



ABN 48 116 296 541

## EXCHANGE RELEASE

---

### MINEMAKERS ANNOUNCES PROPOSAL TO ACQUIRE UCL RESOURCES

---

13 February 2012

#### Summary

- Under the Offer, UCL shareholders to receive 9 Minemakers shares for every 10 UCL shares held, implying a value of AUD 30.2 cents per UCL share<sup>1</sup>
- The Offer represents highly attractive value for UCL's assets, and is made at a substantial premium to UCL trading prices
- The Offer provides the opportunity for UCL shareholders to obtain a shareholding in a significantly larger company with greater liquidity
- The larger combined entity will be better placed to secure competitive project financing, accelerate development and unlock the potential value of the Sandpiper marine phosphate project in Namibia
- UCL shareholders will retain exposure to the Sandpiper marine phosphate project, as well as gain scale and diversification through exposure to Minemakers' other assets
- Minemakers' existing 13.1% stake in UCL reduces the likelihood of a rival offer

---

Minemakers Limited ("**Minemakers**") (ASX and TSX: MAK, NSX: MMS) announces a proposal to acquire all of the outstanding shares in UCL Resources Limited ("**UCL**") (ASX: UCL), by way of an off-market takeover bid ("**Offer**"). UCL is Minemakers' joint venture partner in the Sandpiper marine phosphate project in Namibia ("**Sandpiper Project**").

Under the Offer, UCL shareholders will receive 9 Minemakers shares for every 10 UCL shares held, implying a value of AUD 30.2 cents per UCL share, based on the Minemakers closing share price of AUD 33.5 cents per share on 10 February 2012.

Minemakers currently owns approximately 10.59 million shares in UCL, representing 13.1% of the total shares on issue in UCL.<sup>2</sup> Minemakers and UCL are each 42.5% shareholders in Namibian Marine Phosphate (Pty) Limited ("**NMP**"), a joint venture company which owns the Sandpiper Project.<sup>3</sup>

Minemakers believes the Offer represents highly attractive value for UCL's assets and is at a substantial premium to historical UCL trading. At AUD 30.2 cents per UCL share, the Offer represents a:

- **58.7% premium** to UCL's last closing price of AUD 19.0 cents per share on 10 February 2012
- **61.6% premium** to UCL's 1-month Volume-Weighted Average Price ("**VWAP**") of AUD 18.7 cents per share on 10 February 2012
- **51.5% premium** to UCL's 3-month VWAP of AUD 19.9 cents per share on 10 February 2012

---

<sup>1</sup> Based on the Minemakers' closing share price of AUD 33.5 cents per share on 10 February 2012.

<sup>2</sup> Undiluted.

<sup>3</sup> The other 15% of NMP is held by Tungeni Investments cc, a Namibian company.

---

#### MINEMAKERS LIMITED

ABN 48 116 296 541  
ASX Code: MAK / NSX: MMS  
Level 2, 34 Colin Street  
West Perth Western Australia 6005  
Phone: +61 8 9264 7000  
Facsimile: +61 8 9264 7099  
Website: [www.minemakers.com.au](http://www.minemakers.com.au)

#### CONTACTS

**Mr Andrew Drummond**  
Executive Chairman  
Minemakers Limited

#### Mr John Gardner

Magnus Investor Relations Corporate  
Communication  
Level 1, 35 Richardson Street  
West Perth Western Australia 6005  
Phone: +61 8 9212 0101  
Mobile: +61 413 355 997

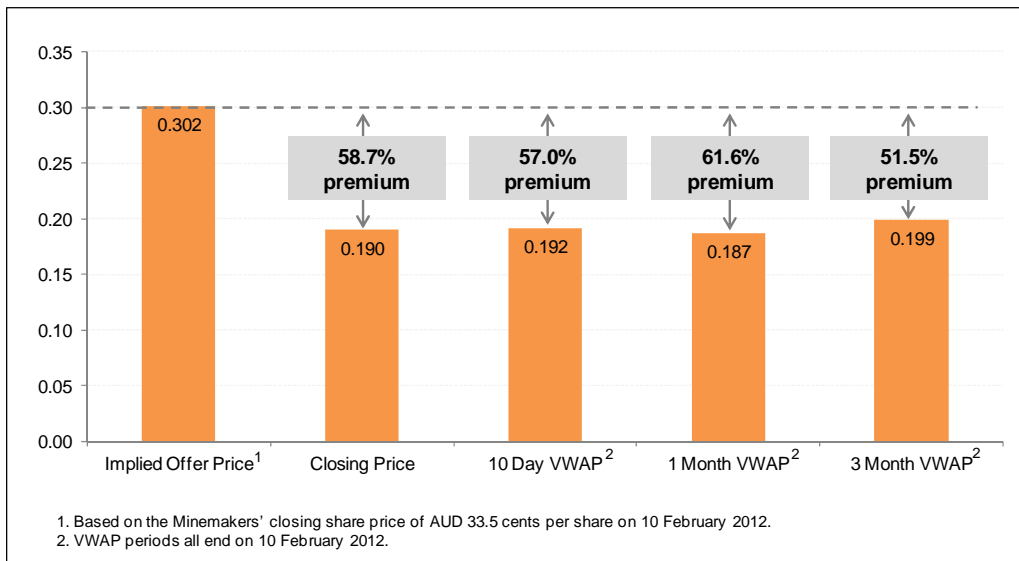


Figure 1: Substantial offer premiums to UCL share price over the short and medium term

### Benefits of the Offer for UCL Shareholders

In addition to the attractive premium UCL shareholders will receive, Minemakers believes there are a number of other significant benefits to UCL shareholders from accepting the Offer.

#### i. *Minemakers is a larger company with significantly higher liquidity*

UCL shareholders will become part of Minemakers, a company with a significantly larger market capitalisation (A\$76.5 million<sup>4</sup>) and much greater liquidity than UCL. Over the past three months alone, the average daily value of Minemakers shares traded has been approximately 22 times greater than that of UCL (see Figure 2).

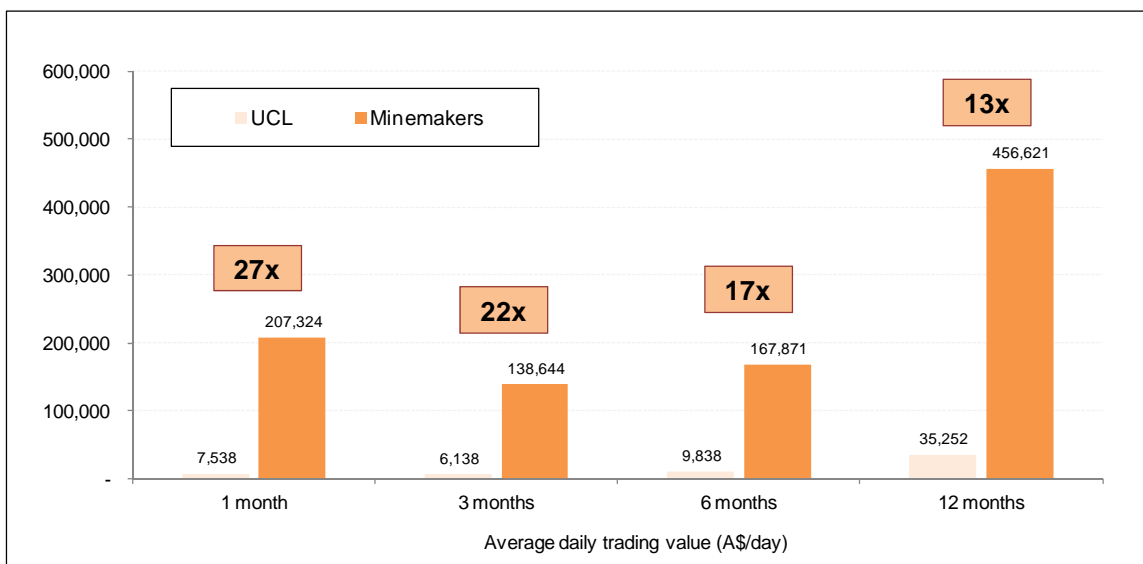


Figure 2: Relative Daily Liquidity of Minemakers versus UCL

#### ii. *Ongoing exposure to the Sandpiper Project, and scale and diversification through Minemakers' other assets*

UCL shareholders will retain ongoing exposure to the Sandpiper Project through their shareholding in Minemakers. They will also benefit from diversification and potential further upside through exposure to Minemakers' portfolio of other high quality assets, which include:

<sup>4</sup> As at closing price on 10 February 2012.

- The 100%-owned Wonarah phosphate project (“**Wonarah Project**”) in the Northern Territory, the largest undeveloped rock phosphate project in Australia.<sup>5</sup> Minemakers announced on 2 June 2011 that it had signed a Memorandum of Understanding with NMDC Limited (“**NMDC**”), an Indian mining company listed on the Bombay Stock Exchange with a current market capitalisation of approximately AUD 14 billion, to establish a pathway for development of the Wonarah Project. Discussions between Minemakers and NMDC (through NMDC’s recently acquired Australian vehicle ASX-listed Legacy Iron Ore Limited) to establish a joint venture, and due diligence activities, are ongoing;
- A 70% interest in the Rocky Point marine phosphate exploration project in Namibia (“**Rocky Point**”), which lies northwards of the Sandpiper Project;
- A 6.7% interest in JDC Phosphate Inc. (“**JDC**”), a privately-owned, US-based fertilizer technology company;
- A 20% stake in unlisted Australian tin, tungsten and fluorspar explorer, TNT Mines Limited;
- An expected<sup>6</sup> 5 million shares and 2 million 20c options in Australian Minerals and Mining Group Limited (ASX: AKA); and
- Expected cash on hand by mid-February 2012 of approximately AUD 14 million.

**iii. Better positioned to fund the development of Sandpiper Project**

The Board of Minemakers believes that following the acquisition of UCL, Minemakers will be better placed to advance the development of the Sandpiper Project than each company would separately under the current joint venture structure. Minemakers will be a larger, more liquid, more diversified group with a broader range of funding options available to it. In particular, Minemakers believes its TSX listing will improve its ability to access North American investors who are more familiar with the global fertiliser industry.

The simplification of the Sandpiper Project ownership structure is also expected to allow decision-making to be streamlined and competitive finance for the project to be secured in a more timely fashion.

In addition, the proposed Offer has been structured in such a way as to minimise disruption to the current timetable relating to the Definitive Feasibility Study (“**DFS**”) and day-to-day activities at the Sandpiper Project. If the Offer succeeds, Minemakers does not intend to make any changes to the management of the Sandpiper Project and its staffing levels.

**iv. Lower dilution risk for UCL shareholders**

If the Offer does not proceed, in order for UCL to satisfy its share of the Sandpiper Project’s total funding requirement, it will most likely have to raise a significant amount of new equity capital.

If this occurs, UCL shareholders face the risk of having their economic interest in the Project diluted more than under Minemakers’ ownership; either because UCL is not able to raise the necessary equity, or because UCL is forced to raise equity at a greater discount than Minemakers is able to (due to its smaller market capitalisation and substantially lower liquidity).

Minemakers Executive Chairman, Andrew Drummond said:

*“Minemakers and UCL have for some time recognised the benefits of bringing the two companies together and have previously had preliminary discussions around this.*

*“The Board of Minemakers’ objective in making this Offer is simple – although the final DFS results for the Sandpiper Project are not known and are not expected until the end of the current quarter, we want be in a position to move the project forward as quickly as possible following the completion of the DFS, assuming it is favourable.*

---

<sup>5</sup> Source: Intierra

<sup>6</sup> In October 2011 Minemakers announced that it had agreed to sell its West Southdown iron ore project to Australian Minerals and Mining Group Limited (“**AMMG**”). Upon confirmation that the relevant tenements have been renewed, Minemakers expects to receive the consideration described above. AMMG shares last closed at AUD 0.145 on 10 February 2012.

*“Consequently, the Board believes now is an appropriate time to put a highly attractive offer to UCL shareholders, in order to achieve an outcome that we believe is in the best interests of both sets of shareholders.*

*“There are compelling benefits to UCL shareholders who accept the Offer. UCL shareholders will realise a substantial premium, enjoy the associated advantages of being shareholders in a much larger and more liquid company, and benefit from diversifying their investment across Minemakers’ wider asset portfolio.*

*“More importantly, there are also potentially significant benefits for the Sandpiper Project itself, including simplifying the ownership structure and allowing for the acceleration of development and financing activities following the completion of the DFS. Minemakers also has better access to the key North American source of development funds through its listing on Toronto Stock Exchange, which is particularly important for a fertiliser company.*

*“We look forward to welcoming UCL shareholders to Minemakers, consolidating control of the Sandpiper Project into one company, and forging ahead with the development of both the Sandpiper and Wonarah projects in the near future.”*

### **Offer Conditions**

The Offer will be subject to conditions, including:

- 50% minimum acceptance;
- Namibian Competition Commission approval;
- No loss or announcement of loss of rights to the tenements comprising the Sandpiper Project, or rejection of any licence applications or renewals material to the Sandpiper Project;
- No material asset sales or acquisitions by UCL;
- No “prescribed occurrences”, regulatory prohibition, judicial restraint or unanticipated distribution occurring; and
- Customary conduct of business conditions.

The conditions to the Offer are set out in detail in the Appendix to this announcement.

### **Other Aspects of the Offer**

Should the Offer proceed, Minemakers intends offering all eligible, accepting UCL shareholders the opportunity to participate in a share sale facility for a limited pool of Minemakers shares<sup>7</sup>. Following completion of the Offer, accepting UCL shareholders’ Minemakers shares could be sold on their behalf at market prices under the share sale facility and the cash proceeds distributed. There will be no brokerage payable by UCL shareholders who elect to participate in this facility.

The Minemakers shares of ineligible foreign UCL shareholders who accept the Offer will be sold by an ASIC approved nominee and those shareholders will receive the sale proceeds less expenses.

Should the Offer proceed and Minemakers become the owner of 80% or more of all UCL shares, Australian resident UCL shareholders who make a capital gain will be entitled to choose Capital Gains Tax rollover relief.

Full details of the Offer will be contained in the Minemakers’ Bidder’s Statement, which is expected to be lodged with ASIC and ASX in the week commencing 20 February 2012. A full timetable for the Offer will be included in the Bidder’s Statement.

### **Advisers**

Minemakers is being advised by Azure Capital as financial adviser, and Corrs Chambers Westgarth as Australian legal adviser.

For further information, please contact:

Andrew Drummond  
Executive Chairman  
Minemakers Limited  
Tel: +61 (0)413 607 067

John Gardner  
Managing Director  
MAGNUS Corporate Communication  
Tel: +61 (0)413 355 997

<sup>7</sup> Subject to the receipt of regulatory approvals.

## **About Minemakers**

Minemakers is an Australian-based mineral development company that is focused on two key projects, a 42.5% direct interest in the Sandpiper marine phosphate project (held in a joint venture with UCL (42.5%) and Tungeni Investments cc (15%)) located in Namibia, and the 100% owned Wonarah phosphate project located in the Northern Territory.

Currently, the Sandpiper Project has a JORC-compliant resource of 1,951 million tonnes @ 18.5% P<sub>2</sub>O<sub>5</sub> (using a 10% P<sub>2</sub>O<sub>5</sub> cut-off). The joint venture partners to the Sandpiper Project are currently completing a definitive feasibility study, which is expected to be completed by the end of the current quarter.

The Wonarah Project has a JORC-compliant resource of 782 million tonnes @ 18.1% P<sub>2</sub>O<sub>5</sub>, using a 10% P<sub>2</sub>O<sub>5</sub> cut-off, and it is highly likely that this resource can be extended considerably with further drilling. A scoping study on the Wonarah Project was completed in 2011 and following on from an announced Memorandum of Understanding executed by Minemakers and Indian conglomerate NMDC Limited, Minemakers is now in the process of negotiating a joint venture agreement for this project.

Minemakers listed on the ASX in October 2006 and currently has a market capitalisation of AUD 76.5 million (as at 10 February 2012).

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Drummond, who is Executive Chairman of the Company and a Fellow of The Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Drummond has sufficient experience deemed relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' and a 'Qualified Person' as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI43-101"). Mr Drummond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

*With respect to the JORC, Clause 18, and in respect of some targets the potential quantity and grade of them are conceptual in nature, and there may have been insufficient exploration to date to define a Mineral Resource and is uncertainty if further exploration would result in the determination of a Mineral Resource.*

*For further information regarding the Sandpiper Marine Phosphate Programme, please refer to Minemakers' NI43-101 compliant technical report entitled "Updated Estimation of Phosphate Resources for the Sandpiper/Meob Project in EPLs 3415 and 3323, Namibia", dated March 11, 2011 and available on SEDAR at [www.sedar.com](http://www.sedar.com).*

*For further information on Wonarah, please refer to Minemakers' NI43-101 compliant technical report entitled "Technical Report Mineral Reserve Estimation for Wonarah Phosphate Project, Northern Territory, Australia", dated September 2010 and available on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **Cautionary Statement Regarding Forward-Looking Information**

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

---

## **Appendix – Conditions of the Offer**

### **1. Minimum acceptance**

During, or at the end of, the Offer Period, Minemakers has relevant interests in at least 50% (by number) of all of the UCL 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 the Sandpiper Project, its consent to the proposed acquisition of UCL by Minemakers in accordance with the terms of the 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 the Sandpiper Project, or the rejection of any mining or exploration licence applications or renewals in relation to the Sandpiper Project or an announcement by any member of the Namibian Government to this effect.

### **4. No material acquisitions, disposals, etc.**

None of the following events occur during the Condition Period:

- (a) UCL or any other member of the UCL Group 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) UCL or any other member of the UCL Group 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 in Sea Phosphates (Namibia) (Pty) Limited or makes an announcement about such a disposal;
- (c) UCL or any other member of the UCL Group 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 with Sea Phosphates (Namibia) (Pty) Limited 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, UCL, or any other member of the UCL Group, or makes an announcement about such a commitment; and
- (d) UCL or any other member of the UCL Group incurs or commits to, or grants to another person a right the exercise of which would involve UCL or any other member of the UCL Group 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) UCL converts all or any of its shares into a larger or smaller number of shares;
- (b) UCL or any other member of the UCL Group resolves to reduce its share capital in any way;
- (c) UCL or any other member of the UCL Group:
  - (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) UCL or any other member of the UCL Group 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 UCL Shares in connection with:
  - (i) the exercise of options held by Dr Frank William Reid and Rt Hon Lord Lamont of Lerwick; or
  - (ii) the conversion of the convertible note held by Donwillow Pty Ltd;
- (e) UCL or any other member of the UCL Group issues, or agrees to issue, convertible notes;
- (f) UCL or any other member of the UCL Group disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) UCL or any other member of the UCL Group charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) UCL or any other member of the UCL Group resolves to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of UCL or any other member of the UCL Group;
- (j) a court makes an order for the winding up of UCL or any other member of the UCL Group;
- (k) an administrator of UCL or any other member of the UCL Group, is appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) UCL or any other member of the UCL Group 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 UCL or any other member of the UCL Group.

## **6. Conduct of UCL's business**

During the Condition Period, none of UCL, or any other member of the UCL Group, without the written consent of Minemakers:

- (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 the UCL Group 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 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 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 UCL or any other member of the UCL Group (other than an Excluded Regulatory Authority); or
- (c) no application is made to any Public Authority (other than an application by Minemakers or any company in the Minemakers Group 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 Offers or the completion of any transaction contemplated by the bidder's statement (including implementation of the intentions express in the bidder's statement) or seeks to require the divestiture by Minemakers of any UCL Shares, or the divestiture of any assets of the UCL Group or by any company within the Minemakers Group.

**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, material increase in the intensity of any of the above events or other event beyond the control of UCL or any other member of the UCL Group occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of UCL or any other member of the UCL Group.

**9. Non-existence of certain rights**

No person has any right (whether subject to conditions or not) as a result of Minemakers acquiring UCL Shares to:

- (a) acquire, or require UCL or any other member of the UCL Group to dispose of, or offer to dispose of, any material asset of UCL or any other member of the UCL Group;
- (b) terminate or vary any material agreement with UCL or any other member of the UCL Group; or
- (c) accelerate or adversely modify the performance of any obligations of UCL or any other member of the UCL Group in a material respect under any material agreements, contracts or other legal arrangements.

**Defined terms**

The following defined terms apply in this appendix:

Condition Period	means period beginning on 13 February 2012 and ending at the end of the Offer Period.
Corporations Act	means <i>Corporations Act 2001</i> (Cth).
Excluded Regulatory Authority	means: <ul style="list-style-type: none"> <li>(a) ASIC;</li> <li>(b) the Takeovers Panel;</li> <li>(c) any person mentioned in section 657G(2) of the Corporations Act who applies to the court for an order under section 657G(1) of the Corporations Act;</li> </ul>



(d) any person mentioned in section 659B(1) of the Corporations Act who commences court proceedings in relation to a takeover bid or a proposed takeover bid; and

(e) a court that makes an order in response to an application under section 657G(1) of the Corporations Act or proceedings commenced pursuant to section 659B(1).

Minemakers	means Minemakers Limited ABN 48 116 296 541.
Minemakers Group	means Minemakers and each of its subsidiaries.
Offer	means the offer by Minemakers to acquire all of the UCL Shares.
Offer Period	means the "Offer Period" set out in the bidder's statement.
Public Authority	means any government or any governmental, semi-governmental, administrative, statutory or judicial entity or authority, or any minister, department, office or delegate of any government, whether in Australia or elsewhere. It also includes any self-regulatory organisation established under statute and any stock exchange.
Sandpiper Project	means each and all of the tenements granted by, or under application to, the Namibian Department of Mines by Namibian Marine Phosphate (Pty) Limited including EPL 3323, EPL 3414, EPL 3415, EPL 4009, EPL 4021, EPL 4010, EPL 4059 and ML170.
UCL	means UCL Resources Limited ABN 40 002 118 872.
UCL Group	means UCL and each of its subsidiaries.
UCL Shares	means fully paid ordinary shares in the capital of UCL.