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Company Announcements Office
Australian Securities Exchange Limited

Dear Sir

UCL ANNOUNCES CONSIDERATION TERMS FOR ITS BID FOR BONAPARTE DIAMOND MINES NL (ASX: BON)

Union Resources Limited (**UCL** or **Company**) wishes to advise the consideration for its conditional scrip offer for the entire issued capital of ASX listed company Bonaparte Diamond Mines NL (ACN 078 606 434) (**BON** or **Bonaparte**) (**Bid**) previously proposed in its ASX announcement dated 17 April 2009.

UCL will offer 9 UCL shares for each BON share. The Bid will be subject to a number of defeating conditions as set out below.

Based on the current trading price, the bid represents a premium of 32% over the Minemakers bid. At the weighted average share price for the last week (\$0.073) this bid represents a premium of 16% at the time of writing. At the average closing price of the last 30 days this bid represents a premium of 1%. Union believes that several significant events have occurred in the last week which support the higher Union share price, including the announcement of a large resource and the confirmation that dredging the deposit is economically and technically feasible.

Although the Union bid represents a premium to the bid made by Minemakers Limited (**Minemakers**), the most significant advantage to BON shareholders will be the strategic strength resulting from combining the two current owners of the Sandpiper-Meob Phosphate Project into a strong majority position. The Minemakers bid cannot offer this advantage.

STRATEGIC RATIONALE FOR BID

The board of UCL believes a merger between UCL and BON will provide advantages that will benefit both companies' shareholders that would not necessarily be available under the current bid proposed by Minemakers. These include without limitation:

85%% Control of the Sandpiper-Meob Project (Phosphate Project)

The Phosphate Project would be owned 85% by one company. At present the Phosphate Project is a joint venture between UCL (42.5%), BON (42.5%) and Tungeni Investments cc (**Tungeni**) (15%). Under the current bid proposed by Minemakers this situation would continue. If the UCL bid is successful, the Phosphate Project would be run as a singly managed team. The combined entity(ies) would hold a large majority in a major phosphate province, holding what is believed to be the majority of the most prospective areas.

Continuity of management

The management teams of UCL and BON have already demonstrated their ability to work together and deliver excellent exploration outcomes at a very low cost. This would continue under the merged entity proposed by UCL. The skill sets that in part motivated the original joint venture will be maintained and expanded. Management roles will be clearly understood. If the Minemakers bid was to succeed the Phosphate Project would continue with separate management teams and strategic agendas. UCL has indicated to Minemakers that it will not necessarily agree to a Minemakers-dominated operational management. With Minemakers stated view of funding the Phosphate Project from the free cash flow of their Wonarah Project, the potential for conflict between differing strategic objectives will exist.

Adequate cash flow to bankable feasibility

The merged entity will have access to sufficient cash to take the Phosphate Project to bankable feasibility. Pending acceptance by more than 50% of BON shareholders, the fully underwritten rights issue by UCL will inject \$4million into UCL (refer to the conditions of the Bid detailed below for further information) with the combined entity then having cash assets approaching \$6 million. If the rights issue by UCL is not fully subscribed by current shareholders, the dilution associated with the issue will be borne by UCL. Once bankable feasibility is achieved the potential for shareholders to realise a significant increase in value is greatly enhanced.

Clear strategic and funding priorities

Under the merged entity that would result from a successful UCL bid there would be no potential for conflict in the allocation of resources to the Phosphate Project. The Phosphate Project will be the clear and major focus of the combined entity. Neither UCL nor BON is currently contemplating pursuing the development of their other assets at this stage.

In the current bid proposed by Minemakers, Minemakers has indicated very clearly that funding for the Phosphate Project would come from free cash flow from its Wonarah Project located in Australia. Free cash flow from this project is based in UCL's opinion on an aggressive development schedule which may not be met. Under the bid proposed by UCL all of the merged entity's resources will be directed to establishing the Phosphate Project as soon as possible. Under the UCL proposal potential conflicts are avoided and there will be no doubt as to the development priority of the Phosphate Project.

Entities well known to the Namibian government

Unlike Minemakers, both UCL and BON, the component parts of the merged entity, are well known to the Namibian government and joint venture partner Tungeni. As a result any delays that may be associated with a new major shareholder will be minimised as the entities will be merged.

Removal of unresolved issues

A key issue still to be resolved in the UCL, BON and Tungeni joint venture is the formalisation of a shareholders' agreement. This matter is still outstanding, and there are several provisions of the agreement that are yet to be finalised. If the UCL bid is successful the outstanding issues will automatically be resolved.

Broad international experience

The proposed merged company will be able to utilize essential international experience, including experience gained by key management in respect of the largest phosphate Di Ammonium Phosphate project currently under construction. The management of UCL and BON have operated effectively outside Australia. Given the location of the proposed development, UCL sees this as a distinct advantage.

Single foreign entity for Namibian government to deal with

A UCL and BON merged entity will provide a single point of contact for the Namibian government in all its dealings. It will deliver certainty to the Namibian Government in its dealings with the merged entity.

CONDITIONS TO THE BID

The Bid will be subject to a number of defeating conditions, including without limitation:

Minimum acceptance

During, or by the end of, the offer period of the Bid, UCL has a relevant interest in more than 50% (by number) of the sum of all BON shares on issue at the date of this announcement and issued during the offer period of the Bid by the exercise of convertible securities.

Rights Issue

During, or by the end of, the offer period of the Bid, UCL completes a rights issue of shares to raise up to approximately \$4 million. UCL has concluded an underwriting agreement to fully underwrite the rights issue which will be conditional upon the minimum acceptance condition of the Bid being achieved.

No prescribed occurrences

No prescribed occurrences (being occurrences listed in Section 652C(1)(a) – (h) and Section 652C(2)(a) – (e) of the Corporations Act but applied to an off market takeover bid) occur in relation to BON (or its subsidiaries) between the date of this announcement and the date which is 3 business days after the end of the offer period of the Bid without the prior written consent of UCL.

Change in control

No agreements or arrangements exist under which other parties have rights to terminate or vary a material agreement or arrangement with BON, or acquire a material interest in BON or a substantial interest in shares in BON, as a result of UCL's acquisition of BON shares, except where a waiver has been given.

Material adverse event

Between the date of this announcement and the end of the offer period of the Bid, no event has occurred or become public that has, or is reasonably likely to have, a material adverse effect on the business, assets, liabilities, financial or operating position, profitability or prospectus of BON.

Material commitments and compromises

Between the date of this announcement and the end of the offer period of the Bid, BON (or a subsidiary) does not:

- (a) enter into any contract or commitment requiring payments or foregoing of revenue by BON (or a subsidiary) taken as a whole (**Contract**), when aggregated with any other Contracts, in excess of \$100,000; or
- (b) accept as a settlement or compromise of a material matter (relating to an amount in excess of \$100,000), less than the full compensation due to BON (or a subsidiary);

otherwise than in the ordinary course of business except with the prior written consent of UCL (consent will be deemed to be given by UCL, if UCL does not respond in writing to BON's request for consent within 2 business days after BON's request is given to UCL).

No dividends or distributions

Between the date of this announcement and the end of the offer period of the Bid, BON does not declare, distribute or resolve to pay or provide any dividend, bonus or other share of its profits or assets.

GENERAL

UCL and BON shareholders do not need to take any action at this time. A prospectus in relation to the rights issue and a bidder's statement outlining all relevant information in respect of the Bid are currently being prepared and will be distributed as soon as practically possible. Announcements of any updates will also be made to ASX as applicable.

Yours faithfully

UNION RESOURCES LIMITED



Frank Reid
Managing Director

APPENDIX 1 ACTIVITIES OF BONAPARTE AND UNION

BACKGROUND TO BONAPARTE PROJECTS AND ACTIVITIES

Bonaparte first listed on the ASX in October 2004 with a primary focus in marine mineral exploration and mining. Prior to March 2009, Bonaparte was focused on diamond production. Bonaparte suspended its diamond activities in March 2009.

With the suspension of diamond mining and exploration activities, Bonaparte has now focused its efforts on the development of its marine phosphate joint venture project with UCL and Tungeni in Namibia. In line with global market trends in demand and price outlook of rock phosphate, Bonaparte has increased its joint venture tenement holdings in two regionally mapped deposits of high phosphate mineralisation on the seabed off the coast of Namibia in water depths of 180m – 300m and is actively exploring these deposits. Bonaparte has also been awarded exploration licences covering 627km² in phosphatic sediments off the coast of Peru.

BON's principal interests include the Sandpiper-Meob Project and Rocky Point Project which are located off the coast of Namibia. Collectively, these two projects comprise approximately 12,000km² of granted licences and applications. The Sandpiper-Meob Project is located between Walvis Bay and Luderitz and between 50km and 80km off the coast and 150km southwest of Namibia's main port, Walvis Bay. The Rocky Point Project is located some 50km from the Kunene River mouth and approximately 400km north of Walvis Bay. BON retains a 42.5% and 70% beneficial interest in the Sandpiper-Meob Project and Rocky Point Project respectively.

BON's Pacifico Project is oriented approximately parallel to the Peruvian coast and located at an average distance offshore of about 50km. The project comprises seven exploration licences, covering a total area of 627km² in water ranging in depth from 100m to 300m. The Pacifico Project is at a conceptual stage of development with verification work to evaluate these sites yet to be carried out by BON.

SUMMARY OF UNION PROJECTS AND ACTIVITIES

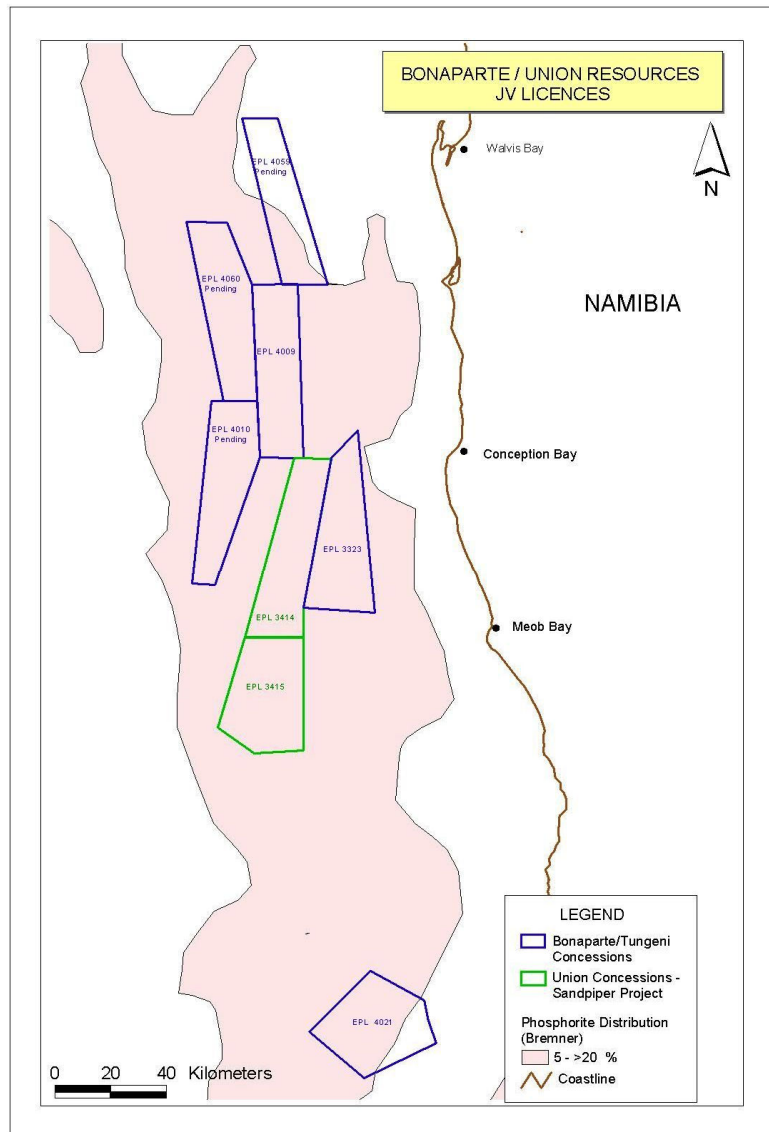
The Company holds two major assets, one being the Sandpiper-Meob Project in which, as stated earlier, it holds a 42.5% interest along with BON (42.5%) and Tungeni (15%). Its other asset is the large Mehdiabad Zinc Project in Iran in which UCL currently holds a 25% interest and when contributions convertible to equity in Mehdiabad Zinc Company (the incorporated Iranian joint venture company) are added it has a beneficial interest in excess of 40%.

Sandpiper-Meob Phosphate Project – Namibia

In June 2008 UCL acquired Namibian company Sea Phosphates (Namibia) Pty Limited which holds two exclusive prospecting licences nos. 3414 and 3415 (**EPLs**) issued by the Namibian Ministry of Mines and Energy for phosphates and precious stones. The EPLs lie approximately 60km offshore from the coast of Namibia between Walvis Bay and Luderitz, and made up UCL's Sandpiper Project.

The Meob Project, owned by BON and Tungeni, has licenses adjacent to UCL's Sandpiper Project as shown in the map below.

In late October 2008 UCL entered into a joint venture agreement (**JVA**) with BON and Tungeni to jointly develop UCL's, BON's and Tungeni's combined marine phosphate tenements off the coast of Namibia, the Sandpiper-Meob Project.



In December 2008 UCL entered into an agreement with Coromandel Fertilisers Limited (**Coromandel**) of India. Coromandel manufactures a wide range of fertilisers. It markets around 2.5 million tonnes of phosphatic fertilisers per annum, making it the second largest producer of phosphatic fertiliser in India. Under the agreement Coromandel will undertake testing of marine phosphate from the Sandpiper-Meob Project in order to confirm the quality and suitability of the rock phosphate for further processing.

Mehdiabad Zinc Project – Iran

The Mehdiabad Zinc Project is carried on by UCL, Iranian Mines and Mining Industries Development and Renovation Organization (**IMIDRO**) and the company Itok GmbH (**Itok**) through an incorporated Iranian joint venture company, Mehdiabad Zinc Company (**MZC**). UCL has to date invested in excess of US\$16 million on exploration and feasibility activities relating to the Mehdiabad Zinc Project.

IMIDRO purported to terminate several agreements governing the Mehdiabad Zinc 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 Mehdiabad Zinc 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.

As a consequence of the purported termination and UCL having fully funded its contribution to MZC, UCL has ceased all exploration and development funding to MZC. UCL continues to maintain a representative office, at minimal cost, in Tehran to assist in ongoing deliberation regarding the Mehdiabad Zinc Project. UCL is current considering all of its alternatives including commencement of arbitration proceedings.