
MARCH 2012 QUARTERLY ACTIVITIES REPORT

30 April 2012

HIGHLIGHTS

PHOSPHATE, WONARAH (Minemakers 100%)

- Field feasibility investigations for beneficiation of phosphate mineralisation to feed downstream processing facilities have been initiated
- The potential to increase production rate and enhance economics by using a slurry pipeline to transport material to Tennant Creek for feed to a fertiliser manufacturing plant and also for export as beneficiated rock phosphate is now being studied
- Joint venturing or partnering arrangements continue to be negotiated with third parties including NMDC Limited
- JDCPhosphate advises that construction of its demonstration scale dry kiln facility in Florida is under way

PHOSPHATE, NAMIBIA

Sandpiper Project (Minemakers 48.1% Direct and Indirect Interest)

- Feasibility Study results were released, indicating positive economics for an initial 3Mtpa rock phosphate production project
- The project aims to supply rock phosphate to the direct application, SSP and phosacid markets
- Increased estimates of Measured and Indicated resources were announced to support an initial 20 year operation
- Permitting is advancing

OTHER

- The investment in BCD Resources was closed out, resulting in a return representing an approximate 20% annualised profit on funds invested
- Minemakers' current cash position is \$12.25 million
- Minemakers initiated an all-scrip takeover bid for Namibian Marine Phosphate JV partner, UCL Resources Limited and this bid is still open

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ROCK PHOSPHATE

THE GLOBAL ROCK PHOSPHATE MARKET AND MINEMAKERS' INTENDED POSITION WITHIN IT

Phosphate is an essential component in agriculture for which there is no substitute. Minemakers is in the unique position of having interests in two of the world's largest undeveloped phosphate deposits in its portfolio, giving the Company the opportunity to establish itself as a significant world player in the global phosphate market and to become involved in downstream processing to produce higher value phosphate products. The geographic diversity of its intended production centres in the Northern Territory of Australia and in Namibia should enable Minemakers to market and supply to most corners of the agricultural world.

Minemakers is not aware of any listed company with a larger rock phosphate estimated resource base.

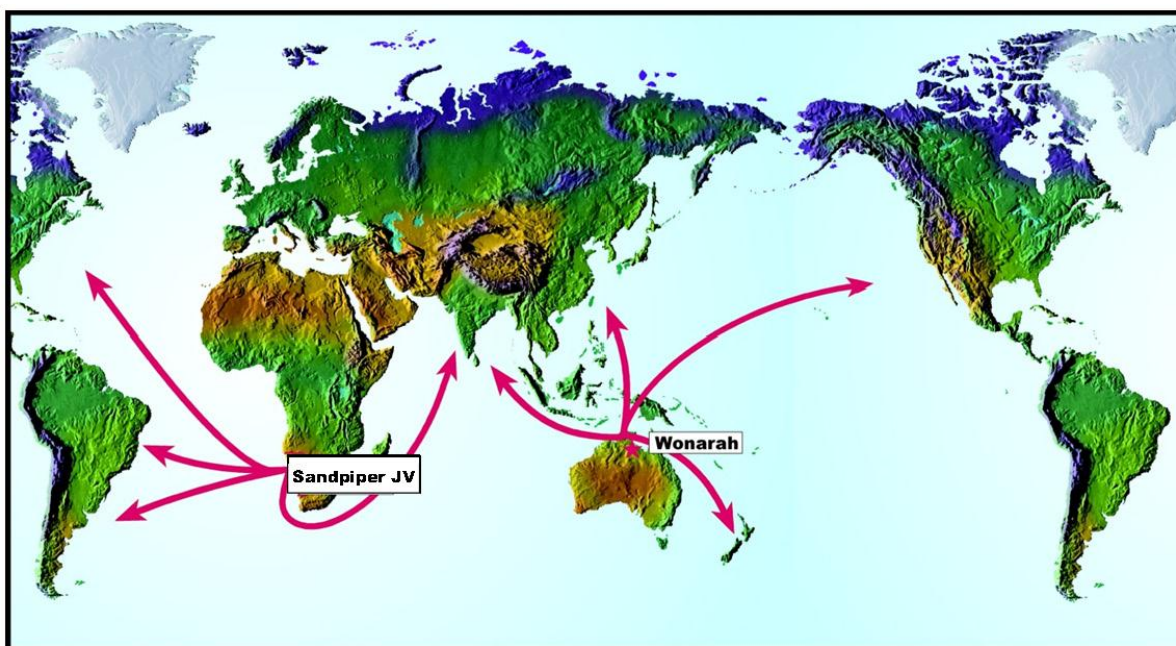


Figure 1: Minemakers' Phosphate Deposits

WONARAH ROCK PHOSPHATE PROJECT, NORTHERN TERRITORY (100% Equity)



Figure 2: Wonarah Locality Map

INTRODUCTION

The Wonarah Rock Phosphate deposit is of world stature, as can be seen by comparison between it and the published resources for other important production centres, as follows.

| | |
|------------------------|---|
| Ma'Aden (Saudi Arabia) | ± 540Mt @ 19.7% P ₂ O ₅ |
| Bayovar (Peru) | ± 230Mt @ 17.2% P ₂ O ₅ |
| Wonarah | ± 782Mt @ 17.8% P ₂ O ₅ |

Minemakers aims to take advantage of Wonarah's favourable infrastructure position and political stability for it to become a major centre for the production of beneficiated rock and downstream phosphatic fertilisers. Wonarah's advantages, apart from its size and grade, include:

- Bitumen highway access
- Proximity to a standard gauge railway with spare freight capacity. The line is about 250km westwards over relatively flat landscape. Saudia Arabia's Ma' Aden project requires the construction of a railway line over 1000km long
- Proximity to a natural gas supply, the pipeline for which closely follows the railway line
- Situated in a stable political jurisdiction
- Situated on land owned by the local aboriginal people, with whom a life of mine Mining Agreement has been signed, which covers mining, processing and fertiliser production
- Proximity to ample groundwater
- Proximity to a regional population centre at Tennant Creek

PRODUCTION PLANS

A Bankable Feasibility Study is underway, and is considering two end-member options for Wonarah development, and hybrid variations between them.

The first option is the production of high-value superphosphoric acid on site utilising the IHP process owned by JDCPhosphate of Florida. Minemakers owns 6.67% of that company, and additional news on it is presented below under the header, JDCPhosphate.

The second option is for the production of high-analysis granular phosphate fertilisers, such as DAP, near the township and regional centre of Tennant Creek, which provides natural gas, rail and highway connections, and its social infrastructure.

Current planning modelling is for the production of 1Mtpa of P_2O_5 . However, the size of Wonarah lends itself to consideration of increasing the scale of production. Minemakers is keenly interested in production expansions currently being carried out in Morocco by OCP. There, a large new slurry pipeline is to take beneficiated rock from the mine site to the fertiliser plants near the coast, and also to ports for export.

This Moroccan development indicates the potential for its replication at Wonarah. Mine product could be taken to Tennant Creek and there partly used for fertiliser production and partly, after drying, for the rock phosphate sector, with export through the Port of Darwin.

Moroccan operations were recently visited to gain knowledge of the OCP developments.

SITE INVESTIGATIONS

Diamond drilling to recover core for beneficiation testwork began in late-April. The testwork will involve various studies aimed at optimising feed for conventional fertiliser plants, an IHP plant, and for exported beneficiated rock, and should be completed in Q4.

An RC drilling program to follow up high grade and relatively shallow phosphate intersections to the north of the Main Zone, and close to the Barkly highway, is due to begin in June 2012.

The Western sector of the known phosphate belt is poorly drilled to date due to concentration on the Main Zone and Arruwurra. So as to determine its overall prospectivity and which ground needs to be retained for potential future production, broadly spaced infill RC drilling will be undertaken from July 2012.

WONARAH PARTNERSHIPS

Negotiations with India's NMDC and other groups are proceeding. NMDC's appointed consultants have completed a due diligence process on Wonarah and its plans, and have reported to the NMDC board; Minemakers awaits the outcome. Minemakers continues to engage with other potential partners.

ROCK PHOSPHATE PRICE

While phosphate fertiliser and rock phosphate prices were generally weaker through the March quarter, Minemakers is encouraged by strengthening phosphate fertiliser prices over the last month, and by Moroccan OCP's reported decision to maintain rock prices at Q1 levels, despite earlier flagging a likely decrease.

Mosaic, the major US producer, has recently decided to maintain high levels of imported rock to extend the life of its remaining reserves in North America and this is seen by industry observers as likely to put a floor under rock prices and help maintain their strength in the future.

JDCPhosphate, INC.

This Florida-based company holds a patent over the IHP process to produce super phosphoric acid by a Dry Kiln roasting method. Minemakers owns 6.67% of JDC.

Management has reported to us that its fundraising is nearing completion which will enable it to complete and trial its 17,000tpa SPA demonstration plant in Florida. Production is scheduled for 1Q 2013 and will likely include some Wonarah material. Successful trialling is likely to see this as the preferred method for fertiliser production using Wonarah material.

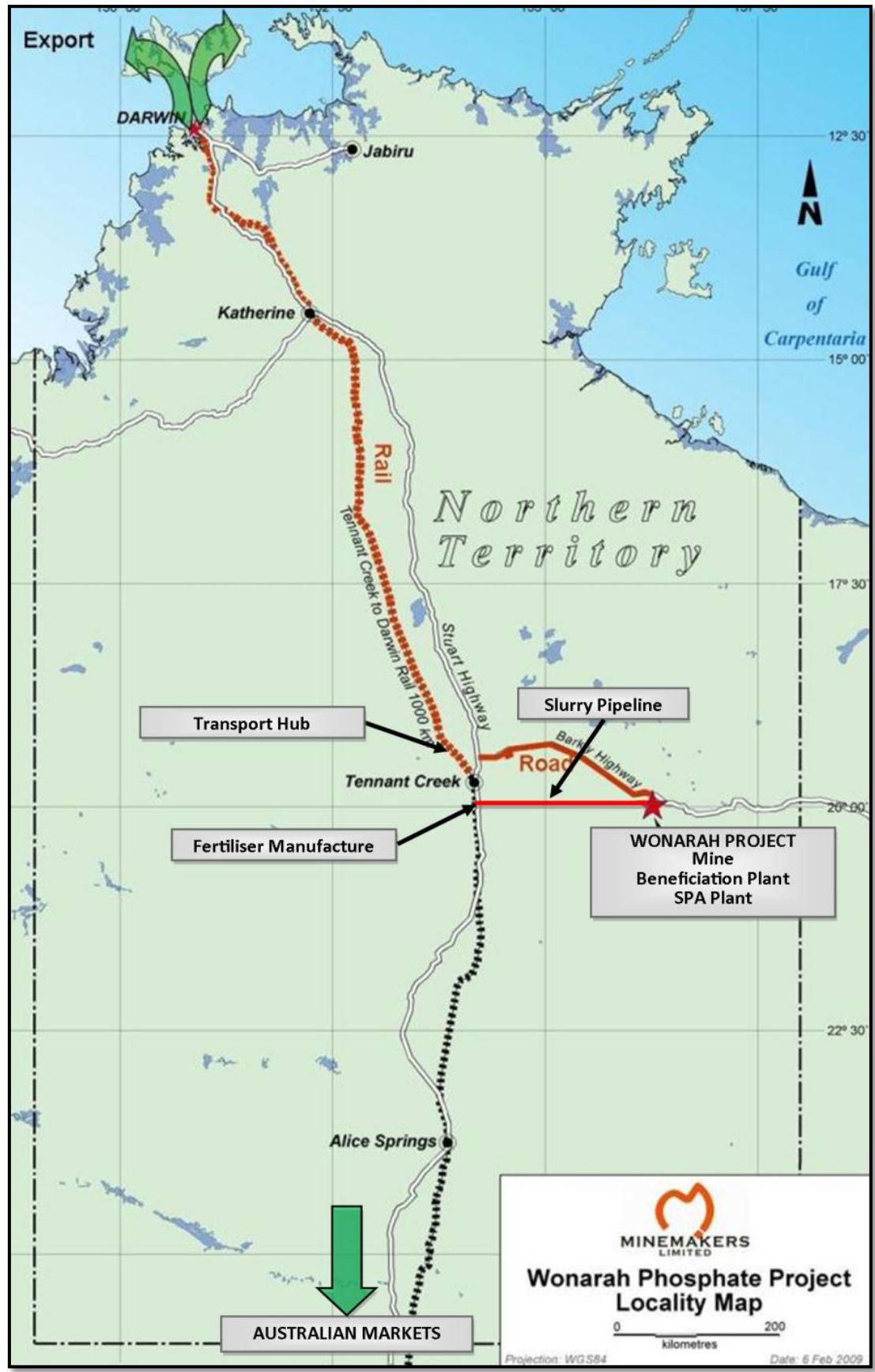


Figure 3: Wonarah Phosphate Project locality map

SANDPIPER MARINE PHOSPHATE PROJECT: OFFSHORE NAMIBIA

(48.1% Direct and Indirect Equity)

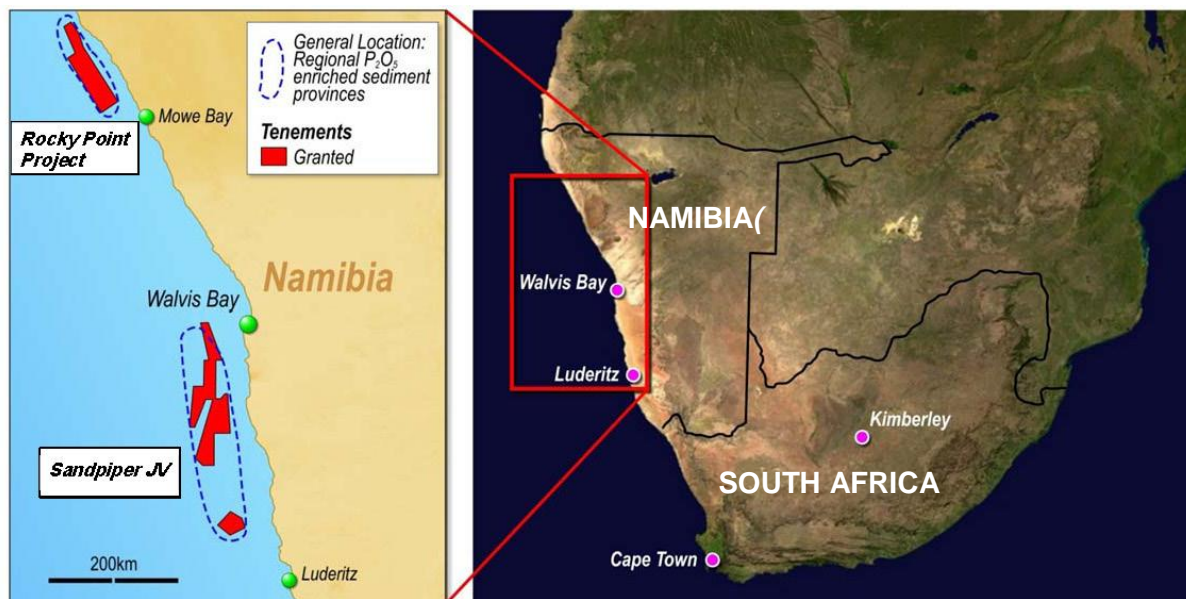


Figure 4: Sandpiper Phosphate Project Locality

On 18 April 2012 Minemakers and its Joint Venture partners, ASX-listed UCL Resources Limited, and Tungeni Investments cc announced the results of the Feasibility Study for Sandpiper in some detail.

The Highlights section of that release is reproduced below:

Feasibility Study¹ indicates the Sandpiper Project is expected to be **technically and economically feasible and has the potential to be a long life project capable of delivering attractive investment returns for the Project owners.**

- Feasibility Study envisages steady-state production of **3.0 million tonnes per annum (Mtpa) of phosphate concentrate product (rock phosphate) grading 27.5 - 28.0% P₂O₅ over an initial mine life of 20 years**, including a two-year ramp up period.
- Increase in estimated **Mineral Resource in Measured category to 60 million tonnes (Mt) at 20.8% P₂O₅** (at 15% P₂O₅ cut-off). In conjunction with an estimated Indicated Mineral Resource of 105 Mt at 19.6% P₂O₅ in a sub-area of the Sandpiper Project Mining Lease proposed in the Feasibility Study for initial mining, this provides **a mining inventory sufficient for a 20 year mine life**. Upgrading of Mineral Resource estimates to Ore Reserve estimates is due shortly.
- Independent marketing study completed by CRU Strategies (CRU) confirms:
 - 3.0 Mtpa of rock phosphate from the Sandpiper Project (**Sandpiper Product**) is expected to be marketable across three market segments, including Direct Application Rock Phosphate (**DAPR**) and as feedstock for the production of Single Super Phosphate (**SSP**) and Phosphoric Acid (**PA**); and
 - Average long-term forecast pricing for Sandpiper Product FOB Namibia blended across the three target market segments is expected to result in an approximate 12% discount (based on both quality and freight differentials) to the price of rock phosphate from the Bayovar mine FOB Peru. The current price of Bayovar rock phosphate is approximately US\$145-150/ tonne, FOB Peru.² CRU's long-term real price forecast for Bayovar rock phosphate is approximately US\$114/tonne, FOB Peru (stated in March 2012 prices).

¹ The Feasibility Study cannot be classified as a "definitive feasibility study" under TSX standards, but represents the definitive basis by which NMP intends to seek to develop the Sandpiper Project, and has been conducted to an accuracy of +15/-5% for Class II CAPEX and OPEX estimates.

² Prophecy Weekly Trade Journal.

- **Capital costs to first production for a 3.0 Mtpa operation currently estimated at US\$326.3 million** (stated in March 2012 prices).³ This estimate excludes the potential capital cost of a small reverse osmosis desalination plant which may need to be constructed early in the mine life, the estimate of which is currently being refined. Working capital requirements are currently estimated at US\$60.7 million (stated in March 2012 prices, excluding any financing costs), leading to a **total funding requirement of US\$387.0 million**. Optimisation of capital costs estimates is ongoing.
- **Steady-state cash unit operating costs (assuming a 3.0 Mtpa operation) estimated at US\$59.67 / tonne** of rock phosphate FOB Walvis Bay (stated in March 2012 prices, excluding Namibian government royalties), which is broadly in line with the October 2010 Scoping Study estimate. The impact of any desalination plant on operating costs will also need to be assessed, but may lead to a reduction to the overall operating cost estimate.
- Further work in relation to the ongoing optimisation of these capital and operating cost items as well as the Project's water strategy is required before Minemakers believes it will be in a position to provide an economic analysis of the Project.
- Financing discussions, approvals processes and general optimisation of Feasibility Study results remain ongoing.
- Following a final investment decision and securing financing for the Project, the estimated construction and commissioning period is 24 months.

RESOURCE UPGRADE

As in that 18 April 2012 announcement and based on the resource development work undertaken through the Feasibility Study, the Mineral Resource estimates for the Sandpiper Project have been prepared by independent geo-statistical consultant, Dr A Annels, FIMMM, C.Eng, at a 15% P₂O₅ cut off.

As the result of recently completed work, as of 15 April 2012, the Measured Mineral Resource estimate has been increased significantly to 60.0 Mt at 20.8% P₂O₅. Consequently, the current Mineral Resource estimate for the Sandpiper Project is as follows:

| Category of Mineral Resource | Tenements | Mt | % P ₂ O ₅ |
|--|--------------------------------|---------|---------------------------------|
| Measured (within initial target recovery area) | ML 170 | 60.1 | 20.8% |
| Indicated (within initial target recovery area) | ML 170 | 105.0 | 19.6% |
| Indicated (outside initial target recovery area) | ML 170 | 61.8 | 20.6 |
| Inferred | ML 170 EPL 3323 EPL 3415 | 1,607.8 | 18.9% |

The initial target recovery area of approximately 22 x 8 kilometres lies at the northern end of Mining Lease 170 at water depths of less than 225 metres. The production inventory for the assumed initial mine life of 20 years in the Feasibility Study is taken from the combined Measured and Indicated Mineral Resources of 165.1 Mt within this initial target recovery area (as shown in the table above).

Namibian Marine Phosphate (Pty) Ltd (NMP), the joint venture entity which holds the Sandpiper Project, and its shareholders believe that a sufficient proportion of this production inventory 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 initial target recovery area has an estimated Measured and Indicated Mineral Resource base of 165.1 Mt, which is approximately 78% greater than the mining inventory required for a 20 year mine life (including 2 years of ramp-up);
- Previous conversion of Inferred Mineral Resources to Indicated Mineral Resources (109.5 Mt to 146.4 Mt), and subsequently to Measured and Indicated Mineral Resources (to 165.1 Mt) in the initial target recovery area has occurred at greater than 100% conversion rate;

³ See further disclosure under Estimated Capital Costs below.

- Based on the test work done to date, NMP sees no reason why further lateral testing of the Mining Lease in the initial target recovery area should not result in further conversion of Mineral Resources from the Indicated to Measured categories; and
- The ore body 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 ore body. 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 Mineral Resources, is expected to occur in May 2012.

The Mineral Resource estimates have been prepared in compliance with JORC and NI 43-101 standards. Two dimensional Inverse Distance Weighting methods were used to interpolate thicknesses, grade, specific gravities and moisture content for 200 metre North-South x 200 metre East-West 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 geo-statistical studies.

ENVIRONMENTAL ASPECTS

As indicated in Figure 5, it is relevant to note that the Measured Resource lies in an area of approximately 20 sq km. Annual mining will impact on about 2 sq km of the 2,300 sq km ML 170, or less than 0.1% of it.

While dredging will have an impact, it will be localised and on a comparatively small area on an annual basis.

NMP has a transparent Environmental Policy and intends to work according to the terms of its Environmental Impact Assessment and Environmental Management Plan Report.

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 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 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.

DEBT FUNDING

NMP and its shareholders have commenced discussions with potential financiers 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 financiers in May in the light of the Feasibility Study results.

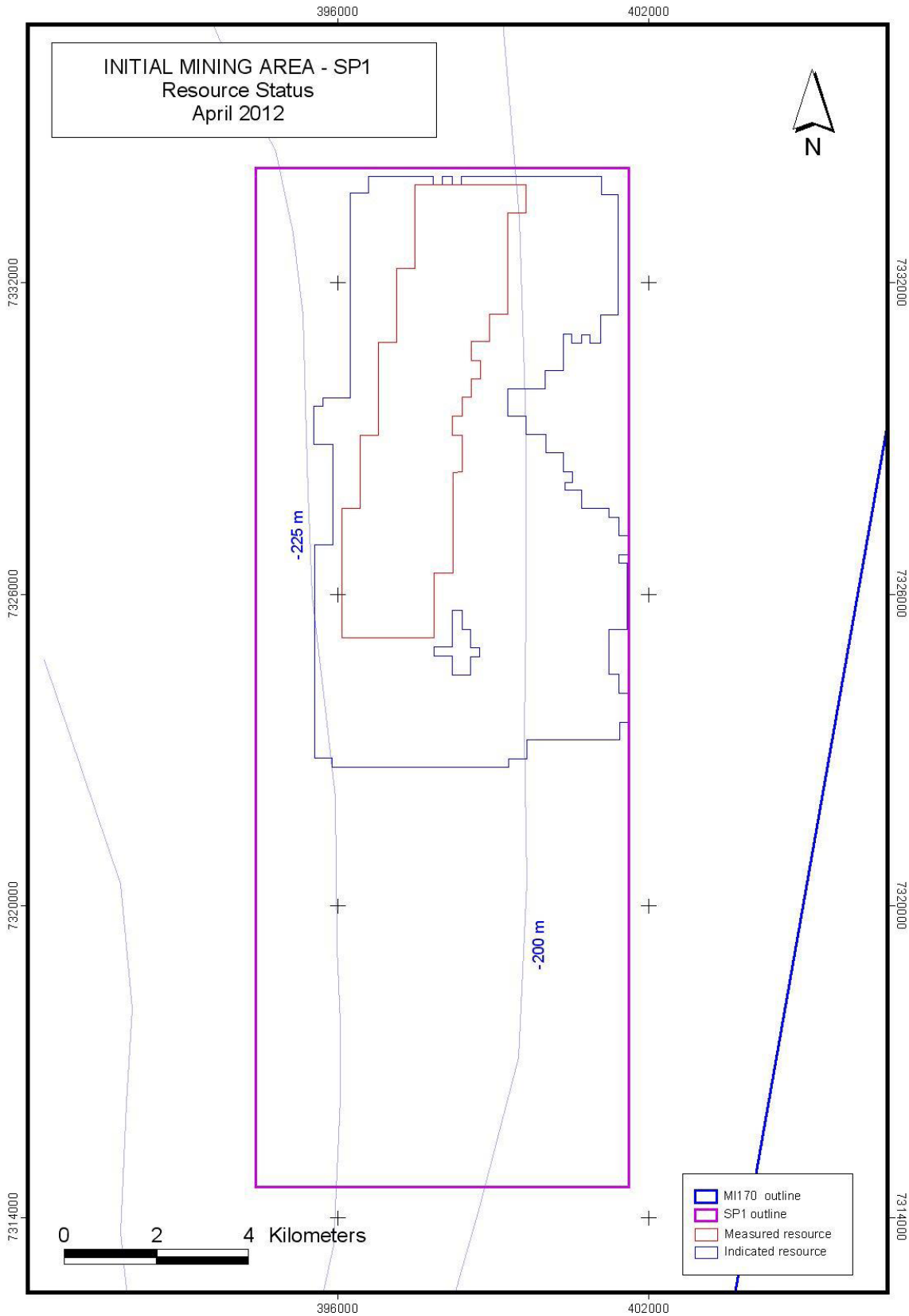


Figure 5: The initial target recovery area showing the defined areas of Measured and Indicated Resource to support the DFS production plan

OTHER ONGOING ACTIVITIES

In addition to the items identified above, the following key activities remain ongoing and are intended to be completed in 2012:

- Construction of the extended dredge arm by Jan De Nul to allow dredging at water depths of 225 metres;
- Capital cost optimisation and final front end engineering design;
- Negotiation of contracts for dredging, EPCM and key staff positions;
- Continued product marketing to secure offtake agreements; and
- Financing of the Project.

CONSTRUCTION AND COMMISSIONING TIMETABLE

As shown below, once a development decision for the Sandpiper Project has been made and equity and debt financing has been secured, the project schedule developed as part of the Feasibility Study indicates that completion of construction and commissioning will take a further 24 months, to sale of first product (as per the diagram below).

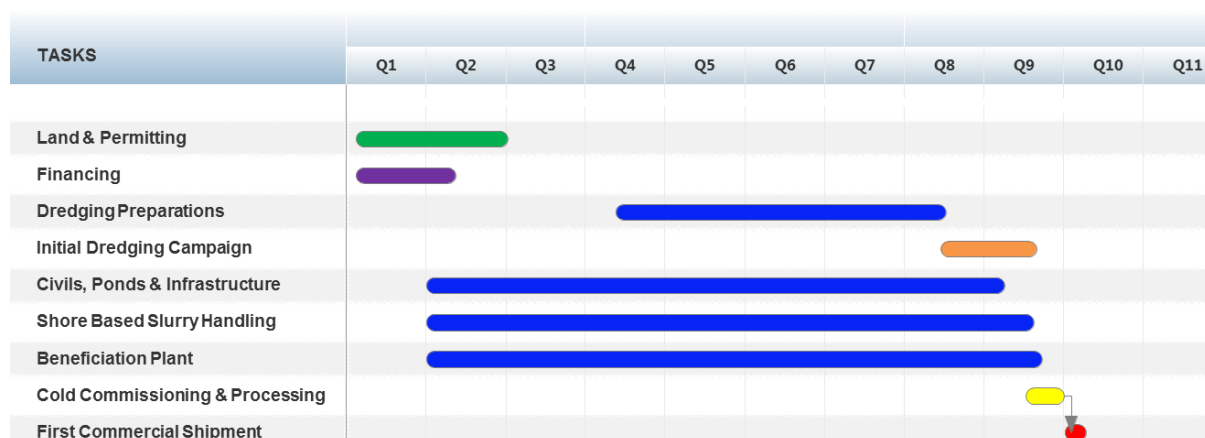


Figure 6: Sandpiper Project development schedule

BENEFITS FOR NAMIBIA

Development of the Sandpiper Project is expected to deliver a number of direct and in-direct benefits to Namibia and the Erongo Region.

1. *Employment*

The development of the Project will result in the employment of approximately 400 to 500 people during the development and construction phase, moving to approximately 150 employees on a full time basis (with the requirement for industry support services for a further 150 to 200 positions) once the Project moves into the operational phase. An integral part of the employment process will be the education and up-skilling of Namibians working at the Project.

2. *Royalties and Taxation*

The Namibian Government will derive significant revenue from the Project including:

- A 2% revenue-based royalty
- Company taxation based on the profits from the project
- Employee tax deductions

3. *Social*

Through the exploration and feasibility stages of the Project life-cycle, NMP established and developed a reputable corporate social responsibility program, which focused on education at the regional level. NMP will continue to develop this corporate social responsibility program, expanding into further education and community social programs at both a regional and national level as the Project moves into the development and operational phases.

OTHER PROJECTS

The Company continues to focus its efforts on phosphate, as previously announced, and is endeavouring to crystallise shareholder value for its other assets.

ROCKY POINT MARINE PHOSPHATE PROJECT: OFFSHORE NAMIBIA

(70% Equity)

A deep drop core sampling programme will be carried out in the June 2012 Quarter in order to determine whether grades improve below the shell-rich immediate seafloor.

FRASER IRON, WESTERN AUSTRALIA

(80% Equity)

On 10 October 2011, the market was advised that Minemakers had entered into a Sale Agreement with Australasia Minerals and Mining Group Ltd (**AMMG**) to sell its 80% interest in its West Southdown magnetite project for 5 million shares and 2 million 20 cent options in AMMG. The sale will be completed upon renewal of the tenement, which is expected shortly.

AMMG met expenditure commitments by completing an RC drilling programme.

PORT KEATS SALT, NORTHERN TERRITORY

(100% Equity)

Minemakers awaits grant of the new Exploration Licence on the main target area.

INVESTMENTS

BCD RESOURCES NL

Minemakers completed redemption of the outstanding convertible notes on 14 February 2012. Minemakers' investment of \$8.5M was fully recovered, resulting in an annualised interest rate of 20%. Minemakers provided technical directors to BCD's board and a resident manager, who were able to greatly assist in this positive outcome.

TNT MINES LIMITED *(19% equity)*

TNT Mines advises that it has been advancing its tin, tungsten and fluorspar projects in Tasmania as it seeks to advance a listing on ASX.

FINANCIAL

EQUITY FACILITY

Minemakers Limited has previously announced that it has secured a A\$15M equity subscription facility with New York-based Haverstock Fund LLC (**Haverstock**).

The terms of the equity facility provide that, at Minemakers' option, subject to customary conditions, Minemakers can issue shares to Haverstock at any time over the ensuing 36 months, up to a total value of A\$15 million by draw-downs of up to A\$1M in any 10 trading day period.

The facility was secured at a time of generally difficult capital raising conditions due to world financial problems. It will give Minemakers the flexibility and ability to maintain momentum on the feasibility and early development of our phosphate projects. It is under no obligation to use the facility and has not done so during the Quarter.

CASH POSITION

At the end of the March Quarter, Minemakers held cash of \$12.25 million..

CORPORATE

TAKEOVER BID FOR UCL RESOURCES LIMITED

On 5 March, 2012 Minemakers announced a takeover bid for its partner in NMP, ASX-listed UCL Resources Limited. The all-scrip offer was for nine Minemakers shares for every ten UCL shares which, at the time of the bid, represented a 61.6% premium to UCL's share price on a 30 day VWAP basis.

For a variety of factors, as at 27 April 2012, Minemakers has achieved a less than 1% take-up on its Offer. It remains confident of the logic for the combination of the ownership of Sandpiper, as it will ultimately assist to secure funding for the Project.

Minemakers continues to work harmoniously with UCL at the NMP Joint Venture level. It stresses that progress at the Sandpiper project at an operational level is not being impacted by the bid.

Andrew Drummond
Executive Chairman

Competent Persons' Statement

The qualified person in relation to this press release is 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 mineralization 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. 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.

The information in this announcement that relates to estimation of the Mineral Resources of the Sandpiper project is based on information compiled or reviewed by Dr Alwyn Annels in his capacity as a consultant of the company. Dr Annels is a Fellow of IOM3 in London and has sufficient experience relevant to the style of mineralisation and types of deposits 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 Exploration Results, Mineral Resources and Ore Reserves', and is an independent consultant to Minemakers and a Qualified Person as defined by Canadian National Instrument 43-101. Dr Annels consents to the inclusion in the announcement of the matters based on their 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.

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.

Information on TNT Mines Limited has been provided by that company's Managing Director, Mr Michael Hannington.

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.