement	0.35 (▲9.4%)	0.32 (▼8.6%)
20/03/2012	MAK: Sandpiper Project DFS Update	0.32 (▼8.6%)	0.345 (▲7.8%)
20/03/2012	Sandpiper Marine Phosphate DFS update	0.32 (▼8.6%)	0.345 (▲7.8%)
8/03/2012	UCL: T/O Offer for UCL 2nd Supplementary Bidders Statement	0.25 (▲4.2%)	0.24 (▼4.0%)
2/03/2012	UCL largest shareholder rejects MAK`s unsolicited offer	0.27 (▲8.0%)	0.265 (▼1.9%)
1/03/2012	MAK: T/O Offer by Minemakers Limited for UCL Resources	0.25 (-)	0.265 (▲6.0%)

29/02/2012	Sandpiper Marine Phosphate Resources Upgrade	0.25 (-)	0.265 (▲6.0%)
21/02/2012	UCL Resources Rebuffs Minemakers Takeover Bid	0.25(▲2.0%)	0.25 (-)
13/02/2012	Minemakers Limited - Takeover Proposal	0.26 (▲36.8%)	0.25 (▼3.8%)
13/02/2012	MAK: Minemakers Announces Proposal to Acquire UCL Resources	0.26 (▲36.8%)	0.25 (▼3.8%)
27/01/2012	Quarterly Cashflow Report	0.17 (▼10.5%)	0.2 (▲17.6%)
27/01/2012	Quarterly Activities Report	0.17 (▼10.5%)	0.2 (▲17.6%)
20/01/2012	Sandpiper Final Laboratory Report	0.18 (-)	0.175 (▼2.8%)
4/11/2011	Sandpiper Project - Pilot Plant Progress	0.008 (-)	0.009 (▲12.5%)
26/10/2011	Quarterly Activities Report	0.009 (-)	0.009 (-)
26/10/2011	Quarterly Cashflow Report	0.009 (-)	0.009 (-)
21/10/2011	Mehdiabad Project - Iranian Government Press Release	0.009 (-)	0.008 (▼11.1%)
7/10/2011	Sandpiper Phosphate - Bulk Sample Completed	0.009 (-)	0.009 (-)
23/09/2011	Mehdiabad Press Release	0.008 (▼11.1%)	0.007 (▼12.5%)
6/09/2011	MAK: Sandpiper Project Bulk Sampling Programme Update	0.01 (-)	0.01 (-)
31/08/2011	MAK: Updated Resource Estimate for Namibian Sandpiper Project	0.01 (-)	0.01 (-)
31/08/2011	Sandpiper Phosphate Resource Upgrade	0.01 (-)	0.01 (-)
29/07/2011	Quarterly Activities Report	0.011 (-)	0.012 (▲9.1%)
29/07/2011	Quarterly Cashflow Report	0.011 (-)	0.012 (▲9.1%)
15/07/2011	Namibian Phosphate Project - Mining License Grant	0.013 (-)	0.013 (-)
15/07/2011	Sandpiper Phosphate Namibia Notice to Grant Mining License	0.013 (-)	0.013 (-)
8/06/2011	Sandpiper Joint Venture Definitive Feasibility Study Progress	0.012 (▲9.1%)	0.013 (▲8.3%)
1/06/2011	Managing Director Appointment and Remuneration	0.012 (-)	0.012 (-)
29/04/2011	Quarterly Cashflow Report	0.012 (▼7.7%)	0.011 (▼8.3%)
29/04/2011	Quarterly Activities Report	0.012 (▼7.7%)	0.011 (▼8.3%)
17/03/2011	Namibian Phosphate JV Progress	0.011 (-)	0.012 (▲9.1%)
28/02/2011	Prospectus for Renounceable Rights Issue	0.013 (▼18.8%)	0.013 (-)
24/02/2011	Trading Halt	0.016 (-)	0.013 (▼18.8%)
21/02/2011	Iranian Project Update	0.016 (▲14.3%)	0.016 (-)
15/02/2011	MEHDIABAD PROJECT - POLITICAL RISK INSURANCE CLAIM	0.014 (▼6.7%)	0.014 (-)

On 1 May 2012 the UCL directors unanimously advised shareholders to reject Minemakers' takeover offer of 13 Minemakers shares for every 10 UCL shares. The company also announced that they secured a new investor who is willing to invest cash in UCL at $0.30 per share to support ongoing development. On the back of this news the share price increased 8% on the day of the announcement and 3.7% in the three day period following the announcement.

On 30 April 2012 UCL made four price sensitive announcements including the quarterly cashflow and activities reports, a supplementary target statement and Minemakers' increased takeover offer. The major highlight from the activities report was that the definitive feasibility study ("DFS") for the

Sandpiper Project was received and that preliminary debt discussions regarding the financing of the project were advanced. The release of the second supplementary statement pertains to a review of the results of the DFS by a technical expert and independent expert. The statement provides that the directors of UCL and the independent expert recommend that shareholders reject Minemakers' offer as it is not fair and not reasonable. On this day Minemakers also revised the takeover offer by increasing it to 13 Minemakers shares for every 10 UCL shares held which represents a 44% increase on the original offer. They also extended the offer period by two weeks to 22 May 2012. The net effect of these announcements was that the share price closed 5.7% lower on the day of the announcement but recovered to finish 8% higher three days following the announcement.

On 10 April 2012 ASIC granted relief from certain provisions of the Corporations Act which enabled Minemakers to extend it's off market takeover bid for UCL to close at 8 May 2012. On the day of this announcement the share price decreased 9.1%.

On 2 April 2012 UCL announced to the market that Bateman Advanced Technologies Limited delivered on schedule to Namibian Phosphate Limited the DFS for the Sandpiper Project. Following the announcement the share price closed 18.5% higher on its previous close.

The Takeover Bid Statement and the Independent Expert Report with the conclusion that the takeover offer is deemed not fair and not reasonable to shareholders was released to the market on 21 March 2012. On the day of the announcement the share price of UCL increased 9.4% however this was reversed with an 8.6% decline in the three days following the announcement.

On 20 March 2012 the Sandpiper Project DFS update was released to the market which caused an 8.6% decline in the share price. The share price however recovered in the three days following the announcement where it closed 7.8% higher than its preannouncement level.

On 2 March 2012 UCL's largest shareholder rejected the Minemakers' unsolicited offer which saw the share price increase 8% from its previous close. In the three days following the announcement however the share price declined 1.9%.

On 13 February 2012 Minemakers announced its proposal to acquire UCL which caused a 36.8% increase in the share price on the day of the announcement. The market may have overreacted to this news with the share price declining 3.8% in the three days after the announcement.

The quarterly cashflow and activities reports released to the market on 27 January 2012 caused a 10.5% decline in the share price on the day of the announcement. The main highlights from the activities report was that the DFS is on schedule to be completed at the end of March and that the Company is negotiations with Iranian authorities to seek a mutually beneficial solution to the ownership issues of the Mehdiabad Base Metal Project. In the three days following the announcement the share price of UCL increased 17.6%.

On 23 September 2011 a statement made by a news agency regarding the Mehdiabad Zinc Project was announced to the Australian Market. The news article declared that Iran's foreign minister and the Russian energy minister agreed to cooperate on the project. Following this announcement, the UCL share price closed 11.1% lower and continued to decline with a further 12.5% decline three days after the announcement.

On 8 June 2011 the Company announced that the DFS was progressing. The market viewed this as positive news with the share price increasing 9.1% following the announcement and 8.3% in the three days after the announcement.

The quarterly activities and cashflow reports were released to the market on 29 April 2012. The major events for the quarter were the deeper penetration sampling being carried out on the Sandpiper Project and marine based environmental work also undertaken on this project. Following this announcement the share price declined 7.7% and continued to decline in the three days after the announcement, finishing 8.3% lower.

On 28 February 2011 a Prospectus for the Renounceable Rights Issue was released to the market. The Rights Issue offers shareholders the opportunity to purchase two shares for every seven shares held by them at $0.012 per share. As a result of this issue, the share price of UCL closed 18.8% lower than its pre-announcement closing price.

On 21 February 2011 UCL announced the results of the Extraordinary General Meeting and Board Meeting of Mehdiabad Zinc Company. The main highlight from these meetings was that the Iranian Mines and Mining Industries Development and Renovation Organisation ("IMIDRO") divested its 48% shareholding in Mehdiabad Zinc Company, with the IMIDRO representatives resigning from the Board of Mehdiabad Zinc Company. The market viewed this positively as on the day of the announcement UCL's share price increased 14.3%.

APPENDIX 4 – Independent Valuation Report prepared by Optiro Pty Ltd

Optiro

Minemakers Limited
Valuation of the Wonarah and Sandpiper phosphate mineral assets

J_1411

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Doc Ref:
20120614_J1411_MAK Valuation.docx

Print Date: 19 July 2012

Number of copies:

Optiro: 1

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		Date:	10 July 2012

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1. EXECUTIVE SUMMARY

At the request of BDO Corporate Finance (WA) Pty Ltd (BDO) and Minemakers Limited (Minemakers), Optiro has prepared an Independent Valuation on the Wonarah rock phosphate project (Wonarah or Wonarah project) in the Northern Territory, Australia and the Sandpiper marine phosphate project (Sandpiper or Sandpiper project) in Namibia, Africa. In accordance with BDO's instructions, Optiro's valuation of the Sandpiper phosphate project has been carried out by reviewing the approach carried out by Snowden Mining Industry Consultants Pty Ltd (Snowden) in their 16 March 2012 report.

Optiro understands that this report may be used as a public document to support an Independent Expert Report to be prepared by BDO relating to the proposed takeover of Minemakers by UCL Resources Ltd (UCL) announced on 18 May 2012.

This report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code, 2005). Site Inspections of the Wonarah and Sandpiper projects were not carried out by Optiro.

The Wonarah rock phosphate project, located in the Northern Territory, is 100% owned by Minemakers. Phosphate mineralisation is hosted by Cambrian sedimentary rocks of the Georgina Basin with phosphorite deposition occurring in a low-energy, shallow marine environment. Current Indicated and Inferred Mineral Resources are reported as 782 Mt at 17.8% P_2O_5 above a 10% P_2O_5 cut-off. The project has been the subject of a direct shipping ore Feasibility Study in 2010 and an Enabling Study commenced in 2011 investigating the wet acid process (WAP) and improved hard process (IHP) methods to make phosphate fertiliser. Optiro understands that the Enabling Study has been finalised but the technical study for TSX NI 43-101 compliance has not been completed.

Minemakers hold a 42.5% direct interest in the Sandpiper phosphate project along with a further 6.7% indirect interest through their 15.8% share holding in UCL. The project is located approximately 60 km off the coast of Namibia in south-western Africa and is hosted within marine sediments. The project covers approximately 7,000 km^2 and is located in water depths of 180 m to 300 m. The phosphate mineralisation is recent (Pleistocene to Holocene in age) and comprises a mixture of phosphatic sand, seashells and mud. The majority of grades intersected to date lie between 17 and 21% P_2O_5. The total Measured, Indicated and Inferred Mineral Resource defined to date comprises 1,835 Mt at 19.1% P_2O_5 above a 15% P_2O_5 cut-off grade. A positive Feasibility Study on the Sandpiper project was announced on 18 April 2012 based on production from a 22 km by 8 km area within a broader, granted mining lease. Ore Reserves are expected to be announced in the near future.

Optiro has determined the fair market value of the Wonarah and Sandpiper projects at an effective valuation date of 10 July 2012. Optiro has selected the value derived from the Geoscientific rating method as the preferred valuation for the exploration potential of the mineralisation within these properties and comparable transactions to determine the Mineral Resource valuation. Optiro's opinion of the fair market value of the Mineral Resources and exploration potential, on a 100% basis is that it lies within the range A$145.32 M to A$185.69 M, with a preferred value of A$165.51 M

(Table 1.1). The values assigned to these mineral assets are in Australian dollars (A$) and were prepared at the effective valuation date.

Table 1.1 Valuation summary (100% equity basis)

Mineral asset	Value (A$M)		
	Low	High	Preferred
Wonarah Mineral Resources	62.88	78.25	70.57
Wonarah Exploration Potential	2.42	3.90	3.16
Sandpiper Mineral Resources	76.93	97.91	87.42
Sandpiper Exploration Potential	3.09	5.63	4.36
Total	**145.32**	**185.69**	**165.51**

The opinions expressed and conclusions drawn with respect to this valuation of the phosphate mineral assets are appropriate at the valuation date of 10 July 2012. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions, in addition to future exploration results.

2. INTRODUCTION AND TERMS OF REFERENCE

2.1. INTRODUCTION

2.2. TERMS OF REFERENCE AND PURPOSE OF REPORT

On 18 May 2012, UCL announced its offer to acquire all of the shares in Minemakers by way of an off-market takeover bid. Accordingly, UCL offered Minemakers' shareholders 1 UCL share for every 1.6 Minemakers shares and A$0.045 cash for each Minemakers share.

In response to the UCL takeover offer, and in reviewing the UCL proposal, Minemakers and BDO requested Optiro prepare an Independent Valuation on the mineral assets at Wonarah and Sandpiper. In accordance with BDO's instructions, Optiro's valuation of the Sandpiper phosphate project has been carried out by reviewing the approach used by Snowden Mining Industry Consultants Pty Ltd (Snowden) in their 16 March 2012 report.

Optiro understands that this report may be used as a public document to support an Independent Expert Report to be prepared by BDO relating to the acquisition of Minemakers.

2.3. RESPONSIBILITY FOR THE REPORT AND DATA SOURCES

This report was prepared by Mr Jason Froud (Principal) with contributions from Mrs Christine Standing (Principal) and Mr Jabulani Machukera (Senior Consultant) and was reviewed by Mr John Westdorp (Principal) of Optiro. The report has been prepared in accordance with the requirements of the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports (the VALMIN Code, 2005). The authors of this report are Members of the Australasian Institute of Mining and Metallurgy (AusIMM) and, therefore, are obliged to prepare mineral asset valuations in accordance with the Australian reporting guidelines as set out in the VALMIN Code. All values have been compiled in Australian dollar (A$) terms.

In developing its technical assumptions for valuation, Optiro has relied upon information provided by Minemakers and their consultants, as well as information obtained from other public sources. The material on which this report is based includes internal and open-file project documentation, technical reports, the drillhole database and resource models.

Optiro has reviewed all relevant technical and corporate information made available by the management of Minemakers and BDO, which was accepted in good faith as being true, accurate and complete, having made due enquiry of Minemakers and BDO. Optiro has sourced publically available information on recent transactions involving phosphate properties and has had discussions with Mr Andrew Drummond (Executive Chairman), Mr Neville Bergin (General Manager Projects Development) and Mr Mike Woodborne (General Manager – Marine and African Projects) of Minemakers.

Optiro did not visit either the Wonarah or Sandpiper projects as it considered that a site visit would not reveal information or data material to the outcome of this report. Optiro is satisfied that sufficient current information was available to allow an informed appraisal to be made without carrying out a site inspection.

2.4. LIMITATIONS AND EXCLUSIONS

This report is based mainly on information provided by Minemakers, either directly from discussions and data provided, or from reports and correspondence with other organisations whose work is the property of Minemakers.

This report is based on information made available to Optiro from 30 April 2012 up to the valuation date. Minemakers has not advised Optiro of any material change, or event likely to cause material change, to the technical assessment of the mineral assets contained within the Wonarah or Sandpiper projects. This report specifically excludes any aspects relating to legal issues, commercial and financing matters, land titles and agreements, excepting such aspects as may directly influence the technical assessment of the asset.

The conclusions expressed in this report are appropriate as at 10 July 2012. The valuation is only appropriate for this date and may change in time and response to variations to economic, market, legal or political factors, in addition to ongoing exploration results.

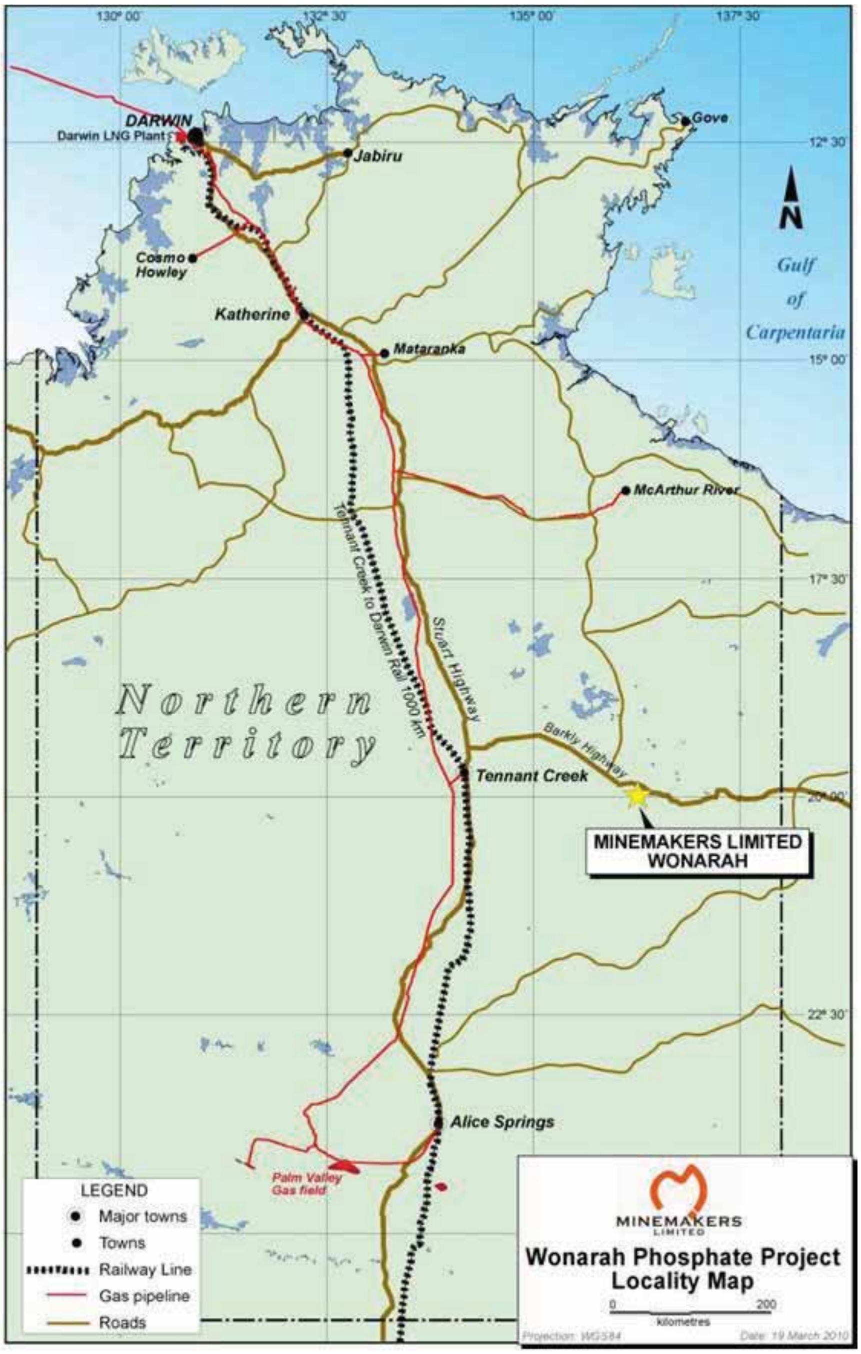
3. WONARAH

3.1. LOCATION AND ACCESS

The Wonarah rock phosphate project is located within the red sandy plains of the Barkly Tableland, Northern Territory, approximately 240 km east of Tennant Creek (Figure 3.1). The project is bisected by the sealed Barkly Highway from Mount Isa to Darwin (via the Stuart Highway). The nearest airfield is 75 km to the west of the project at the Barkly Roadhouse. The Adelaide to Darwin railway is located approximately 240 km to the west of the project.

The area has a hot desert climate but still averages some 450 mm of rain per annum with a distinct wet and dry season. Most rain falls during the period from December to March. Summer maximum temperatures average up to 37°C in December and January with minimums down to 12°C in June and July.

Figure 3.1 Wonarah project area location



3.2. TENURE AND OWNERSHIP

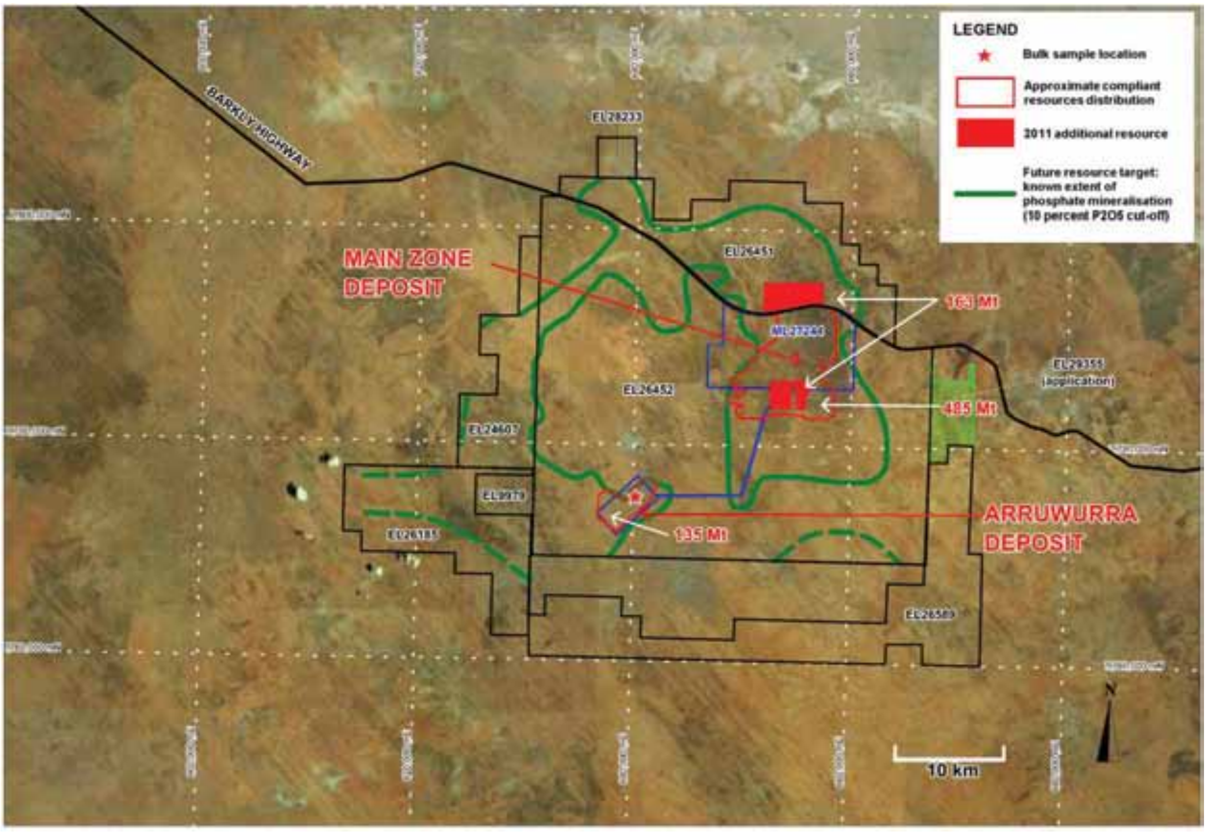
Minemakers holds seven contiguous granted mineral exploration licences (EL), a single EL application and a single granted mineral lease. They also hold a further three 'gap' filling ELs resulting from a shift in map datum by the Northern Territory Government. The granted exploration licences cover 618 graticular blocks (approximately 1,688 km^2) with a further 10,800 ha (108 km^2) held under the ML (Table 3.1 and Figure 3.2).

According to the Northern Territory Mineral Titles Act 2010, an EL, among other things, gives the title holder the exclusive right to conduct mineral exploration in the title area and the exclusive right to apply for a mineral lease on all or part of the title area. An ML provides the title holder the exclusive right to conduct mining for minerals in the title area and to carry out other ancillary activities related to mining.

Table 3.1 Minemakers – Wonarah tenement schedule

Licence number	Licence holder	Area (km^2)	Grant date	Expiry date
ML 27244	Minemakers Australia Pty Ltd	108.00	18 Feb 10	17 Feb 35
EL9979	Minemakers Australia Pty Ltd	19.35	31 Jan 02	30 Jan 12
EL24607	Minemakers Australia Pty Ltd	95.80	3 Jul 09	2 Jul 15
SEL26451	Minemakers Australia Pty Ltd	215.90	31 Mar 08	30 Mar 12
SEL26452	Minemakers Australia Pty Ltd	938.00	9 Jan 08	8 Jan 12
EL26589	Minemakers Australia Pty Ltd	228.25	27 May 08	26 May 12
EL26185	Minemakers Australia Pty Ltd	149.03	15 Jan 08	14 Jan 14
EL28233	Minemakers Australia Pty Ltd	12.92	4 Mar 11	3 Mar 17
EL26584	Minemakers Australia Pty Ltd	0.87	27 May 08	26 May 14
EL26585	Minemakers Australia Pty Ltd	0.53	27 May 08	26 May 14
EL26586	Minemakers Australia Pty Ltd	0.56	27 May 08	26 May 14
EL(A)29355	Minemakers Australia Pty Ltd	26.41	N/A	N/A
Total		**1,795.62**		

Figure 3.2 Wonarah exploration licences and mineral lease



3.3. MATERIAL AGREEMENTS

Optiro understands that on 1 June 2011, Minemakers announced that it had signed a non-binding memorandum of understanding (MOU) with Indian company NMDC Ltd (NMDC), to progress the Wonarah project through a Feasibility Study and that on 7 June 2012, Minemakers announced the MOU had expired and its board had elected to pursue alternative potential joint venture parties. Minemakers has now formally commenced a process to attract and select suitable parties interested in a joint venture arrangement.

On 25 February 2011, Minemakers signed a Mining Agreement with the Arruwurra Aboriginal Corporation and the Central Land Council approving the development of the Wonarah phosphate deposits, including the mining operation, beneficiation processing operations, production of fertilisers, and of the entire associated infrastructure. The agreement also provides a process for the protection of sacred sites, skills training and preferential job opportunities for local Aboriginal people in the mining, processing and freight operations and for financial benefits to be paid to the Traditional Owners.

3.4. GEOLOGY AND MINERALISATION

Wonarah is one of a number of known rock phosphate deposits in eastern Northern Territory and western Queensland hosted by late Proterozoic to Late Devonian (850 Ma to 350 Ma) sedimentary rocks of the Georgina Basin (Figure 3.3). The project currently comprises two deposits, designated as Main Zone and Arruwurra, located around a mid-basin, topographic high.

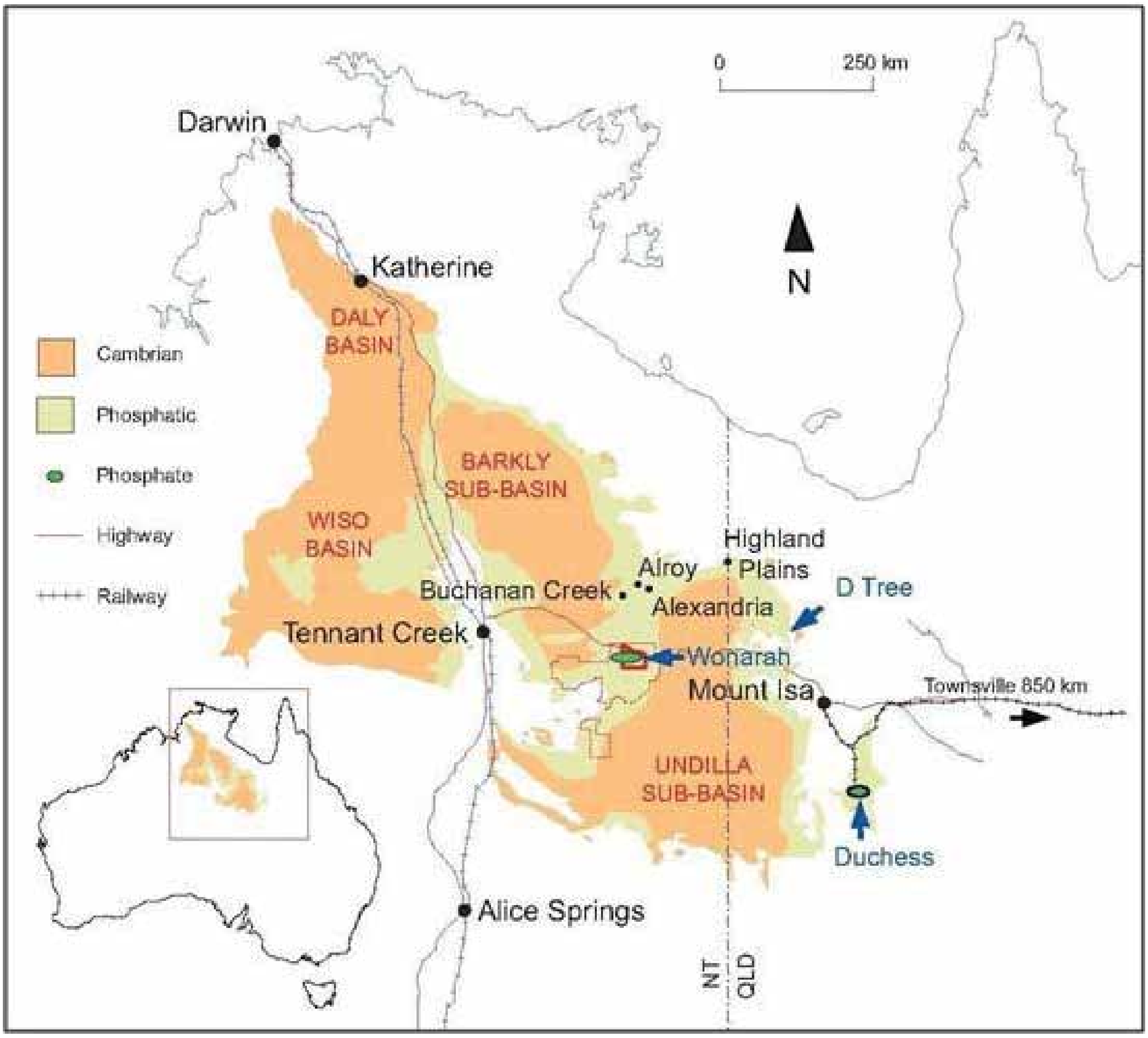
Wonarah phosphate mineralisation of potential economic interest occurs as fluor-apatite within the gently undulating strata of the Upper Gum Ridge Formation which unconformably overlies volcanic and dolomitic basement units.

Basement rock types in the Wonarah area include sediments overlain by a sequence of basalts and dolerites. Georgina Basin units at Wonarah comprise dolomitic units equivalent to the Thorntonia Limestone on-lapping the basement high, which are progressively overlain by dolostone, mudstone, and phosphorite of the lower Middle Cambrian Upper Gum Ridge Formation, and mudstone, siltstone, and dolostone of the Middle Cambrian Wonarah Beds. The basal dolomitic units and underlying volcanic and sedimentary basement material are devoid of phosphorus mineralisation.

Most of the deposit area is covered by several metres of aeolian sands generally underlain by variably developed silcrete, ferricrete and calcrete which locally outcrops as low and gently undulating rises. Exposure of the Wonarah Beds is limited to a small area in the northern central portion of the Wonarah tenements. The phosphorite bearing units of the Upper Gum Ridge Formation are not exposed.

The Wonarah lithologies are divided into the sequences listed below and shown graphically in Figure 3.4.

Figure 3.3 Regional geology and phosphate deposits of the Georgina Basin



The unmineralised basement units at Wonarah comprise:

- Peaker Piker Volcanics which are highly weathered and include mottled saprolite overlain by ferruginous and manganiferous duricrust.
- Thorntonia Limestone which laterally on-laps the Peaker Piker Volcanics.

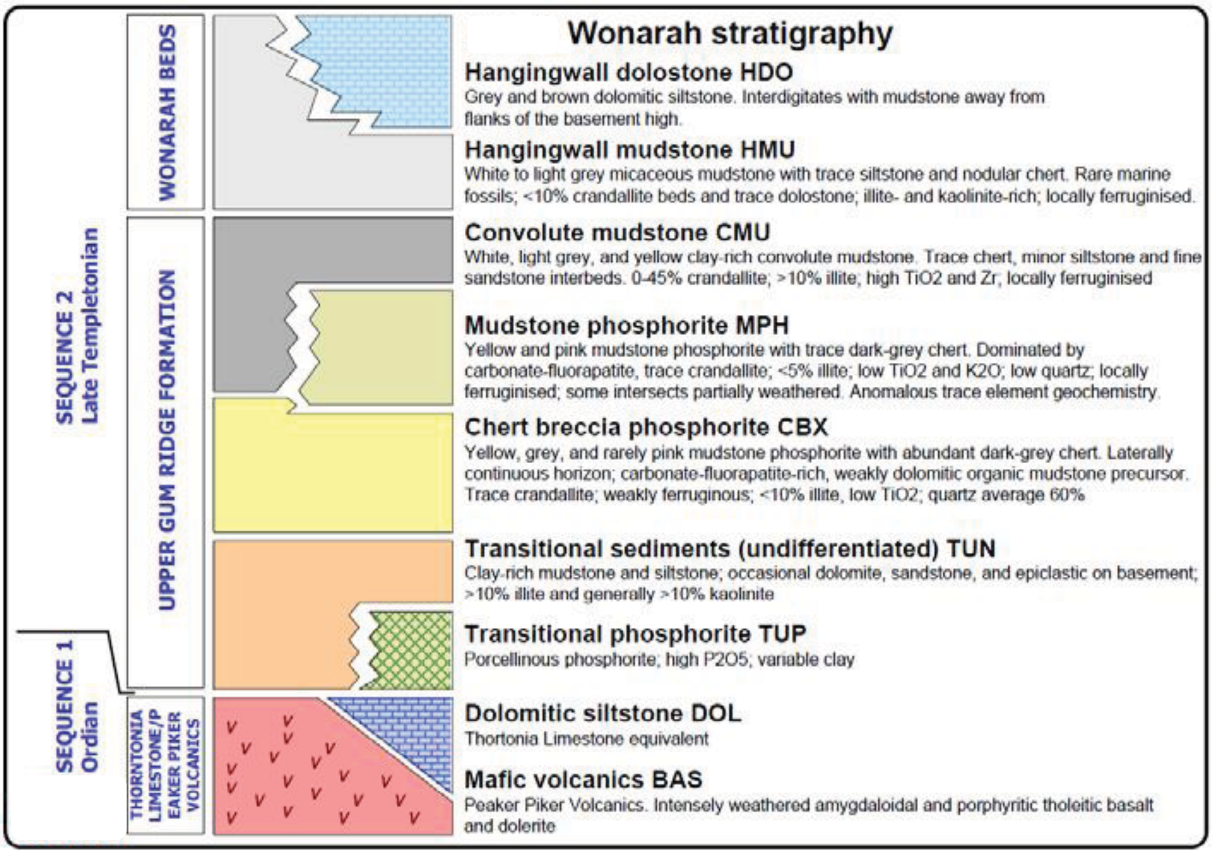
The Upper Gum Ridge Formation, which hosts the phosphorite mineralisation is subdivided into the following sequences:

- Undifferentiated transitional sediments consisting of weathered mudstone and siltstone representing a transition between the volcanic and dolomitic basement lithologies and the phosphorite bearing sediments. These sequences contain locally developed and generally discontinuous beds of high grade porcellaneous mudstone designated as transitional phosphorite.
- Chert breccia comprising brecciated dark grey phosphatic chert fragments within a yellow and pink mudstone phosphorite matrix. The chert fragments are interpreted to represent

silicified phosphatic dolostone bands, replaced by silica in early digenesis, and brecciated through post depositional collapse processes.

- Mudstone phosphorite, comprising friable, commonly unconsolidated and typically medium to high grade phosphorite consisting of yellow and pink mudstone with traces of chert.
- Convolute mudstone overlies the phosphorite bearing chert breccia and mudstone phosphorite units and typically contains only low grade phosphorus values interpreted to be of supergene origin with rare, discontinuous high grade mudstone phosphorite interbeds.

Figure 3.4 Stratigraphic sequence at Wonarah



The Wonarah Beds, which overlie the phosphorite bearing Upper Gum Ridge Formation, are grouped into a single unit designated as the hanging wall mudstone and consists of mudstone and siltstone with minor nodular chert and is devoid of phosphate mineralisation.

3.5. EXPLORATION

Exploration activities are dominated by several phases of exploratory and infill drilling undertaken by Minemakers and previous holders of the Wonarah project. Historic exploration such as surface mapping and sampling has been carried out but is not reported in detail.

Table 3.2 summarises drilling included in the Wonarah exploration and resource drillhole database. With the exception of four Minemakers diamond drillholes, and 44 Minemakers ground water investigation RC drillholes which were inclined at 60º, all of the Wonarah holes were drilled vertically. Drillhole depths range from 1.8 m to 175 m and average 53 m.

Sampling is predominately by RC holes drilled by Minemakers from 2008 to 2011. Minemakers commissioned several drilling companies to undertake its drilling programmes. The drilling and sampling activities were supervised by Minemakers' geologists who, in conjunction with consultants, Hellman and Schofield Pty Ltd, undertook the geological interpretations upon which the 2011 Mineral Resource estimates are based.

A summary of work completed to date is provided in Table 3.2.

Table 3.2 Drilling completed to date at Wonarah project

Source	Unit	RAB	Aircore	RC	Diamond	Total
IMC 1967 to 69	Holes Metres	87 3,677				87 3,677
ICI 1978	Holes Metres	10 514				10 514
CRA 1992	Holes Metres	- -			1 78	1 78
Rio Tinto 2000 to 2001	Holes Metres	- -	4 238	122 6,280	12 664	138 7,182
Minemakers 2008 to 2011	Holes Metres	- -		1,472 80,114	99 3,838	1,571 83,952
Total	**Holes** **Metres**	**97** **4,191**	**4** **238**	**1,594** **86,394**	**112** **4,580**	**1,807** **95,403**

3.6. MINERAL RESOURCES

The Wonarah project comprises two known deposits, designated as Main Zone and Arruwurra. The current Mineral Resource estimates for the Main Zone at Wonarah incorporate results from drilling programmes undertaken up to 2011. There has been no additional resource sampling at Arruwurra since Mineral Resources were estimated for this deposit in 2009, and estimates for Arruwurra are unchanged.

Wonarah phosphate mineralisation of potential economic interest occurs as fluor-apatite within gently undulating mudstone phosphorite and chert breccia phosphorite units of the Upper Gum Ridge Formation which unconformably overlies volcanic and dolomitic basement units.

The resource models were subsequently used in a KEMWorks Technology Inc (KEMWorks) 2011 Study assessing the viability of a potential beneficiation plant treating material grading greater than approximately 10% P_2O_5. The models also provided Mineral Resource estimates at higher cut-off grades for material envisaged by Minemakers to provide potential direct shipping ore (DSO) with a grade of approximately 30% P_2O_5.

At Arruwurra the potential DSO is hosted by a geologically distinct basal unit of indurated phosphorite. The potential DSO mineralisation, which averages around 2 m thick, is laterally continuous and has consistently high phosphate grades. Minemakers reported that bulk sampling in 2009 showed that this material is visually and physically distinct from the surrounding lower grade material allowing for highly selective mining. At Main Zone perceived potential DSO sources include selective mining of higher grade mudstone phosphorite mineralisation above a P_2O_5 cut-off grade that does not coincide with a visually distinct geological boundary. Ore selection for this scenario would be based upon analyses of close spaced grade control sampling with relatively little visual control.

The Wonarah mineralisation was sampled by 1,807 RAB percussion, aircore, reverse circulation and diamond cored holes drilled by Minemakers and previous explorers for a total of 95,403 m of drilling. The datasets compiled for resource estimation were dominated by RC holes drilled by Minemakers since 2008 which provide 94% of the combined resource composites. With the exception of a 2009 bulk sampling exercise undertaken at Arruwurra, there has been no production from the Wonarah project.

Mineral Resources for each deposit were estimated by ordinary kriging ("OK") of 1 m downhole composites within mineralised domains interpreted by Minemakers with the assistance of consultants, Hellman and Schofield Pty Ltd. Mineral Resources estimated for Arruwurra cover an area of approximately 6 km by 2.5 km and extend to approximately 55 m below surface. The Main Zone estimates cover approximately 10 km by 14 km and extend to approximately 75 m below surface. The 2011 Mineral Resource estimates were classified as Indicated and Inferred on the basis of search pass and polygons defining areas of progressively broader sampling patterns.

Bulk densities applied to the 2011 Mineral Resource estimates of 1.7 t/m^3 to 2.0 t/m^3 were derived from immersion measurements of Minemakers diamond core.

Table 3.3 summarises the 2011 Mineral Resource estimates above a P_2O_5 cut-off grade of 10%.

Table 3.3 Wonarah project Mineral Resources above a 10% P_2O_5 cut-off

Deposit	Category	Tonnes (Mt)	P_2O_5 grade (%)
Main Zone	Indicated	252	18.2
	Inferred	395	18.0
Arruwurra	Indicated	51	18.3
	Inferred	84	16.0
Total	Indicated	303	18.2
	Inferred	479	17.6
Total		**782**	**17.8**

Optiro reviewed two models representing the Main Zone and Arruwurra deposits to identify any obvious flaws in the Mineral Resource estimates. The elements that were included in the model are: P_2O_5, Al_2O_5, CaO, Fe_2O_3, K_2O, MgO, MnO, Na_2O, SiO_2 and TiO_2 with P_2O_5 being the primary element.

Visual validation was carried out on the models by comparing the estimated block grades and the drillhole data in cross-section. Overall there was good conformance between sample grades with the block estimated grades. Grade-trend profiles were constructed to assess any global bias and compare the average grade of the block estimates with the average of the composited input data for slices through the models. The trend plots were examined in the easting, northing and elevation directions for all the estimated variables. Overall, there was generally good conformance between the declustered sample grades trends and the block grades across each deposit.

In order to validate Minemakers' reporting of the of the Wonarah Mineral Resource figures, Optiro reported the models at 10% P_2O_5 cut-off and compared the results with those reported by Minemakers. The results confirmed the Minemakers figures with minor differences which can be attributed to rounding errors. Optiro considers that the Wonarah Mineral Resources have been estimated and reported in accordance with standard industry practise.

Furthermore, Optiro considers there remains excellent potential to further increase the Mineral Resource inventory at Wonarah. Whilst the increase in resource quantity would potentially add little value to the overall project value given the current large resource, the discovery of additional near surface, high grade material would be material to the project economics at Wonarah. In Optiro's option, the potential for near surface, high grade phosphorous mineralisation presents the main driver of value for the exploration potential.

3.7. STUDIES

3.7.1. DIRECT SHIPPING ORE

A Feasibility Study for DSO was completed by Minemakers in 2010 with positive results producing a product suitable for fertiliser manufacture. Minemakers however stated that it had not necessarily found a market in the spot or short term contract markets. Uncertainty concerning future prices and the appreciating value of the Australian dollar resulted in Minemakers decision to focus further on downstream processing. Optiro notes that the project is permitted for DSO production and that route remains an option, should future price increases consistently warrant it. Minemakers reported that capital costs would be under $200 M, which may be offset against future needs should the operation be expanded to produce fertiliser feed material.

3.7.2. PRELIMINARY ECONOMIC ASSESSMENT

In 2011, Minemakers commenced a Preliminary Economic Assessment (PEA) in line with the requirements of Canadian National Instrument 43-101 reporting requirements. The PEA relies only on Indicated Mineral Resources and does not include Inferred Mineral Resources. Future studies are also planned by Minemakers to refine the mining, processing and financial aspects of the project investigated in the PEA.

The potential mining operation was originally identified as being suited for DSO extraction and was subject to a Feasibility Study reported in 2010. However, following additional exploration activity and expanded study of the viability of an on-site downstream mineral processing facility to produce higher value fertiliser products, the project showed potentially increased profitability from an alternative value adding approach. The on-site processing studies were carried out by KEMWorks in its report "Technical Report on Wonarah Phosphate Project", November 2011. This is not a technical report as defined in NI43-101 and has not been reported publicly. However, it does provide the metallurgical parameters being used in the PEA.

Two processing routes were considered. The first is the conventional Wet Acid Process (WAP), that uses sulphuric acid and phosphate rock to make phosphoric acid and the by-product phosphogypsum. The phosphoric acid is concentrated and reacted with ammonia to form granular MAP or DAP fertiliser (monoammonium phosphate and diammonium phosphate respectively). The second route uses the Improved Hard Process (IHP) where low-grade phosphate rock, petroleum coke and silica are reacted in a kiln to produce high-grade, concentrated Super Phosphoric Acid (SPA) and a by-product aggregate.

The PEA for the Wonarah project is currently considers the following:

- For WAP:
  - mining and crushing of phosphate ore at Wonarah
  - on-site beneficiation of ore to produce a slurry concentrate
  - pumping of slurry concentrate to Tennant Creek via pipeline
  - downstream processing of slurry concentrate to produce merchant grade phosphoric acid (MGA) and DAP/MAP fertiliser products at a manufacturing facility to be located in Tennant Creek
  - final product storage facilities located at Tennant Creek
  - product transfer and storage facilities at Darwin
  - shipping facilities at the Port of Darwin.

- For IHP
  - Simple beneficiation involving crushing and desliming to increase the grade
  - processing of concentrate to SPA by the IHP process at Wonarah
  - transport of SPA from Wonarah by road to Tennant Creek and then to Darwin by rail
  - product transfer and storage facilities at Darwin
  - shipping facilities at the Port of Darwin.

The estimated capital cost for the WAP process route plant is A$2.5 billion and A$1.7 billion for the IHP process route. The costs do not include land acquisition or owners' costs. An additional allowance was made in the IHP case for a fertiliser plant in India to show the same scope to finished fertiliser in both cases. This involved an additional capital cost of A$200 million. The accuracy of the estimates is +35% to -25%.

The WAP route uses conventional plants in capacities that have been extensively commercialised. The IHP route is yet to be proven as a full scale plant but retains clear capital and operating cost advantages.

The PEA appears to have advantages in regard to improved revenue associated with sale of value added product over a direct shipping ore operation. The substantial expansion of available ore at a lower beneficiation plant cut-off grade specification, when compared to the high grade requirements of DSO product, may also increase the robustness of the project.

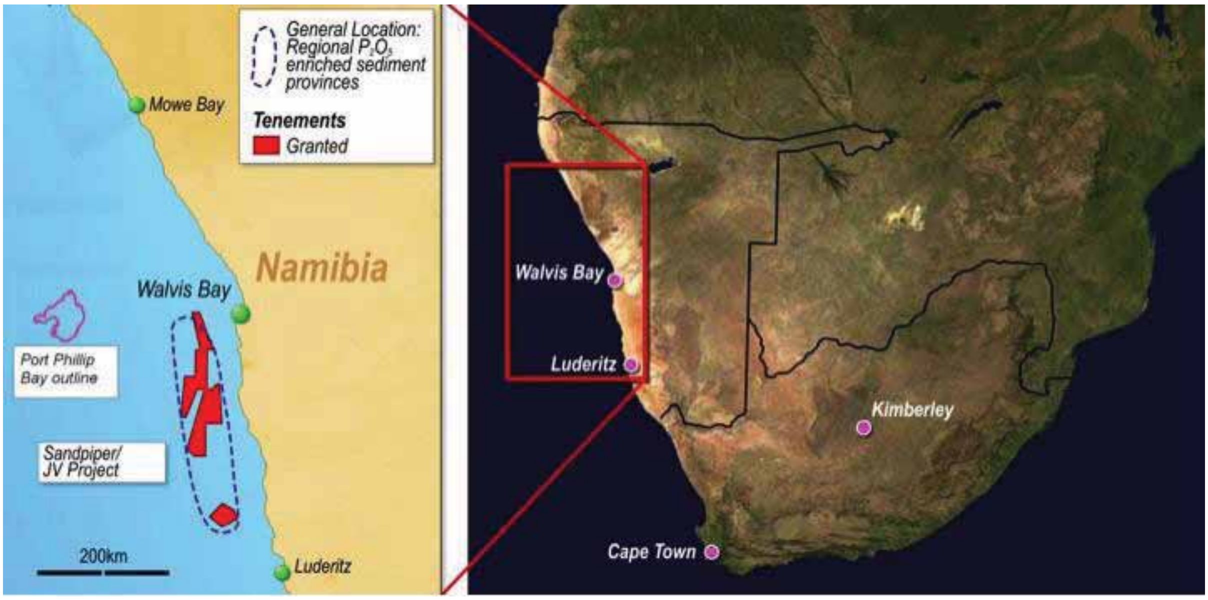
The expected ore extraction rate of 7 Mtpa presented in the 20-year PEA mining schedule does not exhaust the Mineral Resource meeting the cut-off grade criteria. Therefore, following the appropriate level of mining study, the possibility of extending the mine life beyond the 20-year threshold appears to exist.

4. SANDPIPER

4.1. LOCATION AND ACCESS

The Sandpiper project is situated in waters approximately 60 km off the coast of Namibia in south western Africa (Figure 4.1). The project covers a combined area of approximately 7,000 km^2 in the regional phosphate enriched province to the south of Walvis Bay in water depths of 180 m to 300 m.

Figure 4.1 Sandpiper project exploration licence area location



4.2. TENURE AND OWNERSHIP

The Sandpiper project area comprises six Exclusive Exploration Licences (EPLs) covering a total area of approximately 7,000 km^2 (Table 4.1 and Figure 4.2). The licences are held by the Namibian joint venture company, Namibian Marine Phosphate (Pty) Ltd (NMP), which in turn is 42.5% owned by Minemakers, 42.5% by UCL and 15% by Tungeni Investments cc. On 13 July 2011, ML170 was awarded over the whole of EPL 3414 and portions of EPL 3415 and EPL 3323.

ML170 covers industrial minerals (including phosphate) and has been issued for a period of 20 years from 13 July 2011 and covers a total area of 223,310.4 ha (2,233.1 km^2). ML170 has a number of terms and conditions relating to work programme and obligations, environmental matters as well as certain additional conditions including offshore bunkering, statutory deductions for employees and mandatory notifications prior to commencement of any mining activities, which are standard terms for Namibian MLs in the marine environment.

Table 4.1 Sandpiper – tenement schedule

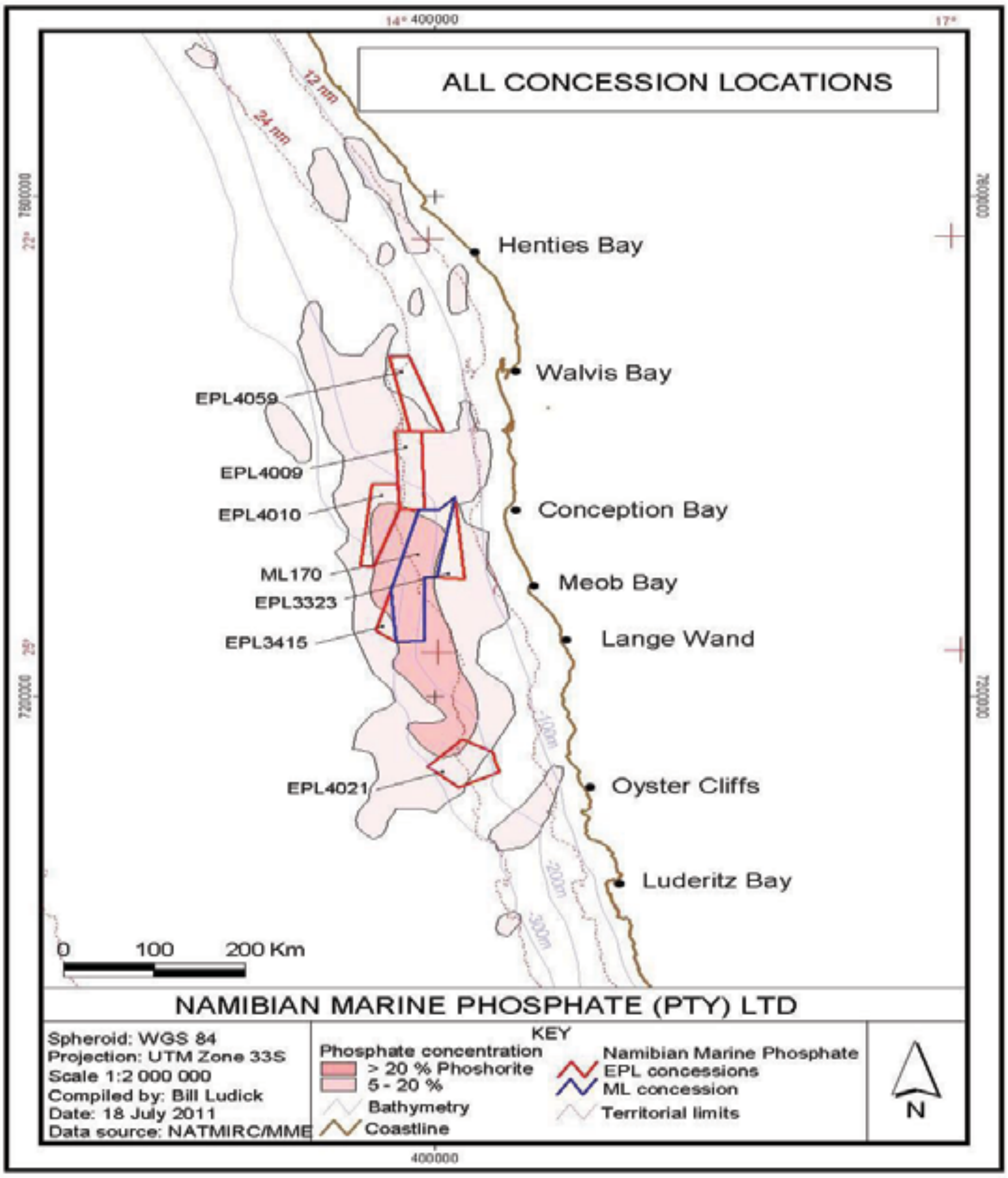
Licence number	Name	Area (km^2)	Grant date	Expiry date
EPL3323	Meob	560*	12/7/2005	11/7/2012
EPL3415	Sandpiper	250*	25/4/2006	24/4/2013
EPL4009	Black Cliff	1,000	16/1/2009	15/1/2012
EPL4010	Conception	1,000	16/1/2009	15/1/2012
EPL4021	Spencer Bay	1,000	16/7/2008	15/7/2013
EPL4059	Mowe 2	1,000	16/2/2010	15/2/2013
ML170	Sandpiper	2,233	13/7/2011	21/7/2031
Total		**7,043**		

*Only includes area not covered by ML170

The relative location of each of the EPLs and ML is shown in Figure 4.2. The map also shows the location of the defined Mineral Resources shaded by grade.

The initial target recovery area is within the northern area of ML170, where a large part of NMP's exploration and study effort has been focused. The initial target recovery area is approximately 22 km north-south and 8 km east west and located in water depths of less than 225 m.

Figure 4.2 Sandpiper project tenements showing location of ML and resource outline



4.3. GEOLOGY AND MINERALISATION

Phosphate mineralisation at Sandpiper is hosted within phosphatic horizons, which overlie a grey-green Miocene aged (23 to 5.3 Ma) clay. The mineralisation is subdivided into two distinct layers; an upper 0.1 m to 1.0 m thick shelly phosphorite identified as Holocene in age (0 to 10,000 years ago) and demonstrating a downward fining sequence, and a lower 0.05 m to over 2.0 m (up to 5.5 m in some instances) thick sandy and clayey phosphorite identified as Pleistocene in age (10,000 to 2.6 Ma).

These unconsolidated phosphate deposits are characterised by their spatial continuity (especially in a NNE direction) and general uniformity in grade. Thickness variations are generally the product of thicker accumulations of sediment in palaeo-topographic depressions in the underlying clay surface. The phosphate is thought to be the product of syn-sedimentary chemical precipitation and early diagenetic concretionary growth within the unconsolidated sediment. Regional sampling with a grab sampler and a 2 m gravity corer indicates that the total strike length of the deposit is about 90 km.

Grades for individual samples rarely exceed 23% P_2O_5, and the majority lie between 17 and 21% P_2O_5. Average layer grades are typically 19 to 20% P_2O_5 for the lower layer (Layer 2) and 18 to 19% P_2O_5 for the upper layer (Layer 1). Overall deposit grades decrease both laterally and vertically, reflecting the pinch-out of Layer 2 to the east where Layer 1 sits directly on the underlying clay. In addition, decreases in grade may also be due to the local increase in clay infiltration or deposition, or to the winnowing action of bottom currents near the water-sediment interface. Along the western edge of the deposit, in the initial target recovery area, a lower grade intermediate horizon has been intersected between Layer 1 and Layer 2.

The phosphatic material within the sediment is predominantly comprised of unconsolidated fine sand sized phosphorite ooliths and pellets, within the 100 to 500 micron grain size range (mostly 150 to 250 microns). The richest fraction of phosphate bearing material occurs in the size range from 0.074 to 1.00 mm. This size fraction makes up 55% to 78% of the deposit's solid mass and contains from 78% to 96% of the total phosphate content.

4.4. EXPLORATION

From July 2008 to March 2012, NMP progressed exploration through a series of 21 sampling cruises. All sampling was undertaken using the sampling vessel MV Snowgoose which initially deployed a grab sampler and a 3 m or 4.5 m gravity corer.

During August 2008, a programme of 300 reconnaissance grab samples at 800 m intervals along 4 km spaced east to west sample traverses was completed covering the whole of EPL 3323. Individual samples comprised approximately 5 kg of surficial sediment material and were recovered in water depths ranging from 131 m to 212 m.

Between September 2008 and June 2009 a total of 207 gravity cores were collected in EPL 3323, 171 in EPL 3414 and 106 in EPL 3415. This comprised:

- EPL 3323: 135 resource characterisation cores on 500 m by 250 m grid
  72 cores used for grade and thickness control
- EPL 3414: 62 resource characterisation cores on 400 m by 400 m grid
  109 cores used for grade and thickness control
- EPL 3415: 64 resource characterisation cores on 400 m by 400 m grid
  42 cores used for grade and thickness control.

In June 2009, further grab sampling was used to accumulate 100 kg bulk samples in both EPL 3323 and EPL 3415 and a 330 kg bulk sample in EPL 3415 was taken in May 2010. During these cruises the grab sampler was also used to collect 20 sets of five repeat samples for an environmental baseline study. In all, 11 grab sets (55 samples) were collected from EPL3323, 8 grab sets (40 samples) were collected from EPL 3414 and 1 grab sets (5 samples) were collected from EPL 3415.

The environmental base line studies were initiated in July 2009 to establish both likely environmental impacts from mining as well as base line information ahead of mining. The environmental grab samples collected were analysed for benthic faunal assemblages.

In November 2010, a 200 kg bulk grab sample was collected in EPL 3323 and a 500 kg bulk grab sample was collected in EPL 3414. This material was collected for a dry kiln beneficiation test. During the same period, 30 grab samples were collected in EPL 4009 and 35 samples in EPL 4010 as the start of a reconnaissance sampling programme.

From December 2010, a new heavy weight 4 m gravity corer was used to accumulate a 500 kg bulk sample with greater depth penetration for a pilot plant beneficiation test. Deeper material was sampled to achieve a more representative sample of the mineralisation over the depth of the deposit.

From August 2011, gravity coring commenced in ML 170 with the objective of delineating Indicated Resources. After five cruises, 398 core sites had been sampled on a 400 m by 400 m spacing. This included 64 cores for variographic analyses taken on 50 m to 200 m spacings. A further 20 cores were also collected in EPL 4009 and EPL 4010 to delineate new Inferred Mineral Resources. In February and March 2012, a further 100 cores were collected within ML 170 to upgrade part of the resource to Measured classification.

The use of a new gravity corer system allowed greater penetration depths than in the initial phase of sampling in 2008 to 2009 (with an average penetration depth of 1.22 m). The sampling phase completed in March 2011 recorded an average penetration depth of 1.65 m and a maximum penetration depth of just over 3 m while the August 2011 programme had an average penetration depth of 1.93 m and maximum penetration depth of 3.63 m in water depths of between 193 m and 226 m. The average thickness of mineralisation (Layers 1 and 2) intersected was 1.58 m.

Optiro understands sub-samples were taken from the new cores and submitted for P_2O_5 analysis in accordance with industry standard procedures which include duplicate samples as well as comparative testing by independent laboratories. Furthermore, core penetration is dependent on the nature of the material being sampled and some areas with high seafloor shell content are not always completely sampled. A variety of core size (diameters) has been used in the exploration program (55 mm, 75 mm and 90 mm).

4.5. MINERAL RESOURCES

Inferred, Indicated and Measured Mineral Resources have been calculated for the Sandpiper project by Dr Alwyn Annels using combined assay and thickness data for Layers 1 and 2.

Two dimensional inverse distance weighting methods were used to interpolate thicknesses, metal accumulations, specific gravities and 'dry to wet' ratios into 200 m by 200 m blocks. Extrapolation was constrained by the search parameters used. The dimensions of the search areas were controlled by examination of the distribution and trends of grade data, the numbers of samples captured and by the results of current geostatistical studies.

The availability of bulk density data for the two layers in the deposit allowed the production of regression equations which were used to determine a combined density for each intersection using both P_2O_5 values and lengths with a similar approach used for the "dry to wet" ratios. The resultant values were used for both Indicated and Measured Mineral Resources. In the case of the Inferred Mineral Resources, volumes were converted into wet tonnages using an estimate of 1.68 t/m^3. The dry tonnage was then estimated using a factor of 0.75.

Variogram studies indicated that the density of sampling (400 m by 400 m) within the initial target recovery area was more than adequate to allow the assignment of at least an Indicated Mineral Resource classification. The boundary between Inferred and Indicated Mineral Resources, in terms of sample spacing, was set at the point at which no serial correlation (covariance) existed between samples. This spacing was represented by the geostatistical range. The boundary between Indicated and Measured Mineral Resources was placed at the average sample spacing that explains two-thirds of the grade variability as interpreted from the variogram.

Mineral Resources reported above a 15% P_2O_5 cut-off grade are summarised in Table 4.2. The Mineral Resources are subject to a minimum thickness of 0.25 m and variable bulk density and moisture ratios based on grade.

Table 4.2 Sandpiper project Mineral Resources above a 15% P_2O_5 cut-off

Deposit	Category	Tonnes (Mt)	P_2O_5 grade (%)
Within initial target recovery area	Measured Indicated	60.1 105.0	20.8 19.6
Outside initial target recovery area	Indicated Inferred	61.8 1607.8	20.6 18.9
Total	Measured Indicated Inferred	60.1 166.8 1607.8	20.8 20.0 18.9
Total		**1834.7**	**19.1**

4.6. STUDY RESULTS

The production of phosphate from the Sandpiper project is expected to occur in the steps reported by Minemakers and as outlined below.

DREDGING AND UNLOADING

The phosphate sediment will initially be dredged from the ocean floor building up over three years to a rate of approximately 5 Mtpa, using a trailing suction hopper dredge with an extended dredge arm to reach water depths of up to 225 m. An existing dredge with an operating water depth capacity of 165 m will be modified to allow dredging to 225 m. This modification represents a technical risk for the project, but NMP considers it to be low risk. During dredging operations, the hopper dredge when full will steam to a position south of Walvis Bay in Namibia where it will discharge the phosphate material ashore into a buffer pond located to the south of an existing salt production project. The dredge vessel will use a submerged temporary pipeline attached to an anchored buoy for unloading. The excess seawater pumped ashore will discharge from the buffer pond back to the sea via the same pipeline.

SCREENING AND TRANSPORT TO PROCESS PLANT

The phosphate material will be reclaimed as slurry from the buffer pond again by a dredging system and the plus 1 mm coarse fraction shells will be screened out and stockpiled near the buffer pond. The minus 1 mm phosphate sands and mud will be slurried and pumped via a 27 km pipeline to the process plant site located approximately 6 km inland to the south east of Walvis Bay.

The coarse screened shell may have commercial value and if a suitable market or business opportunity can be found for this material, it will be exploited. This has not formed part of the Feasibility Study.

PROCESSING AND EXPORT

At the planned processing plant site, the ore slurry will be sized and attritioned (or polished) using seawater to produce phosphate concentrate, during which the fines material (clay, mud and shell grit) will be removed by gravity separation and stored as tailings. The tailings will be thickened using a biodegradable polymer flocculant and discharged into a tailings dam at the processing plant site. Design optimisation of the tailings dam is currently being undertaken with a view to reducing the upfront capital costs for the project.

The resulting concentrate will then be filtered and washed in fresh water to remove sea salt. Additional fresh water may be required during the ramp-up phase to achieve the proposed steady-state production rate of 3 Mtpa of product. The Namibian Water Authority (Namwater) has advised it will provide desalinated water to the project. The spent wash water will be recycled and finally sent back to the buffer pond with the excess process water and re-used if needed, or discharged back into the sea along with any other excess seawater.

Following this, the concentrate will be dried and stockpiled under cover, before being moved to the port at Walvis Bay for export to international and regional markets via bulk carrier.

Excess seawater from the beneficiation process will be pumped back to the buffer pond site.

4.6.1. PRODUCT MARKETING AND PRICING

Demand for phosphate rock is driven primarily by the demand for phosphate fertilisers, which is in turn driven by demand for agricultural products. With rising global population, rapid growth in incomes in developing countries and increased production of biofuels, demand for phosphate fertilisers and therefore phosphate rock is expected to exhibit strong growth.

Global rock phosphate consumption has increased from 145.5 Mt in 2000 to an estimated 186.7 Mt in 2011. An estimated 16.8% of this 2011 consumption (i.e. approximately 33.0 Mt) is satisfied by trade between countries, with the remainder consumed within the country of production. In broad terms, there are three distinct market segments for phosphate rock trade which are potentially applicable for the Sandpiper product. These are the direct application phosphate rock (DAPR) market, and as feedstock for the production of single superphosphate (SSP) and phosphoric acid (PA).

CRU, an independent market expert, completed a comprehensive marketing study for NMP as part of the Feasibility Study. Based on the conclusions of this report, NMP is targeting to produce and sell 3 Mtpa of rock phosphate grading approximately 27.5% to 28.0% P_2O_5 from the Sandpiper project, comprising:

- 1 Mtpa into the DAPR market
- 1 Mtpa to manufacturers of SSP
- 1 Mtpa to manufacturers of PA.

DAPR MARKET

CRU has confirmed that the proposed concentrate is well-suited for the DAPR market. Whilst the global traded market for DAPR is currently estimated by CRU at approximately 3 Mtpa, some key suppliers of rock phosphate to this market are expected to exit the market over the medium term, thereby opening up opportunities for the Sandpiper product.

SSP MARKET

CRU has confirmed that whilst the Sandpiper project product is slightly lower grade than other phosphate rock sold for conversion into SSP in certain markets, it is well-suited in other markets, particularly India and Latin America, two of the largest. The size of this global market is also estimated by CRU at 3 Mtpa.

PA MARKET

The global PA market currently trades at approximately 25 Mt of phosphate rock on an annual basis and therefore represents a sizeable potential market opportunity for the Sandpiper product. Independent test work has confirmed that the Sandpiper product should be suitable as a feedstock for the PA market, particularly as a blended feedstock.

FORECAST PRICES

CRU's analysis has indicated that the price of rock phosphate produced from Bayovar mine in Peru is the most appropriate benchmark by which to estimate prices for Sandpiper product. In estimating future prices for Sandpiper product, CRU has determined discounts to the Bayovar price based on comprehensive value-in-use analysis across each of the three target market segments.

CRU has indicated average long-term pricing forecasts for the Sandpiper product. Across the three target market segments, Sandpiper product is expected to incur an approximate 12% discount (based on both quality and freight differentials) to the price of rock phosphate from Bayovar, (both on the basis of their respective FOB export ports). The current price of Bayovar rock phosphate is approximately US$145 to US$150 per tonne, FOB Peru. CRU's long-term forecast price for Bayovar rock phosphate is approximately US$114 per tonne, FOB Peru (stated in March 2012 prices).

4.6.2. CAPITAL COST ESTIMATE

The Feasibility Study capital cost estimate for the Sandpiper project is US$326.3 million (stated in March 2012 prices). This capital cost estimate is summarised in Table 4.3.

Table 4.3 Capital cost estimate for Sandpiper project

Capital Cost Item	US$ million
Civil and structural	76.1
Mechanical equipment	75.1
Piping, fitting and valves	32.8
Electrical equipment	7.8
Instrumentation / control equipment	5.8
Commissioning / spare parts	1.9
Vendor construction costs	0.6
Transportation	7.5
Service facilities	33.3
Preliminary & General	19.6
Sub total	**260.8**
EPCM	23.5
Contingency and ancillary	42.1
Total	**326.3**

The working capital requirement for the project prior to the generation of positive cash flows is estimated to be in the order of US$56 million (stated in March 2012 prices, excluding any financing costs), which includes the cost of the first campaign dredge cycle to provide the process stockpile.

4.6.3. OPERATING COST ESTIMATE

Steady-state unit operating costs at 3 Mtpa production are estimated at US$54.6 per tonne of concentrate for the life of the mine (stated in March 2012 prices), which is broadly in-line with the Scoping Study unit operating cost estimate of approximately US$58 per tonne.

A breakdown of the Feasibility Study unit operating cost estimate is shown in Table 4.4.

Table 4.4 Operating cost estimate for Sandpiper project

Item	US$ per tonne
Labour	1.44
Flocculant	0.97
Water	1.42
Power	5.19
Fuel (other than diesel)	7.95
Diesel	0.73
Mining	31.58
Logistics	2.51
Maintenance	2.44
HDPE Pipe relining	0.24
Environmental	0.10
Miscellaneous	0.04
Total	**54.61**

4.6.4. APPROVALS AND LAND APPLICATIONS

Prior to the commencement of production, NMP must obtain Environmental Clearances from the Namibian Ministry of Environment and Tourism (MET) to allow both offshore marine mining and onshore beneficiation operations.

In relation to the Environmental Clearance for offshore mining, following a period of mandatory public review and feedback, NMP has submitted its final Environmental Impact Assessment (EIA) and Environmental Management Plan Report (EMPR). These documents are currently being considered by the MET. To date, NMP is not aware of any issues arising from this review that it does not consider as being manageable.

In relation to onshore approvals, the final EIA and EMPR are currently being prepared by the Feasibility Study consultants and currently in submission to the MET.

In addition, NMP is also awaiting the grant of land (most likely via long-term lease agreements) for the buffer pond and beneficiation plant areas, as well as a servitude (i.e. easement) for the pipeline route between these two sites. The pipeline route would also be occupied by a road, a power line and a return-water pipeline. Applications for this are currently being processed by the relevant Namibian authorities.

5. PHOSPHATE

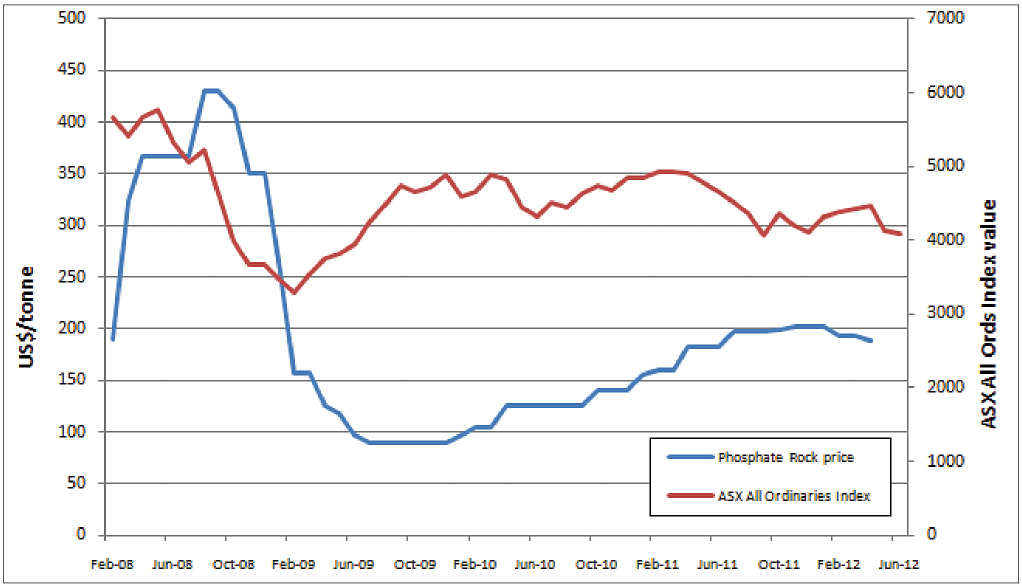
The primary use of phosphate rock is in the production of fertiliser products for agricultural purposes and this accounts for approximately 90% of world phosphate rock production. Currently no alternative sources of phosphate nutrient exist, other than to mine or dredge guano, sedimentary (phosphorite) or igneous (carbonatite/foskorite) deposits.

Testwork on the Sandpiper phosphate rock indicates that it can be used for the production of single superphosphate (SSP), phosphoric acid (PA) and for direct application (DA) without any further chemical upgrading. PA is used as a by-product in the production of triple superphosphate (TSP) and ammonium phosphate, as well as in the production of non-fertiliser products including feed additives for livestock, elemental phosphorus and phosphate chemicals.

China, Morocco and the United States are currently the world's largest producers of phosphate accounting for over 66% of 2011 phosphate rock production. World resources of phosphate rock equate to more than 30 billion tonnes with the largest known sedimentary deposits found in northern Africa, China, the Middle East, and the United States. Countries such as Brazil, Canada, Finland, Russia, and South Africa have large igneous deposits and sizeable offshore resources have been discovered on the continental shelves and on seamounts in the Atlantic Ocean and the Pacific Ocean.

Phosphate prices are commonly reported using the Moroccan 70% Bone Phosphate of Lime ("BPL") phosphate rock concentrate as a benchmark for worldwide phosphate pricing. As show in Figure 5.1 phosphate prices peaked at US$430/tonne in 2008, due to increased agricultural demand, and then dropped to below US$100/tonne during the 2009 world global financial crisis. Phosphate prices have been trending upwards since early 2010 but are yet to return to 2008 highs. Prices of rock phosphate continued to improve during the last quarter of 2011 and the outlook is considered to be positive, based on supply and demand projections. The continuing rise in world population, ongoing rapid growth in developing countries and increased production of biofuels are indicators of a strong future demand for phosphate rock.

Figure 5.1 **Monthly phosphate rock price and ASX All Ordinaries Index from February 2008 to May 2012 (source: World Bank and Bloomberg)**



As a result of the high prices in 2008 and the global recession, fertiliser sales are currently below agricultural requirements. Farmers will be required to increase crop output per hectare in order to maintain food production/capita as world population increases. According to Minemakers, over a forecast period to 2021, strong crop prices and a trend towards more balanced fertiliser applications are expected to boost phosphate rock demand at an annual rate of more than 2%.

According to the US Geological Survey, the world phosphate supply is projected to increase over the short term to approximately 256 Mt in 2015. This is an increase of 19% from 2011 world phosphate production levels of 215 Mt. A 2011 report by the Agriculture Committee of the International Fertilizer Association suggests that world demand for fertilisers is expected to grow at an average rate of 2.4% per year through 2015 and the global supply of phosphoric acid is projected to increase by 3.9% per year to 47.8 Mt P_2O_5 in 2015. Whilst consumption of phosphate looks to be slowing in some European countries, the demand for phosphate in Asia and the Americas is driving the medium term outlook.

Recent political and environmental troubles in many of the world's producing countries, including Tunisia, have indicated the need for phosphate supply security and have given impetus to develop alternative long term supplies from lower risk countries with well-defined regulatory processes and stable political environments. Prices are forecast to increase in the future as the world recovers from the global financial crisis. Rising oil prices are also thought to have a positive effect on the phosphate and fertiliser industry due to the demand of alternative energy sources such as biofuels. Biofuel production requires extensive agriculture which results in a higher demand for fertilisers and consequently phosphate.

Optiro has reviewed current phosphate prices and forecasts to gauge the current market sentiment and has taken this into consideration in its valuations, only using comparable transactions that have occurred in the last three years.

6. VALUATION CONSIDERATIONS

There are a number of recognised methods used in valuing mineral assets. The most appropriate application of these various methods depends on several factors, including the level of maturity of the mineral asset, and the extent and reliability of information available in relation to the asset. The VALMIN Code classifies mineral assets according to the maturity of the asset:

- **Exploration areas** - properties where mineralisation may or may not have been identified, but where a Mineral Resource has not been declared.
- **Advanced exploration areas** - properties where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some form of detailed geological sampling. A Mineral Resource may or may not have been estimated, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more prospects to the resource category.
- **Pre-development projects** - properties where Mineral Resources have been identified and their extent estimated, but where a decision to proceed with development has not been made. This includes projects at an early assessment stage, on care and maintenance or where a decision has been made not to proceed with immediate development.
- **Development projects** - properties for which a decision has been made to proceed with development, but which are not commissioned or are not operating at design levels.
- **Operating mines** - mineral properties that have been fully commissioned and are in production.

The VALMIN Code defines value as the fair market value of a mineral asset. The fair market value is the amount of money (or the cash equivalent of some other consideration) for which the mineral asset should change hands on the valuation date in an open and unrestricted market between a willing buyer and a willing seller in an "arm's length" transaction, with each party acting knowledgeably, prudently and without compulsion. In times of high commodity prices and/or buoyant share market conditions the fair market value ascribed to mineral assets may be higher than their technical value. The fair market value of the mineral asset comprises:

- The underlying or technical value which is an assessment of a mineral asset's future economic benefit under a set of assumptions, excluding any premium or discount for market, strategic or other considerations.
- The market component, which is a premium or discount relating to market, strategic or other considerations.

In assessing the value of Wonarah and Sandpiper phosphate mineral assets, Optiro has considered both the technical value and the fair market value of the assets.

7. VALUATION APPROACH AND METHODOLOGY

In determining the appropriate valuation method(s) to be used for the Wonarah and Sandpiper licences, Optiro has taken into consideration the classification of these assets according to the categories defined in the VALMIN Code and the different methodologies that are generally accepted as industry practice for each classification. Generally there are three broad methods of valuation that are used for valuing mineral assets: these are the market approach, cost approach and income approach. The market and cost approaches are used for the grass-roots through to advanced exploration stages and the income approach is used for advanced projects with defined reserves to operating mines.

In relation to the phosphate mineralisation within the Wonarah and Sandpiper projects, the projects are considered to be advanced stage exploration projects to pre-development projects. Whilst there are capital and operating cost estimates in place along with generalised production estimates, Optiro considers these are insufficiently robust to allow a DCF style valuation to determine fair market value and do not adequately account for the risk profile of the two projects. As such, the valuation approaches that Optiro has elected to use are defined as inferential methods and rely on comparative or subjective inputs, such as a “rule of thumb” or appraised value method. Such a method values the property in dollars per unit area or dollars per resource tonne.

The methodologies considered by Optiro to determine a value for the phosphate prospects and the exploration potential are summarised below.

7.1. GEOSCIENTIFIC RATING METHOD

The most well-known method of the Geoscientific ratings type is the modified Kilburn Geological Engineering/Geoscientific method which was developed by a Canadian geologist who wished to introduce a more systematic and objective way of valuing exploration properties. The Kilburn and similar rating approaches are acknowledged as industry-standard valuation tools. This method is Optiro’s preferred valuation tool for early stage exploration projects.

The Kilburn method uses a Geoscientific rating which has as its fundamental value a base acquisition cost (BAC) of the tenement. The BAC is the average cost to acquire a unit of exploration tenement (generally a graticular block, square kilometre or hectare) and maintain it for one year, including statutory fees and minimum expenditure commitments.

The determination of the BAC for exploration licences in the Northern Territory considered the application and retention costs as set by the Government of the Northern Territory Department of Resources – Minerals and Energy, and the average identification, administration and expenditure costs. Based on Optiro’s assessment, the BAC applied to the Wonarah exploration licences is A\$330/km^2.

In determining the BAC for exploration licences in Namibia, Optiro considered the application fees and the exploration expenditure commitments made by NMP over the Sandpiper licences. Based on Optiro’s assessment, the BAC applied to the Sandpiper exploration licences is A\$220/km^2.

Four technical factors are then applied serially to the BAC of each tenement which enhance, downgrade or have no impact on the value of the property and which allow a value per tenement to be determined. The four technical factors are:

- **Off-property factor** – relates to physical indications of favourable evidence for mineralisation, such as workings and mining on the nearby properties, which may or may not be owned by the company being valued. Such indications are mineralised outcrops, old workings through to world-class mines.
- **On-property factor** – this is similar to the off property factor but relates to favourable indications on the property itself, such as mines with significant production.
- **Anomaly factor** – the anomaly factor relates to the degree of exploration which has been carried out and the level and/or number of the targets which have been generated as a consequence of that exploration. Properties which have been subject to extensive exploration without the generation of sufficient or quality anomalies are marked down under the Kilburn approach.
- **Geological factor** – this refers to the amount and exposure of favourable lithology and/or structure (if this is related to the mineralisation being valued) on the property. Thus properties which have a high coverage of favourable lithology and through-going structures will score most highly.

The ratings applied by Optiro are listed in Table 7.1.

This methodology is used to determine the technical value, and a fifth factor, reflecting the current state of the market, is applied to determine the market value. This market value determined from the Geoscientific rating method has been verified by consideration of the current market for phosphate exploration properties in Australia.

Table 7.1 Geoscientific rating criteria (modified by Optiro)

<table>
<tr><th>Rating</th><th>Off-property factor</th><th>On-property factor</th><th>Anomaly factor</th><th>Geological factor</th></tr>
<tr><td>0.1</td><td rowspan="3"></td><td rowspan="3"></td><td></td><td>Generally unfavourable geological setting</td></tr>
<tr><td>0.5</td><td>Extensive previous exploration with poor results</td><td>Poor geological setting</td></tr>
<tr><td>0.9</td><td>Poor results to date</td><td>Generally favourable geological setting, under cover</td></tr>
<tr><td>1.0</td><td>No known mineralisation in district</td><td>No known mineralisation within tenement</td><td>No targets defined</td><td rowspan="2">Generally favourable geological setting</td></tr>
<tr><td>1.5</td><td>Mineralisation identified</td><td>Mineralisation identified</td><td rowspan="2">Target identified, initial indications positive</td></tr>
<tr><td>2.0</td><td rowspan="2">Resource targets identified</td><td rowspan="2">Exploration targets identified</td><td rowspan="2">Favourable geological setting</td></tr>
<tr><td>2.5</td><td rowspan="2">Significant intersections - not correlated on section</td></tr>
<tr><td>3.0</td><td rowspan="2">Along strike or adjacent to known mineralisation</td><td rowspan="2">Mine or abundant workings with significant previous production</td><td rowspan="2">Mineralised zones exposed in prospective host rocks</td></tr>
<tr><td>3.5</td><td rowspan="3">Several significant ore grade intersections that can be correlated</td></tr>
<tr><td>4.0</td><td>Along strike from a major mine(s)</td><td rowspan="2">Major mine with significant historical production</td><td rowspan="2"></td></tr>
<tr><td>5.0</td><td>Along strike from world class mine</td></tr>
</table>

7.2. COMPARABLE TRANSACTION METHOD

The comparable market value approach is a market based approach and is an adaptation of the common real estate approach to valuation. For the purposes of mineral asset valuation, a valuer compiles and analyses transactions, converted to a 100% equity basis, of projects of similar nature, time and circumstance with a view to establishing a range of values that the market is likely to pay for a project. The comparable market approach:

- is intuitive, easily understood and readily applied
- implies a market premium/discount for the prevailing sovereign risk
- captures market sentiment for specific commodities or locations
- accounts for intangible aspects of a transaction (i.e. intellectual property).

The transactions deemed to be analogous to the mineral asset being valued are used to determine a unit price (e.g. $/km^2 or $/tonne metal, etc.) for the asset being valued. However, there is an intricate value dynamic between the quantity (size) and quality (grade or prospectivity) that may result in the exclusion of a large number of comparable transactions which in turn may undermine the accuracy of this method.

The comparable market value approach is widely used throughout the minerals industry; however, the valuer must take into account that this approach is largely retrospective and cannot take into account anticipated or recent commodity or other market price movements.

7.3. JOINT VENTURE TERMS METHOD

The joint venture terms method is a variation of the comparable market value method. This technique involves transactions where only partial ownership of a project is acquired. The joint venture terms method provides the valuer with a larger acquisitions dataset than the comparable market value method, and consequently these approaches are often used simultaneously in mineral asset valuations.

It is recognised that the market will attribute a sliding-scale premium in accordance with the level of ownership acquired (i.e. a joint venture agreement for a 51% interest in a project may attract a market value significantly above that for an identical project in which a 49% interest is acquired). The valuer therefore needs to account for any potential associated with ownership premiums.

7.4. APPRAISED VALUE METHOD

The cost approach or Appraised Value method is founded on the assumption that the intrinsic value of the exploration tenement is based on the exploration expenditure, and that a highly prospective tenement will generally encourage a higher level of exploration expenditure.

This valuation methodology relies upon the premise that a project is at least worth what the owner has previously spent and/or committed to spending in the future. It considers historical and/or planned future expenditure on the mineral asset and includes the amount of expenditure that has been meaningfully used in the past to define a target or resource and the future costs in advancing the exploration.

The value of the property may be determined from the sum of past effective exploration expenditure (usually limited to the past three years) plus any committed exploration expenditure in the current year and the application of a prospectivity enhancement multiplier (PEM). The PEM is determined by the level of sophistication of the exploration for which positive exploration results have been obtained and usually ranges from 0.5 to 3.0.

The principal shortcomings of this method are that there is no consistent base from which to derive the valuation and there is no systematic approach taken in determining the PEM. Optiro places less reliance on values determined this method than those determined from the Geoscientific Ratings and comparable transaction methods.

8. VALUATION

Optiro's approach has been to use the following valuation methodologies for the Mineral Resources and exploration potential for phosphate mineralisation within the Wonarah and Sandpiper exploration licences:

- the Geoscientific rating method
- comparable transactions
- joint venture terms.

Optiro considered using the appraised value method but the data was inadequate to provide a meaningful valuation.

8.1. WONARAH

8.1.1. COMPARABLE TRANSACTIONS AND JOINT VENTURE TERMS

Optiro reviewed recent global transactions involving phosphate projects with and without defined resources (Appendix 1 and 2). In order to obtain a dataset that is relevant under the current time and circumstance, Optiro has selected transactions that occurred within the last three years (see Section 5 above).

MINERAL RESOURCES

Limited transactions involving phosphate projects with defined Mineral Resources were identified. The Bayovar transaction in Peru (7 July 2010) involved a large resource project soon to come into production and presents a unit value greater than would be expected for the Wonarah project. The Paris Hills project (6 November 2009) was transacted at a similar stage to the Wonarah project. Based upon this, Optiro considers that the Wonarah project would trade for somewhere in the vicinity of A$0.45 per tonne of contained P_2O_5.

To confirm the unit price of the single comparable transaction identified, Optiro reviewed the enterprise value per P_2O_5 resource tonne of selected companies with comparable phosphate Mineral Resources considered to be their primary value driver (Table 8.1). The enterprise value is based upon the share price as at 6 June 2012 and the most recently reported financial and share registry information. Excluding Sterling Group Ventures, which is considered to be an outlier, these companies attract an enterprise value per P_2O_5 resource tonne in the range of A$0.12 to A$1.00 with a mean value of A$0.56 per tonne.

Table 8.1 Enterprise value per resource tonne of P_2O_5

Company	Exchange	EV (A$)	EV/P_2O_5 tonne
Phosphate Australia	ASX	5,636,090	$0.72
Rum Jungle Resources	ASX	38,149,722	$1.00
Legend International	OTC	23,967,937	$0.31
PhosCan Chemical Corp	TSX	3,241,338	$0.12
Minbos Resources Ltd	ASX	15,169,438	$0.67
Plains Creek Phosphate Corp	TSX	11,272,495	$0.59
Stonegate Agricom Ltd	TSX	37,163,258	$0.79
Chathan Rock Phosphate	NZSE	12,388,878	$0.56
Sunkar Resources	AIM	9,652,326	$0.19
Sterling Group Ventures	OTC	6,118,509	$3.82

Broadly, the most comparable companies to the Wonarah deposit are Phosphate Australia and Legend International. Optiro considers Phosphate Australia would present a premium to the Wonarah project as the company has value associated with their gold project at Tuckanurra, Western Australia and oolitic iron prospectivity in the South Nicholson Basin, Northern Territory. Conversely, Optiro considers Legend International is likely to present a discount to the Wonarah project as Legend International's projects are somewhat infrastructure constrained (the Mount Isa to Townsville rail has limited available capacity) and their Mineral Resources include a portion of refractory colloform phosphatite.

Based upon these data, Optiro considers the Wonarah project Mineral Resource would likely attract a value in the range of A$0.45 to A$0.56 per resource tonne of P_2O_5. The implied current market value of the Wonarah Mineral Resources therefore lies within the range of A$62.88 M to A$78.25 M with a preferred value of A$70.57 M.

Optiro notes that Snowden valued the Wonarah Mineral Resource based on a single comparable transaction; the Ngualia project transaction in Tanzania on 3 September 2008 at A$3 per P_2O_5 tonne. Snowden then applied a technical and resource risk discount to determine its valuation. Optiro does not recommend the application of a technical and resource risk to the Wonarah valuation as risk will have been factored into the Ngualia transaction and the Ngualia project is likely to present a higher political, technical and resource risk than the Wonarah project to an investor.

If using the A$3 per P_2O_5 tonne Ngualia transaction, Optiro considers it may be more appropriate to apply this value to the likely mineral inventory that will be subject to exploitation at Wonarah. Based on the PEA, the likely mineral inventory at Wonarah will be in the order of 140 Mt at 18% P_2O_5 for 22.5 Mt of contained P_2O_5. Applying a A$3 per tonne value to the likely mineral inventory implies a market value of $75.6 M, consistent with Optiro's valuation.

EXPLORATION POTENTIAL

In terms of valuing the exploration potential in addition to the defined mineral resource, Optiro identified nine transactions that are considered to be of use in assessing the current market value attributed to phosphate mineralisation potential similar to that at the Wonarah project. Optiro excluded properties with Mineral Resources and defined exploration target tonnages. The transactions selected by Optiro are listed in Appendix 2.

Excluding transactions with small exploration areas and high associated unit costs (Dissimieux Lake and Jazz in Canada) Optiro's analysis of the transactions indicates that phosphate exploration projects similar to the Wonarah exploration licences may attract market values in the range A$300/km^2 to A$4,000/km^2 on a 100% equity basis, when considering like size and prospectivity.

Optiro has used the identified exploration transactions as a benchmark for its Geoscientific valuation below.

8.1.2. GEOSCIENCIFIC RATING METHODS

Optiro determined Geoscientific ratings for each licence in reference to the off-property, on-property, anomaly and geology factors for potential iron mineralisation. The ratings for the Wonarah licences are listed in Table 8.2. Optiro assigned the ratings based on:

- a large, contiguous, ~1,800 km^2 licence package located in the prospective Georgina Basin
- phosphate mineralisation proximal to a mid-basin high resulting in near surface mineralisation
- geological work completed to date including extensive drilling

- potential for additional near surface DSO quality phosphate mineralisation. Optiro considers that Minemakers has more than sufficient quantity of Mineral Resource and exploration value is therefore associated with the capacity to identify quality, near-surface, high grade phosphate mineralisation
- project bisected by the sealed Barkly Highway and approximately 240 km from the Adelaide to Darwin railway
- Mineral Lease and mining agreement with the Aboriginal freehold owners of the land in place allowing mining to take place
- preliminary economic assessment in progress exploring potential WAP and IHP production options
- a discount to the exploration value of ML 27244 and SEL26452 has been applied to account for the licence coverage of the Mineral Resource and geological factors.

Table 8.2 Wonarah - Geoscientific rating criteria applied to phosphate mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
ML 27244	2	2.5	2	2.5	2.5	3	1.5	2
EL9979	1.5	1.5	1	1	1	1	1	1.5
EL24607	1.5	1.5	1	1	1	1	1	1.5
SEL26451	2	2.5	1.5	1.5	1.5	1.5	2	2.5
SEL26452	2	2.5	1.5	1.5	1.5	1.5	2	2.5
EL26589	1.5	1.5	1	1	1	1	0.5	0.9
EL26185	1.5	1.5	1	1	1	1	1	1.5
EL28233	1.5	1.5	1	1	1	1	1	1
EL26584	2	2.5	1.5	1.5	1.5	1.5	1.5	1.5
EL26585	2	2.5	1.5	1.5	1.5	1.5	1.5	1.5
EL26586	2	2.5	1.5	1.5	1.5	1.5	1.5	1.5
EL(A)29355	2	2.5	1.5	1.5	1.5	1.5	1.5	1.5

Fair market value is the technical value (as determined by the Geoscientific ratings) plus a premium or discount to account for market, strategic considerations and special purposes. Optiro has examined the past and forecast rock phosphate price as well as the location and geology of Minemakers' exploration licences and has elected not to apply a premium or discount to the technical value.

The following assumptions have been used by Optiro in applying the Geoscientific ratings method to determine a value for the phosphate mineralisation potential within the Wonarah exploration licences:

- BAC for Northern Territory exploration licence - A$330/km^2
- No market premium or discount factor for Wonarah phosphate properties.

Based on the Geoscientific ratings of the phosphate mineralisation prospectivity within the Wonarah exploration licences, the mineral assets are expected to have a market value that lies in the range A$2.42 M to A$3.90 M, with a preferred value of A$3.16 M. Optiro's analysis of comparable transactions suggests that Australian phosphate exploration projects similar to the Wonarah project would attract market values in the range A$300/km^2 to A$4,000/km^2. Based on the Geoscientific ratings of the phosphate mineralisation potential of the Wonarah exploration licences an average value of A$1,800/km^2 has been determined. This is within the range of values indicated by recent comparable transactions and given the size and overall prospectivity of the licences is considered reasonable.

8.2. SANDPIPER

In accordance with the instruction from BDO, Optiro has reviewed the 16 March 2012 Snowden valuation of Sandpiper and offers the following comments.

8.2.1. MINERAL RESOURCE VALUATION

Optiro reviewed Snowden's valuation of the Sandpiper Mineral Resource. As per our comment in Section 8.1.1, Optiro notes that Snowden valued the Sandpiper Mineral Resource based on a single comparable transaction – the Ngualia project transaction in Tanzania on 3 September 2008 at A$3 per P_2O_5 tonne. Snowden then applied a further political, technical and resource risk discount to determine its valuation. Optiro considers the application of political, technical and resource risks to the Sandpiper valuation inappropriate as these risks will largely have been factored into the Ngualia transaction.

As part of its review, Optiro has however updated Snowden's valuation based on the updated Sandpiper Mineral Resource announced on 18 April 2012. The resultant valuation implies a unit value of the Sandpiper Mineral Resource ranging from A$0.16 to A$0.33 per P_2O_5 tonne with a preferred value of A$0.25 per P_2O_5 tonne.

Table 8.3 Snowden's valuation of Sandpiper Mineral Resource modified for current resource figures (from Snowden)

Resource	Mt P_2O_5	Risk discount			Risked Mt P_2O_5	Valuation (A$ M)		
		Political	Technical	Resource		Low	High	Preferred
Measured	12.50	90%	50%	75%	4.22	8.44	16.88	12.66
Indicated	20.58	90%	50%	50%	4.63	9.26	18.52	13.89
Indicated	12.73	90%	50%	50%	2.86	5.73	11.46	8.59
Inferred	303.87	90%	25%	25%	17.09	34.19	68.37	51.28
Total	**349.69**				**28.81**	**57.61**	**115.23**	**86.72**

In valuing the Sandpiper Mineral Resource, Optiro considers a 50% discount to the unit price identified for the Wonarah Mineral Resource to be appropriate. This accounts for the risk associated with the water depth, the additional technical risk and the large component of Inferred Mineral Resources at the Sandpiper project. Accordingly, the Sandpiper Mineral Resource would likely attract a value in the range of A$0.22 to A$0.28 per resource tonne of P_2O_5. The implied current market value of the Sandpiper Mineral Resource therefore lies within the range of A$76.93 M to A$97.91 M with a preferred value of A$87.42 M.

8.2.2. EXPLORATION POTENTIAL VALUATION

Optiro notes that Snowden did not apply a specific valuation to the exploration potential of the Sandpiper project. Whilst the current Mineral Resource at Sandpiper is large and far greater than planned long term production, Optiro considers that the exploration package has both strategic and exploration value in addition to the current Mineral Resource.

Optiro determined Geoscientific ratings for each tenement in reference to the off-property, on-property, anomaly and geology factors for potential manganese mineralisation. The ratings for the Sandpiper project licences are listed in Table 8.4. Optiro assigned the ratings based on:

- water depth and ease of dredging mineralisation
- the known mineralised outline in the marine sediments
- coverage of the known Mineral Resource.

Table 8.4 Sandpiper project - Geoscientific rating criteria applied to phosphate mineralisation potential

Tenement	Off property factor		On property factor		Anomaly factor		Geology factor	
	Low	High	Low	High	Low	High	Low	High
EPL3323	2	2	1	1.5	1.5	1.5	1	1
EPL3415	2	2	1	1.5	1.5	1.5	0.5	0.5
EPL4009	2	2	1	1	1	1.5	1	1
EPL4010	1.5	1.5	1	1	1	1	0.1	0.5
EPL4021	1	1.5	1	1	1	1	0.9	0.9
EPL4059	1	1.5	1	1	1	1	0.9	0.9
ML170	2	2	1	1.5	1.5	1.5	1	1.5

Fair market value is the technical value (as determined by the Geoscientific ratings) plus a premium or discount to account for market, strategic considerations and special purposes. Optiro has elected not to apply a premium or discount to the valuation of the Sandpiper mineral assets.

The following assumptions have been used by Optiro in applying the Geoscientific ratings method to determine a value for the mineralisation potential within the Sandpiper exploration licences:

- BAC for Namibian exploration licence - A$220/km^2
- market factor – no premium or discount.

Based on the Geoscientific ratings of the mineralisation prospectivity within the Sandpiper exploration licences, the mineral assets are expected to have a value that lies in the range A$3.09 M to A$5.63 M, with a preferred value of A$4.36 M.

Optiro's analysis of recent phosphate transactions suggests that phosphate exploration projects similar to the Sandpiper project may attract market values in the range A$400/km^2 to A$4,000/km^2. Based on the Geoscientific ratings of the phosphate mineralisation potential of the Sandpiper exploration licences an average value of A$620/km^2 has been determined. Considering the large licence holding, this value is within the expected range of values indicated by recent comparable transactions.

8.3. SUMMARY VALUATION

Optiro has applied a number of recognised valuation methods to derive a value estimate for the mineral assets relating to the Wonarah and Sandpiper projects.

Optiro's opinion of the fair market value of the phosphate Mineral Resources and exploration potential, using the methodologies described above, is summarised in Table 8.5. The values presented are based on 100% ownership of the projects and does not take into account equity positions. Optiro has selected the values derived from the Geoscientific rating method as the preferred valuation for the exploration potential. This reflects the results obtained from the recent exploration and the geological potential in the as yet unexplored areas. Mineral resource valuations are based on a combination of comparable transactions and enterprise value ratios of comparable phosphate resource companies.

Table 8.5 Valuation summary of the phosphate Mineral Resources and exploration potential within the Wonarah and Sandpiper licences based on 100% equity

Mineral asset	Value (A$M)		
	Low	High	Preferred
Wonarah Mineral Resources	62.88	78.25	70.57
Wonarah Exploration Potential	2.42	3.90	3.16
Sandpiper Mineral Resources	76.93	97.91	87.42
Sandpiper Exploration Potential	3.09	5.63	4.36
Total	**145.32**	**185.69**	**165.51**

In this report, Optiro has determined the current fair market value of the phosphate Mineral Resources and exploration potential within the Wonarah and Sandpiper exploration licences as at 10 July 2012. Optiro's opinion of the fair market value of these assets is that it is within the range A$145.32 M to A$185.69 M, with a preferred value of A$165.51 M. The values assigned to these mineral assets are in nominal Australian dollars (A$) and were prepared with an effective valuation date 10 July 2012.

9. PREVIOUS MINERAL ASSET VALUATIONS

Snowden Mining Industry Consultants completed an Independent Valuation on the mineral assets of UCL and Minemakers on 16 March 2012 to accompany UCL's Target Statement dated 21 March 2012 in relation to the proposed takeover of UCL by Minemakers. Snowden updated its valuation on 10 May 2012 to accompany UCL's Third Supplementary Target Statement dated 11 May 2012. In accordance with the VALMIN Code and for comparison purposes, Snowden's valuations of the Wonarah and Sandpiper projects as at 16 March 2012 and 10 May 2012 are summarised in Table 9.1 and Table 9.2 respectively.

Table 9.1 Summary of previous Snowden valuation as at 16 March 2012 for the Wonarah and Sandpiper projects

Mineral asset	Value (A$M)		
	Low	High	Preferred
Wonarah Mineral Resources	26.58	53.16	39.87
Wonarah Exploration Potential	0.48	1.91	0.84
Sandpiper Mineral Resources	53.45	106.90	80.17
Sandpiper Exploration Potential	0	0	0
Total	**80.51**	**161.97**	**120.88**

Table 9.2 Summary of previous Snowden valuation as at 10 May 2012 for the Wonarah and Sandpiper projects

Mineral asset	Value (A$M)		
	Low	High	Preferred
Wonarah Mineral Resources	29.27	58.54	43.91
Wonarah Exploration Potential	0.48	1.91	0.84
Sandpiper Mineral Resources	56.87	113.74	85.29
Sandpiper Exploration Potential	0	0	0
Total	**86.62**	**174.19**	**130.04**

10. DECLARATIONS BY OPTIRO

10.1. INDEPENDENCE

Optiro is an independent consulting and advisory organisation which provides a range of services related to the minerals industry including, in this case, independent geological services, but also resource evaluation, corporate advisory, mining engineering, mine design, scheduling, audit, due diligence and risk assessment assistance. The principal office of Optiro is at 50 Colin Street, West Perth, Western Australia, and Optiro's staff work on a variety of projects in a range of commodities worldwide.

This report has been prepared independently and in accordance with the VALMIN and JORC Codes. The authors do not hold any interest in Minemakers Limited, UCL Resources Ltd, their associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Optiro's standard rates, whilst expenses are reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

10.2. QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mr Jason Froud (Principal) and Mrs Christine Standing (Principal) of Optiro.

Mr Jason Froud [BSc (Hons), Grad Dip (Fin Mkts), MAusIMM] is a geologist with over 16 years experience in mining geology, exploration, resource definition, mining feasibility studies, reconciliation, consulting and corporate roles in gold, iron ore, base metal and uranium deposits principally in Australia and Africa. Jason has previously acted as a Competent Person and Independent Expert across a range of commodities with expertise in mineral exploration, grade control, financial analysis, reconciliation and quality assurance and quality control.

Mrs Christine Standing [BSc (Hons) Geology, Grad Dip (Min Econs), MAusIMM, MAIG] is a geologist with 30 years extensive experience in the exploration and mining industry. She has been consulting in resource estimation and generating independent experts' reports since 1988, and her skills include resource evaluation studies, grade control and reconciliation work. Christine is a Principal for Optiro in Perth and is involved in independent technical reviews, audits and valuations of exploration assets.

Mr Jabulani Machukera is a geologist with 16 years experience in the mining industry. He has had practical experience in mining geology and resource estimation. Jabulani's career highlights include working at Zimplat's Ngezi Platinum mine in Zimbabwe as senior geologist where he was involved with the projects feasibility study and leading into the production phase. Jabulani's strong background in mining geology has helped him develop a keen interest in resource evaluations and geostatistics. He is focussed is the successful intergration of gestatistical analyses of data with geological knowledge to produce robust and high quality resource estimates. Jabulani is currently studying for a Master of Geostatistics with the University of Adelaide.

Mr John Westdorp is a Senior Executive with significant corporate and operational experience in the resources industry. He was previously responsible for the senior finance role within an ASX 200 company including carriage of statutory reporting, taxation and broader commercial functions. He has had exposure to complex financing, project development, operational optimisation and deal negotiation.

11. REFERENCES

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12. GLOSSARY OF ABBREVIATIONS AND TECHNICAL TERMS

Term	Explanation
Abbreviations	A$ – Australian dollars, BAC - Base Acquisition Cost, BPL - Bone Phosphate of Lime, DAP - diammonium phosphate, DAPR - direct application phosphate rock, DCF - Discounted cashflow, DSO - direct shipping ore, °C - degrees Celsius, EEL - Exclusive Exploration Licence, EL - Exploration Licence, EIA - Environmental Impact Assessment, EMPR - Environmental Management Plan Report, EV - Enterprise Value, g/t –grams per tonne, ha – hectare, IHP - Improved hard process, JVA - joint venture agreement, km – kilometre, km^2 – square kilometre, m – metre, m^3 – cubic metres, MA – million years, MAP - monoammonium phosphate , MET - Namibian Ministry of Environment and Tourism , mm – millimetre, M – million, ML – Mining Licence, MT – million tonnes, MOU - Memorandum of understanding, NPV - Net Present Value, PA - phosphoric acid, PEA - Preliminary Economic Assessment, % - percentage, RC - Reverse Circulation drilling, SG - specific gravity , SSP - single superphosphate , t – tonnes, TSP - triple superphosphate , US$ – United States dollars, WAP - Wet Acid Process.
Chemical elements	Al_2O_3- aluminium Oxide, CaO - calcium oxide, Fe_2O_3 - iron oxide, Mgo - magnesium oxide, MnO - manganese oxide, Na_2O - sodium oxide, P_2O_5 - phosphorus pentoxide, SiO_2 - silica oxide, TiO_2 - titanium oxide.
apatite	A group of phosphate minerals, usually referring to hydroxylapatite, fluorapatite, and chlorapatite.
argillite	A compact rock, derived from either mudstone or shale that has undergone a higher degree of induration but is less clearly laminated than slate.
basalt	A fine grained igneous rock consisting mostly of plagioclase feldspar and pyroxene.
basement	In general terms, older or Archean rocks which are often covered by younger rocks.
beneficiation	The process which removes the gangue minerals from ore to produce a higher grade product (concentrate), and a waste stream (tailings).
block model	A model comprised of rectangular blocks, each with attributes such as grades, rock types, codes that represents a given mineral deposit.
breccia	A detrital sedimentary rock composed of poorly sorted fragments which are all angular to sub-angular in shape, and have a particle size of greater than 2 mm.
bulk density	A property of particulate materials. It is the mass of many particles of the material divided by the volume they occupy. The volume includes the space between particles as well as the space inside the pores of individual particles.
Cambrian	The first geological period of the Paleozoic Era.
chert	A very fine grained sedimentary rock composed of silica.
composite	A sample comprised of a number of smaller samples.
concentrate	End product of the flotation process.
core	See diamond drilling.
cut-off grade	The grade that differentiates between mineralised material that is economic to mine and material that is not.
declustering	A mathematical technique for reducing bias in drillhole data.
diagenetic	A chemical, physical, or biological change undergone by a sediment after its initial deposition and during and after its lithification, exclusive of surface alteration (weathering) and metamorphism.
diamond drilling	Drilling method which produces a cylindrical core of rock by drilling with a diamond tipped bit.

Term	Explanation
dolerite	Basaltic rocks which are comparatively coarse grained.
dolomite	A carbonate rock consisting of calcium magnesium carbonate.
dolostone	A sedimentary carbonate rock that contains a high percentage of the mineral dolomite
domain	A homogenous zone within a mineral deposit consisting of a single grade population, orientation of mineralisation and geological texture.
drillhole data	Data collected from the drilling, sampling and assaying of drill holes.
feasibility study	A mining and or processing study into the economic development of a project for which the inputs have an accuracy of 5% to 10%.
Fluorapatite	The most common phosphate mineral, with the formula $Ca_5(PO_4)_3F$, and is an essential component of phosphorite ore deposits.
hangingwall	The overlying side of a fault, orebody or mine workings.
igneous	Rock is formed through the cooling and solidification of magma or lava.
Improved Hard Process	The process by which low-grade phosphate rock, petroleum coke and silica are reacted in a kiln to produce high-grade, concentrated Super Phosphoric Acid (SPA), and by-product aggregate.
Indicated Mineral Resource	'An 'Indicated Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed.' (JORC 2004)
Inferred Mineral Resource	'An 'Inferred Mineral Resource' is that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability.'(JORC 2004)
JORC Code	The JORC Code provides minimum standards for public reporting to ensure that investors and their advisers have all the information they would reasonably require for forming a reliable opinion on the results and estimates being reported. The current version is dated 2004.
limestone	A rock composed mainly of calcium carbonate or magnesium carbonate or combinations thereof.
lithology	The study and description of rocks, including their mineral composition and texture.
manganiferous	Enrichment of manganese in rocks.
Measured Mineral Resource	'A 'Measured Mineral Resource' is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity.' JORC 2004.
metallurgy	Study of the physical properties of metals as affected by composition, mechanical working and heat treatment.
Mineral Resource	'A 'Mineral Resource' is a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories.' JORC 2004.
mineralisation	The process by which a mineral or minerals are introduced into a rock, resulting in a valuable deposit.
Mining	The percentage of ore material that can be recovered once ore loss is taken into account due to the sampling or mining resolution.
mining lease	A right to operate a mine
mining licence	A right to operate a mine
Miocene	The first epoch (23 to 5.3 Ma) of the Neogene Period.
mudstone	A detrital sedimentary rock composed of clay minerals similar to shale but lacking the well-developed bedding planes.
nodules	A mineral mass that has a different composition or is more weathering resistant than its surrounding rock.
Ore Reserve	'An 'Ore Reserve' is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes

Term	Explanation
	diluting materials and allowances for losses, which may occur when the material is mined. Appropriate assessments and studies have been carried out, and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate at the time of reporting that extraction could reasonably be justified. Ore Reserves are sub-divided in order of increasing confidence into Probable Ore Reserves and Proved Ore Reserves.' (JORC, 2004)
ore zone	Zone of mineralised material.
Paleozoic	The earliest of the three geologic eras of the Phanerozic Eon spanning 542 to 251 million years ago.
Phosphate	A phoshpate, an inorganic chemical, is a salt of phosphoric acid.
Phosphorite	A non-detrital sedimentary rock which contains high amounts of phosphate bearing minerals.
Pleistocene	Geological epoch (10,000 to 2.6 Ma) following the Pliocene
reverse circulation drilling (RC)	Drilling method that uses compressed air and a hammer bit to produce rock chips.
Rock Phosphate	A non-detrital sedimentary rock which contains high amounts of phosphate bearing minerals.
search pass	A process used in grade estimation to find samples from a given point.
sedimentary	Rock forming process where material is derived from pre-existing rocks by weathering and erosion.
sediments	Loose, unconsolidated deposit of debris that accumulates on the Earth's surface.
siltstone	A detrital sedimentary rock composed of clay minerals similar to mudstone but with mostly silt-grade material (1/16 to 1/256) mm.
slurry	Liquid containing suspended solids.
stockpile	Heap of mined ore waiting to be milled.
supergene	A mineral deposit or enrichment formed near the surface.
tenement	A generic term for an exploration or mining licence or lease.
unconformity	A structural break in the geological profile representing unrecorded time.
VALMIN Code	The Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets for Independent Expert Reports (2005), sponsored by the AusIMM, the ASX, the AIG and MICA among others.
volcanic	An igneous rock of volcanic origin.
Wet Acid Process	A process that uses sulphuric acid and phosphate rock to make phosphoric acid and by-product phosphogypsum

Appendix A Rock Phosphate Mineral Resource Transactions

Project	Date	Transaction	Property	Implied value (A$/t P_2O_5)
Bayovar Project	7/07/2010	Vale S.A. sold minority stakes in the Bayovar project in Peru through the newly formed company MVM Resources. Vale sold 35% to the US based Mosaic Company for US$385 M and 25% to Mitsui & Co Ltd for US$275 M. Vale retained a 51% interest of voting shares and a 40% interest in total capital of the new company.	Bayovar is an operating phosphate rock mine located in Sechura, Piura, Peru which consist of an open pit mine with an expected production capacity of 32.9 Mt per year. Start up commenced shortly after sale.	$4.92
Paris Hills Phosphate/ Vanadium Deposit	6/11/2009	Rocky Mountain Resources Corp announced it had entered into an agreement with Stonegate Agricom Ltd to sell a 100% interest in the Paris Hills Phosphate/Vanadium Property. As consideration for the acquisition, Stonegate will pay $1,000,000 in cash and issue 6,000,000 common shares of Stonegate valued at $0.50 per common share.	The property is located in Bear Lake County in Idaho, USA near the centre of the western phosphate field which constitutes the most extensive phosphorite beds in the United States.	$0.45

Appendix B Rock Phosphate Exploration Transactions

Project	Date	Transaction	Project	Area (km^2)	Implied value (A$/$km^2$)
Dissimieux Lake, Quebec, Canada	22/02/2012	Jourdan Resources Inc announced it had acquired the remaining 33.3% interest in the Dissimieux Lake phosphate property where historical work had been completed for 2 M Jourdan shares.	The property comprises an 8.3 km^2 interest within a total of 140 km^2 near the southern margin of the La Blanche Anorthositic Complex prospective for apatite hosted phosphate mineralisation.	8	$61,277
Cardabia, WA	17/02/2012	South Boulder Mines Ltd announced it had entered a joint venture agreement with Strata Minerals Inc whereby Strata would acquire an 80% interest for A$200,000 in cash and 2.5 M shares in Strata.	The project is located approximately 1,000 km north of Perth with previously identified and widespread nodular phosphate mineralisation.	1,600	$339
Bungalien, Qld	16/02/2012	GBM Resources Limited announced the condition sale of Bungalien Pty Ltd to Swift Resources Ltd for consideration of 16 M Swift shares subject to listing upon the ASX.	The project lies in the Duchess region of Queensland, covering part of the Beetle Creek Formation of the Georgina Basin. Previous exploration has identified phosphate mineralisation.	871	$3,789
Barra, NT	15/02/2012	NuPower Resources Ltd announced it had entered into a Heads of Agreement with Fertoz Pty Ltd (FERTOZ) to earn a 10% interest in the Barra project through $100,000 of exploration commitment in the first year. NuPower may then earn a further 40% by solely funding expenditure over the next 24 months.	The Barra project (exploration license EL26915) is located approximately 260 km NNE of Alice Springs and is considered prospective for phosphate mineralisation associated with the Georgina Basin.	745	$1,341
Barkley, NT	14/02/2012	Mantle Mining Corporation Ltd announced it had entered into an Option and Sale Agreement with Mineore Pty Ltd to divest its Barkley Phosphate project for an initial fee of A$225,000 and a deferred payment of A$200,000 in Mineore shares (post listing) or $400,000 in cash should Mineore not list.	The Barkley project is located between the Wonarah and Highland Plains phosphate deposits in the Georgina Basin.	1,165	$365
Jazz Phosphate, Canada	17/01/2012	Jourdan Resources Inc announced it acquired a 100% interest in the Jazz phosphate project for consideration of C$285,000 in cash and the issue 812,500 shares.	The Jazz phosphate property is located approximately 200 km north of the town of Saguenay in the Saguenay-Lac-St-Jean region in the Province of Québec, Canada and is contiguous to Arianne Resources' advanced stage phosphate project.	28	$11,937

Project	Date	Transaction	Project	Area (km^2)	Implied value (A$/$km^2$)
Lac Lisette Phosphate Project, Quebec Canada	8/03/2011	Glen Eagle Resources Inc. announced the acquisition of the Lac Lisette phosphate property for the consideration of C$200,000 with the seller keeping a 1.5% NSR repurchaseable for C$1.5 M.	The Lac Lisette phosphate property is located 150 km north of Lac-St-Jean in the Province of Quebec and has similar airborne and geological signatures as that of the Arianne project which has an estimated phosphate deposit of 300 Mt at approximately 6% P_20_5.	72	$3,535
Langley Crossing, Pillawarra Hill and White Island, WA	27/05/2010	On 27 May 2010, Eagle Nickel Ltd entered into a Heads of Agreement with Golden Century Mining Limited whereby Eagle Nickel can acquire four exploration tenements. The consideration to be provided by Eagle Nickel is 10 M shares in Eagle Nickel and 10 M options exercisable at 20 cents on or before 1 May 2015.	The four tenements included in the transaction considered prospective for phosphate are E09/1756 (Wandagee), E08/2120 (Winning), E04/2022 (Langey Crossing) and E70/3847 (Pillawarra Hill).	720	$417
Lucena and Mata da Corda, Brazil	25/02/2010	Newport Mining Limited advised it had entered into an agreement to acquire two phosphate projects in Brazil through the issue of 10 M Newport shares and further milestone payments.	The Lucena project has an exploration target of 40 to 50 Mt at 10 to 14% P_2O_5 and the Mata da Corda project hosts outcropping mineralisation with rock chips up to 23.2% P_2O_5.	834	$2,998

Annexure 2 – Conditions to the UCL Offer

The UCL Offer and any contracts resulting from acceptance of the UCL Offer are subject to fulfilment of the following conditions.

1 **Minimum acceptance**: During, or at the end of, the Offer Period, UCL has relevant interests in at least 50.1% (by number) of all of the Minemakers Shares.

2 **Namibian Competition Commission approval**: The Namibian Competition Commission granting, without imposing any terms or conditions which would have a material adverse effect on the economic value of Sandpiper, its consent to the proposed acquisition of Minemakers by UCL in accordance with the terms of the UCL Offer.

3 **No withdrawal or non-renewal of licences**: During the Condition Period, there is no official written notification of the withdrawal of any mining or exploration licences or rights to explore or develop the tenements in relation to Sandpiper or Wonarah, or the rejection of any mining or exploration licence applications or renewals in relation to the Sandpiper or Wonarah projects or an announcement by any member of the Australian or Namibian Governments to this effect.

4 **No material acquisitions, disposals, etc**: None of the following events occur during the Condition Period:

(a) Minemakers or any other member of Minemakers acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than $250,000 or makes an announcement about such an acquisition;

(b) Minemakers or any other member of Minemakers disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than $250,000 or makes an announcement about such a disposal;

(c) Minemakers or any other member of Minemakers enters into, offers to enter into or announces that it proposes to enter into any agreement, joint venture, partnership, farm-in agreement, farm-out agreement, management agreement or commitment or involving the disposal of a legal, beneficial or economic interest in or right to, or in connection with, any mining tenements or permits held by, or applications relating to any mining tenements or permits made by Minemakers, or any other member of Minemakers, or makes an announcement about such a commitment; and

(d) Minemakers or any other member of Minemakers incurs or commits to, or grants to another person a right the exercise of which would involve Minemakers or any other member of Minemakers incurring or committing to any capital expenditure or liability for an amount in aggregate greater than $250,000, or makes an announcement about such a commitment, other than cash calls made by Namibian Marine Phosphate (Pty) Limited in accordance with the shareholders' agreement for the Sandpiper project.

5 **No prescribed occurrences**: None of the following events happens during the Condition Period:

(a) Minemakers converts all or any of its shares into a larger or smaller number of shares;

(b) Minemakers or any other member of Minemakers resolves to reduce its share capital in any way;

(c) Minemakers or any other member of Minemakers:

(i) enters into a buy-back agreement; or

(ii) resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

(d) Minemakers or any other member of Minemakers issues shares, or grants an option over its shares or agrees to issue shares or grant such an option, other than the issue of any Minemakers Shares in connection with the exercise of Minemakers Options existing as at the date of the Replacement Bidder's Statement;

(e) Minemakers or any other member of the Minemakers issues, or agrees to issue, convertible notes;

(f) Minemakers or any other member of Minemakers disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(g) Minemakers or any other member of Minemakers charges, or agrees to charge, the whole, or a substantial part, of its business or property;

(h) Minemakers or any other member of Minemakers resolves to be wound up;

(i) the appointment of a liquidator or provisional liquidator of Minemakers or any other member of Minemakers;

(j) a court makes an order for the winding up of Minemakers or any other member of Minemakers;

(k) an administrator of Minemakers or any other member of Minemakers, is appointed under section 436A, 436B or 436C of the Corporations Act;

(l) Minemakers or any other member of Minemakers, executes a deed of company arrangement; or

(m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Minemakers or any other member of Minemakers.

6 **Conduct of Minemakers' business**: During the Condition Period, none of Minemakers, or any other member of Minemakers, without the written consent of UCL:

(a) declares, pays or distributes any dividend, bonus, or other share of its profits or assets;

(b) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;

(c) makes any changes in its constitution or passes any special resolution;

(d) gives or agrees to give any encumbrance over any of its assets otherwise than in the ordinary course of business;

(e) borrows or agrees to borrow any money;

(f) releases, discharges or modifies any material obligation owed to any member of Minemakers or agrees to do so;

(g) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;

(h) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the announcement of the UCL Offer);

(i) conducts its business otherwise than in the ordinary course;

(j) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or

(k) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the *Australian Securities and Investments Commission Act 2001* (Cth) or any corresponding legislation.

7 **No action by Public Authority adversely affecting the UCL Offer**: During the Condition Period:

(a) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority (other than an Excluded Regulatory Authority);

(b) no action or investigation is instituted, or threatened by any Public Authority with respect to Minemakers or any other member of Minemakers (other than an Excluded Regulatory Authority); or

(c) no application is made to any Public Authority (other than an application by UCL or an Excluded Regulatory Authority),

which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the UCL Offer or the completion of any transaction contemplated by this Replacement Bidder's Statement (including implementation of the intentions express in the Replacement Bidder's Statement) or seeks to require the divestiture by UCL of any Minemakers Shares, or the divestiture of any assets of Minemakers or the assets of any Minemakers member company.

Note: UCL has not provided a definition for "Excluded Regulatory Authority" in its Replacement Bidder's Statement

8 **No force majeure event**: During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, hijacking, material increase in the intensity of any of the above events or other event beyond the control of Minemakers or any other member of Minemakers occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of Minemakers or any other Minemakers member company.

9 **Non-existence of certain rights**: No person has any right (whether subject to conditions or not) as a result of UCL acquiring Minemakers Shares to:

(a) acquire, or require Minemakers or any other Minemakers member company to dispose of, or offer to dispose of, any material asset of Minemakers;

(b) terminate or vary any material agreement with Minemakers or any other Minemakers member company; or

(c) accelerate or adversely modify the performance of any obligations of Minemakers or any other Minemakers member company in a material respect under any material agreements, contracts or other legal arrangements.

Annexure 3 – ASX Announcements

The following announcements have been made to the ASX concerning Minemakers since the release of its 2011 Annual Report on 25 October 2011

06/07/2012	Form 604
25/06/2012	UCL: Replacement Bidder's Statement
25/06/2012	TOV: Minemakers Limited - Declaration and Orders
21/06/2012	Appendix 3B
21/06/2012	Change of Director's Interest Notice
20/06/2012	Initial Director's Interest Notice
19/06/2012	Investor Presentation A Global Phosphate Company
19/06/2012	Sandpiper Economic Modelling Results and Proposed Work Plan
15/06/2012	MAK Minemakers Limited - Panel Accepts Further Undertaking
15/06/2012	Results of Meeting
15/06/2012	Option Exercise Prices
08/06/2012	MAK - Minemakers Limited - Panel Accepts Undertaking
07/06/2012	Appendix 3B
07/06/2012	Wonarah Update Strategic Partnership Process Commenced
06/06/2012	TOV: MAK - Minemakers Limited - Panel Receives Application
31/05/2012	Distribution Schedule and Top 20 Shareholders
30/05/2012	Appendix 3B
29/05/2012	UCL: Revised Investors Presentation
28/05/2012	UCL: Takeover Bid for Minemakers - Investor`s Presentation
28/05/2012	UCL: Takeover Bid for Minemakers - Bidder`s Statement
25/05/2012	Message from the Chief Executive
24/05/2012	UCL: MAK Offer Closes
23/05/2012	Change in substantial holding for UCL
22/05/2012	Cliff Lawrenson to commence role as Chief Executive
21/05/2012	UCL: Fifth Supplementary Target`s Statement
21/05/2012	MAK Recommends Shareholders Reject UCL`s Offer
18/05/2012	Take No Action in Relation to UCL Resources` Proposal
18/05/2012	UCL: Investor Presentation - Offer to acquire MAK
18/05/2012	UCL:1.Takeover bid for Minemakers 2.Convertible Note Funding
18/05/2012	UCL: Fourth Supplementary Target`s Statement
16/05/2012	Change in substantial holding for UCL
16/05/2012	Notice of General Meeting/Proxy Form
15/05/2012	Change in substantial holding for UCL
14/05/2012	Eighth Supplementary Bidders Statement
14/05/2012	NCC Condition Freed and Status of Conditions
14/05/2012	Change in substantial holding for UCL
11/05/2012	UCL: Third Supplementary Target`s Statement
09/05/2012	Seventh Supplementary Bidders Statement
04/05/2012	Offer Variation
04/05/2012	UCL: Takeover Bid - Defeating Condition
04/05/2012	Patersons Research Note Recommending UCL accept MAK Offer
03/05/2012	UCL: Letter to Shareholders
02/05/2012	Clarification of NCC Condition
02/05/2012	Response to the UCL Board Rejection of Increased Offer
01/05/2012	UCL: Board Recommends Reject Revised Takeover Offer
01/05/2012	Letter to UCL Shareholders
30/04/2012	Increased Final Offer for UCL
30/04/2012	UCL: Second Supplementary Target`s Statement
30/04/2012	Minemakes Appoints C Lawrenson as CEO and Managing Director
30/04/2012	Quarterly Cashflow Report
30/04/2012	Quarterly Activities Report
18/04/2012	Fourth Supplementary Bidders Statement for UCL
18/04/2012	Sandpiper Feasibility Inclusion of Economic Analysis
18/04/2012	Audio Broadcast Positive Feasibility Study Results
18/04/2012	UCL: Placement, DFS Results and Resources upgrade
18/04/2012	Positive Feasibility Study Results and Resource Upgrade
16/04/2012	Trading Halt
11/04/2012	Third Supplementary Bidders Statement for UCL
10/04/2012	ASIC Relief Obtained
04/04/2012	Extension of Minemakers` Offer
03/04/2012	UCL: Supplementary Target`s Statement
02/04/2012	DFS Received by NMP Pty Limited
02/04/2012	UCL: Definitive Feasibility Study - Received by NMP
21/03/2012	Investor Presentation
21/03/2012	UCL: Investor Presentation
21/03/2012	UCL: Board Recommends Rejection of Minemakers Offer
21/03/2012	UCL: Takeover Bid - Independent Expert`s Report

21/03/2012	UCL: Takeover Bid - Target`s Statement
20/03/2012	Appendix 3X
20/03/2012	Confirmation of Appointment of New Director
20/03/2012	Sandpiper Project DFS Update
20/03/2012	UCL: Sandpiper Marine Phosphate DFS update
19/03/2012	Clarification of Press Speculation Regarding NMDC
12/03/2012	UCL: Audio Broadcast - Response to MAK t/o offer
09/03/2012	UCL: Takeover Bid - Letter to Shareholders
08/03/2012	Takeover Offer for UCL 2nd Supplementary Bidders Statement
08/03/2012	Amended Half Year Accounts
08/03/2012	Half Year Accounts
06/03/2012	Bidders Statement Completion of Despatch and BRR Inverview
05/03/2012	Change in substantial holding for UCL
02/03/2012	UCL: Takeover Bid - Major Shareholders Clarification
02/03/2012	UCL: UCL largest shareholder rejects MAK`s unsolicited offer
01/03/2012	Takeover Offer by Minemakers Limited for UCL Resources
29/02/2012	Sandpiper Phosphate Project Resource Upgrade
29/02/2012	UCL: Sandpiper Marine Phosphate Resources Upgrade
22/02/2012	UCL: Takover Bid - Letter to Shareholders
21/02/2012	UCL: MAK Takeover Bid - Correction to Earlier Announcement
21/02/2012	UCL Resources Rebuffs Minemakers Takeover Bid
20/02/2012	Appendix 3B
20/02/2012	Takeover Offer by Minemakers Limited-Bidders Statement
20/02/2012	Retraction of Appendix 3X
16/02/2012	Appendix 3X
16/02/2012	Completion of Recovery of Investment in BCD Resources NL
14/02/2012	BCD: Convertible Note Redemptions
13/02/2012	Clarification to Announcement
13/02/2012	UCL: Minemakers Limited - Takeover Proposal
13/02/2012	Investor Presentation
13/02/2012	Minemakers Announces Proposal to Acquire UCL Resources
09/02/2012	New Board Appointment
03/02/2012	Response to ASX Price and Volume Query
31/01/2012	Quarterly Cashflow Report
31/01/2012	Quarterly Activities Report
20/01/2012	Sandpiper Project Final Laboratory Based Testwork Results
20/01/2012	UCL: Sandpiper Final Laboratory Report
17/01/2012	Audio Broadcast Corporate Profile Video
16/01/2012	Appendix 3B
13/01/2012	UCL: NMP EIA and EMP lodged
13/01/2012	Sandpiper Project Namibia Lodgement of EIS ad EMP
10/01/2012	Appendix 3B
03/01/2012	Appendix 3Z
21/12/2011	Audio Broadcast
01/12/2011	Appendix 3B
29/11/2011	Audio Broadcast AGM Presentation
28/11/2011	Wonarah Enabling Study Confirms Economic Potential
25/11/2011	Results of Meeting
25/11/2011	Minemakers Board and Executive Changes
25/11/2011	Investor Update Annual General Meeting
24/11/2011	Section 708A Notice
24/11/2011	Appendix 3B
22/11/2011	Minemakers Secures $15M Equity Facility
14/11/2011	Audio Broadcast
07/11/2011	Appendix 3B
04/11/2011	Sandpiper Phosphate Project Namibia Pilot Plant Progress
04/11/2011	UCL: Sandpiper Project - Pilot Plant Progress
31/10/2011	Quarterly Cashflow Report
27/10/2011	Quarterly Activities Report
25/10/2011	Notice of Annual General Meeting/Proxy Form

Corporate directory

Minemakers Board of Directors

Cliff Lawrenson, Chief Executive Officer and Managing Director

Andrew Drummond, Executive Chairman

Dennis Wilkins, Finance Director

Edward (Ted) Ellyard, Non-executive Director

Richard O'Shannassy, Non-executive Director

Richard Block, Non-executive Director

Company Secretary

John Ribbons

Registered Office

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West Perth WA 6005

Principal Office

Level 2, 34 Colin Street
West Perth WA 6005

Financial Adviser

Azure Capital
Level 34, Exchange Plaza
2 The Esplanade
Perth WA 6000

Legal Adviser

Corrs Chambers Westgarth
Level 15, Woodside Plaza
240 St Georges Terrace
Perth WA 6000

Share Registry

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