UCL Resources Limited

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Tuesday, 31 July 2012

Company Announcements Office
Australian Securities Exchange

QUARTERLY ACTIVITIES STATEMENT
FOR PERIOD ENDED
30 JUNE 2012

ASX Code: UCL
Recent Announcements:
- DFS received
- Share Placement with MB Holdings
- DFS results and Measured Resource upgrade
- Share placement & Rights Issue
- UCL Takeover Bid for Minemakers & Convertible note funding
- MAK takeover offer closes
- Rights Issue Results

Issued Capital:
Ordinary Shares 100.6m
Top 40 Shareholders:
Hold 88.05%
Largest Shareholders:
- Twynam Agricultural Group Pty Limited
- Mawarid Mining LLC
- Minemakers Limited
- JP Morgan Nominees Australia Limited
- Donwillow Pty Limited

Directors:
Ian Ross
Gida Nakazibwe-Sekandi
Steve Gemell
Mohammed Al Barwani
Chris Jordinson
Company Secretary:
John Lemon

HIGHLIGHTS

Namibian Phosphate (Sandpiper Project)

- Definitive Feasibility Study ("DFS") received
- DFS confirms that the Sandpiper Project is technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders
- Measured Resource upgrade
- Marketing plan continued
- Preliminary debt discussions advanced

Mehdiabad Project

- UCL Resources Limited's ("UCL") representatives have continued to negotiate with the Iranian authorities to seek a mutually beneficial solution to the ownership issues.

Corporate

- Cash - A$2.8 million on hand;
- 15% Share Placement with MB Holding concluded
- Underwritten Rights Issue concluded
- Unsuccessful takeover offer to UCL Shareholders by Minemakers Limited ("Minemakers") closed
- UCL announced scrip and cash takeover offer for Minemakers
- Funding for cash offer for Minemakers Shares by way of convertible note
- Dr Mohammed Al-Barwani appointed to UCL Board

Important post-quarter events

- Replacement Bidder's Statement for Minemakers offer announced and mailed to Minemakers shareholders
- Minemakers has sold 2.74% of its shareholding in UCL since 6 June 2012

Introduction

UCL Resources Limited ("UCL" or "the Company") is focused on:

1. exploration and development of the offshore Namibian - Sandpiper Marine Phosphate Project ("Sandpiper Project") with joint venture partners Minemakers Limited (ASX & TSX: "MAK", NSX: "MMS") ("Minemakers") and Tungeni Investments cc (Namibian joint venture partner) ("Tungeni") through the joint venture company Namibian Marine Phosphate (Pty) Ltd ("NMP"); and
2. ongoing negotiations with the Iranian authorities to seek a mutually beneficial solution to the ownership issues relating to the Mehdiabad Project.

Namibian Marine Phosphate Project ("Sandpiper Project" or "the Project")

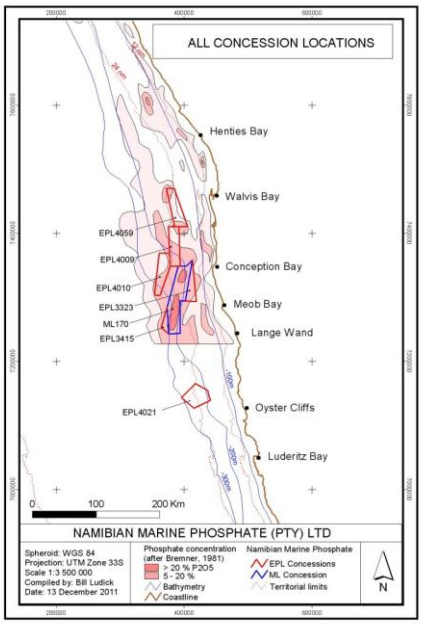
Introduction

The Sandpiper Project is located offshore from the Namibian coast and is held by the joint venture company, NMP. NMP is owned by UCL (42.5%), Minemakers (42.5%) and Tungeni (15%).

During the June 2012 quarter UCL made a number of announcements in relation to the advancement of the Sandpiper Project. These included:

- ✓ Definitive Feasibility Study ("DFS") received
- ✓ DFS confirms that the Sandpiper Project is technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders
- ✓ Measured Resource upgrade

The Sandpiper Project is comprised of an extensive submarine deposit of phosphatic sand, mixed with seashells and mud, lying on the sea bed approximately 60 kilometres off the coast of Namibia.



This deposit was initially discovered in the 1970's but was not commercially developed due to economic and technical constraints at that time. Over the past four years changes in the phosphate market as well as advances in dredging technology have enabled NMP's team and consultants to develop the Sandpiper Project concept based on a relatively simple beneficiation process which allows recovery of a commercially acceptable phosphate concentrate from the phosphatic sands. NMP has conducted intensive sampling and testing of this beneficiation process, including pilot plant testing at the Mintek facility in

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Johannesburg, South Africa to demonstrate the technical and commercial viability of the project.

Initially it is intended that the phosphate concentrate produced will be sold to the agricultural industry to be used for direct application on soil and to third party fertilizer manufacturers for input into refined products. Consequently, the DFS has been limited to examining the production of beneficiated phosphate concentrate. However, as Namibia's infrastructure develops, it is intended that NMP will assess the opportunity to develop a downstream processing operation (i.e. fertilizer and phosphoric acid production), which could occur in-country.

DFS results and Resources Upgrade

Bateman delivered the DFS Report to NMP for the Sandpiper Project on schedule at the end of the March 2012 quarter.

Definitive Feasibility Study

The DFS builds on the scoping study undertaken by NMP in October 2010 ("Scoping Study"). It confirmed that the Sandpiper Project is technically feasible and, subject to certain qualifications set out below, has the potential to be a long life project capable of delivering strong investment returns to shareholders, and that it has the potential to be a long life project capable of delivering strong investment returns for NMP's shareholders.

As a result of the work carried out as part of the DFS, NMP also advised an increase in the estimate for the Measured Resource category from 4.1 Mt at 20.5% P_2O_5 to 60 Mt at 20.8% P_2O_5 (at a 15% P_2O_5 cut-off). Further details are outlined below.

Key economic outcomes

The key economic outcomes in UCL's opinion, using the UCL base case of the DFS for the Sandpiper Project include:

Item	Units	Value	Qualifications
Mine life	Years	20	
DFS accuracy	+/-	-5%/+15%	
Annual steady-state processing throughput	Mtpa	5.0	
Annual steady-state concentrate production	Mtpa	3.0	
Life of mine production	Mt	57.4	
Pre-production capital costs in DFS	US$ million	US$326.3m	
Pre-production capital costs, including Desalination Plants estimate	US$ million	US$355.0m	
Life-of-mine average concentrate sales price[1]	US$ / tonne concentrate	US$105.1/t	(1)
Average steady state cash unit operating cost	US$ / tonne FOB Walvis Bay	US$59.7/t	
Royalty rate	%	2.0%	
Namibian corporate tax rate	%	36.0%	
Discount rate	% post-tax real	10.0%	
Project NPV (geared)	US$ million	US$297.1m	(1&2)

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Project IRR (geared)	%	23.6%	(1&2)
Payback (ungeared following commencement of production)	Years	3.5 years	(1&2)

[1]Detailed pricing assumptions are provided below.
[2] Assuming the requirement for a reverse osmosis desalination plant at a cost of US$28.7m.

Figures are presented in US$ in real terms assuming a base date of March quarter 2012, unless otherwise stated. The results reflect 100% of the Sandpiper Project and are stated on a geared basis, given the preliminary indications of possible bank funding. Please note that the fresh water requirements are now anticipated to be in excess of the determined source and there is a requirement for an additional source. NMP is currently evaluating a Reverse Osmosis Desalination Plant which is estimated to cost in the order of US$28.7m.

Resource upgrade

Based on the resource development work undertaken through the DFS, the Mineral Resource estimates for the Sandpiper Project have been prepared by independent geostatistical consultant Dr A. Annels, FIMMM, C.Eng at a 15% P_2O_5 cut off. As a result of recently completed work as of 15 April 2012, the Measured Mineral Resource estimate has been increased significantly to 60 Mt at 20.83% P_2O_5. The current mineral resource estimates for the Sandpiper Project are as follows:

Category	**Tenement**	**Mt**	**% P_2O_5**
Measured Resource (within the Initial Target Recovery Area)	ML170	60	20.8%
Indicated Resource (within the Initial Target Recovery Area)	ML170	105	19.6%
Indicated Resource (outside the Initial Target Recovery Area)	ML170	62	20.6%
Total Measured & Indicated	**ML170**	**227**	**20.2%**
Total Inferred	**ML170, EPL 3323, EPL3415**	**1,607.8**	**18.9%**

The Initial Target Recovery Area (approx. 16km x 8km) lies at the northern end of the 2,233 km^2 ML170 area, at water depths of less than 225 metres.

The production target for the assumed initial mine life of 20 years in the DFS is taken from the combined Measured and Indicated Resources defined within the Initial Target Mining area in ML 170.

NMP and its shareholders believe that a sufficient proportion of the Measured and Indicated Resource will be converted to Proven and Probable Ore Reserves to support the proposed production rate for a 20 year mine life, for the following reasons:

- The proposed mining area has an estimated Measured and Indicated Mineral Resource base of 165 Mt (compared to DFS mining the part of the mineral resource of 100 Mt used in calculating the DFS);
- Previous conversion of Inferred Resources to Indicated Resources (109.5 Mt to 146.4 Mt), and subsequently to Measured and Indicated Resources (to 165 Mt) in the proposed mining area has occurred at greater than 100% conversion rate;
- Based on the testwork done to date, NMP sees no reason why further lateral testing of the Mining Lease in the proposed mining area should not result in further conversion of Mineral Resources from the Indicated to Measured categories; and
- The deposit is broadly homogenous (except for minor variations in grade), flat lying and lies on or close to the sea floor. Furthermore, unlike conventional open-cut mining techniques, the hopper dredging program envisaged for the Sandpiper Project is not expected to have any internal dilution or require recovery beyond the confines of the

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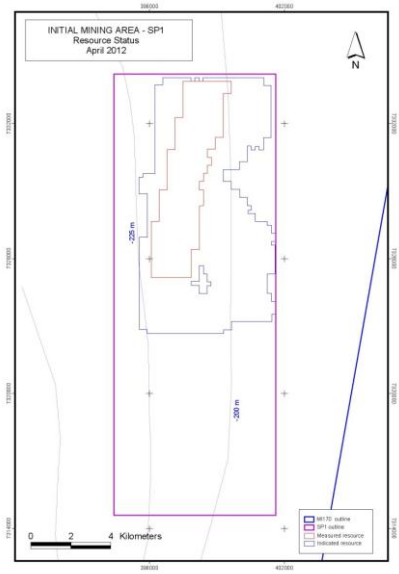
deposit. Accordingly a pit or mine design that is normally required for the estimation of an Ore Reserve is not required to be made in this case.

Estimation of Ore Reserves based on the current Measured and Indicated Resources is expected to be released in August 2012.

The aim of the resource upgrade was to satisfy the requirements of potential debt financers (banks) by delineating sufficient Measured Resources to support the dredging rate of 5Mtpa required to maintain full production of 3 Mtpa concentrate for at least the initial 10 years.

The Mineral Resource estimates have been prepared in compliance with JORC and NI 43-101 standards. A 2D Inverse Distance Weighting ("IDW") method (to the power 3) was used to interpolate thicknesses, grade, specific gravities and moisture content for 200m N-S x 200m E-W blocks. Extrapolation has been constrained by the search parameters used. The dimension of the search areas were controlled by examination of the distribution and trends of data, the numbers of samples captured and the results of current geostatistical studies.



Initial target Recovery area showing the defined areas of Measured and Indicated Resource to support the DFS production plan

Overview of proposed process flow

The production of phosphate concentrate from the Sandpiper Project is expected to occur in the steps outlined below.

Dredging and unloading

The phosphate sediment will initially be dredged from the ocean floor building up over 3 years to a rate of approximately 5.0 Mtpa, using a trailing suction hopper dredge with an extended dredge arm to reach water depths initially to 225 metres. An existing dredge with an operating water depth capacity of 165metres will be modified to allow dredging to 225 metres. This modification project represents a technical risk for the project, but NMP believes that it is a low risk. During dredging operations the hopper dredge, when full, will steam to a position south of Walvis Bay where it will discharge the material ashore into a buffer pond located to the south of an existing mining licence for a salt production project. The dredge vessel will use a submerged temporary pipeline attached to an anchored buoy for unloading. The excess sea water pumped ashore will discharge from the buffer pond back to the sea via the same pipeline.

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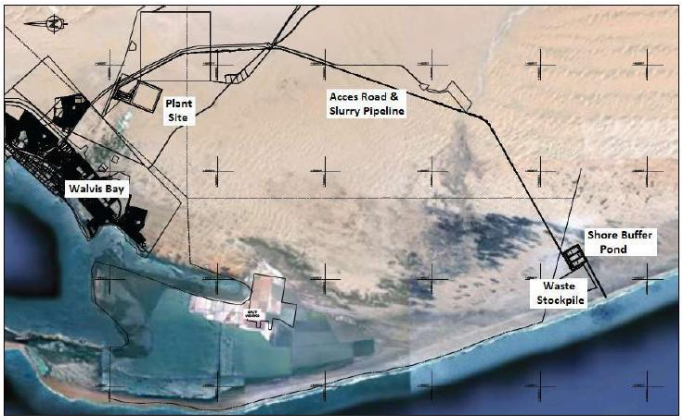


Proposed Walvis Bay project layout - screening at buffer pond and transport to process plant

The phosphate material will be reclaimed as slurry from the buffer pond again by a dredging system and the plus 1mm coarse fraction shells will be screened out and stockpiled near the buffer pond. The minus 1mm phosphate sands and mud will be slurried and pumped via a 27 kilometre pipeline to the process plant site located approximately 6 kilometres 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 does not form part of the DFS.

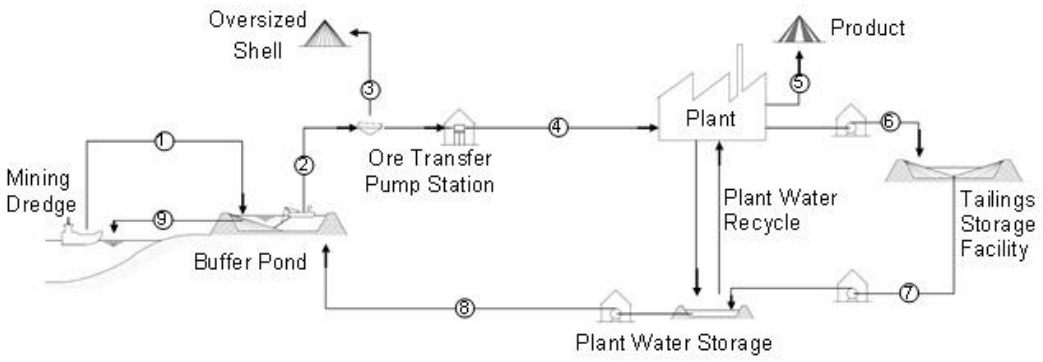
Processing and export

At the planned processing plant site the slurry will be sized and attritioned (or polished) using sea water to produce phosphate concentrate, during which the fines material (clay, mud and shell grit) will be removed by hydrocyclones and 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 phosphate concentrate will then be filtered and washed in fresh water to remove sea salt. Initially Walvis Bay municipal grey water will be used, but a small reverse osmosis desalination plant will be required to be built during the ramp-up phase to achieve the proposed steady-state production rate of 3.0 Mtpa (the estimated capital cost is US$28.7 million). The spent wash water will be recycled and finally sent back to the buffer pond with the excess process sea water and re-used if needed, or discharged back into the sea along with any other excess sea water.

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 sea water from the beneficiation process will be pumped back to the buffer pond site.



Overview of slurry and water handling system

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Product marketing and pricing

Demand for phosphate rock is driven primarily by the demand for phosphate fertilizers, 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 fertilizers 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 of consumed within the country of production.[2]

CRU Strategies ("CRU"), an independent market expert, has completed a comprehensive marketing study as part of the DFS. Based on the conclusions of this report, NMP is targeting to produce and sell 3.0 Mtpa of phosphate concentrate grading approximately 27.5% - 28% P_2O_5 from the Sandpiper Project, comprising:

- 1.0 Mtpa into the direct application phosphate rock ("DAPR") market;
- 1.0 Mtpa to manufacturers of single superphosphate ("SSP"); and
- 1.0 Mtpa to manufacturers of phosphoric acid ("PA").

DAPR Market

CRU has confirmed that the proposed concentrate is suited for the DAPR market. Whilst the global traded market for DAPR is approximately 3 Mtpa, some key suppliers of the product are expected to exit the market over the medium term, thereby opening up marketing opportunities for Sandpiper Project product.

SSP Market

CRU has confirmed that whilst the Sandpiper Project product is slightly lower grade than other competing products in the SSP market, its higher solubility should partially offset this and should lead to demand from countries such as Brazil and India in the SSP market.

PA Market

The global PA market currently trades approximately 25 Mtpa of phosphate rock on an annual basis and therefore represents a sizeable potential market opportunity for Sandpiper Project product.

Independent testwork has confirmed that 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 Project product.[3] In estimating future prices for the Sandpiper Project, CRU have determined discounts to the Bayovar price based on comprehensive value-in-use analysis across each of the three target market segments.

[2] CRU Strategies, March 2012

[3] Bayovar commenced production in 2010, and consequently long term historical prices are not available.

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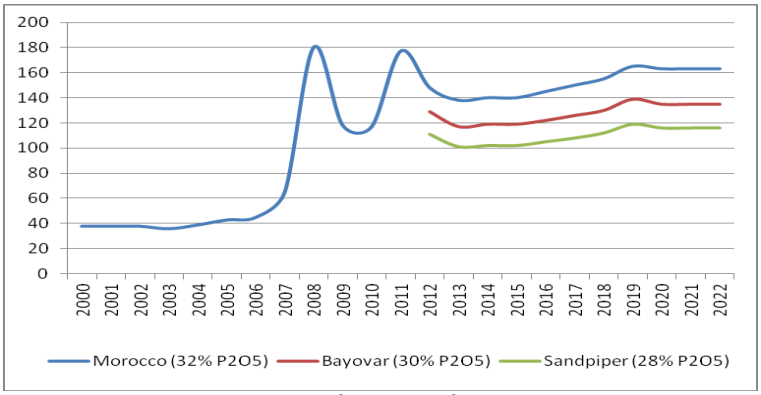

P_2O_5 price comparison

CRU provided a number of prices which UCL has adopted in the 3 financial models:

1. Low case – a 2014 nominal price of US$119, which after applying inflation rates of 2% from 2012 equated to US$114
2. Base case – the 2014 nominal price of US$119, which UCL believes is most likely based on supply and demand
3. High case – the 2012 nominal price of US$129

In addition CRU recommended that NMP apply the following discounts to the product range, which UCL included in the 3 financial models:

- DAPR – 5%
- SSP – 9.9%
- PA and blend material – 20%

Capital cost estimate

The DFS capital cost estimate for the Sandpiper Project is US$326.3 million (in March 2012 prices). This estimate is broken down as follows.

Construction	**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 (excl. R/O plant)	**326.3***

Area	**US$ million**
Dredging	5.3
Buffer ponds	38.6
Reclaim	5.1
Screening	3.3
Pumps and pipeline	42.1
Process plant	96.0
Tailings facility	24.1
Power	15.6
Roads	13.1
Logistics	17.7
Sub total	**260.8**
EPCM	23.5
Contingency and ancillary	42.1
Total (excl. R/O plant)	**326.3***

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*As noted above, current fresh water requirements indicate that a small reverse osmosis desalination plant is required to be built during the ramp-up period, for which capital costs have been estimated at US$28.7m.

Optimisation of this estimate is now in progress and will continue during the detailed front-end engineering and design ("FEED") work, with the aim of identifying savings.

The working capital requirement for the Project base case prior to it generating positive cash flows is estimated to be in the order of US$86.0m, which includes financing costs and the cost of the first campaign dredge cycle to provide the process stockpile.

There are several areas in which significant capital savings may be identified, and these include the following:

- Undertaking staged construction of tailings storage facilities on an as-needed basis. The DFS costs include a single stage construction to cover the entire 20 years of operation, which is not general industry practice.
- Being able to move the buffer pond closer to the beneficiation plant which should result in reduced capital expenditure due to a shorter pipeline, smaller pump sizes and power requirements.

Comparison to Scoping Study Outcomes

The DFS capital cost estimate is significantly higher than the capital cost estimate presented in the Scoping Study of US$144 million. The key drivers of this are shown in the table below:

Item	Impact	Estimated capital cost impact (US$ million)
Primary screening relocated from the process plant site to the reclamation area	Additional power, water and civils required to be included in the process design	US$5.5m
Buffer pond moved further south than original location (to accommodate existing salt works) and re-routing of pipeline due to archaeological considerations	Pipeline length increased from 16km to approximately 27km, with consequent additional pumping capacity, extended piping and greater energy requirements	US$27.8m
Lining of dams for environmental and geotechnical purposes	Reclamation and tailings ponds required re-engineering, including the costs of lining	US$8.3m
Final product drying	Commercial dryer installed in DFS design to reduce shipping moisture content to 3%	US$5.8m
Road between the Plant and buffer pond	Required for access and maintenance	US$15.7m
Final product storage at processing plant and port	Covered storage required at processing plant and port of Walvis Bay due to wind	US$24.4m
General civils and infrastructure	Underestimated in Scoping Study largely due to adjustments of processing sites and layouts	US$78.9m
Other	Power Supply	US$15.6
Total		**US$182.0m**

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Operating cost estimate

Steady-state unit operating costs are estimated at approximately US$59.67/tonne of concentrate for the life of the mine (at 2012 prices), which is on par with the Scoping Study estimate of approximately US$58/tonne of concentrate. A detailed breakdown of the DFS unit operating cost estimate is shown in the table below:

Operating Cost Item	US$ / tonne (2012 prices)
Labour	1.44
Flocculant	0.97
Water	1.42
Power	5.84
Fuel (other than Diesel)	7.95
Diesel	0.79
Mining	36.27
Logistics	2.51
Maintenance	2.44
Miscellaneous	0.04
Total	**US$59.67/t**

In addition to the above, NMP expects to pay royalties to the Namibian Government at a rate of 2%, per tonne of concentrate.

It is expected that production of concentrate will ramp up progressively from 1.0 Mtpa in Year 1 to full capacity of 3.0 Mtpa in Year 3. As a consequence, unit operating costs for the first two years during the ramp-up phase will be significantly higher than shown above.

Approvals and land applications

Prior to 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 DFS consultants and will be submitted to the MET prior to the end of May 2012.

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 for a servitude (ie. 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.

Debt funding

NMP and its shareholders have commenced discussions with potential financers in relation to the Project's debt funding requirements and have mandated Wimmer Financial LLP as financial adviser for this process. A number of meetings have already been held with prospective financiers and non-binding, preliminary and indicative term sheets have been received. Follow-up meetings will shortly be held with these parties.

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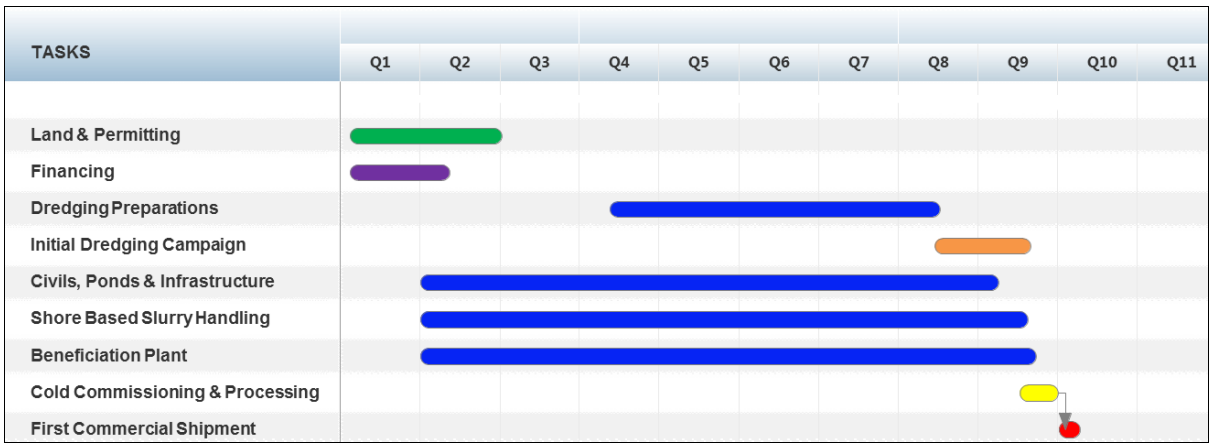
Construction and commissioning timetable

Once a development decision has been made and financing for the Project has been secured, the project schedule developed as part of the DFS indicates that completion of construction and commissioning of the Project will take a further 24 months to the sale of first product as outlined below:



Sandpiper Project development schedule

Benefits for Namibia

The Erongo Region and Namibians in the greater economy will benefit from a number of direct and indirect economic benefits from the development of the Sandpiper Project based on the base case. These include but are not limited to:

1. Employment
   The employment of Namibians will be in two phases:
   - Development and Construction phase – in the order of 400 - 500 jobs will be created
   - Operating phase – 150 employees on a fulltime basis and with the requirement for industry support services a further 150 to 200 jobs will be created, totaling in the order of 350 jobs

   An integral part of the employment process will be the education, training and up-skilling of Namibians working at the Sandpiper Project.

2. Royalties and Taxation
   The Namibian Government will derive significant revenue from the project including:
   - A 2% Revenue based royalty, which over the current mine life is estimated to be in the order of N$928m (US$120m)
   - Company taxation based on the profits from the project, which over the current mine life is estimated to be in the order of N$6.3bn (US$821m)
   - Employee tax deductions.
3. Social
   Through the exploration and feasibility stages of the Sandpiper Project, NMP established and continued to develop a reputable corporate social responsibility program, which is focused on education at the regional level. NMP will continue to develop the corporate social responsibility program expanding into further education and community social programs at both a regional and national level.
4. Environmental
   NMP has a transparent Environmental Policy and through the Environmental Impact Assessment ("EIA") and the ongoing Environmental Management Plan Report ("EMPR") NMP will work with the local communities to ensure the preservation of the Namibian environment.

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Future Work

The work programme for the NMP Joint venture is as follows:

- complete the upgrade of Mineral Resources to Ore Reserves;
- finalise the Independent test work on Sandpiper Project concentrate for phosphoric acid production;
- Optimise capex and final front end engineering design;
- negotiate contracts for dredging, EPCM, and key staff positions;
- construct the extended dredge arm by Jan De Nul;
- continue discussions with potential off-take parties to establish interest for sale of the Namibian concentrate for producing either phosphoric acid or SSP;
- continue the follow up from the terrestrial environmental public scoping meetings held in Windhoek and Walvis Bay;
- continue discussions with regard to the available financing options for the development of the project; and
- sustain an effective dialogue with key stakeholders in Namibia to update them on progress of the project

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Mehdiabad Base Metal Project

Background

The Mehdiabad Project is carried on by UCL, Karoun Dez Dasht("KDD") and Itok GmbH ("Itok") through an incorporated Iranian joint venture company, Mehdiabad Zinc Company ("MZC"). UCL has to date invested in excess of US$16.8 million on exploration and feasibility activities relating to the Project.

As previously advised, IMIDRO purported to terminate several agreements governing the Project in December 2006. UCL stated then, and is still firmly of the opinion, that the agreements were invalidly terminated. Since that time UCL has been negotiating with various Iranian parties in an effort to resolve the impasse and progress the Project. At the same time, UCL has been exploring the possibility of resolving the matter through arbitration and has made initial preparations for instituting arbitration proceedings should that become necessary.

In line with the announcement to the ASX by UCL dated 21 February 2011 MZC has continued to negotiate a Memorandum of Understanding ("MOU") with IMIDRO, as agreed at the meeting held on 21 December 2010 at the Office of the President (Iran).

During the Quarter

UCL Representatives continued to seek a resolution to the ongoing issues that have placed the Mehdiabad Zinc Project on hold. The negotiations and discussions are ongoing but with no resolution having been reached at the date of this report.

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Corporate

Cash position

The Company has A$2.8 million cash on hand and post the end of the quarter UCL completed the Underwritten Rights Issue, raising an additional A$2.3 million.

MOU with MB Holding Company LLC for a 15% Placement and Rights Issue

On 18 April 2012 the Company announced that MB Holding Company LLC ("MB Holding"), entered into a non-binding Memorandum of Understanding ("MOU") with UCL to take a Placement of 15% in the Company post a rights issue to be undertaken by UCL in the near future.

On 10 May 2012 UCL announced the placement of 12,121,061 shares representing 15 percent of the outstanding issued shares of UCL to Mawarid Mining LLC ("Mawarid"). This new cornerstone investor paid A$0.30 cents a share, at a premium (9.0%) to the share price which at close of business on 8th May 2012 was A$0.275 cents per share, to raise A$3,636,318, before costs.

In order to provide shareholders with the opportunity to participate in this issue on an equal basis with Mawarid, UCL announced a fully underwritten Rights Issue of one share for every twelve shares held at A$0.30 cents a share to raise a further $2,297,978.

The Company's 1 for 12 non-renounceable rights issue closed on 26 June. Results of the Rights Issue were announced on 29 June 2012. Under the rights issue the Company sought to raise up to $2,297,878 from eligible shareholders. Application funds totalling $327,525.30 were received and therefore the issue was undersubscribed by $1,970,353.20. The rights issue shortfall was taken up by Mawarid pursuant to the terms of the Company's underwriting agreement with Mawarid.

Minemakers Limited takeover offer closes

Minemakers lodged a substantial shareholder notice on 23 May 2012 which showed that through its takeover offer for UCL it had received 4,051,719 acceptances, increasing its holding in UCL from 13.1% to 15.76% with a holding of 14,642,534 shares in UCL.

During June 2012 Minemakers was an active seller of UCL shares and as at 30 July 2012 had reduced its shareholding in UCL by 2.74%, holding 14,241,631 shares (14.16% of UCL's issued shares).

UCL scrip and cash takeover offer for MAK

On 18 May 2012, UCL announced a scrip and cash offer to the shareholders of MAK to acquire all their shares by way of an off-market takeover bid. UCL's Replacement Bidder's Statement was finally despatched to MAK shareholders on 20 July following Takeovers Panel proceedings in relation to the Bidder's Statement.

Under the offer MAK shareholders will receive:

1 UCL share for every 1.6 MAK share held; plus
4.5 cents cash for every MAK share held

The takeover offer implies a value of A$0.208 per MAK share and represented a 6.4% premium to the closing price of MAK shares on Thursday, 17 May 2012.

Director Appointment

On 21 May 2012 UCL announced the appointment of Dr. Mohammed Al-Barwani as a Non-Executive Director of the Company.

Dr Al-Barwani is founder and Chairman of MB Holding Company LLC ("MB Holding"). He has a Bachelor's Degree in Science from the Miami University, Ohio, USA and was awarded a

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Masters Degree and PhD in Petroleum Engineering from Herriott-Watt University, Edinburgh, UK.

Dr Al-Barwani worked as a petroleum engineer for Petroleum Development Oman from 1976 to 1986. He founded MB Petroleum Services in 1986, Petrogas in 1999, Mawarid Mining in 1987, and acquired Oceanco in 2010. Today MB Holding is the parent company of a number of companies with wide ranging interests in Oilfield services, Exploration and Production of hydrocarbon, Minerals and Investments (www.mbholdingco.com) . The Group has operations in 20 countries, has 6,800 employees and generates annual revenues in excess of US$1.2 billion. Dr Al-Barwani is also the Chairman of Musstir, a property, hotels and resorts development company.

Dr Al-Barwani is a non-executive Chairman of two publically traded companies Transgulf Holding and Al Madina Insurance, and is a member of the Board of Oman Air (the National airline), was formerly a member of the Boards of National Bank of Oman (1986-2005), Shell Oman Marketing Company (1987 – 2005) and Taageer Leasing Company (2001-2006).

Dr Al-Barwani is the Honorary Consul of the Republic of Poland to the Sultanate of Oman. He is a member of the Sea-keepers International, a group dedicated to the protection of the Ocean's eco-systems and its environment.

He was conferred "COMMADEUR" IN DE ORDE VAN ORANGE-NASSAU by Her Majesty the Queen of The Netherlands in January, 2012.

For further information, please contact:

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Competent Person Statement

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

Cautionary Statement Regarding Forward-Looking Information

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