Replacement Bidder’s Statement

Containing an Offer by

UCL Resources Limited (ACN 002 118 872)

to purchase all of your shares in

Minemakers Limited (ACN 116 296 541)

Consideration offered is $0.045 cash per Minemakers Share plus 1 UCL Share for every 1.6 Minemakers Shares

The Offer is dated [●] July and will close at 7:00pm (Sydney time) on ~~Monday 16 July~~ [*]2012, unless extended or withdrawn.

THIS IS AN IMPORTANT DOCUMENT AND REPLACES UCL’s BIDDER’S STATEMENT DATED 28 MAY 2012

You should read this document in its entirety. If you are in any doubt about how to deal with this document, please contact your broker, financial adviser, legal adviser or other professional adviser.

MAK Shareholders can call the Shareholder Information Line on 1800 65 65 68 or +61 2 9207 3621 (for international callers)

“This ship pictured above is not owned by UCL nor is it currently involved in any dredging activities in respect of the Sandpiper Marin Phosphate Project. It is however the ship intended to be used by NMP when dredging operations commence in respect of the Project.”

Legal Advisers

EAKIN McCAFFERY COX solicitors

~~MAK Shareholders can call the Shareholder Information Line on 1800 65 65 68 or +61 2 9207 3621 (for international callers)~~

Important information

Bidder's Statement

This document is a replacement Bidder's Statement ~~dated 28 May 2012 given~~issued by UCL Resources Limited ACN 002 118 872 ("**UCL" or "Company**") ~~to Minemakers Limited ACN 116 296 541 ("Minemakers" or "MAK") in relation to an off-market bid for all MAK Shares~~under Part 6.5 of the Corporations Act 2001 (as amended by ASIC Class Order 00/344). ~~It includes an Offer dated [●] on the terms set out in Annexure A.A~~This replacement Bidder's Statement is dated 13 July 2012 and a copy of this replacement Bidder's Statement was lodged with ASIC ~~and filed with the ASX on 28 May 2012. Neither ASIC nor the ASX nor any of their respective~~on 13 July 2012. This replacement Bidder's Statement replaces the original Bidder's Statement lodged with ASIC on 28 May 2012 (**"Original Bidder's Statement")**. Neither ASIC nor its officers take any responsibility for the content of this Bidder's Statement.

Defined terms

A number of defined terms are used in this Bidder's Statement. These terms are explained in section 12 of this Bidder's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Bidder's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

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

Forward-looking statements

Some of the statements appearing in this Bidder's Statement may be in the nature of forward looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the industry in which UCL and MAK operate as well as general economic conditions, prevailing exchange rates and interest rates and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement. None of UCL's officers and employees or any person involved in the preparation of this Bidder's Statement makes any representation or warranty (express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law. You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this Bidder's Statement reflect views held only as at the date of this Bidder's Statement.

Value of UCL Shares

The implied value of the Offer will vary with the market price of UCL Shares. Further information on the implied value of the Offer is contained in this Bidder's Statement. Before accepting the Offer, MAK Shareholders should obtain current quotes for UCL Shares from their stockbroker or other financial adviser.

Foreign jurisdictions

The release, publication or distribution of this Bidder's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Bidder's Statement has been prepared in accordance with Australian law and the information contained in this Bidder's

Statement may not be the same as that which would have been disclosed if this Bidder's Statement had been prepared in accordance with laws and regulations outside Australia.

Foreign registered shareholders

MAK Shareholders should note that the Consideration under the Offer is a combination of UCL Shares and cash, where the shares are shares in an Australian public company listed on the ASX. The Offer is subject to disclosure requirements in Australia, which are different from those applicable in other countries. Subject to the paragraphs below, MAK Shareholders whose address in MAK's register of members is not in Australia or New Zealand will not be entitled to receive UCL Shares on acceptance of the Offer (unless UCL determines otherwise). Ineligible Foreign Shareholders who accept the Offer will be paid a cash amount calculated in accordance with section 10 of Annexure A of this Bidder's Statement. This Bidder's Statement does not constitute an offer to issue or sell, or the soliciting of an offer to buy, any securities referred to in this Bidder's Statement in any jurisdiction in which the offer or issue of such securities would be unlawful.

This Bidder's Statement is not a New Zealand prospectus or an investment statement and has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the *Securities Act 1978* (or any other relevant New Zealand law). This Bidder's Statement may not contain all the information that a prospectus or an investment statement under New Zealand law is required to contain. UCL Shares are being offered to the public in New Zealand under the Offer in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2002* (New Zealand).

No action has been taken to register this Bidder's Statement or qualify UCL or to otherwise permit a public offering of UCL Shares outside Australia or New Zealand.

In particular, UCL Shares have not been, and will not be, registered under the *Securities Act 1933* of the United States of America ("Securities Act") and may not be offered or sold in the United States or to, or for the account or benefit of, a US person (as defined in Regulation S under the Securities Act), except in a transaction exempt from the registration requirements of the Securities Act and applicable United States state securities laws. The entitlements of MAK Shareholders who are located in jurisdictions outside Australia and its external territories or New Zealand are set out in section 10 of Annexure A.

You are advised to exercise caution in relation to the Offer. If you are in any doubt about any of the contents of this Bidder's Statement, you should obtain independent professional advice.

Maps and diagrams

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

Information regarding MAK and the Combined Group

Any information in this Bidder's Statement concerning MAK, MAK's assets and securities has been prepared from publicly available information. This information has not been independently verified and, accordingly, UCL makes no representations and warranties, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on the Combined Group in this Bidder's Statement, to the extent that it incorporates or reflects information on MAK, has been prepared using publicly available information that may not be independently verified. Accordingly, UCL makes no representations and warranties, express or implied, as to the accuracy or completeness of such information to the extent permitted by the Corporations Act.

The information on MAK should not be considered comprehensive. Further information relating to MAK may be included in the Target's Statement which will be sent to you by MAK.

Privacy

UCL has collected your information from the register of MAK Shareholders for the purpose of providing you with this Bidder's Statement. The type of information UCL has collected about you includes your name, contact details and information on your security holding in MAK. Without this information, UCL would be hindered in its ability to issue this Bidder's Statement. The Corporations Act requires the name and address of security holders to be held in a public register. Your information may be disclosed on a confidential basis to UCL's related bodies corporate and external service providers (such as the security holder registry of UCL and print and mail service providers) and may be required to be disclosed to regulators such as ASIC. If you would like details of information about you held by UCL, please contact Link Market Services Limited, Level 15, 324 Queen Street, Brisbane, QLD, Australia, 4000. UCL's privacy policy is available at www.uclresources.com.au . The registered address of UCL is Suite 201, Level 2, 300 George Street, SYDNEY, NSW, AUSTRALIA, 2000.

ASX code

UCL Resources Limited: ASX: UCL

Minemakers Limited: ASX: MAK; TSX: MAK; NSX: MMS

Miscellaneous

All amounts are in Australian currency unless otherwise specified. All references to time are to the local time in Sydney, New South Wales.

Queries

If you have any questions about the Bidder's Statement, please contact the Offer enquiry line on 1800 65 65 68 or +61 2 9207 3621 (for international callers), or your stockbroker, legal or financial adviser.

KEY DATES

Date of the ~~Offer~~	**~~[● June]~~Original Bidder's Statement 28 May 2012~~]~~**
Date of this Replacement Bidder's Statement	**~~28 May~~13 July 2012**
Date of Offer	[*] July 2012
Close of the Offer Period (unless extended or withdrawn)	**7:00pm (Sydney time) on ~~16 July~~ [*]2012**

1. Letter from the Chairman of UCL

Dear Minemakers Shareholder

UCL Offer to combine the assets of UCL and Minemakers

UCL Resources Limited is pleased to announce its offer to acquire all shares in Minemakers by way of an off-market takeover bid. Each company currently has a 42.5% stake in the Sandpiper Marine Phosphate Project ("Sandpiper" or the "Project"), and each company recognises the importance of having a single entity to facilitate financing this Project.

On behalf of the UCL Board, I am pleased to provide you with this Bidder's Statement detailing UCL's offer to acquire all of your MAK Shares for shares in UCL plus a cash consideration.

UCL is offering you:

- **1 UCL Share for every 1.6 of your MAK Shares; plus**
- **4.5 cents cash for each of your MAK Shares (the "Offer").**

This values your MAK Shares in total at a A$0.208 per MAK share and represents a 6.4% premium to the closing price of MAK Shares on 17 May 2012. I note though that MAK's Offer may have had an adverse effect on its share price, while it may have had a positive impact on UCL's share price. Consequently, MAK Shareholders should have regard to this when assessing the Offer.

The UCL Board believes that the Offer is compelling for MAK Shareholders and notes the following:

- **Financial terms of the Offer are superior to the terms implied by MAK's own offer to UCL Shareholders;**
- **The Offer will allow MAK Shareholders to benefit from an exchange of their MAK Shares for UCL Shares plus cash consideration.** ~~**The UCL Board notes that MAK has not to date delivered a dividend to MAK Shareholders.**~~
- **The UCL Board believes that if the Offer is successful, prospective commercial development of Sandpiper may be accelerated and the payment of dividends from Sandpiper cash flows may result;**
- **Under the Offer the interests of both MAK and UCL Shareholders in Sandpiper will remain close to current levels;**
- **The Offer will allow MAK and UCL to achieve their shared objective of combining the ownership of Sandpiper;**
- **UCL believes financing is critical to the value in Sandpiper being unlocked. The Offer, if successful, will allow MAK Shareholders to benefit from the relationships that UCL has developed with strategic investors prepared to support UCL's Board and management team in commercialising Sandpiper. UCL has a proven track record in attracting major strategic investors and is well advanced in attracting additional equity.**

The Definitive Feasibility Study ("DFS") published in April 2012 confirmed Sandpiper is both technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders of both MAK and UCL. The study indicates that the funding requirement to develop Sandpiper is in excess of US$400 million. UCL is confident in its ability to source funding for the Project and that the synergies resulting from the combined entity under UCL's Offer will facilitate the rapid development of Sandpiper to the benefit of the shareholders in both companies.

I note that despite several attempts over the past nine months, UCL's Board has been unable to engage in any meaningful discussions with MAK's board in relation to a proposal and hence the UCL Board has put forward this Offer to you. In doing so UCL is seeking to ensure equitable treatment for both MAK and UCL Shareholders.

Should UCL's Offer be successful the Board of UCL intends to invite Mr Edward Ellyard, a non-executive Director of MAK, to join the Board of UCL to draw on his business expertise and provide continuity for MAK Shareholders. UCL would also consider the appointment of an additional non-executive director from the MAK Board to join the UCL Board, if such candidate, in the opinion of the UCL Board, were to offer complementary skills to those of the UCL Directors.

Please read this Bidder's Statement carefully.

This Offer is subject to a number of conditions, including UCL obtaining a Relevant Interest of at least 50.1% of MAK Shares on issue.

The UCL Board encourages you to ACCEPT UCL'S OFFER and TAKE ACTION by following the instructions on the enclosed Acceptance Form.

The Offer is scheduled to close at 7.00pm (Sydney time) on ~~16 July~~[*] 2012, unless extended or withdrawn. If you have any questions please contact the Shareholders' Information Line on 1800 65 65 68 or +61 2 9207 3621 (for international callers), between 9.00am and 5.00pm (Sydney Time), Monday to Friday.

I look forward to receiving your acceptance and to welcoming you as a shareholder in UCL.

Yours sincerely

Ian Ross
Chairman
UCL Resources Limited

2. Reasons why you should ACCEPT the Offer

2.1 Sandpiper DFS confirms the Project can deliver substantial value

MAK and UCL each own a 42.5% direct stake in Sandpiper. As you will be aware, the companies have recently published a summary of the findings of the DFS. This study has confirmed that:

- The Project is technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders;
- Steady state cash unit costs (assuming a 3.0Mtpa operation) FOB cost (ex Walvis Bay) are expected to be – US$59.70 (March 2012, excl. royalties);
- Steady-state production of 3.0 million tonnes per annum ("Mtpa") of phosphate concentrate product grading 27.5 - 28% P_2O_5 over an initial mine life of 20 years, after a two-year ramp up period;
- Independent marketing study completed by CRU Strategies ("CRU") confirmed that 3.0 Mtpa of Sandpiper concentrate 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").

The funding requirement to develop Sandpiper is in excess of US$400m[1]. Based on ongoing discussions with debt providers the UCL Board believes that a significant proportion of the funding can be provided via appropriate loan facilities. Accordingly both UCL and MAK will need to raise the balance in equity to support the developments. Securing this funding is essential if the value of Sandpiper is to be unlocked.

2.2 UCL has demonstrated that it is better placed to secure the required equity funding

UCL has invested considerable time in developing relationships with strategic investors who have the capacity to provide equity for the development of Sandpiper. UCL recently announced the introduction of a cornerstone investor in Mawarid Mining LLC ("Mawarid" or "MML"), a wholly owned subsidiary of MB Holding Company LLC ("~~MBHolding~~MB Holding"). Mawarid currently holds 13.04% of all Shares in UCL as a result of a recent issue of Shares to Mawarid ("Placement"). Mawarid ~~has agreed underwrite~~underwrote the Rights Issue to raise $2.298 million for the continued development of the Project, on the terms of the MML Underwriting Deed. The terms of the MML Underwriting Deed are set out in section 11.32 of this Bidder's Statement.

Importantly, both the Placement ~~has been carried out~~ and the Rights Issue ~~announced~~have been carried out at $0.30 per UCL Share, a premium to the Company's current share price.

In addition, UCL's major shareholders, Twynam Agricultural Group ("Twynam") and Donwillow Pty Ltd ("Donwillow"), remain supportive of UCL and of developing Sandpiper.

If the Offer is successful, the UCL Board considers that the support of these major shareholders in driving the development of Sandpiper can benefit both MAK and UCL Shareholders.

UCL has developed a strategy to raise equity for the development of Sandpiper. This strategy has proven successful given the recent equity and financial contribution received by MML at a premium in difficult market conditions.

UCL reasonably believes given its contacts and associations within the relevant market place that it is well positioned to obtain finance for the development of the Project.

[1] Based on an estimated total capital cost of US$326 million plus US$86 million for estimated working capital requirements.

2.3 Both the MAK and UCL Boards support consolidation of ownership of Sandpiper

Both MAK's Board and the UCL Board agree that there is considerable merit in combining the ownership of Sandpiper under one entity. However, whilst both boards have sought to consolidate ownership, this has not proved possible to date:

- In September 2011, the UCL Board approached the MAK board to initiate discussions on the advancement of the Project and to look at alternatives for consolidating the ownership of Sandpiper;
- Subsequently, in November 2011, the UCL Board agreed to meet with the MAK board to further the discussions in this regard. However MAK rejected the alternatives proposed by UCL's Board and did not offer any alternatives;
- In February 2012, Minemakers announced a hostile bid to acquire UCL in return for shares in MAK and this offer was subsequently revised on 30 April 2012 (MAK Offer). The revised offer terms could result in significant dilution of UCL Shareholders' interest in Sandpiper, from 42.5% to approximately 28%[2];
- Accordingly, the UCL Board recommended that UCL Shareholders should not accept the MAK revised offer, which expired on 22 May 2012. UCL further notes that UCL Shareholders holding just ~~2.7~~2.9% of UCL share capital accepted the MAK Offer.

At 2 March 2012 UCL's ~~largest~~ shareholders, Twynam and Donwillow (together holding approximately 28.6% of UCL Shares at that time) announced to the market on ~~2 March 2012~~that date that they had rejected MAK's Offer (including any revised or superior scrip offer). UCL's other major shareholder, Mawarid, which holds approximately 13.04% of UCL Shares, also advised that, in the absence of a significantly increased offer from MAK, it would not accept the MAK Offer. The Board of UCL notes that the MAK Offer was unsuccessful.

Meanwhile, UCL has sought to engage with MAK regarding a transaction which would combine the two companies' respective ownership of Sandpiper under a single entity in a way which would deliver value to both MAK and UCL Shareholders. These attempts have been rejected.

2.4 UCL's Offer is designed to be equitable to both sets of shareholders

Having explored the above options, the UCL Board believes the only remaining mechanism to consolidate ownership of Sandpiper is for UCL to seek to implement a merger of the two companies on terms which aim to provide equitable financial treatment to both sets of shareholders.

Accordingly, UCL has brought forward this Offer to acquire MAK, in return for a combination of scrip and cash consideration. Under UCL's Offer[3]:

- MAK Shareholders will retain an effective interest in Sandpiper of approximately 46%, compared to their current effective interest of 49.2%;
- The headline value of the Consideration is a premium of 6.4% to MAK's Share price on 17 May 2012, the day immediately before UCL's Offer was announced (though it should be noted that the MAK share price may have been negatively affected while the UCL share price positively impacted by MAK's Offer); and
- Non-MAK current UCL shareholders will retain an effective interest in Sandpiper of approximately 39%, compared to their current effective interest of 35.8%.

2 The effective interest after the takeover is calculated as the sum of the effective interests of Twynam, Donwillow and UCL's other shareholders in Sandpiper, excluding MAK on the assumption that all non-MAK shareholders accept the offer with the exception of Twynam and Donwillow. The calculations have been completed on an undiluted basis and before accounting for the Placement and announced Rights Issue.

3 Calculations assume that the Rights Issue is fully subscribed (including the effect of underwriting), MAK takes up all its rights under the Rights Issue, all MAK in-the-money options convert into MAK Shares which then accept into the offer, all MAK shareholders accept the offer, and the MML Convertible Note fully converts into equity at a conversion price of $0.25 per UCL Share. Based on MAK's interest in UCL Shares on [17 May 2012], including those under acceptances to its offer for UCL.

- Whilst accepting the offer may result in a minimal change in percentage of ownership in Sandpiper for MAK Shareholders, MAK Shareholders' interest in MAK's other assets will likely be diluted from 100% to approximately 53%.

The UCL Board believes that these terms are equitable to both sets of shareholders.

2.5 The financial terms offered are better for MAK's Shareholders than MAK's offer for UCL

The financial terms of UCL's Offer are more favourable to MAK Shareholders than UCL Shareholders, in comparison to MAK's Offer (including its revised offer dated 30 April 2012). While MAK offered UCL Shareholders 1.3 MAK Shares for each UCL Share, the UCL Offer implies an improved total value of ~~1.253~~1.279 MAK Shares for each UCL Share.

Offer terms	**1.3 MAK Shares per UCL Share**	1.6 MAK Shares per UCL plus $0.045 cash
Equivalent all-share offer value[a]	n/a	**~~1.253~~1.254 MAK Shares per UCL Share**

~~a)~~ The equivalent all-share offer ~~is the ratio that would have to be offered to deliver the same value of the current Consideration but using shares only. Calculated based on headline value of UCL Offer using UCL's last traded price on 17 May 2012. Source: Capital IQ~~value of the UCL Offer above is based on an implied value of the Consideration payable to MAK Shareholders under the UCL Offer of 20.8 cents for each MAK Share (4.5 cents of cash plus 16.3 cents of scrip consideration based on the VWAP of UCL Shares for the 6 months to 3 July 2012 of 26.06 cents multiplied by 0.625 of a UCL Share). MAK offered 1.3 MAK Shares for every UCL Share. The VWAP of UCL Shares is 1.254 times the value of a MAK Share based on the implied value of the Consideration and UCL will provide 27.04 cents of implied value for every 1.3 MAK Shares. This is a premium over the value that MAK would have received had its offer been successful (based on the VWAP of UCL Shares for the 6 months to 3 July 2012). MAK Shareholders will therefore receive more value under the UCL Offer than MAK would have received if it had acquired UCL Shares under the MAK Offer.

The UCL Board is prepared to offer such terms on the basis that:

- UCL has secured the support of ~~Mawarid~~MML which has indicated that it will continue to support UCL and the ongoing development of Sandpiper; and
- The UCL Board believes that the acceleration of the development of Sandpiper under UCL's control will create additional value for UCL's Shareholders which will more than offset the value transferred to MAK's Shareholders under this Offer.

In addition, if the Offer is successful the Board of UCL notes that MAK's Shareholders will also benefit from any value that is created through accelerating the development of Sandpiper.

2.6 The Board of UCL has no confidence that MAK can realise the value inherent in Sandpiper

In particular, the UCL Board notes:

- MAK has not provided any information regarding how it plans to raise the equity that would be required by MAK to fund the development of the Sandpiper Project;
- MAK is pursuing a range of projects, and has not indicated which project will be given priority or the means by which these projects will be funded;
- MAK has not met announced project milestones for its Wonarah project and funding for this project is uncertain due to MAK's inability to conclude successfully funding negotiations with potential equity providers with respect to it; and

- Given these uncertainties, MAK Shareholders can have no confidence as to whether returns from Sandpiper will flow to MAK Shareholders or be diverted to fund the very high capital costs of pursuing MAK's other projects, including the Wonarah project.

2.7 The Offer will allow MAK Shareholders to receive cash in part-payment for their MAK Shares

Under the Offer UCL is offering MAK Shareholders Consideration of A$0.045 cash per MAK Share plus 1 UCL Share for every 1.6 MAK Shares. The UCL Board considers that the Offer enables MAK Shareholders both to continue to participate in the development and growth of the UCL and MAK projects and to receive an attractive cash return on their investment. The UCL Board believes the structure of the Offer is appealing given:

- ~~MAK has not to date delivered a dividend to MAK Shareholders.~~ Under the Offer MAK Shareholders will receive A$0.045 cash consideration per MAK Share;
- The UCL Board considers UCL to be an attractive investment opportunity. UCL's Share price has ~~appreciated by 44% between 1 January 2012~~increased from A$0.19 to A$0.26 (36.8%) between 10 February 2012 (the day before the MAK offer was announced) and 17 May ~~2012,~~ 2012 (the last day before ~~the Offer was announced.~~UCL's announcement of the offer). In contrast, MAK~~'s share price has fallen by over 43% since the launch of its offer for UCL on 13 February 2012~~ share price decreased from A$0.34 to A$0.20 (-42%), during the same period. However, this was the period that MAK had announced the MAK Offer and it is likely that the above movements in the share prices were affected as a result of the MAK Offer. MAK shareholders should note that the price of UCL shares has decreased from $0.26 to $0.16 and the price of MAK shares has decreased from $0.20 to $0.13 in the period since the Offer was announced. MAK Shareholders should take these matters into account when assessing the UCL Offer;
- The UCL Board believes that if the Offer is successful, prospective commercial development of Sandpiper may be accelerated and dividends may be payable from resulting cash flows; and
- The UCL Board believes that UCL has in place the requisite management talent and supportive investor base which will enable it to achieve significant growth.

2.8 The UCL Board also urges you to encourage the MAK Board to RECOMMEND the Offer

The UCL Board encourages you to TAKE ACTION to urge the MAK Board to recommend the UCL Offer. In particular, if the MAK Board recommends the UCL Offer, this will:

- End a period of considerable uncertainty for both companies;
- Increase the amount of MAK and UCL Shareholders funds that can be devoted to pursuing the commercialisation of Sandpiper;
- Accelerate the prospective commercial development of Sandpiper; and
- Ensure a level of representation on the UCL Board for up to two MAK directors.

3. Frequently asked questions

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

1. What is the Offer for my MAK Shares?	UCL is offering to acquire all of your MAK Shares. The Offer relates to all MAK Shares that exist on the Record Date. If you are an Ineligible Foreign Shareholder, you will not be entitled to receive UCL Shares (see question 22 below).
2. Why should I ACCEPT the Offer?	• Financial terms of the Offer are superior to the terms implied by MAK's own offer to UCL Shareholders; • The Offer will allow MAK Shareholders to benefit from an exchange of their MAK Shares for UCL Shares plus cash Consideration; • ~~The Offer will allow MAK Shareholders to benefit from an exchange of their MAK Shares for UCL Shares plus cash Consideration. The UCL Board notes that MAK has not to date delivered a dividend to MAK Shareholders.~~ The UCL Board believes that if the Offer is successful, prospective commercial development of Sandpiper may be accelerated and dividends from Sandpiper cash flows may result; • Under the Offer the interests of both MAK and UCL Shareholders in Sandpiper will remain close to current levels; • The Offer will allow MAK and UCL to achieve their shared objective of combining the ownership of Sandpiper; • UCL believes financing is critical to the value in Sandpiper being unlocked. The Offer will allow MAK Shareholders to benefit from the relationships that UCL has developed with strategic investors prepared to support UCL's Board and management team in commercialising Sandpiper. UCL has a proven track record in attracting major strategic investors, and is well advanced in attracting additional equity.

Further details as to why you should **ACCEPT** the Offer are set out in section 2 of this Bidder's Statement.

3. How do I ACCEPT the Offer?

To accept the Offer, you must complete the accompanying Acceptance Form in accordance with the instructions on the Acceptance Form (such as signing the Acceptance Form and providing all required documents) or, if you have a CHESS Holding, give your instructions directly to your Controlling Participant (normally your stockbroker).

4. Who is UCL?

UCL Resources Limited (ASX:UCL) is developing, and has a 42.5% interest in, Sandpiper, off the coast of Namibia. Sandpiper is believed to be the world's largest individual marine phosphate resource, with sufficient resources to support a 20-year mine life. The Definitive Feasibility Study has been completed and production is expected to begin in the second half of 2014. UCL's management team has been a key driver behind the development of Sandpiper.

UCL also has an interest in the Mehdiabad Zinc Project in Iran.

See section 5 of this Bidder's Statement for more information.

5. What Consideration will I receive if I accept the Offer?

Consideration offered is A$0.045 cash per MAK Share plus 1 UCL Share for every 1.6 MAK Shares.

If you are an Ineligible Foreign Shareholder and accept the Offer, you will not receive UCL Shares. Instead, you will be paid the net proceeds of the sale by the Sale Nominee of the UCL Shares you would have been entitled to in accordance with section 11.28 of this Bidder's Statement.

6. What is the value of the Offer?

If you accept the Offer, the value you will receive under the Offer will depend on the price of UCL Shares at the time UCL Shares are issued to you after the end of the Offer Period.

For example, using the closing price of A$0.260 for UCL Shares trading on the ASX on 17 May, the last day before the Announcement Date, results in an implied value under the Offer of A$0.208 per MAK Share[4]. However, the implied Offer value may change as a result of changes in the market price of UCL Shares after the Announcement Date. In addition, it is noted that the above share prices may have been impacted by the MAK Offer. Consequently, MAK Shareholders should take these matters into account when assessing the Offer.

7. Can I accept the Offer for a portion but not all of my MAK Shares?

No. You may only accept the Offer in respect of 100% (and not a lesser proportion) of the MAK Shares you hold.

8. What are the risks of not

If you do not accept the Offer you will be exposed to the risks

4 Source: ~~ASX~~Capital IQ as at 17 May 2012.

accepting the Offer?	associated with being a continuing shareholder in MAK. Some of these risks are described in section 10 of this Bidder's Statement.
9. Is the Offer subject to Conditions?	Yes. Similar to the majority of off-market takeover bids, this Offer is subject to a number of conditions, some of which are detailed below: • minimum acceptance of 50.1%; • Namibian Competition Commission approval; • no loss or announcement of loss of rights to the tenements comprising Sandpiper or Wonarah, or rejection of licence applications or renewals materials to these projects; • no prescribed occurrences, regulatory prohibition, judicial restraint or unanticipated distribution occurring; and • customary conduct of business conditions. Full details of the Conditions of the Offer are outlined in Section 11 of Annexure A.
10. What are the consequences of the Offer becoming unconditional?	If you accept the Offer after the Offer becomes unconditional, or the Offer becomes unconditional after you have accepted, you will be entitled to receive the Consideration under the Offer. UCL will be entitled to attend any meeting of MAK and vote on behalf of those MAK Shareholders who have accepted the Offer.
11. What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions are not satisfied or waived before the Offer closes the Offer will lapse and acceptances will be cancelled.
12. When does the Offer close?	The Offer is presently scheduled to close at 7.00pm (Sydney time) on ~~16 July~~[*] 2012, unless extended or withdrawn. See sections 11.19, 11.20 and 11.22 of this Bidder's Statement for details of the circumstances in which the Offer Period can be withdrawn or extended.
13. When do I have to decide?	If you wish to accept the Offer you need to do so before its scheduled closing date being 7.00pm (Sydney time) on ~~16 July~~[*] 2012, unless the Offer Period is extended.
14. Will my new UCL Shares be listed on the ASX?	UCL will apply to the ASX for Official Quotation of all UCL Shares issued under the Offer. Quotation of these UCL Shares will depend on the ASX exercising its discretion. UCL cannot guarantee, and does not represent or imply, that UCL Shares will be quoted on the ASX following their issue.

15. Will my new UCL Shares be listed on any other stock exchange?	No. UCL is listed on the ASX. UCL will apply to the ASX only for Official Quotation of all UCL Shares issued under the Offer.
16. Will my new UCL Shares have the same rights and liabilities as all other UCL Shares?	Yes. The new UCL Shares issued under the Offer will rank equally with existing UCL Shares.
17. Will I incur any brokerage fees if I accept the Offer?	No. You will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Offer. Ineligible Foreign Shareholders will be charged fees associated with selling the UCL Shares they were entitled to receive.
18. When will I be issued the Consideration if I accept the Offer?	If you accept the Offer you will have to wait until no later than: • One month after acceptance or one month after the Offer becomes unconditional; or • 21 days after the end of the Offer Period, to be issued the Consideration. For further information please see section 11.23 of this Bidder's Statement.
19. What are the tax implications of accepting the Offer?	A general outline of the tax implications of accepting the Offer is set out in section 9 of this Bidder's Statement. As the outline is a general outline only MAK Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances. In order for a MAK Shareholder to be eligible to elect for scrip-for-scrip roll-over relief, UCL must become the owner of 80% or more of the voting shares in MAK as a result of the Offer.
20. What happens if I do nothing?	You will remain a MAK Shareholder. If UCL acquires 90% or more of MAK Shares and the Offer becomes unconditional, UCL intends to compulsorily acquire your MAK Shares. See section 8 of this Bidder's Statement

for more details.

If UCL acquires at least 50.1% and less than 90% of MAK Shares and the Offer becomes unconditional, you will be a minority security holder in MAK. The risks associated with this are described in section 8 of this Bidder's Statement.

21. Who may accept the Offer?

The Offer is being made to each registered holder of MAK Shares as at the Record Date and any person who becomes a registered holder of MAK Shares during the Offer Period. It also extends to holders of MAK Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of or exercise of rights conferred by MAK Options.

22. What if I am a foreign shareholder?

Any MAK Shareholder whose address (as recorded in the register of members of MAK provided by MAK to UCL) is in a place outside Australia or its external territories or New Zealand (an "Ineligible Foreign Shareholder") will not be entitled to receive UCL Shares under the Offer.

Instead, the relevant UCL Shares (that would otherwise be transferred to such Ineligible Foreign Shareholders) will be allotted to a nominee approved by ASIC who will offer those securities for sale and will distribute to each of those Ineligible Foreign Shareholders their proportion of the proceeds of sale net of expenses.

See section 11.28 of this Bidder's Statement for further details.

23. Who are the Directors of UCL?

The Directors of UCL are:

- Mr Ian Ross – Non-Executive Chairman
- Mr Chris Jordinson – Managing Director
- Mr Stephen Gemell – Non-Executive Director
- Ms Gida Nakazibwe-Sekandi – Non-Executive Director
- Dr. Mohammed Al-Barwani – Non-Executive Director

The UCL ~~Director's~~Directors and management team have extensive experience in the exploration, financing, development and operation of mining projects.

24. Do the Directors own any MAK Shares?

No. None of the UCL Directors ~~hold~~holds MAK Shares. See section 11.2 of this Bidder's Statement for further

	information.
25. Do the Directors own any UCL Shares?	Yes. See section 11.5 of this Bidder's Statement for further information.
26. What are UCL's intentions with respect to the Combined Group?	If the Offer is successful, the Combined Group will own a controlling interest in Sandpiper, Wonarah and other assets. UCL intends to continue to drive the development of Sandpiper. Production from Sandpiper is anticipated to commence in the second half of 2014.
27. What will be the impact of the Offer on the financial position of UCL?	UCL will fund the cash component of the Offer through the issue of the MML Convertible Note. The Combined Group will have a strong balance sheet with a pro-forma cash position of approximately A$17.8m[5], assuming that UCL acquires 100% of MAK Shares. The Offer is intended to consolidate the ownership interests of each party in Namibian Marine Phosphate (Pty) Limited ("NMP"), the company incorporated to own and operate Sandpiper, and in which MAK and UCL each holds a 42.5% interest respectively. If the Offer is successful, UCL will be required to fund 100% of all pre-development costs for Sandpiper (previously 50%). UCL's Board is confident in the ability of UCL to continue to raise capital to fund Sandpiper.
28. What are the risks associated with the Offer?	If you accept the Offer, and the Offer becomes unconditional, you will be issued with UCL Shares. There are risks associated with holding UCL Shares. You are already exposed to many of these risks, particularly related to the Sandpiper Project, the phosphate industry, and the inherent risks associated with bringing a project to development, due to your current holding of MAK Shares. For further detail regarding some risks associated with the Offer see section 10 of this Bidder's Statement.
29. What will happen to the options on issue in MAK?	The MAK Options are held by MAK directors and management, and their associates. If the MAK Options are exercised during the Offer Period and these holders are issued MAK Shares, the holders will be entitled to accept under the Offer.
30. Can I withdraw my acceptance after I have accepted the Offer?	No. You cannot withdraw your acceptance of the Offer unless a right to withdraw arises under the Corporations Act.

[5] Refer to Section 7.6 – Table 1: Pro Forms Consolidated Statement of Financial Position – 100%

	Further details regarding the conditions under which your acceptance may be withdrawn are included in section 11.22 of this Bidder's Statement.
31. Can UCL extend the time at which the Offer is to close?	Yes. UCL can extend the Offer Period in accordance with the Corporations Act. UCL will give written notice of any extension of the Offer Period in accordance with the Corporations Act. Further detail is available in section 11.19 of this Bidder's Statement.
32. What alternative do I have as a MAK Shareholder?	You have the following alternatives as a MAK Shareholder: - accept the Offer; - sell your MAK Shares on ASX; or - do nothing.
33. Is there a number that I can call if I have further queries in relation to the Offer?	If you have any further queries in relation to the Offer you can call the Shareholder Information Line on 1800 65 65 68 or +61 2 9207 3621 (for calls made from outside Australia). Calls to this number may be recorded.

4. How to accept the Offer

Complete and return Acceptance Form

Complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the Acceptance Form and return it in the reply paid envelope so that it is received at the address below before the end of the Offer Period.

Mailing address

~~UCL Resources Limited~~
~~C/~~ Link Market Services Limited
~~ANZ Building, Level 15, 324 Queen Street~~
~~Brisbane QLD 4000~~
~~AUSTRALIA~~
Minemakers Limited Takeover
Locked Bag A14
Sydney South NSW 1235

Acceptance will be deemed to have been effected when, subject to Annexure A, the duly completed Acceptance Form has been received at the above address. Full details of how to accept the Offer are set out in Annexure A.

For CHESS Holdings

To accept the Offer you may instruct your Controlling Participant (usually your stockbroker) to initiate acceptance of the Offer on your behalf in sufficient time for the Offer to be accepted before the end of the Offer Period.

Last day to return Acceptance Form

The Offer closes on ~~16 July~~[*] 2012, unless extended by UCL. Your Acceptance Form must be received before the end of the Offer Period.

Offer and acceptance enquiries

If you have any questions about how to accept the Offer please contact the Shareholders Information Line on 1800 65 65 68 or +61 2 9207 3621 (for international callers), or your stockbroker, legal or financial adviser.

5. Profile of UCL

5.1 Overview of UCL

UCL is an Australian mineral exploration company. The Company is developing, and has a 42.5% interest in, Sandpiper, located off the west coast of Namibia. Sandpiper is believed to be the world's largest individual marine phosphate resource, with sufficient indicated resources to support a 20-year mine life.

A DFS has recently been completed which confirms that Sandpiper is technically feasible and has the potential to be a long life project capable of delivering strong investment returns to shareholders. Production at Sandpiper is anticipated to begin in the second half of 2014. Sandpiper is owned and conducted by an incorporated joint venture company, Namibian Marine Phosphate (Pty) Limited ("NMP"), a company registered under the laws of Namibia.

UCL also has an interest in the Mehdiabad Zinc Project in Iran.

UCL is listed on the ASX. As at 17 May ~~2012 ,~~2012, UCL had a market capitalisation of A$24.16 million.

5.2 Current business activities of UCL

UCL currently has interests in two mining projects, namely:

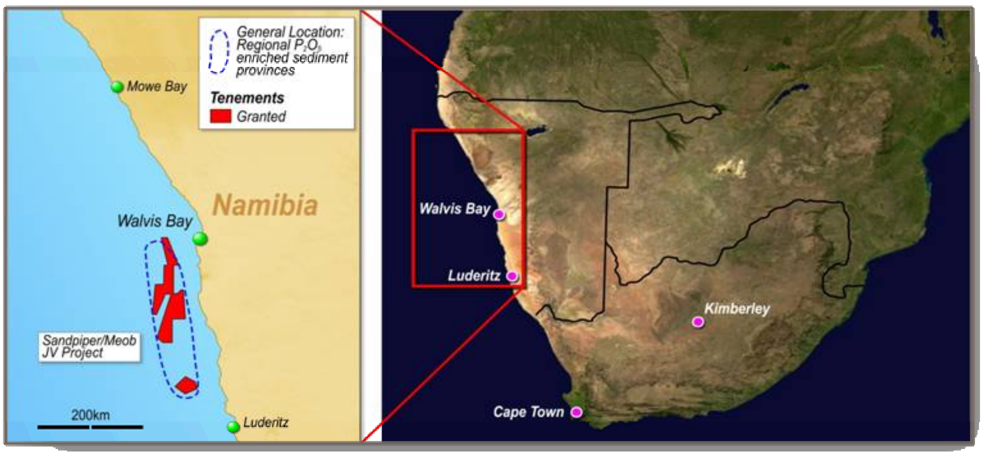
- Sandpiper in Namibia
- Mehdiabad Zinc Project in Iran

5.3 Overview of UCL activities

Sandpiper Marine Phosphate Project, Namibia (42.5% ownership)

Sandpiper involves a process of conventional dredging (using a Trailing Suction Hopper Dredger) of modern free flowing phosphatic sea floor sediments at water depths initially to 225 metres. This is followed by simple chemical-free beneficiation (screening, de-sliming, gravity separation, attrition, washing and drying) to produce a "rock phosphate concentrate" for export to identified markets in Africa, South America and Asia. The Sandpiper resource is situated offshore, approximately 120 kilometres south west of the port of Walvis Bay on the Namibian continental shelf. The deposit has a significant resource consisting of 227Mt (at 19.7%) in the measured and indicated category and 1,608Mt (at 18.9%) in the inferred category of unconsolidated phosphatic sediments.

Project Location



This Mineral Resource estimate was prepared independently by geostatistical consultant Dr Alwyn E Annels, FIMMM, C.Eng. and is JORC and NI 43-101 compliant.

It has been declared as:

Measured Resource (within the initial Target Recovery Area)	60	20.8%
Indicated Resources (within the Initial Target Recovery Area)	105	19.6%
Indicated Resources (outside the Initial Target Recovery Area)	62	20.6%
Total Measured & Indicated	**227**	**19.7%**
Total Inferred	**1607.8**	**18.9%**

The DFS, a summary of which was released to the market by both UCL and MAK in April 2012, 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. The DFS Report was completed on time and on budget. The DFS envisages steady-state production of 3.0 million tonnes per annum ("Mtpa") of phosphate concentrate product grading 27.5 - 28% P_2O_5 over an initial mine life of 20 years, after a two-year ramp up period. An Independent marketing study completed by CRU Strategies confirmed that the 3.0 Mtpa of Sandpiper concentrate 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").

NMP operates Sandpiper under the terms of the Sandpiper Shareholders Agreement between NMP and its shareholders, Sea Phosphates (Namibia) (Pty) Ltd (42.5% shareholding) being a wholly owned subsidiary of UCL, Tungeni Investments cc, a Namibian investment company (15% shareholding) and Minemakers (Namibia) (Pty) Ltd (42.5% shareholding) being a wholly owned subsidiary of MAK. This agreement governs decision-making with respect to Sandpiper, some of which require unanimous shareholder approval including approval of capital expenditure and adoption of business plans. Other decisions are by simple majority vote.

The Mehdiabad Project, Iran (24.5% ownership)

The Mehdiabad Zinc Project in Iran (the "Mehdiabad Project") operates through an incorporated Iranian joint venture company, Mehdiabad Zinc Company ("MZC") owned by Karoun Dez Dasht (45.6% ownership), UCL (24.5% ownership), Itok GmbH (24.5% ownership) and a number of minority shareholders (5.4% ownership).

A third party to the joint venture company, the Iranian Mines and Mining Industries Development and Renovation Organisation ("IMIDRO"), holds the exploration licence relating to the Mehdiabad Project. In December 2006, IMIDRO purported to terminate several agreements between the shareholders in MZC relating to the Mehdiabad Project. No progress with respect to the Mehdiabad Project has been made since that time and consequently expenditure on the Mehdiabad Project has been fully impaired in the books of UCL. However, the UCL Board and management continue to believe that these agreements have been invalidly terminated. The UCL Board is of the view that it is worth maintaining an interest in the Mehdiabad Project at this stage and continues to work with the relevant Iranian authorities to seek an amicable agreement. This deposit constitutes one of the largest undeveloped zinc resources worldwide.

The exploration status of the Mehdiabad Project remains unchanged from 2008 and is summarised below. More than 52,000 metres of diamond drilling has delineated a 394 million tonne resource containing zinc (Zn), lead (Pb) and silver (Ag). This resource is open at depth and to the north.

Details of the resource (at a 2% Zn cut-off) as reported in 2007 are:

Measured	140	4.1%	1.6%	34
Indicated	222	4.2%	1.6%	36
Inferred	32	4.5%	1.4%	38
Total	394	4.2%	1.6%	36

5.4 UCL Board of Directors

Ian Ross, Chairman and Non-Executive Director

Ian Ross has been a Director since 23 June 2005. Mr Ross has over 45 years' experience in international finance and mining in Europe, USA, Asia and Australasia. He is currently an Associate of the Chartered Institute of Bankers and holds a Diploma from the School of Management Studies, London. He has worked at the most senior levels with many of Australia's major mining and resources companies and for ten years, until his retirement from executive positions, was a senior executive in the Ivanhoe Group of Companies. Mr Ross has been a non-executive director and Chairman of Indochine Mining Limited since 2009 and was a non-executive director and Chairman of Intec Limited from 2003 to December 2007. Mr Ross is a member of the Audit Committee and the Remuneration & Nomination Committee.

Chris Jordinson, Managing Director

Chris Jordinson was formerly Chief Executive Officer of Outback Metals Limited, a company listed on the ASX. Before joining Outback Metals, he was the Chief Executive Officer of Copper Resources Corporation which was listed on the Alternative Investment Market of the London Stock Exchange. Prior to that, Mr Jordinson was company secretary of Queensland Ores Limited, during which time he assisted that company to list on the ASX in May 2005. Mr Jordinson has more than fourteen years' experience as a Chief Executive Officer, company secretary and financial controller for various Australian public companies.

Gida Nakazibwe-Sekandi, Non-Executive Director

Gida Nakazibwe-Sekandi obtained a Bachelor of Law in 1976 at the University of Makere in Kampala, Uganda followed by a Diploma for Legal Practice in 1977. She practiced as a lawyer for nine years in Uganda and Zimbabwe and is an accredited public relations practitioner. She is currently an executive Director of the Group Professional Services Division of Capricorn Investment Holdings Limited, a regional financial services group based in Namibia and Botswana with interests in banking (including 72.9% ownership of Bank Windhoek), insurance, asset management, investments and micro finance. The Group Professional Services Division includes the practice areas legal advisory, company secretariat and board affairs, corporate audit services, business process management and corporate marketing and communication services. Prior to this Ms Nakazibwe-Sekandi was the executive director, Corporate Marketing for Capricorn Investment Holdings which included the provision of corporate marketing and communication services to group companies, and before that had corporate roles with Bank Windhoek and Rossing Uranium Limited.

Stephen Gemell, Non-Executive Director

Steve Gemell has over 35 years' experience in mining in Australasia, Africa, Europe and the Americas. His experience includes both underground and open cut mining covering project evaluation, feasibility studies, development and operational management and supervision. In addition, Mr Gemell has acted as an independent expert or technical auditor for both mining companies and financial institutions. He has been Principal of Gemell Mining Engineers, an independent multi discipline consultancy, since its formation in Kalgoorlie in 1984. Mr Gemell has held executive and non-executive directorships in listed mining companies and is currently the non-executive Chairman of Golden Cross Resources Ltd and a non-executive director of Argent Minerals Limited, Eastern Iron Limited, and Indochine Mining Limited.

Dr Mohammed Al-Barwani, Non-Executive Director

Dr. Mohammed Al-Barwani is founder and Chairman of MB Holding Company LLC **("MB Holding")**. He has a Bachelor's Degree in Science from Miami University, Ohio, USA, and was awarded a Master's 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, Marwarid 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 non-executive Chairman of two publicly 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 "COMMANDEUR" IN DE ORDE VAN ORANGE-NASSAU by Her Majesty the Queen of The Netherlands in January, 2012.

5.5 UCL Balance Sheet

The information below is an extract only. The full financial accounts for the financial periods described below, which includes notes to the financial statements, can be found in UCL's annual and half yearly reports available from the ASX website at www.asx.com.au.

UCL Statement of Financial Position

ASSETS		
Current assets		
Cash and cash equivalents[1]	2,175,610	4,452,797
Trade and other receivables	62,438	68,747
Available-for-sale financial assets	90,000	150,000
Total current assets	2,328,048	4,671,544
Non-current assets		
Other financial assets	6,930	50,583
Investments accounted for using the equity method	5,124,718	3,616,957
Property, plant and equipment	10,533	11,952
Total non-current assets	5,142,181	3,679,492
Total assets	7,470,229	8,351,036
LIABILITIES		
Current liabilities		
Trade and other payables	283,892	311,677
Borrowings	500,000	-
Provisions	49,127	27,149
Total current liabilities	833,018	338,826
Non-current liabilities		
Borrowings	-	500,000

Total non-current liabilities	-	500,000
Total liabilities	833,018	838,826
NET ASSETS	6,637,211	7,512,210
EQUITY		
Contributed equity	101,687,383	101,687,383
Reserves	1,719,402	1,917,781
Accumulated losses	(96,769,574)	(96,092,954)
Total equity	6,637,211	7,512,210

1) See below for updated cash figure

On 30 April 2012, UCL announced its Quarterly Cashflow Report to the market. In this announcement, UCL reported that it had cash as at 31 March 2012 of A$1.081 million.

On 10 May 2012, UCL announced a Placement of 12,121,061 shares to Mawarid at A$0.30 per share, raising A$3.636 million before costs.

On 26 June 2012, the Rights Issue was completed where 1,091,751 shares were received from shareholders leaving a shortfall of 6,567,844 shares ("**Shortfall Shares**"). MML has subscribed for all Shortfall Shares at $0.30 per share.

5.6 UCL Shareholders

As at the date of this Bidder's Statement, there were approximately 1,300 UCL Shareholders and the top 10 UCL Shareholders were:

	UCL Shares	
UCL Shareholder	**Number**	**Percentage**
Twynam Agricultural Group Pty Ltd	20,355,439	20.24%
Mawarid Mining LLC	19.698,994	19.58%
Minemakers Limited	14,353,631	14.27%
JP Morgan Nominees Australia Limited	6,257,755	6.22%
Donwillow Pty Ltd	5,251,343	5.22%
National Nominees Limited	3,614,666	3.59%
Keng Tin Enterprises Ltd	3,431,373	3.41%
Select Investments Super Pty Ltd	2,976,312	2.95%
Mrs Virginia Warnecke	1,669,338	1.66%
HSBC Custody Nominees (Australia) Limited	1,299,817	1.29%

5.7 Trading in UCL Shares

UCL Shares are quoted on ASX.

Set out below is a table showing relevant trading prices of UCL Shares on ASX:

Comparative trading period price of UCL Shares	**Price of UCL Shares A$**

Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	$0.37
Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with ASIC	$0.16
Closing trading price on the last trading day before the Announcement Date	$0.26
Last available closing price of UCL Shares traded on ASX prior to the date this Bidder's Statement was lodged with ASIC	$0.175

5.8 Comparison of UCL and MAK Share prices

Set out below is a table showing relevant VWAPs at 1, 3 and 6 month intervals of both UCL and MAK shares.

	Closing Price	VWAP		
	3/7/12	1month	3month	6month
UCL	0.17	.0.1880	0.2590	0.2606
MAK	0.15	0.1481	0.1957	0.2658

Source: Bloomberg

The above VWAP periods have been prepared using the following dates:

- 1 month - 4/6/12 to 3/7/12
- 3 month - 4/4/12 to 3/7/12
- 6 month - 4/1/12 to 3/7/12

UCL notes that that the above VWAP calculations may have been impacted by the MAK Offer, which was announced on 13 February 2012 and ended on 22 May 2012. MAK shareholders should note that the price of UCL shares has decreased from $0.26 to $0.16 and the price of MAK shares has decreased from $0.20 to $0.13 in the period since the Offer was announced. MAK Shareholders should take this into account when comparing the above VWAP calculations.

5.9 Further information about UCL

As a company whose shares are quoted on ASX, UCL is a disclosing entity (see section 11.27 for further details) and, as such is subject to regular reporting and disclosure obligations. Copies of all documents lodged with ASIC in relation to UCL may be obtained for a free from, or inspected at, an office of ASIC.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules or the Bidder's Statement that MAK Shareholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

(a) the assets and liabilities, financial position and performance, profits and losses and prospects of UCL; and

(b) the rights and liabilities attaching to the UCL Shares to be issued pursuant to the Offer.

5.10 UCL Share Structure following Conversion of MML Convertible Note post completion of the Rights Issue

The following table illustrates the various potential impacts on Voting Power of MML, Twynam Agricultural Group Pty Ltd and Donwillow Pty Ltd (**The Twynam Group**) and MAK in respect of their shareholding in UCL following conversion of the MML Convertible Note and Donwillow Note, post completion of the Rights Issue. On 26 June 2012, the Rights Issue was completed where 1,091,751 shares were received from shareholders leaving a shortfall of 6,567,844 shares (“**Shortfall Shares**”). MML has subscribed and paid for all Shortfall Shares at $0.30 per share.

	MML shares	MML	Twynam shares	Twynam	MAK shares	MAK
	million	%	million	%	million	%
Assuming UCL acquires 100% Minemakers						
Assuming MML Convertible Note at lesser of $9M and amounts which corresponds to 19.9%	55.70	19.71%	26.61	9.42%		
Assuming no conversion of Donwillow Note (note paid out)	55.70	19.71%	26.61	9.42%		
Assuming Donwillow Note is converted	55.70	19.48%	29.94	10.47%		
Assuming 50.1% acceptances						
Assuming MML Convertible Note at lesser of $9M, cash component ($5.26M) and amounts which corresponds to 19.9%	38.40	19.96%	26.61	13.83%	14.35	7.46%
Assuming no Donwillow conversion (note paid out)	38.40	19.96%	26.61	13.83%	14.35	7.461 %
Assuming Donwillow Note is converted	38.40	19.62%	29.94	15.30%	14.35	7.46%

UCL Options

200,000 $0.60 options on or before 31 March 2013 subject to vesting conditions

44,445 $0.15 options on or before 31 March 2015

44,445 $0.39 options on or before 31 March 2015

44,445 $0.63 options on or before 31 March

Under the above scenarios, it is apparent that the Voting Power of MML in respect of the conversion of the MML Convertible Note will not exceed 20%.

5.11 Relationship between UCL and MML

On 21 May 2012, Dr Mohammed Al-Barwani was appointed as a director of UCL. Dr Al Barwani controls MB Holding and MML, a wholly owned subsidiary of MB Holding. As a consequence, UCL and MML are related parties within the meaning of section 228(4) of the Corporations Act. UCL has set out below the background behind this relationship, details of all documents signed by the relevant parties to date and other relevant matters regarding the relationship.

5.11.1 Background to relationship

In January 2012, Montpellier Corporate Advisory Pty Ltd ("**Montpellier**") approached UCL with respect to seeking a strategic investor. Shortly afterwards Montpellier and UCL entered into agreement on 13 January 2012 for the purpose of Montpellier finding a suitable investor for UCL ("**Agreement**"). In accordance with this Agreement, Montpellier advised UCL of parties they thought appropriate for UCL. One such party was MB Holding. Montpellier advised of its relationship with MB Holding, including previous transactions carried out by them, one of which was a US$50M investment that MB Holding's, subsidiary company MML had made into Nautilus Minerals – refer attached http://www.mawaridmining.com/mediacenter_news8.shtml.

Montpellier prepared a background document to each of the parties UCL met on the roadshow (including MB Holding) which dealt with financial information about these parties. UCL had three meetings with MB Holding before entering into any agreement with MB Holding including:

(a) In February 2012 – UCL met with the CFO Sushil Kumar;

(b) In March 2012 – UCL met with Dr Al Barwani, Usama Al Barwani and Sushil Kumar to make a formal presentation to MB Holding's business development team; and

(c) On 6 May 2012 – UCL met with Dr Al Barwani, Usama Al Barwani, Sushil Kumar and Namit Rustagi to formalize MB Holding's interest in investing in UCL. At that time, the Chairman of UCL invited Dr Al-Barwani to consider joining the board of UCL.

The information provided by Montpellier to UCL described above did not contain information relating to ownership of MB Holding. UCL was not aware of Dr Al Barwani's interest in MB Holding.

5.11.2 Relevant Documents

(a) *Memorandum of Understanding with MB Holding*

Following the above discussions in March 2012, MB Holding and UCL signed a non-binding, conditional MoU on 11 April 2012 (**MB MoU**). The MB MoU contemplated the Placement to either MB Holding or its subsidiaries, subject to any applicable regulatory approvals, following completion of the Rights Issue. It provided that in the event MB Holding wished to continue with the Placement, the parties would sign a Subscription Agreement and other documents as may be agreed by the parties. It further provided for a possible position on the UCL Board by a nominee of MB Holding. It was not contemplated by UCL that Dr Al Barwani be appointed as a director of UCL at that time.

(b) *Subscription Agreement and Convertible Note Agreement with MML*

On 12 May 2012, UCL and MML, not MB Holding, signed the Subscription Agreement in respect of the Placement. This agreement provided MML with a first right to participate in further placements by UCL subject to the Corporations Act and the Listing Rules. It also provided for the appointment of Dr Al Barwani as a director of UCL.

On 17 May 2012, MML and UCL signed the MML Convertible Note Agreement. It was the intention of the parties that the appointment of Dr Al Barwani or other nominee of MB Holding was conditional upon the signing of the Subscription Agreement and Convertible Agreement as such formed part of the "Subscription Documents", as such term is defined in the MB MoU. On 16 May 2012, a Notice of Substantial Holder in respect of the Placement and was submitted by MML to UCL. The notice showed Dr Al Barwani as having a relevant interest in the Placement shares by virtue of section 608(3) of the Corporations Act. Prior to the signing of the MML Convertible Note Agreement, UCL's Board had not been aware of Dr Al Barwani's interest in MB Holding and MML.

(c) *MML Underwriting Deed*

On 27 May 2012, the parties signed the MML Underwriting Deed, under which MML agreed to subscribe for any shortfall shares arising from the Rights Issue. No underwriting fee was payable to MML. The Rights Issue was completed on 26 June 2012 and MML has agreed to subscribe for 6,567,844 UCL shares representing the shortfall shares at an exercise price of $0.30 per share.

5.11.3 Regulatory issues

ASIC Regulatory Guide 76.148 sets out certain disclosure requirements in respect of related party arrangements relevant to an investment decision by persons seeking to accept, amongst other things, an offer under a takeover bid. As to these matters, UCL states as follows in respect of the MML Convertible Note Agreement and MML Underwriting Deed:

(i) The value of the benefit

(1) Under the Subscription Agreement MML was entitled to subscribe for the Placement representing 12,121,061 UCL shares to MML at $0.30 per share.

(2) Under the MML Convertible Note Agreement:

(a) MML, upon the advance of funds, is entitled to interest at the rate of 7.5 percent per annum, unless there is an Event of Default, in which case it is 12.5 percent per annum for the duration of the Event of Default; and

(b) MML may convert the amount advanced including accrued but not paid interest, into UCL Shares at an issue price of $0.25 per share unless there is an Event of Default in which case it is the lower of $0.20 or equal to the closing price of the Shares on the day of the Event of Default or if more than one day on which an Event of Default has occurred, the lowest such price.

(3) Under the MML Underwriting Deed:

(a) MML is entitled to subscribe for shortfall shares; and

(b) No underwriting fee is payable.

(ii) The nature of the relationship

Dr Barwani is a director of UCL and controls MML. This means that MML and UCL are related parties under section 228 of the Corporations Act.

(iii) Arms length terms

UCL regards the terms of the Subscription Agreement, MML Convertible Note Agreement and MML Underwriting Deed to be on commercial arm's length terms having regard to agreements of their type.

In particular, UCL notes that:

(1) the shares issued under the Subscription Agreement were issued were at a premium to prevailing trading prices for UCL shares at that time;

(2) the interest payable under the MML Convertible Note Agreement is less than which would be payable under arrangements with a third party lender and the conversion price is at a premium to recent trading prices of UCL shares; and

(3) no underwriting fee was payable to MML under the MML Underwriting Deed.

(iv) Member approval sought

Under Listing Rule 10.11 unless an exception in rule 10.12 applies, an entity must not issue or agree to issue equity securities to a related party or someone in the opinion of the ASX is a related party, unless with the approval of ordinary shareholders. As to these matters:

(1) Subscription Agreement and MML Convertible Note Agreement

UCL does not believe approval by its shareholders is required to approve the signing of the Subscription Agreement and MML Convertible Note Agreement on the basis of Exception 6 of Listing Rule 10.12. Under this exception, approval is not required if the person is a related party by reason only of the transaction which is the reason for the issue of the securities and the application to it of section 228(6). Dr Al Barwani was appointed as a director of UCL following the execution of both the Subscription Agreement and MML Convertible Agreement. Notwithstanding that UCL was not aware of Dr Al Barwani's control of MB Holding and MML until the contents of the Notice of Initial Shareholding were recently brought to the Board's attention, these arrangements were ultimately the reason for his appointment as a director of UCL.

In addition, given the Placement, UCL shareholder approval would ordinarily have been required to permit the execution of the MML Convertible Agreement as per Listing Rule 7.1. Listing Rule 7.1 states an entity must not issue or agree to issue equity securities (which includes convertible notes) which would exceed 15% of issues in the past 12 months. However, shareholder approval was not sought in respect of this, as UCL relies on the Exception 6 contained in Listing Rule 7.2. Under this Exception, member approval is not required for LR 7.1 where the issue is to fund the cash consideration of an off market bid.

(2) MML Underwriting Deed

UCL does not consider shareholder approval for signing this deed is required on the basis of Exception 2 of Listing Rule 10.12. This exception states that shareholder approval is not required where the person receives the securities under an underwriting agreement in relation to a pro rata issue and the terms of the underwriting were included in offer documents sent to holders of ordinary securities. UCL notes that the terms of the Underwriting Deed were disclosed in its offer documents to UCL shareholders dated 12 June 2012.

(v) The risks associated with the related party arrangement

Risks associated with related party transactions include:

(1) Financial risk- including making commercial decisions, which may not in the best interests of the Company;

(2) Shareholder Risk - including the company not acting independently owing to pressure from a related party and thus not operating to mamximise returns for its shareholders; and

(3) Fiduciary Risk - including non-compliance with statutory fiduciary duty by board members including duty to act in good fathith and to avoid conflicts of interst

(vi) Existing policies and procedures for related party transactions

UCL has in place a policy for related party transactions which is contained in its Corporate Governance Charter, which can be downloaded from its website: www.uclresources.com.au. Under this policy, the Board must regularly assess whether each Director remains an Independent Director in the light of the interests disclosed by them, and each Director must provide the Board with all relevant information for this purpose. The independence of Directors will be disclosed in UCL's annual report. The UCL Board is acutely aware of relevant provisions of the Corporations Act and Listing Rules relating to matters involving related party transactions.

In addition, UCL notes that under the Subscription Agreement, MML has a right of first refusal to participate in future placements carried out by UCL from time to time. MML must exercise such rights under within 30 days of receipt of a written offer by UCL to participate in a further placement, subject to the Corporations Act and Listing Rules.

6. Profile of MAK

6.1 Disclaimer

Without limiting the statements in the Important Information section of this document, this overview of MAK has been prepared by UCL using publicly available information.

The information contained in this document regarding MAK has not been independently verified. UCL does not, subject to any applicable laws, make any representation or warranty, express or implied, as to the accuracy or completeness of this information. The information on MAK is not considered to be comprehensive.

6.2 Overview of MAK

MAK is an Australian mineral exploration and development company.

MAK is listed on the Australian Securities Exchange, on the Toronto Stock Exchange and on the Namibian Stock Exchange. As at 17 May 2012 MAK had a market capitalisation of approximately A$44.51 million. MAK is a public company limited by shares and is incorporated and domiciled in Australia.

6.3 Summary of operations

MAK's key assets are its interests in two undeveloped sedimentary phosphate deposits, the Wonarah project in the Northern Territory and Sandpiper. MAK also holds a 70.0% interest in a marine phosphate project located north of Sandpiper – Rocky Point, a 6.7% equity interest in JDCPhosphate Inc ("JDC"), a developer of dry kiln technology for the phosphate industry, and a number of other investments including a 19% unlisted interest in a tin, tungsten and fluorspar development company TNT Mines Limited and ownership of licences to explore potential rock salt and potash resources in Port Keats, Northern Territory. MAK also holds a 15.8% shareholding in UCL[6].

Wonarah Project, Australia (100% ownership)

Wonarah is situated approximately 260 kilometres east of Tennant Creek in the Northern Territory, Australia.

MAK has estimated that the Mineral Resources for Wonarah are as follows:

	0% Cut-off		10% Cut-off	
Indicated Resources	565	12.6%	303	18.2%
Inferred Resources	987	11.4%	479	17.6%
Total Inferred	**1,552**	**11.8%**	**782**	**17.8%**

In November 2011 an enabling study on Wonarah, commissioned by MAK and conducted by KEMWorks and Optimum Capital, was completed. The enabling study contemplated development of a rock phosphate mine and downstream processing facilities 1.4 Mtpa of super phosphoric acid (using the JDC dry kiln technology, otherwise known as the "improved hard process") or approximately 2.2 Mtpa of solid fertiliser products such as diammonium phosphate and monoammonium phosphate (using the commonly called "wet acid process"). Based on the results of this study, a full BFS on fertiliser production is warranted. MAK's estimate of the cost of the BFS will be in the order of A$34.0 million

[6] MAK gained an additional interest in 2.7% of UCL shares as a result of acceptances under its Offer for UCL.

and will begin once partnering arrangements for the funding of further development of Wonarah have been finalised.

In July 2010 MAK entered into a non-binding MoU with the Australian based company Verte Group Pty Limited to procure Asian strategic investors to provide the necessary debt funding for engineering, procurement and construction of Wonarah and associated infrastructure. In May 2011 the non-binding MoU was mutually terminated.

In June 2011 MAK executed a non-binding MoU with NMDC Limited. Under the terms of the MoU the parties undertook to negotiate the terms of a joint venture agreement in relation to Wonarah with a limited period of exclusivity. The period of exclusivity between MAK and NMDC was extended and expired on 15 February 2012. No joint venture agreement has yet been announced.

Sandpiper Marine Phosphate Project, Namibia (42.5% direct, 6.7% indirect ownership)[7]

MAK has a direct shareholding in Sandpiper through its 42.5% shareholding in NMP. MAK also has an indirect shareholding in Sandpiper of 6.7% through its 15.8% interest in UCL. Please refer to section 5.3 of this Bidder's Statement for information about Sandpiper.

Rocky Point Project (70% ownership)

MAK holds a 70% shareholding in MAK Tungeni JV Exploration (Pty) Ltd ("MT"), which is the owner of the Rocky Point Project. The remaining 30% shareholding is held by Tungeni Investments cc. The Rocky Point Project comprises four exploration tenements (one of which is currently the subject of a renewal application) of 4,000 sq km in total area, located north of Sandpiper, that are prospective for marine phosphate deposits. MAK undertook an initial grab sampling programme on the Rocky Point Project in the financial year ended 30 June 2011. Widespread phosphate mineralisation was encountered, although areas within grade comparable to the Sandpiper were found to be relatively small.

As the Rocky Point Project area is located in Namibia, the project is subject to the Non Compete clause in Sandpiper Shareholder Agreement. Under clause 22 of that agreement, no shareholder will engage in marine phosphate exploration or exploitation offshore in Namibia except through NMP, although MT is able to conduct mining exploration activities in respect of the Rocky Point Project. Under this agreement, the shareholders of MT must procure that MT give a first right of refusal to NMP in certain cases including where there is a decision to proceed to completion of a DFS, or to make an application for a mining licence, in respect of the Rocky Point Project.

JDCPhosphate Inc. (6.7% ownership)

In September 2010 MAK acquired a 6.7% equity interest in JDC for US$1.0 million (in cash and scrip). JDC is a developer of dry kiln technology for the production of super phosphoric acid. The technology is still under development and has not been employed in a commercial environment.

TNT Mines Limited (19%)

MAK has a 19% interest in TNT Mines Limited ("TNT"), an unlisted public company holding tin, tungsten and fluorspar assets in Tasmania. TNT Mines demerged from MAK on 19 July 2011, following which all MAK Shareholders at that date received a distribution in-specie of shares in TNT Mines Limited. It was announced that the intention was to undertake an initial public offering ("IPO") of the business on the ASX. On 21 July 2011 MAK advised its shareholders that the TNT board had decided, due to the state of the financial markets at that time, to defer the IPO and listing until equity market conditions were sufficiently favourable to permit this. TNT currently remains unlisted.

AMMG

In October 2011, MAK announced that it had agreed to sell its West South-down iron ore project to Australian Minerals and Mining Group Limited ("AMMG"). Upon confirmation that the tenements comprising the project have been renewed, MAK expects to receive 5.0 million shares and 2.0 million A$0.20 exercise price options in AMMG.

[7] Includes the interest that MAK obtained as a result of acceptances under its Offer for UCL.

6.4 Directors of MAK

The profiles of the directors of MAK as at the date of this Bidder's Statement are set out below.

Andrew Drummond, B.Sc.(Hons), FAusIMM, C Man, MAIG, MGSA

(Executive Chairman, member nomination committee)

Mr Drummond is a geologist with 40 years' of industry experience in exploration, development, mining and management. He has had senior management and/or directorship roles with Westonia Mines Limited, Zephyr Minerals NL, Black Range Minerals NL, the ACM Group Ltd and Homestake Gold Australia limited. He is currently a director of TNT Mines Limited.

Mr Drummond has extensive experience with many commodities in hardrock and alluvial environments in Australia, New Zealand, the Philippines, Russia and China. He gained operating experience as Chief Geologist at Westonia Gold Mine. He also supervised a full BFS for Westonia Mine Limited.

Within the last three years Mr Drummond has been a director of BCD Resources.

Denis Wilkins, B.Bus, AICD, ACIS

(Finance Director, member of the remuneration and nomination committees)

Mr Wilkins is an accountant who has been a director, company secretary or acted in a corporate advisory capacity to listed resources companies for over 20 years. Mr Wilkins previously served as the finance director and company secretary for a mid tier gold producer and also spent five years working for a leading merchant bank in the United Kingdom. Resource postings in Indonesia, South Africa and New Zealand in managerial roles have broadened international experience.

Mr Wilkins has extensive experience in capital raising specifically for the resources industry and is the principal of DWCorporate Pty Ltd which provides advisory, funding and administrative management services to the resource sector. Mr Wilkins is a non-executive director of Key Petroleum Limited.

Edward (Ted) J Ellyard, B.Sc (Geology), Grad.Dip, MAusIMM, MAAPG

(Non-Executive Director, Chairman of the Audit, Remuneration and Nomination Committees)

Ted Ellyard is a geologist with over 35 years experience in mineral and petroleum exploration, development and production. Mr Ellyard graduated from Curtin University, Perth in 1974 and has worked for several major Australian and international resource companies. Mr Ellyard was Managing Director and CEO of Hardman Resources Ltd from 1996 to late 2004. In that role he oversaw that company's dramatic market capitalisation growth from less than $5 million to over $1.5 billion.

Mr Ellyard has been involved at board level in the management of listed Australian resource companies for the past 25 years and has been a founding director of several listed companies. Currently, Mr Ellyard is the non-executive chairman of Ormil Energy Limited and is a former director of Key Petroleum Limited in the past three years.

Richard O'Shannassy, B.Juris., LL.B. (Hons)

(Non Executive Director, member of the Audit, Remuneration and Nomination Committees)

Richard O'Shannassy is a commercial lawyer with over 30 years experience in the mining and energy sectors. He has experience in private legal practice, including conducting his own practice in Perth for nearly 20 years, as well as in-house roles and most recently, he was general counsel and company secretary for Hardman Resources Limited until it was acquired by Tullow Oil plc under a Scheme of Arrangement in early 2007.

He has served upon mining industry committees over a number of years and is a member of Australian Mining and Petroleum Law Association Inc.

Currently, Mr O'Shannassy is a director of Hardman Resources Pty Ltd (formerly ASX listed company Hardman Resources Limited) and non-executive director of Brierty Ltd. Mr O'Shannassy is a former director of Key Petroleum Limited in the last 3 years.

Richard H. (Dick) Block, B.Sc. (Chemical Engineering)

(Non-Executive Director)

Dick Block is a US based mining and processing industry executive with almost four decades experience in the fertiliser and base and precious metals businesses. The majority of his career was with the Freeport-McMoRan group of companies, where he rose to Executive Vice President and COO of Freeport-McMoRan Inc. and Senior Vice President of Freeport-McMoRan Copper & Gold Inc. In addition, he was President of two of the world's largest phosphate mining and fertiliser producing firms, Agrico Chemical Company and IMC-Agrico Company. Further, he was deeply involved in the Queensland Nickel JV in Australia in the 1980s.

Mr Block has been a senior executive or member of the Board of Directors of six NYSE and TSE listed firms, including Amax Gold Inc. and Kinross Gold Corporation. Also, he has been a member of the Board of a number of trade, nonprofit and charitable organisations, including the International Fertiliser Industry Association, The Fertiliser Institute, the Phosphate Chemicals Export Association (PhosChem), The Sulphur Institute, United Way of the North Shore and Illinois Public High School District 115.

6.5 Chief Executive Officer ~~and Managing Director~~

On 22 May 2012, MAK announced the immediate appointment of ~~Chris~~Cliff Lawrenson as Chief Executive Officer~~ and Managing Director, subject to MAK Shareholder approval~~.

Mr Lawrenson joined Minemakers after holding the position of Chief Executive Officer of FerrAus Limited which he led to a recommended takeover by Atlas Iron Limited in December 2011. From 2006 Mr Lawrenson held the position of Group Chief Executive Officer of GRD Limited which incorporated GRD Minproc Limited, OceanaGold Limited and Global Renewables. Prior to joining GRD Limited, Mr Lawrenson was a senior executive and vice president of CMS Energy Corporation in the United States of America and Singapore. He has worked extensively in investment banking around the world, including with Macquarie Bank in Australia and holds postgraduate qualifications in Finance and Strategy. Mr Lawrenson has served on several boards in international locations where he led the development and financing of numerous major infrastructure projects. He is also Non-Executive Chairman of Pacific Energy Limited and Bold Resources Limited.

6.6 Financial performance

The historical financial information below has been taken directly from information disclosed by MAK to the ASX. The information relates to MAK only and does not reflect any impact of the UCL Offer. MAK Shareholders are encouraged to check the ASX website for any updates from MAK and UCL with respect to financial performance or other important information. The information is an extract only and the full financial accounts for the financial periods described below, which includes notes to the financial statements, can be found in MAK's annual reports available from the MAK website at www.minemakers.com.au . MAK's financial accounts consolidate subsidiaries in which it has an interest of 50.1% or more.

Minemakers Limited Audited Statement of Financial Position as at 30 June

	30 June	30 June	30 June	
ASSETS				
Current assets				
Cash and cash equivalents[1]	7,677,898	31,135,611	10,909,315	9,519,358
Trade and other receivables	1,217,746	858,570	9,729,211	7,483,148
Financial assets at fair value through profit or loss	23,870	50,667	-	-
Total current assets	8,919,514	32,044,848	20,638,526	17,002,506
Non-current assets				
Trade and other receivables	-	1,289,500	1,289,500	1,289,500
Available for sale financial assets	-	1,104,231	3,562,027	3,222,965
Plant and equipment	1,575,472	1,223,046	856,931	675,097
Capitalised exploration and evaluation expenditure	18,818,688	34,114,386	37,964,069	39,210,536
Investments accounted for using the equity method	-	-	678,176	1,730,459
Total non-current assets	20,394,160	37,731,163	44,350,703	46,128,557
Total assets	29,313,899	69,776,011	64,989,229	63,131,063
LIABILITIES				
Current liabilities				
Trade and other payables	2,779,039	969,966	1,234,867	580,696
Provisions	203,860	195,792	279,621	230,307
Total current liabilities	2,982,899	1,165,758	1,514,488	811,003
Non-current liabilities				
Provisions	-	1,289,500	1,289,500	1,289,500
Total non-current liabilities	-	1,289,500	1,289,500	1,289,500
Total liabilities	2,982,899	2,455,258	2,803,988	2,100,503
Net assets	26,330,775	67,320,753	62,185,241	61,030,560
EQUITY				
Issued capital	40, 089,141	87,187,241	87,947,116	86,400,854
Reserves	5,439,003	5,814,711	11,996,646	10,704,041
Accumulated losses	(20,816,738)	(25,666,452)	(37,685,712)	(35,990,304)
Capital and reserves attributable to member of Minemakers	24,711,406	67,335,500	62,258,050	61,114,591
Non-controlling interest	1,619,369	(14,747)	(72,809)	(84,031)
Total equity	26,330,775	67,320,753	62,185,241	61,030,560

1) See below for updated cash position

On 30 April 2012, MAK announced its Quarterly Cashflow Report. In this announcement, MAK reported that it had A$12.248 million in cash on 31 March 2012.

7. Profile of the Combined Group

7.1 Overview of the Combined Group

Following completion of the Offer, the Combined Group will have the following key attributes:

- an 85% interest in Sandpiper;
- a simplified corporate structure for Sandpiper;
- a combined pro-forma market capitalisation of A$67.19 million[8];
- pro-forma combined cash reserves of A$17.76 million[9];
- a 100% interest in Wonarah.
- investments in a number of other smaller assets.

7.2 UCL's strategy for the Combined Group

UCL intends to pursue a strategy that delivers near-term phosphate rock production from Sandpiper. UCL will also explore how best to realise value from the assets of the Combined Group.

The development strategy for Sandpiper will include the following:

- establishing a detailed development, funding and implementation plan for the first production of phosphate rock from Sandpiper by the second half of 2014;
- developing markets for rock phosphate concentrate produced from Sandpiper;
- seeking to ramp-up production to a production rate of 3 Mtpa of phosphate rock concentrate as markets develop and port capacity expands,[10] ~~,~~ in line with the results of the DFS completed in March 2012; and
- continue to develop a capable and professional team of employees and consultants to drive development of Sandpiper.

In relation to MAK's Wonarah project and other assets, UCL intends to conduct a review of Wonarah and MAK's other projects aimed at identifying and assessing how best to extract value from these activities in a manner which does not impede the rapid commercialisation of Sandpiper, or dilute the returns anticipated to be generated from Sandpiper. In particular, UCL intends to appoint advisors to assess funding options for the Wonarah project as part of this review process. In addition, UCL intends to review the previously completed DSO operation study, feasibility study and enabling study and ascertain the most appropriate route to progress Wonarah.

Until the review of Wonarah is finalised, UCL will not be in a position to comment further on its intentions with respect to Wonarah and MAK's other projects.

Administration of the Combined Group may be assisted by removal of the duplication of some limited costs, including board fees and the ASX listing fees. However, UCL does not currently envisage any material changes to staffing levels arising from the transaction.

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8 Based on a market capitalisation for UCL of $24.16 million and MAK of $44.51 million on 17 May 2012, assumed cash for UCL of $1.081 million and MAK of $12.248 million (both figures from most recent quarterly cashflow announcements), adding on assumed proceeds of the fully underwritten Rights Issue ($2.28 million), and subtracting MAK's interest in UCL of $3.46 million and estimated costs associated with this Offer of $0.3 million.

9 Refer to section 7.6 – table 1 Pro form Consolidated Statement of Financial Position.

10 Production targets are currently conceptual in nature and relate to future production goals based on the current Resources. These production targets are based on the current Mineral Resources and exploration targets for this project. These Mineral Resources and exploration targets are not Ore Reserves, and therefore it is uncertain whether they can be mined in an economically viable manner in order to achieve those targets. There remains at present insufficient certainty with respect to whether economically mineable mineralisation exists to reliably estimate future production rates. These production targets also remain subject to the completion of all necessary, environmental approvals, financing arrangements, execution of relevant agreements and timely project construction.

7.3 Capital structure of the Combined Group

The actual number of UCL Shares on issue at completion of the Offer will depend on the number of acceptances of the Offer, the number of MAK and UCL Options (if any) exercised during the Offer Period and whether the MML Convertible Note is converted into UCL Shares during the Offer Period.

Assuming that:

- ~~MAK takes up all its rights in the Rights Issue; and~~
- ~~The UCL Rights Issue is fully subscribed (including the effect of underwriting);~~
- In-the-money MAK Options are exercised and converted into MAK Shares during the Offer period, which then accept the Offer;
- UCL acquires 100% of all of the MAK Shares;
- UCL cancels MAK's interest in UCL[11]; and
- The MML Convertible Note fully converts into equity at an assumed conversion price of $0.25.

then on completion of the Offer, assuming the Offer is accepted by all holders of MAK Shares (including those issued as a result of the assumptions above), the Combined Group would have a total of ~~264,890,499~~282,527,734 shares on issue[12]. In that scenario, current UCL Shareholders (excluding MAK) would hold 45.9% and current MAK Shareholders would hold 54.1% of the Combined Group.

Based on information known to UCL at the time of this Bidder's Statement, the table below summarises the five largest shareholders of the Combined Group[13].

Twynam Agricultural Group Pty Ltd	23,135,059
Mawarid Mining LLC (fully owned subsidiary of MBHolding Company LLC)	~~13,131,149~~55,698,994
JP Morgan Nominees Australia Ltd <Cash Income A/C>	7,310,896
Donwillow Pty Ltd	5,688,955
Paul Winston Askins	4,276,218

7.4 Pro-forma Consolidated Financial Information for the Combined Group

7.4.1 Introduction

This section contains an overview of the financial effects of the proposed acquisition of all the issued shares of Minemakers Limited (ABN 48 116 296 541) ("**MAK**") by UCL Resources Limited ("**UCL**")

[11] As at ~~22 May~~3 July 2012, MAK holds ~~14,642,534~~ 14,353,631 shares in UCL or is expected to obtain ownership of those shares under its offer, representing approximately ~~15.8~~14.27% of UCL's Shares~~. If MAK fully subscribes for its Rights Issue entitlement given this interest in UCL's Shares it will hold 14,429,601 shares in UCL.~~

[12] The exact number may vary slightly due to the effects of rounding on the issuance of shares to individuals. Calculation assumes that all MAK in-the-money options as at 17 May 2012 are exercised and convert into UCL shares. Calculation does not assume conversion of the Performance Rights of Roger Daniel to shares during the Offer Period.

[13] This information is based on the share register for UCL as at ~~15 May~~3 July 2012 and the share register for MAK as at 29 March 2012. ~~[The figures given assume that all shareholders take up their full entitlement under the Rights Issue. Should some shareholders not take up their full entitlements, the shareholdings or ranks given may change, particularly for Mawarid, who will underwrite~~The figures include the completion of the Rights Issue. The figures shown do not consider the effect of conversion of any MAK options, which at present are all out-of-the-money. The figures shown do not consolidate multiple legal holdings by the same beneficial owner. The table above does not include the issue of any new shares to Donwillow in the event it seeks to convert part of the Donwillow Note to UCL shares.

("**Merger**") by way of an off-market takeover offer ("**UCL Offer**"), including unaudited pro-forma consolidated statements of financial position as at 31 December 2011 for MAK, UCL and the consolidated UCL (assuming UCL acquires 50.1% and 100% of MAK Shares) after successful completion of the Offer ("**Combined Group**").

7.5 Background

7.5.1 UCL

UCL is a mineral exploration and development company listed on the Australian Securities Exchange ("**ASX**"). UCL holds the following assets:

- 42.5% interest in the significant, but undeveloped phosphate deposit located in Namibia and known as the Sandpiper marine phosphate project ("**Sandpiper Project**"); and
- 24.5% interest in the Mehdiabad base metals project located in Iran ("**Mehdiabad Project**").

UCL's key asset is its 42.5% interest in joint venture company Namibian Marine Phosphate (Pty) Ltd ("**NMP**"), which carries on the Sandpiper Project. Joint Venture partners are MAK (42.5% interest) and Namibian company, Tungeni Investments cc ("**Tungeni**") (15% interest).

7.5.2 MAK

MAK is a mineral exploration and development company listed on the ASX, the Toronto Stock Exchange and the Namibian Stock Exchange. MAK's key assets are summarised below:

- 42.5% interest in the Sandpiper Project held in a joint venture with UCL;
- 100% interest in the significant but undeveloped phosphate deposit known as the Wonarah phosphate project located in Northern Territory, Australia ("**Wonarah Project**"); and
- 13.1% interest in UCL (ignoring acceptances under the MAK Offer), which implies a further 5.56% indirect interest in the Sandpiper Project.

MAK also holds a 70% interest in a marine phosphate exploration project located north of the Sandpiper Project[14], a 6.67% strategic equity interest in JDCPhosphate Inc ("**JDC**"), a developer of dry kiln technology for the phosphate industry, a 19% interest in unlisted company TNT Mines Limited ("**TNT Mines**") which holds a substantial number of tin, tungsten and fluorspar projects in Tasmania, as well as a number of other strategic investments.

7.5.3 Combined Group

The Combined Group will own a controlling interest in the Sandpiper Project and the Wonarah Project, together with other exploration opportunities and investments.

If UCL acquires between 50.1% and 100% of MAK Shares, then the Combined Group will own between 63.7% and 85% of NMP (the owner of the Sandpiper Project). For accounting purposes, UCL will be required to consolidate NMP into its group financial statements.

7.6 Pro Forma Statements Of Financial Position

Table 1: Pro forma Consolidated Statement of Financial Position- 100%

The below consolidated statement of financial position should be read in conjunction with the accompanying notes.

14 The tenements are held by Minemakers Tungeni Joint Venture Exploration (Namibia) (Pty) Ltd in which Minemakers holds a 70% interest and is the Project Operator. The Namibian partner is Tungeni Investments cc, which holds a 30% interest.

UCL

Pro forma Consolidated Statement of Financial Position

The below consolidated statement of financial position should be read in conjunction with the accompanying notes.

$'000	MAK 31-Dec-11 Adjusted prior to Merger	UCL 31-Dec-11 Adjusted prior to Merger	Merged Entity Merger Adjustments 100%	Merged Entity Adjusted 100%
ASSETS				
Current assets				
Cash and cash equivalents	11,984	15,932	(10,156)	17,759
Trade and other receivables	3,792	62	215	4,069
Available-for-sale financial assets	0	90	0	90
Total current assets	**15,776**	**16,084**	**(9,942)**	**21,918**
Non-current assets				
Other receivables	1,290	0	0	1,290
Other financial assets	0	7	0	7
Investments accounted for using the equity method	1,730	5,125	(6,855)	0
Property, plant and equipment	717	11	88	816
Available-for-sale financial assets - UCL Shares	3,421	0	(3,421)	0
Available-for-sale financial assets - Other (at cost)	67	0	0	67
Other Capitalised exploration and evaluation expenditure	39,211	0	7,303	46,514
NMP JV	0	0	44,863	44,863
Total non-current assets	**46,435**	**5,142**	**41,978**	**93,556**
Total assets	**62,211**	**21,227**	**32,037**	**115,474**
LIABILITIES				
Current liabilities				
Trade and other payables	581	284	198	1,062
Borrowings (Note 1)	0	500	0	500
Provisions	230	49	0	279
Total current liabilities	**811**	**833**	**198**	**1,842**
Non-current liabilities				
Borrowings	0	9,000	854	9,854
Provisions	1,290	0	0	1,290
Total non-current liabilities	**1,290**	**9,000**	**854**	**11,144**
Total liabilities	**2,101**	**9,833**	**1,052**	**12,986**
Net assets	**60,111**	**11,394**	**30,984**	**102,489**
EQUITY				
Contributed equity	86,401	107,528	(52,295)	141,633
Reserves	10,704	1,719	(15,829)	(3,405)
Accumulated losses	(36,910)	(97,854)	88,316	(46,448)
Capital and reserves attributable to members of controlling entity	**60,195**	**11,394**	**20,192**	**91,780**
Non-controlling interest	(84)	0	10,793	10,709
Total equity	**60,111**	**11,394**	**30,984**	**102,489**

Table 2: Pro forma Consolidated Statement of Financial Position- 50.1%

The below consolidated statement of financial position should be read in conjunction with the accompanying notes.

UCL				
Pro forma Consolidated Statement of Financial Position				
The below consolidated statement of financial position should be read in conjunction with the accompanying notes.				
$'000	**MAK**	**UCL**	**Merged Entity** Merger Adjustments	**Merged Entity** Adjusted
	31-Dec-11 Adjusted prior to Merger	**31-Dec-11** Adjusted prior to Merger	50.1%	**50.1%**
ASSETS				
Current assets				
Cash and cash equivalents	11,984	15,932	(5,903)	22,013
Trade and other receivables	3,792	62	215	4,069
Available-for-sale financial assets	0	90	0	90
Total current assets	**15,776**	**16,084**	**(5,688)**	**26,172**
Non-current assets				
Other receivables	1,290	0	0	1,290
Other financial assets	0	7	0	7
Investments accounted for using the equity method	1,730	5,125	(6,855)	0
Property, plant and equipment	717	11	88	816
Available-for-sale financial assets - UCL Shares	3,421	0	(3,421)	0
Available-for-sale financial assets - Other (at cost)	67	0	0	67
Other Capitalised exploration and evaluation expenditure	39,211	0	7,303	46,514
NMP JV	0	0	44,863	44,863
Total non-current assets	**46,435**	**5,142**	**41,978**	**93,556**
Total assets	**62,211**	**21,227**	**36,290**	**119,728**
LIABILITIES				
Current liabilities				
Trade and other payables	581	284	198	1,062
Borrowings (Note 1)	0	500	0	500
Provisions	230	49	0	279
Total current liabilities	**811**	**833**	**198**	**1,842**
Non-current liabilities				
Borrowings	0	9,000	(3,000)	6,000
Provisions	1,290	0	0	1,290
Total non-current liabilities	**1,290**	**9,000**	**(3,000)**	**7,290**
Total liabilities	**2,101**	**9,833**	**(2,802)**	**9,131**
Net assets	**60,111**	**11,394**	**39,093**	**110,597**
EQUITY				
Contributed equity	86,401	107,528	(70,803)	123,126
Reserves	10,704	1,719	(12,846)	(422)
Accumulated losses	(36,910)	(97,854)	93,441	(41,323)
Capital and reserves attributable to members of controlling entity	**60,195**	**11,394**	**9,793**	**81,381**
Non-controlling interest	(84)	0	29,300	29,216
Total equity	**60,111**	**11,394**	**39,093**	**110,597**

7.7 Notes to the pro forma statements of financial position

7.7.1 Basis of preparation of Pro forma Statements of Financial Position

To generate each unaudited pro-forma consolidated statement of financial position for the Combined Group as at 31 December 2011 ("**Pro forma Statement of Financial Position**"), UCL has estimated acquisition accounting entries based on the terms of the Offer and the assumptions set out below.

The Pro forma Statements of Financial Position presented are indicative only and presented on an abbreviated basis. UCL has drawn its own conclusions based on the known publicly available information. If the factors, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly. All adjustments have been made in accordance with Australian equivalents to International Financial Reporting Standards.

It is likely that the Pro forma Statements of Financial Position will differ from the actual financial information for the Merged Group.

UCL will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offer.

Each Pro forma Statement of Financial Position has been prepared based on the consolidated Statement of Financial Position as at 31 December 2011 of each of UCL and MAK, as disclosed in the respective Interim Financial Statements for the half year to 31 December 2011 released to the Australian Stock Exchange ("**ASX**") ("**1H2012 Financial Statements**") by UCL and MAK, both of which were prepared in accordance with Accounting Standard AASB 134 - Interim Financial Reporting ("**AASB 134**") and the *Corporations Act 2001* (Cth) ("**Corporations Act**").

The Pro forma Statements of Financial Position do not include all the notes of the type normally included in an annual financial report.

The same accounting policies and methods of computation have been followed in the Pro forma Statements of Financial Position as were applied in the most recent annual financial statements of UCL (as regards UCL information) and MAK (as regards MAK information). We have not attempted to reconcile and conform the accounting policies and methods of computation of the UCL information and the MAK information. Any adjustments made to the underlying information have been made based on the accounting policies and methods of computation of UCL.

No adjustments to the operations of the Combined Group, UCL or MAK statements of financial position have been made or assumed other than as described below.

7.7.2 Currency

All amounts expressed as "$" are in Australian currency.

7.7.3 Post 31 December 2011 adjustments

Generally

We have adjusted UCL and MAK from publicly available information.

UCL

Set out below are the relevant adjustments made to UCL 31 December 2011 consolidated statement of financial position.

<u>Cash flows for the quarter ended 31 March 2012</u>

The UCL Appendix 5B *Mining exploration entity Quarterly Report* for the March 2012 Quarter ended 31 March 2012, dated 30 April 2012 disclosed total cash outflows of $1,084,000. These have been accounted for as a reduction in the cash balance and an increase in accumulated losses.

Placement

MB Holding Company LLC ("**MB Holding**") has taken a placement ("**Placement**") of 12,121,061 UCL Shares, representing 15% of UCL's current share capital (i.e. 80,807,074 x 15%), that raised $3,636,318, before costs.

Shares with respect to the Placement have been issued to Mawarid Mining LLC ("**Mawarid**"), a wholly owned subsidiary of MB Holding.

The main features of the Placement are:

- priced at $0.30 per UCL Share; and
- MB Holding intends to participate in future fund raisings for UCL's contribution to the development of Sandpiper, thus providing UCL with a significant cornerstone investor.

Rights Issue

UCL has advised the ASX that it will undertake an issue of one (1) UCL Share for every twelve (12) UCL Shares held at $0.30 per share to raise a further $2.3 million, before costs ("**Rights Issue**").

Mawarid will fully underwrite the entire issue amount of $2.3 million on the terms of the MML Underwriting Deed

On 26 June 2012, the Rights Issue was completed where 1,091,751 shares were received from shareholders leaving a shortfall of 6,567,844 shares ("**Shortfall Shares**"). MML has subscribed and paid for all Shortfall Shares at $0.30 per share.

Existing Convertible Note

On 3 November 2010 UCL entered into a Deed with Donwillow ~~Pty Ltd (ACN 002 928 421) ("**Donwillow**")~~ under which Donwillow was issued an unsecured convertible note in consideration for the payment of $500,000 ("**Donwillow Convertible Note**").

~~This~~The Donwillow Convertible Note attracts an interest rate of 7.5% per annum and must be redeemed by 3 November 2012.

As at 16 March 2012, the principal amount owing under the Deed was $500,000.

It has been assumed that the Donwillow Convertible Note will not be converted.

MML Convertible Note ~~Deed~~Agreement

Immediately prior to the announcement of the UCL Offer, UCL entered into the MML Convertible Note ~~Deed~~Agreement, with the following broad terms:

Table 3: Key Terms of MML Convertible Note ~~Deed~~Agreement

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

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

It has been assumed that:

- the terms of the MML Convertible Notes issued under the MML Convertible Note Deed would qualify them to be treated as interest bearing debt on arm's-length terms;
- under the 100% acquisition scenario, the maximum total issue amount of $9,000,000 of the MML Convertible Notes will be drawn down and the maximum number of new UCL Shares of 36,000,000 will be issued upon conversion of all the MML Convertible Notes;
- under the 50.1% acquisition scenario, the total issue amount of $~~5,145,597~~4,675,000 of the MML Convertible Notes will be drawn down and the number of new UCL Shares of ~~20,582,388~~18,700,000 will be issued upon conversion of the MML Convertible Notes; and
- no Event of Default occurs.

~~no Event of Default occurs (as such term is defined in the MML Convertible Note Deed).~~UCL considers it has, or will have, sufficient cash reserves to meet its payment obligations under the MML Convertible Note Agreement.

IF UCL obtains 100% acceptances under the Offer, the amount of $9M will be available to be, and will be, drawn under the MML Convertible Note Agreement to be solely applied to the cash component of the Consideration.

UCL Performance Rights

No adjustment for UCL Performance Rights has been made.

MAK

Set out below are the relevant adjustments made to MAK 31 December 2011 consolidated statement of financial position.

Cash flows for the quarter ended 31 March 2012

The MAK Appendix 5B *Mining exploration entity Quarterly Report* for the March 2102 Quarter ended 31 March 2012, dated 30 April 2012 disclosed total cash outflows of $2,781,000. These have been accounted for as:

- a reduction in the cash balance;
- an increase in accumulated losses; and
- adjustments to various assets, one of which is the BCD convertible notes repayment (see below).

BCD Resources NL

In late 2010, MAK invested in the ASX-listed Tasmanian gold producer, BCD Resources NL ("**BCD**") that owns the Tasmania Mine at Beaconsfield, Tasmania. The investment was via a loan of $8.5 million which was secured by a first ranking charge. That loan was later changed to 850,000,000 12 month secured convertible notes, maturing in February 2012 and attracting a 20% per annum interest coupon, with a conversion price of 1.0 cent per BCD share.

On 14 February 2012 BCD repaid the remaining outstanding convertible notes. A total of $4,753,043 plus interest was paid subsequent to 31 December 2011. An adjustment has been made to increase cash and reduce the receivable for this transaction.

Other items

In the 1H2012 Financial Statements it was stated that:

Australia Minerals and Mining Group Ltd

During the period to 31 December 2011 MAK entered into a Sale Agreement with Australia Minerals and Mining Group Ltd ("**AMMG**") to sell its 80% interest in the West Southdown magnetite project for five million shares and 2 million 20 cent options in AMMG. The sale will be completed upon renewal of the tenement in about April 2012.

As at 30 April 2012, (the date of the MAK March 2012 Quarterly Activities Report), the sale had not completed. MAK advised that the sale will be completed upon renewal of the tenement, which is expected shortly.

No adjustment has been made for this transaction.

$15 million equity subscription facility with Haverstock Fund LLC

MAK secured a $15 million equity subscription facility with New York-based Haverstock Fund LLC ("**Haverstock**"). The terms of the equity subscription facility provide that, at MAK's option, subject to "customary conditions", MAK can issue shares to Haverstock at any time over the ensuing 36 months, up to a total value of $15 million by draw-downs of up to $1 million in any 10 trading day period. MAK is under no obligation to use the equity subscription facility and has not done so to the end of the March 2012 Quarter.

No adjustment has been made for this transaction.

7.7.4 Adjustments arising from the Merger

The following adjustments and assumptions arising specifically from the proposed Merger have been made in the preparation of the Pro forma Statements of Financial Position under the two scenarios assumed.

Alternative bases of preparation

The Pro forma Statements of Financial Position are based on two alternative assumptions that UCL acquires:

- 100% of the issued shares of MAK; or

- 50.1% of the issued shares of MAK.

Consolidate the ownership interests of UCL and MAK in the NMP Joint Venture

The Merger will consolidate the ownership interests of UCL and MAK in the NMP joint venture, which is undertaken by the incorporated joint venture vehicle NMP, (the owner of the Sandpiper Project). Currently, NMP is managed by way of a joint management committee structure and board. Following the Merger, for accounting purposes, UCL will be required to consolidate NMP into its group financial statements.

UCL Shares

The number of UCL Shares on issue at completion of the Offer will depend on the number of acceptances of the Offer, the number of UCL Options (if any) and MAK Options (if any) exercised during the Offer Period, the number of UCL Performance Rights that vest and are exercised (if any) and whether the UCL Convertible Note or the UCL New Convertible Notes are converted into UCL Shares during the Offer Period.

100% acquisition scenario

The 100% acquisition scenario assumes:

- the issue of ~~142,647,954~~145,949,004 new UCL Shares to MAK Shareholders pursuant to the Offer for the existing MAK Shares (~~228,236,727~~233,504,006 MAK Shares ÷16 x 10);
- the adopted value per UCL Share used to calculate the fair value of this component of the UCL Offer Consideration is $0.26, being the ASX market trading closing price on Friday, 18 May 2012;
- the expenditure of $~~10,270,653~~10,507,680 being the total cash component of the consideration under the Offer for the existing MAK Shares (~~228,236,727~~233,504,006 MAK Shares x 4.5 cents);
- the expenditure of $323,763 being the total cash component of the consideration under the Offer for the existing MAK Options, that are assumed to be all acquired for a cash consideration equal to the estimated value of the MAK Options determined on the basis of a Black-Scholes option valuation model;
- the expenditure of $300,000 on account of UCL transaction costs; and
- upon completion of the Merger, it is assumed that the UCL Shares owned by MAK will be cancelled.

50.1% acquisition scenario

The 50.1% acquisition scenario assumes:

- the issue of ~~71,466,625~~73,115,942 new UCL Shares to MAK Shareholders pursuant to the UCL Offer for the existing MAK Shares (~~228,236,727~~233,504,006 MAK Shares x 50.1% ÷16 x 10);
- the adopted value per UCL Share used to calculate the fair value of this component of the UCL Offer Consideration is $0.26, being the ASX market trading closing price on Friday, 18 May 2012;
- the expenditure of $~~5,145,597~~5,264,348 being the total cash component of the consideration under the Offer (~~228,236,727~~233,504,006 MAK Shares x 50.1% x 4.5 cents);
- the expenditure of $323,763 being the total cash component of the consideration under the Offer for the existing MAK Options, that are assumed to be all acquired for a cash consideration equal to the estimated value of the MAK Options determined on the basis of a Black-Scholes option valuation model;
- the expenditure of $300,000 on account of UCL transaction costs; and
- upon completion of the Merger, it is assumed that the UCL Shares owned by MAK will be sold on-market for the price of $0.26 each, being the closing market price on Friday 18 May 2012.

Both acquisition scenarios

Both of the acquisition scenarios assume:

- UCL does not own any MAK Shares immediately prior to the UCL Offer;
- no UCL Options are exercised into UCL Shares during the Offer Period;
- the UCL Convertible Note or the UCL New Convertible Notes are assumed to remain in place and will not convert into UCL Shares during the Offer Period;
- none of the Performance Rights vest and are exercised during the Offer Period;
- no MAK Options are exercised into MAK Shares during the Offer Period;
- the elimination of inter-entity assets, liabilities and equity balances;
- MAK transaction costs of the MAK Offer for UCL and any response to the UCL Offer for MAK are unknown and have not been included. However, such costs will reduce the cash balance of the Combined Group below that presented in the Pro forma Statements of Financial Position;
- the Merger will consolidate the ownership interests of UCL and MAK in the NMP joint venture vehicle (the owner of the Sandpiper Project). For accounting purposes, UCL will be required to consolidate into its group financial statements the financial statements of NMP.

There will be a non-controlling interest ("**NCI**") in the consolidation of NMP for the 15% interest in NMP held by the Namibian joint venture partner;

- the inclusion of estimated fair value adjustments. In this regard:
  - following successful completion of the UCL Offer, UCL will undertake an assessment of the fair values of NMP and MAK's assets and liabilities;
  - the fair value of NMP's and MAK's non mineral net assets is unknown at this time. For the purposes of the Pro forma Consolidated Statements of Financial Position it is assumed that the fair values of NMP's and MAK's non mineral net assets equal their carrying values as at 31 December 2011;
  - the fair value of MAK's mineral assets is not definitely known at this time. The Grant Thornton Independent Experts Report **("IER")** issued by UCL in response to the MAK Offer included an assessment by Snowden that estimated the market values. However, this estimate was conducted without assistance from MAK and accordingly, is not definitive;
  - arguably, the fair value of the Sandpiper Project is known, as the IER included an assessment by Snowden of that project, that was undertaken with the assistance of UCL. The assessment was not undertaken on a discounted cash flow approach because of the early stage nature of the project and Snowden relied upon, essentially, an analysis of comparable sales in order to value the Sandpiper Project.

    In such circumstances, it is arguable that the Snowden-determined value of the Sandpiper Project should be used in order to determine the fair value of that project as an asset of MAK. And we have adopted that approach.

    It has been assumed for the Pro forma Consolidated Statements of Financial Position that the fair values of the other mineral assets of MAK, are as determined by Snowden;
  - for the purposes of the Pro forma Consolidated Statements of Financial Performance:
    - the fair value of the Consideration offered has been assessed as follows:

Table 4: Value of the UCL Offer Consideration for MAK (@100% & 50.1%)

	100%	50.1%
UCL Shares issued		

Number of UCL Shares issued	~~142,647,954~~145,940,004	~~71,466,625~~73,115,942
Adopted value of UCL Shares	$0.260	$0.260
Total value of UCL Shares issued	**$~~37,088,468~~37,944,401**	**$~~18,581,323~~19,010,145**
Cash Consideration		
Cash consideration - existing MAK Shares	$~~10,270,653~~10,507,680	$~~5,145,597~~5,264,348
Cash consideration - existing MAK Options	$323,763	$323,763
Total cash Consideration	**$~~10,594,415~~10,831,443**	**$~~5,469,360~~5,588,111**
Total fair value of UCL Offer Consideration	**$~~47,682,883~~48,775,844**	**$~~24,050,682~~24,598,256**

(1) UCL Shares issued – at the ASX market trading closing price on Friday, 18 May 2012, of $0.26 per UCL Share; and

(2) cash paid as Consideration – at the face value.

(3) assumed transaction costs of issuing equity have been deducted from the capital amount recognised and assumed transaction costs of the UCL Offer have been expensed; and

(4) the excess of the fair value of the Consideration over the assumed fair value of the assets of NMP and MAK resulting from the transaction has been attributed in full to:

- the NMP joint venture; and
- Capitalised Exploration and Development Expenditure and accordingly no goodwill is recognised.

- ~~the 10,590,815 existing UCL Shares currently owned by MAK (ignoring acceptances under the MAK Offer) will increase by 882,568 UCL Shares to 11,473,383 UCL Shares as a result of the assumption that MAK will participate fully in the Rights Issue. This will require the expenditure by MAK of cash of $264,770:~~

~~Table 5: **MAK participation in UCL Rights Issue**~~

~~UCL Shares held before the Rights Issue (ignoring acceptances under the MAK Offer)~~		~~10,590,815~~
~~Newly issued UCL Shares arising from Rights Issue~~	~~Note 1~~	~~882,568~~
~~UCL Shares held after Rights Issue~~		~~11,473,383~~
~~Cash cost to MAK of UCL Rights Issue participation~~		~~$264,770~~
~~Note 1: Rights Issue of one (1) new UCL Share for each twelve (12) UCL Shares currently held @ $0.30 each~~		

- ~~the resulting 11,473,383 UCL Shares held by MAK (ignoring acceptances under the MAK Offer) are fair valued (reduction of $437,599 in the MAK carrying value of the currently owned UCL Shares) and eliminated on consolidation.~~

Income tax entries

Any income tax entries arising from the Merger have been ignored.

7.8 Debt Obligations of the Combined Group

As noted in the pro forma Statements of Financial Position included in section 7.6 of the Bidder's Statement the Working Capital position, Cash & Cash Equivalents, Non-Current Assets and Non-Current Liabilities available to the Combined Group are as follows :-

COMBINED ENTITY	100%	50.1%

	$000's	$000's
Current Assets	21,918	26,172
Current Liabilities	1,842	1,842
Working Capital	20,076	24,330
Cash & Cash Equivalents	17,759	22,013
Non-Current Assets	93,556	93,556
Non-Current Liabilities	11,144	7,290

In the event the Offer is successful, UCL will be liable to MML for the amount advanced by MML including interest under the MML Convertible Note Agreement, unless MML converts such amounts into UCL shares. The amounts advanced will depend on the level of acceptances under the Offer. If the MML Convertible Note is not converted, then UCL must repay this amount within 18 months of the date the MML Convertible Note is issued. The above table sets out the debt obligations of the Combined Group in the event there are 100% and 50.1% acceptances under the Offer. UCL states it will possess sufficient funding to enable its repayment, in the event that the MML Convertible Note is not converted.

If however there was an Event of Default, and the issue price of shares is $0.20 per share there will be a requirement for UCL to fund the cash component of the takeover as described in the table below.

MAK ACCEPTANCES	**100%**	**50.10%**
Cash Component Required @ $0.045 per MAK Share	$10,507,680	$5,264,348
MML Convertible Note exercised	36,000,000	18,700,000
MML Convertibe Note Liability at :		
$0.25 per MML Convertible. Note	$9,000,000	$4,675,000
UCL Working Capital required to complete	$1,507,680	$589,348
MML Convertibe Note Liability at :		
$0.20 per MML Convertible Note	$7,200,000	$3,740,000
UCL Working Capital required to complete	$3,307,680	$1,524,348
Increased Funding for Event of Default	$1,800,000	$935,000

UCL will be able to meet the increased funding stated above from its own cash resources.

IF UCL obtains 100% acceptances under the Offer, the amount of $9M will be available to be, and will be, drawn under the MML Convertible Note Agreement to be solely applied to the cash component of the Consideration.

8. Intentions of UCL

8.1 Approach and intentions of UCL

Sections 8.2 to 8.5 set out the intentions of UCL on the basis of facts and public information concerning MAK which are known to UCL at date of this Bidder's Statement. However, UCL will only reach final decisions in light of material facts and circumstances at the relevant time.

Accordingly, the statements set out in these sections are statements of current intentions only and may vary as new information becomes available or circumstances change.

8.2 Intentions upon obtaining control of MAK but less than 90% of the MAK Shares

On completion of the Offer, UCL may hold a sufficient number of MAK Shares to exercise control over the management and operations of MAK, but may not be entitled to compulsorily acquire all outstanding MAK Shares.

UCL's intentions under this situation are as follows:

(a) Directors

UCL will seek the appointment of its nominees as MAK directors. No decision has been made as to the identity of these directors.

If UCL's nominees are appointed as MAK directors, UCL will be seeking that its nominees implement the intentions set out below (based on the information currently available to it) as are consistent with MAK being a controlled entity of UCL but not a wholly owned subsidiary. The ability of UCL to implement any of the intentions set out in this section 8.2 will be subject to, among other things:

- the legal obligations of the MAK directors to have regard to the interests of MAK and MAK Shareholders;
- the requirements of the Corporations Act relating to transactions between related parties; and
- potentially the Listing Rules relating to transactions between related parties.

It should be noted that UCL expects that each of its nominees to the MAK board will exercise their own independent judgement and skill when it comes to the operational, financial and business decisions relating to MAK. UCL's only influence will be through its position as a majority shareholder in MAK.

Should UCL's Offer be successful the Board of UCL intends to invite Mr Edward Ellyard, a non-executive Director of MAK to join the Board of UCL to draw on his business expertise and provide continuity for MAK Shareholders. UCL would also consider favourably the appointment of an additional non-executive director from the MAK Board to the UCL Board, if such candidate, in the opinion of the UCL Board, were to offer complementary skills to those of the UCL Directors.

(b) Financing

Under this scenario, MAK will need to consider opportunities to raise capital to undertake exploration and development work at Sandpiper and for MAK's other projects including Wonarah. This may lead to a dilution of remaining MAK Shareholders if new capital is introduced into MAK. To avoid further dilution, remaining MAK Shareholders may also be required to contribute to the capital needs of MAK to make available sufficient funding to facilitate development plans and future exploration.

UCL has not yet made a decision on whether, and on what basis, it would support such fundraising activities.

(c) Delisting

Subject to the spread and number of remaining MAK Shareholders and Listing Rule requirements, UCL intends to seek to remove MAK's listing on the ASX, TSX and NSX.

(d) Review of MAK's operations and assets

UCL intends to conduct an immediate review of MAK's operations on both a strategic and financial level to determine mechanisms for improving the performance and realise any potential operational and financial synergies.

The detailed outcome of the review is not able to be determined at this stage, although it is likely to involve some, or all, of the following:

(i) identifying and assessing how best to extract value from Wonarah;

(ii) understanding any existing material third party contractual arrangements; and

(iii) eliminating duplication of functions where it is economical to do so. The key objective of this review will be to ascertain the potential for fast tracking development of Sandpiper and to establish the operating and cost synergies from the incorporation of the MAK team and operations into the UCL operating structure.

(e) Sandpiper

UCL intends to progress actively the operational aspects of Sandpiper. UCL has worked, through its involvement in the management of the Joint Venture, to put in place a capable and professional team including third party consultants to work on the development of the Sandpiper Project. The development of Sandpiper in now entering a phase of pre-development including capital and operating value engineering and detailed engineering. The development of Sandpiper will continue in line with the scope of the DFS along with the results of the value engineering and the detailed engineering phases. UCL is supportive of the NMP management team engaging with the Namibian stakeholders to ensure the required marine environmental permitting, terrestrial environmental permitting, development and processing permitting, land requirements and service suppliers are put in place to continue to drive the development of Sandpiper.

(f) Wonarah and MAK's other assets

UCL intends to conduct a review of Wonarah and MAK's other projects aimed at identifying and assessing how best to extract value from these activities in a manner which does not impede the rapid commercialisation of Sandpiper, or dilute the returns anticipated to be generated from Sandpiper. Until that review is finalised, UCL will not be in a position to comment further on its intentions with respect to Wonarah and MAK's other projects.

(g) MAK's interest in UCL

The Corporations Act does not permit subsidiaries to own shares in their holding company. Therefore, should UCL acquire 50.1% or more of MAK's Shares, UCL will procure that MAK sells its holding in UCL. This may be done via on-market trading, an off-market sale to one or more parties, or any combination of these. The sale will be done as rapidly as possible whilst trying to minimise any negative impact on UCL's Share Price as a result of any downwards share price pressure from on-market selling. Alternatively, UCL may conduct a buy-back of these shares, subject to the requirements of the Corporations Act.

8.3 Intentions upon acquisition of 90% or more of the MAK Shares

This section describes UCL's intentions if UCL acquires a Relevant Interest in 90% or more of the MAK Shares. If this were to occur, UCL will be entitled to proceed to compulsory acquisition of the outstanding MAK Shares which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act.

UCL intends (based on the information currently available to it) to implement its strategy for the Combined Group as set out in section 8.2 and also to implement its intentions as set out below.

(a) Compulsory acquisition of MAK Shares

UCL intends to proceed with the compulsory acquisition of any MAK Shares not acquired under the Offer and the MAK Options when it is entitled to do so in accordance with the Corporations Act.

If UCL is successful in compulsorily acquiring any MAK Shares not acquired under the Offer then it intends to cancel MAK's interest in UCL for no consideration in order to remove the cross-holdings between UCL and MAK.

(b) Appointment of Directors

UCL intends to appoint its own nominees to the MAK board and its Subsidiaries and seek the retirement of all current members of the MAK board and all associated entities. As detailed above, should UCL's Offer be successful, the Board of UCL intends to invite Mr Edward Ellyard, a non-executive Director of MAK to join the Board of UCL to draw on his business expertise and provide continuity for MAK Shareholders. UCL would also consider favourably the appointment to the UCL Board of an additional non-executive director from the MAK board, if such candidate, in the opinion of the UCL Board, were to offer complementary skills to those of the UCL Directors.

(c) Employees

Subject to the outcome of its review, it is UCL's intention to integrate MAK's management team into UCL and it is UCL's current intention to maintain the employees of MAK's key management and staff wherever possible.

UCL will make decisions regarding senior management positions following the general operational review referred to above, and will implement those decisions through its nominee directors.

UCL will seek to retain operational experience inherent in MAK and UCL's existing staff. In particular, it is UCL's current intention to appoint Roger Daniel as Chief Operating Officer in charge of terrestrial aspects of Sandpiper. In addition, UCL's current intention is to appoint Michael Woodborne as General Manager of Marine activities and Rod Wheatley as Chief Financial Officer of UCL.

As a result of the implementation of these intentions, it is possible that certain operational functions will become redundant. Some redundancies may occur as a result, however, the incidence, extent and timing of such actions cannot be predicted in advance. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

It should be recognised that the growing of UCL's business will require additional resources with the specific skills of the current MAK team to be assessed against future requirements.

(d) Dividends

UCL expects that dividends are unlikely to be available from the Combined Group for the immediately foreseeable future.

8.4 Other intentions

Except for the changes and intentions set out in this section 8 and subject to the outcome of the review, it is the present intention of UCL (based on the information presently available to it) to:

(a) continue to hold the key assets of MAK and maintain its business in substantially the same manner as it is presently being conducted;

(b) not make any major changes to the business or assets of MAK and not redeploy any of the fixed assets of MAK; and

(c) continue the employment of MAK's key employees, as detailed in section 8.3(c) of this Bidder's Statement, where possible and in line with the results of the review intended to be conducted by UCL and as detailed in section 8.2(d).

8.5 Limitations in giving effect to intentions

The ability of UCL to implement the intentions set out in this section 8 will be subject to the legal obligations of the UCL Directors to have regard to the interests of UCL and all UCL Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties. UCL will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

9. Taxation consequences

9.1 Introduction

The following is an outline of the principal Australian income tax and CGT consequences for a MAK Shareholder who holds their MAK Shares on capital account and disposes of those shares to UCL under the Offer.

The Australian tax consequences outlined below are general in nature and this overview should not be considered a substitute for independent tax advice. The outline is not an exhaustive list of all tax considerations and may not apply to certain MAK Shareholders, such as banks, insurance companies, dealers in securities, shareholders who hold their MAK Shares on revenue account or as trading stock or any MAK Shareholders who acquired their MAK Shares through an employee share scheme.

MAK Shareholders should note that the income tax implications for you will depend on whether you receive UCL Shares and cash under the Offer, whether you make a capital gain or loss with respect to the Offer and whether you are eligible for scrip-for-scrip roll over relief and choose to obtain it in relation to the disposal of your MAK Shares, amongst others.

Accordingly, it is recommended that all MAK Shareholders seek their own, independent, professional advice before deciding whether to accept or reject the Offer.

The opinions expressed in this overview are based on relevant Australian tax law and the current interpretation of those laws as at the date of this Bidder's Statement.

9.2 Foreign resident / Temporary resident shareholders

This summary does not cover the tax consequences relevant to the Offer for a MAK Shareholder who is a non-resident or a temporary resident of Australia. Furthermore, it does not cover any future consequences for MAK Shareholders arising as a result of owning shares in UCL. MAK Shareholders who are not resident in Australia should also consider the relevant tax consequences applicable under the laws of their country of residence. These are not covered in this summary.

Foreign resident and temporary resident MAK Shareholders are advised to seek their own, independent, professional advice on the Australian and foreign taxation consequences associated with the sale of their MAK Shares and those arising from their ownership of, and subsequent disposal of, UCL Shares.

9.3 Capital Gains Tax

The disposal of MAK Shares pursuant to the Offer will constitute a CGT event for Australian tax purposes, unless CGT roll-over relief is available and the MAK Shareholder chooses to obtain the CGT roll-over:

As a result of the CGT event, and in the absence of roll-over relief;

- A capital gain should arise to the extent that the capital proceeds received exceed the cost base of the MAK Shares; or
- A capital loss should be realised to the extent that the capital proceeds received are less than the reduced cost base of the MAK Shares.

For the purpose of calculating the capital gain or loss, the capital proceeds will be equal to the market value of the UCL Shares received on the date you cease to have ownership of the MAK Shares, plus the cash received. The market value of the UCL Shares for calculating the capital proceeds may be different to the value placed on the UCL Shares for the purposes of assessing the Offer.

The cost base of MAK Shares should generally be equal to the amount paid by the MAK Shareholder to acquire the MAK Shares including certain incidental costs (e.g. brokerage) associated with the acquisition.

Relevant to any future disposal of the UCL Shares, the cost base of the acquired UCL Shares will be equal to their market value, as determined on the date you cease to have ownership of the MAK Shares. This date will also be considered the date of acquisition of the UCL Shares for future CGT purposes (notably access to the CGT discount on any subsequent disposal of these shares).

9.4 MAK Shares acquired before 20 September 1985

A MAK Shareholder who acquired (or who was deemed to acquire) MAK Shares prior to 20 September 1985 may be entitled to treat these shares as a "pre-CGT" asset and, hence, not subject to CGT.

In such a case, the treatment for any such pre-CGT MAK Shareholders will be as follows:

- No capital gain will arise on the disposal of the MAK Shares;
- UCL Shares received will be a post-CGT asset which will be subject to CGT on future disposal.

No roll-over is available in respect of any pre-CGT UCL Shares.

9.5 MAK Shares acquired before 21 September 1999

Any MAK Shareholder who acquired their MAK Shares before 11.45am (legal time in the Australian Capital Territory) on 21 September 1999 may index the cost base of their MAK Shares to take into account inflation between the calendar quarter in which the MAK Shares were acquired and the calendar quarter ended 30 September 1999.

If a MAK Shareholder who is an individual, the trustee of a trust or a complying superannuation entity chooses to index the cost base of their MAK Shares, then the CGT discount (see below) will not be available.

Please note that the cost base of the MAK Shares cannot be indexed in working out the amount of any capital loss.

The choice to use indexation must be made by the day you lodge your income tax return for the income year during which you disposed of your MAK Shares to UCL. The way you prepare your income tax return is sufficient evidence of making the relevant choice.

9.6 Availability of the CGT Discount

Any MAK Shareholder who is an individual, the trustee of a trust or a complying superannuation entity may be entitled to claim the CGT discount in calculating any capital gain provided that:

a) The MAK Shares were acquired at least 12 months before disposal to UCL;
b) The MAK Shareholder did not choose to index the cost base of their MAK Shares (see above).

A MAK Shareholder who is an individual or the trustee of a trust may discount the capital gain by 50% and include 50% of the capital gain in the taxable income of that individual or trust.

The methodology for trustees is complex, and, as such, relevant MAK Shareholders should obtain specific advice in this regard, including in relation to the tax consequences of distributions attributable to discounted capital gains.

A MAK Shareholder that is a complying superannuation entity may discount the capital gain by 33⅓% and include 66⅔% of the capital gain in the taxable income of that complying superannuation entity.

The CGT discount is applied to the capital gain after any available capital losses are first offset against that capital gain.

The CGT discount is not available to a MAK Shareholder that is a company.

9.7 CGT roll-over relief

CGT "scrip-for-scrip" roll-over relief may be available for the scrip portion of the Offer where MAK Shareholders acquired the MAK Shares on or after 20 September 1985 and otherwise derive a capital gain as a result of acceptance of the Offer, but only provided the relevant pre-requisites are met as discussed below.

Scrip-for-scrip roll-over relief is not available where a capital loss arises to a MAK Shareholder as a result of acceptance of the Offer.

In addition, in order for a MAK Shareholder to be eligible to make an election for scrip-for-scrip roll-over relief, UCL must become the owner of 80% or more of the voting shares in MAK, as a result of the Offer.

If scrip-for-scrip roll-over relief becomes available and is chosen, then any capital gain resulting from the disposal of MAK Shares by a MAK Shareholder can be disregarded. Any CGT implications are effectively deferred until another CGT event occurs in relation to the UCL Shares received.

This is achieved through the cost base of the newly-held UCL Shares being set at an amount equal to the historical cost of the MAK Shares for which they were exchanged plus any other incidental costs that can be included in the cost base.

If the qualifying conditions are met, the choice to make an election for the scrip-for-scrip roll-over relief to apply must be made by the day MAK Shareholders lodge their income tax return for the income tax year during which they disposed of their MAK Shares to UCL. The way the income tax return is prepared is sufficient evidence of making the relevant choice.

If scrip-for-scrip rollover is available, the cash portion of the capital proceeds will still give rise to a CGT event and it will be necessary to determine whether capital gain or loss arises in respect of the cash consideration received. In other words, cash received will be treated as "ineligible proceeds" and roll-over is denied for that part of the gain on disposal of the MAK Shares to which the cash component is attributable.

Where cash is received, the capital proceeds from the CGT event would be the cash consideration received. The cost base in respect of this CGT event is calculated on a reasonable attributable basis, as follows:

- Total cost base for MAK Shares X (Cash consideration received/Total capital proceeds received on disposal)

The Total capital proceeds received on disposal would be equal to the market value of the UCL Shares received plus the cash consideration received.

The capital proceeds (cash received) is then compared with the cost base (as calculated above) to determine whether or not a capital gain or loss arises on the cash component of the consideration received for disposal of the MAK shares.

9.8 Stamp Duty

No Australian stamp duty should be payable on the disposal of MAK Shares, the acquisition of the UCL Shares, or the subsequent disposal of UCL Shares while they remain listed on the ASX.

9.9 GST

The provision, acquisition or disposal of shares for monetary or non-monetary consideration is an input taxed supply for GST purposes and is not subject to GST. Accordingly, no GST should be payable on:

- The transfer of MAK Shares pursuant to the Offer;
- The acquisition of UCL Shares; or
- The disposal of UCL Shares.

9.10 Namibian law - tax legislation

There may be implications under Namibian law for MAK Shareholders in accepting the Offer.

UCL encourages MAK Shareholders to seek their own tax advice in relation to any implications of the Offer under Namibian tax legislation. Additional information regarding potential implications under Namibian law for MAK Shareholders in accepting the Offer is included in section 11 of this Bidder's Statement.

10. Risk factors

In considering the Offer, MAK Shareholders should be aware of the risks relating to UCL, its business and assets. These risks include those specific to the industry in which UCL operates and general economic conditions, which may affect the future operating and financial performance of UCL. Many of the risks are outside the control of UCL and the Directors, and there can be no certainty that UCL’s objectives or anticipated outcomes will be achieved. These risks have been previously disclosed by UCL. However, set out below is a list of some of the risks that may affect UCL’s objectives or prospects, or any cash flow available for distribution.

If the Offer is successful, there may be risks associated with a combined UCL and MAK entity (the “Combined Group”) in addition to those risks associated with your investment in UCL which are detailed below.

The list of possible risks noted below is not intended to be exhaustive, and there may be other risks that may have a material adverse affect on UCL or the Combined Group of which UCL is not aware. MAK Shareholders should read this Bidder’s Statement in its entirety and carefully consider it in light of their own personal circumstances.

10.1 Industry risks

You are currently exposed to these risks through your shareholding in MAK and will continue to be exposed to them as a shareholder of the Combined Group.

Tenure risks

Interests in exploration and mining tenements are evidenced by the granting of leases or licences. Each lease or licence is for a specific term and carries with it annual expenditure and reporting conditions as well as other conditions requiring compliance. These conditions include the requirement, in the case of exploration licences for example, for reduction in the area held under licence from time to time unless it is considered that special circumstances apply. Consequently MAK, UCL or the Combined Group could lose title to or interest in, tenements if licence conditions are not met or if expenditure commitments are not met.

Similarly, overseas mining and exploration licences are also generally subject to periodic renewal and are governed by specific legislation. However, uncertainties with governmental policies and laws in developing countries mean that there are no guarantees any of the overseas exploration licences or mining tenements currently held will be retained. Conditions may also be imposed upon the exploration licences in the future.

Development

There can be no assurance that any development activity in regard to phosphate deposits, or any other development activity, will result in a profitable operation.

Development, dredging, processing, export and marketing with respect to any project may be hampered by circumstances beyond the control of MAK, UCL or the Combined Group.

Operational and technical risks

The operations of UCL, MAK or the Combined Group may be affected by various factors, including failure to achieve predicted grades in mining, operational and technical difficulties encountered in dredging, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical or recovery problems which may affect extraction costs and product quality, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

Infrastructure

Mining, processing, development and exploration activities depend on adequate infrastructure.

Reliable roads, bridges, power sources and water supply are important determinants, which affect capital and operating costs. There is no assurance that such infrastructure can be put in place or that capital will be available on satisfactory terms, or at all, in order to build and maintain such infrastructure, which would have a material adverse effect on the financial condition and results of operation.

Further, a serious failure of basic infrastructure, high occurrences of power outages across the country, unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure, could adversely affect production, financial condition and results of operations.

Resource estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates, which were valid when originally calculated, may alter when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates may change. Accordingly, the actual resources may materially differ from these estimates and assumptions and assurances can be given that the resource estimates and the underlying assumptions will be realised. This could result in alterations to development and mining/extraction plans, which may, in turn, affect operations and ultimately financial performance.

Commodity price fluctuations

In the event of feasibility exploration and development success, any future revenue derived through any future sales of phosphate products exposed the potential income and commodity price risks. Commodity prices fluctuate and are affected by numerous factors beyond control. These factors include world demand for commodities, aggressive marketing by competitors and the level of production costs in major commodity-producing regions, Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for and supply of commodities.

Low phosphate product prices or weak demand for phosphate-based products will have a materially adverse effect. It is not possible to accurately predict future movements in phosphate product prices or supply and demand dynamics for the phosphate industry, particularly in the current uncertain global economic environment.

Exchange rate fluctuations

International prices of most commodities are denominated in United States dollars, whereas the income and expenditure while operating on Namibian projects will be in Namibian currency, exposed to the fluctuations and volatility of the rate of exchange between the United States dollar, and the Namibian dollar, subject to any currency hedging that may be undertaken.

Environment risks

The operations and activities of Sandpiper are subject to Namibian laws and regulations concerning the environment. As with most dredging and mining operations, activities are expected to have an impact on the environment. In Namibia, NMP is still waiting on the determination of environmental conditions, if any, by the Namibian government. Further, if there are environmental rehabilitation conditions attaching to the mining tenements, failure to meet such conditions could lead to forfeiture of these tenements.

10.2 General investment risks

The business activities of UCL, MAK and the Combined Group will be subject to various general economic and investment risks that may impact on the future performance. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, but some are outside the control of UCL, MAK or the Combined Group and cannot be mitigated. There are a number of general economic and investment risk factors that apply to companies generally and may include economic, financial, market or regulatory conditions.

General economic conditions

Economic conditions, both domestic and global, may affect the performance of UCL, MAK or the Combined Group. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices.

Equity market conditions

Securities listed on the stock market, and in particular securities of mining and exploration companies, can experience extreme price and volume fluctuations that may be unrelated to the operating performance of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influence on the market for equities in general.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

Changes in Australian government policy and legislation

Any material adverse changes in relevant government policies or legislation of Australia may affect viability and profitability and consequent returns to investors.

General foreign operation risks

These risks and uncertainties vary from country to country and include currency exchange rates, rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions and governmental regulations that favour or require the awarding of contracts to local contractors or require foreign contractors to employ citizens of, or purchase supplies from a particular jurisdiction or otherwise benefit residents of that country or region.

Other

Other risk factors include those normally found in conducting business, including litigation resulting from the breach of agreements or in relation to employees (through personal injuries, industrial matters or otherwise) or any other cause, strikes, lockouts, loss of service of key management or operational personnel, non-insurable risks, delay in resumption of activities after reinstatement following the occurrence of an insurable risk and other matters that may interfere with the business or trade.

10.3 Risks associated with the Offer

10.3.1. Risks relating to Sandpiper

In addition to the industry risks that UCL, MAK and the Combined Group will be exposed to, the following risks have been identified as being key risks relating to Sandpiper. These are risks that you are currently exposed to and will continue to be exposed to should the Offer be successful.

Ability to raise sufficient capital to fund development

The continued development of Sandpiper will be dependent upon the Combined Group's ability to obtain debt and/or equity refinancing. There is a risk that the Combined Group will not be able to access capital on terms that make the project economically viable, or at all. Even if the Combined Group is able to raise finance, it may be on terms that materially dilute your equity in the Combined Group.

Current market conditions, including volatility in European markets due to concerns about the sovereign debt position of various countries, has affected investor confidence. This has caused a noticeable reduction in the willingness of European banks to provide finance for mining projects. These concerns may negatively impact the availability and extent of capital for projects such as Sandpiper.

UCL notes that, based on its recent discussions between NMP's debt providers and the Company's equity providers, UCL's Board is confident in the Company's ability to continue to secure competitive financing for the development costs associated with Sandpiper.

UCL recently announced the Placement with MML. UCL also recently announced the Rights Issue, to raise A$2.3 million, to be fully underwritten by Mawarid Mining LLC ("Mawarid" or "MML"). UCL's Board is confident that its major strategic investors will continue to support the development of Sandpiper.

Funding of the cash component of the Offer

The total amount of cash that UCL may become obliged to pay to satisfy all expenses incurred by UCL in relation to the Offer, including the cash component of the consideration, will be provided under a convertible note agreement ("MML Convertible Note Agreement") entered into between UCL and its cornerstone shareholder, Mawarid on 17 May 2012, and from UCL's current cash resources. Additional details regarding the MML Convertible Note are included in section 11.31 of this Bidder's Statement.

The obligation to advance the funds is however subject to certain conditions precedent being met including this Bidder's Statement being lodged with ASX and ASIC and the Offer is made in accordance with the conditions set out in Annexure A and all applicable laws and regulations, the Offer becoming or being declared unconditional, UCL obtaining a relevant interest in at least 50.1% of MAK, the prescribed occurrences conditions in the Offer having not been waived unless MML has consented and there being no breach of the MML Convertible Note Agreement by the Company (other than a trivial or insubstantial breach). ~~If~~In addition, clause 2.2 of the MML Convertible Note Agreement provides if these conditions precedent are not met by 31 August 2012 (or such other date as agreed by the Parties) MML may terminate the MML Convertible Note Agreement by written notice to the Company. Consequently, if these conditions are not met, or not met by the date provided in clause 2.2 of the MML Convertible Note Agreement, there is a risk that UCL cannot fund the Offer.

Technical risks associated with extraction of phosphate products

NMP's preference for mining of the unconsolidated phosphatic sediment of Sandpiper is by a trailing suction hopper dredge. The ability to mine at the water depths of NMP's deposits will require modification of a currently existing dredge. NMP cannot guarantee that this can be successfully accomplished. If it cannot be modified in the manner anticipated, there are alternative mining techniques available, but they are expected to be less efficient and would negatively impact on the economic viability of Sandpiper.

Operating in Namibia

Sandpiper is located in Namibia. Namibia is exposed to various levels of political, economic and other risks and uncertainties associated with operating in a foreign jurisdiction. These risks include currency exchange rates, rates of inflation, labour unrest, renegotiation or nullification of existing concessions, licences, permits and contracts, changes in taxation policies, restrictions on foreign exchange, changing political conditions and governmental regulations.

Changes in any of these matters may adversely affect UCL's, MAK's and the Combined Group's operations and profitability.

The Namibian government is proposing to introduce changes to taxation laws. These changes may generate tax consequences for upstream acquisitions such as proposed acquisition of all MAK Shares by UCL under the Offer. It is currently uncertain if these proposed laws will be passed and if passed, it is not certain they apply to tax upstream acquisitions at all. However, if these changes come into effect in the form proposed and they are intended to capture upstream acquisitions, UCL may be taxed 10% of the value of MAK Shares it acquires after the date the legislation takes effect.

Risks outlined in the DFS

The DFS sets out a number of risk factors which were identified through the Risk Assessment work carried out by an independent consultant. The risks identified, include but are not limited to funding, permitting and marketing risks.

Environmental approvals are yet to be obtained

Although NMP has submitted the Marine Environmental Impact Assessment and an Environmental Management Plan Report for environmental approvals for a mining licence, NMP cannot guarantee that these approvals will be granted. If the approvals are not granted, Sandpiper cannot proceed.

Product marketing risks

The successful development of Sandpiper will result in a material amount of new rock phosphate product entering the world market. If this materially increases world supply, this has the potential to adversely impact on prices received for UCL's and the Combined Group's product.

Despite having conducted marketing activity and technical testing on the likely demand for the product, there can be no certainty that, based on the product specifications, UCL or the Combined Group will be able to secure off-take contracts enabling the product to be successfully sold. Indications provided to date indicate a suitable product can be produced and marketed.

10.3.2. Industry risks for the Combined Group

Joint Venture partners and contractors

UCL and the Combined Group would rely significantly on strategic relationships with other entities and also on a good relationship with regulatory and government departments and other interest holders. UCL and the Combined Group would also rely on third parties to provide essential contracting services. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed and UCL and the Combined Group could be adversely affected by changes to such relationships or difficulties in forming new ones.

Competition

UCL and the Combined Group compete with other companies, including major phosphate product companies. Some of these companies have greater financial and other resources than either of UCL or the Combined Group, and as a result, may be in a better position to compete for future business opportunities. There can be no assurance that UCL or the Combined Group can compete effectively with these companies.

Repayment of the Convertible Note

In the event the Offer is successful, UCL will be liable to MML for the amount advanced by MML including interest under the MML Convertible Note Agreement, unless MML converts such amounts into UCL shares. The amounts advanced will depend on the level of acceptances under the Offer. If the MML Convertible Note is not converted, then UCL must repay this amount within 18 months of the date the MML Convertible Note is issued.

While UCL expects to be able to repay this debt within such timeframe, if for some reaon it cannot, then such will constitute an Event of Default. In such case, MML may be able to bring proceedings against UCL for recovery of the debt, which may have an adverse impact on UCL's abilities to achieve its business aims.

10.3.3. General investment risks for the Combined Group

There is no guarantee your new UCL Shares will be approved for quotation on the ASX.

Even if your new UCL Shares are quoted on the ASX, there is no guarantee that there will be an ongoing liquid market for UCL Shares. Accordingly, there is a risk that, should the market for UCL Shares become illiquid, UCL Shareholders will be unable to realise their investment in UCL.

General economic conditions

Economic conditions, both domestic and global, may affect the performance of UCL, MAK and the Combined Group. Factors such as fluctuations in currencies, commodity prices, inflation, interest rates, supply and demand and industrial disruption may have an impact on operating costs and share market prices. UCL and the Combined Group's future possible revenues and share prices can be affected by these factors, all of which are beyond the control of UCL, MAK and the Combined Group.

Changes in Australian government policy and legislation

The activities of UCL, MAK and the Combined Group will be subject to various federal, state and local laws governing prospecting, development, production, taxes, labour standards, occupational health and safety and other matters.

General foreign operation risks

Changes in any mining or investment policies or shifts in political attitude affect the operations or profitability of UCL, MAK and the Combined Group and add uncertainties which cannot be accurately predicted.

Risks associated with Mehdiabad

UCL has an investment in the Mehdiabad project in Iran. As previously advised, IMIDRO purported to terminate several agreements governing the Mehdiabad project in December 2006, and since that time the parties have been negotiating in an effort to resolve the impasse and progress the Mehdiabad project. The development of the Mehdiabad project in Iran, continues to be negatively affected by the political situation in that country which remains uncertain. Additional UN sanctions placed on Iran have increased the uncertainty of attracting foreign investment into the country and as such the availability of foreign capital for project development remains unlikely. It may be some time before the development of the Mehdiabad project can proceed and add value to the Company.

Exploration expenditure to date which has previously been treated as an asset in the Company's balance sheet was fully impaired in the Company's profit and loss statement for the year ended 30 June 2011. The Directors' decision to do this in accordance with applicable accounting standards reflects the ongoing uncertainty surrounding the Mehdiabad project and the Company's ability to recoup all exploration expenditure associated with the Mehdiabad project. It is important to note however that this accounting treatment does not constitute a writing off of the Mehdiabad project expenditure. The impairment can be reversed at a future date if and when the future of Mehdiabad becomes more certain. In the meantime, the Company will continue its efforts to resolve the Mehdiabad project dispute.

Carbon Tax

The Australian Federal Government has announced the introduction of new regulations to address global warming and potential climate change.

Broadly, the proposed measures will apply as a fixed tax from 1 July 2012 to 30 June 2015. The carbon price will start at A$23 per tonne and rise by 2.5 per cent a year in real terms. From 1 July 2015 onwards, the system is scheduled to switch to an emission trading scheme where the price of carbon pollution will be set by the market and the number of permits issued by the Government each year will be capped.

The new regulation, if introduced in accordance with the Australian Federal Government's proposal, may have an adverse impact on UCL's profitability, net assets and cash flow from its Australian operations. The impact could be direct, by way of being subject to the carbon tax, and also indirect, due to the increased cost of supplies that may reflect any carbon tax paid. The effect of the proposed regulation on the Combined Group's business cannot be stated with meaningful precision at this point due to the preliminary nature of the available information. MAK Shareholders are already exposed to this risk as a current Shareholder of MAK.

Joint ventures with product end-users

Mining projects are often conducted through unincorporated joint ventures or incorporated joint venture companies.

It is possible that joint venture partners may also be end-users of the expected Wonarah phosphate products. Partnering with a consumer of product gives rise to unique risks. UCL notes that MAK Shareholders are already exposed to this risk.

Joint ventures can often require unanimous approval of the parties to the joint venture or their representatives for certain fundamental decisions such as an increase or reduction of registered capital, merger, division, dissolution, amendment of the constituting documents, and the pledge of the joint venture assets, which means that each joint venture party may have a veto right with respect to such decisions, which could lead to a deadlock.

10.3.4. Risks relating to accepting the Offer

Issue of UCL Shares and cash as Consideration

MAK Shareholders are being offered UCL Shares and cash as Consideration under the Offer. As a result, the value of the Consideration will fluctuate depending upon the market value of UCL Shares. Accordingly, the market value of the UCL Shares at the time you receive them may vary from their market value on the date of your acceptance of the Offer.

The cash component of the Considerations is funded by the MML Convertible Note and such funds shall only be released by MML where UCL receives acceptances under the Offer of at least 50.1%. The release of funds in accordance with the MML Convertible Note is subject to a number of other conditions as detailed in section 11.31 of this Bidder's Statement. There is a risk that these conditions may not be met.

Roll-over relief

If UCL does not acquire the number of MAK Shares sufficient to bring its total interest in MAK to at least 80% of the voting shares, scrip-for-scrip CGT roll-over relief will not be available to holders of MAK Shares.

Operational risks associated with UCL acquiring less than 90% of MAK Shares

Under the Offer, if UCL acquires less than 90% of all MAK Shares on issue under the Offer, this would prevent UCL compulsorily acquiring all remaining MAK Shares. The existence of a minority interest in MAK may have an impact on operations of the Combined Group, although this impact will depend upon the ultimate level of MAK ownership acquired by UCL.

Risks related to remaining a minority shareholder in MAK

In the event that UCL acquires a relevant interest in at least 50.1% of UCL Shares at the end of the Offer Period, subject to the spread remaining in MAK and other factors such as liquidity, UCL intends to apply to the ASX to delist MAK from the ASX. Accordingly, there is a risk that, by not accepting the Offer, MAK Shareholders may become minority shareholders in an unlisted public company. This may reduce divestment opportunities for MAK Shareholders and may impact the price at which MAK Shareholders may be able to exit their investment at a later date. If MAK is not delisted from the ASX it is possible that trading in MAK Shares will be less liquid than prior to the announcement of the Offer.

Funding risk associated with Sandpiper

If UCL acquires 100% of MAK under the Offer, UCL will hold an 85% interest in Sandpiper and will be responsible for funding this portion of development costs. If UCL is unable to finance these development costs, the development of Sandpiper may be delayed or halted completely. UCL's Board is confident in its ability to secure competitive financing for the development of 100% of the financing required for Sandpiper.

11. Additional information

11.1 Directors of UCL

As at the date of this Bidder's Statement, the Directors of UCL are:

Name	Position
Mr Ian Ross	Non-Executive Chairman
Mr Chris Jordinson	Managing Director
Mr Stephen Gemell	Non-Executive Director
Ms Gida Nakazibwe-Sekandi	Non-Executive Director
Dr Mohammed Al-Barwani	Non-Executive Director

11.2 UCL interests and dealing in MAK Shares

UCL does not hold any interest in MAK Shares. None of the Directors of UCL hold any interest in MAK shares.

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

11.3 Acquisition of MAK Shares by UCL and its Associates during the last four months

Neither UCL or its Associates has made any acquisitions of MAK Shares during the last four months preceding the date of this Bidder's Statement.

11.4 Collateral benefits

During the period of four months before the sate of this Bidder's Statement, neither UCL nor any of its Associates gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an Associate of that person, to:

(a) accept the Offer; or
(b) dispose of their MAK Shares,

and which is not offered to all holders of MAK Shares under the Offer.

11.5 Interests and dealings in UCL Shares

(a) Interests in UCL Shares and UCL Options

As at the date of this Bidder's Statement, the Directors have a relevant interest in UCL Shares and UCL Options as follows:

Mr Ian Ross	~~233,334~~252,779	Nil
Mr Chris Jordinson	~~275,667~~298,640	Nil
Mr Stephen Gemell	Nil	Nil
Ms Gida Nakazibwe-Sekandi	~~6,667~~7,223	Nil
Dr Mohammed Al-Barwani	~~12,121,061~~19,698,994*	Nil

**Mawarid*~~Mawarid~~MML is the legal and beneficial owner of ~~12,121,061~~19,698,994 fully paid ordinary shares in UCL ~~Resources Limited~~. Dr Al-Barwani is the owner of 70% of MB Holding~~ Company~~. Mawarid is a wholly owned subsidiary company of MB Holding Company. Therefore Dr Al-Barwani controls Mawarid.*

(b) Dealings in UCL Shares

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

11.6 Issued capital - UCL

As at ~~25 May~~12 July 2012, being the last practicable date prior to lodgement of this Bidder's Statement, UCL's issued capital consisted of ~~92,928,135~~100,587,730 UCL Shares.

11.7 UCL Options

UCL has the following UCL Options on issue:

200,000	60.0 cents	31/03/13
44,445	63.0 cents	31/03/15
44,445	39.0 cents	31/03/15
44,445	15.0 cents	31/03/15

UCL has an Employee Share Option Plan ("ESOP"), which allows the UCL Board to issue, at its discretion, options to reward and incentivise employees and contractors, subject to the Corporations Act and the ASX Listing Rules. The total number of options on issue under the ESOP must not exceed 10% of the total number of Shares on issue at that time. There are currently no options on issue under the ESOP.

11.8 UCL Performance Rights

At UCL's annual general meeting on 29 November 2011 ("Meeting"), UCL Shareholders approved the Performance Rights Plan ("PRP") in respect of its Directors and senior employees ("Plan").

The following UCL Performance Rights were approved to be issued at the Meeting:

Mr Ian Ross	606,668
Mr Chris Jordinson	1,616,668
Ms Gida Nakazibwe-Sekandi	202,000
Mr Roger Daniel	808,334

In an Instrument dated 29 November 2011, ASIC approved the PRP to enable UCL Performance Rights to be issued to executive directors and employees of UCL.

As at the date of this Bidder's Statement UCL Performance Rights have only been issued to Mr Daniel.

As at the date of this Bidder's Statement none of the vesting requirements have been met for the issue of UCL Performance Rights. However, the Sandpiper DFS has recently been completed which subject to UCL Board confirmation may result in Mr Daniel becoming eligible to take up a number of his UCL Performance Rights.

No other UCL Performance Rights are on issue.

In a letter dated 16 May 2012, after receiving submissions from UCL, ASIC determined that non executive directors of UCL were not entitled to UCL Performance Rights.

11.9 Donwillow Convertible Note

On 3 November 2010 UCL entered into a deed with Donwillow Pty Ltd (ACN 002 928 421) ("Donwillow Deed") under which Donwillow was issued an unsecured convertible note in consideration for the payment of A$500,000. This Donwillow Convertible Note attracts an interest rate of 7.5% per annum and such must be redeemed by 3 November 2012.

11.10 Consideration

Based on the number of MAK Shares and MAK Options on issue on the day before the Announcement ~~date~~Date;

i. the maximum number of UCL Shares which would be required to be issued under the Offer if every MAK Shareholder accepted the Offer is 153,507,329[15]; and

ii. The maximum amount of the cash component which would be required to be paid under the Offer if every MAK Shareholder accepted the Offer is $10.54 million.

UCL has the capacity to issue the maximum number of UCL shares and pay the maximum amount of the cash component which it might be required to issue and pay under the Offer. UCL notes that the maximum sum to be advanced by MML under the MML Convertible Note is $9M, which may give rise to a shortfall of $1.054 million if every MAK Shareholder accepted the Offer. In such case, UCL will meet such shortfall out of its own cash reserves.

IF UCL obtains 100% acceptances under the Offer, the amount of $9M will be available to be, and will be, drawn under the MML Convertible Note Agreement to be solely applied to the cash component of the Consideration.

11.11 Information about UCL Shares

The UCL Shares to be issued pursuant to the Offer will, from their date of issue, rank equally in all respects with existing UCL Shares on issue.

11.12 Benefits and agreements

(a) Benefits in connection with retirement from office

As a result of the Offer, no person has been or will be given any benefit (other than a benefit which can be given without member approval under the Corporations Act) in connection with the retirement of that person, or someone else, from the Board or managerial office of MAK.

(b) Agreements connected with or conditional on the Offer

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

(c) Material interests of Directors in contracts with MAK

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

[15] Based on MAK having 228,236,727 shares on issue plus 17,375,000 options on issue.

11.13 Material litigation

UCL does not believe that it is involved in any litigation or dispute which is material in the context of UCL taken as a whole.

11.14 Issued capital - MAK

As at ~~25 May~~12 July 2012, being the last practicable date prior to lodgement of this Bidder's Statement, MAK's issued capital consisted of 228,236,727 MAK Shares.

In a Notice of Annual General Meeting dated 1 May 2012 MAK have sought Shareholder Approval on the following resolutions;

- Resolution 1 – ratification of allotment and resolution of 336,482 fully paid ordinary shares
- Resolution 2 – ratification of allotment and resolution of 200,000 fully paid ordinary shares
- Resolution 3 – ratification of allotment and resolution of 696,295 fully paid ordinary shares
- Resolution 5 – Share placement facility authorising the Directors to issue and a lot up to 30,000,000 ordinary fully paid shares.

11.15 MAK Options

MAK has the following MAK Options on issue:

$0.29	21/09/13	1,000,000
$0.97	21/09/13	1,000,000
$0.47	01/07/14	500,000
$0.47	03/01/16	500,000
$0.71	25/03/15	12,500,000
$0.49	17/08/13	500,000
$0.36	03/01/14	1,375,000
$0.32	**16/10/14**	300,000
$0.22	**15/06/16**	1,500,000
$0.23	**18/06/17**	5,000,000
$0.27	**No Later than 18/06/17**	5,000,000
$0.31	**No Later than 18/06/17**	5,000,000
Total		~~17,375,000~~34,175,000

~~In a Notice of Annual General Meeting dated 1 May 2012 MAK have sought Shareholder Approval on the following resolutions;~~

- ~~Resolution 4 – grant of 1,500,000 Options to Mr Richard Block~~
- ~~Resolution 6 – grant of 5,000,000 Options to Mr Mark Clifford Lawrenson~~
- ~~Resolution 7 – grant of 5,000,000 Options to Mr Mark Clifford Lawrenson~~
- ~~Resolution 8 – grant of 5,000,000 Options to Mr Mark Clifford Lawrenson~~

11.16 Implications of the Offer with respect to Namibian law

With respect to the Offer, the approval of the Namibian Minister of Mines and Energy under the Minerals Act 1992 (Namibian) in relation to the NMP's holding of mining licence ML 170 is unlikely to be required in respect of the Offer. The Offer, or its success, does not appear to trigger rights in favour of Tungeni Investments cc or obligations under the Sandpiper Shareholders Agreement. However, there may be implications for the Offer and for MAK Shareholders under Namibian law.

UCL encourages MAK Shareholders to seek their own legal and tax advice in relation to any implications of the Offer under Namibian law and/or Namibian tax legislation.

11.17 Notice of Status of Conditions

UCL will give a Notice of Status of Conditions to the ASX and MAK on ~~8 July~~[*] 2012, subject to any extension of the Offer Period.

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

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

11.18 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from [● ~~June~~] 2012 until 7.00pm (Sydney time) on ~~16 July~~[*] 2012.

The circumstances in which UCL may extend or withdraw the Offer are set out in section 11.19 and section 11.20 respectively of this Bidder's Statement.

11.19 Extension of the Offer Period

UCL may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 11.17 in this Bidder's Statement) while the Offer is subject to conditions. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or freed), UCL may extend the Offer Period at any time before the end of the Offer Period.

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

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

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

11.20 Withdrawal of Offer

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

11.21 Effect of acceptance

If you accept the Offer, then, unless withdrawal rights are available (see section 11.22 of this Bidder's Statement below) and you exercise these rights, you will give up your right to sell MAK Shares on market or to any other person that may make a takeover bid, or deal with them in any manner.

The effect of acceptance of the Offer is set out in section 8 of Annexure A of this Bidder's Statement. MAK Shareholders should read these provisions in full to understand the effect that acceptance will have on their ability to exercise the rights attaching to their MAK Shares and the representations and warranties which they give by accepting the Offer.

11.22 Your ability to withdraw your acceptance

If you accept the Offer, you will have a right to withdraw your acceptance in some circumstances.

Those withdrawal rights comprise general statutory withdrawal rights under the Corporations Act. In summary, you may withdraw your acceptance of the Offer if UCL varies its Offer in a way that postpones, for more than one month, the time when UCL needs to meet its obligations under the Offer. This will occur if UCL extends the Offer Period by more than one month and the Offer is still subject to conditions.

In those circumstances, you will have a period of one month after the date that the Offer is extended to withdraw your acceptance. Your statutory withdrawal rights will terminate upon the expiry of that one month period, although if the Offer Period is then further extended you will receive further statutory withdrawal rights (that is, a further month long withdrawal right for each and every extension thereafter).

11.23 When you will receive your consideration if you accept the Offer

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

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

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

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

11.24 Effect of an improvement in consideration on MAK Shareholders who have already accepted the Offer

If UCL improves the consideration offered under the Offer, all MAK Shareholders, whether or not they have accepted the Offer before that improvement in consideration, will be entitled to the benefit of that improved consideration.

11.25 Lapse of Offer

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

11.26 Compulsory acquisition

As detailed in section 8.3 of this Bidder's Statement, if UCL satisfies the required thresholds, it intends to compulsorily acquire any outstanding MAK Shares.

UCL will be entitled to compulsorily acquire any MAK Shares in respect of which it has not received an acceptance of its Offer on the same terms as the Offer if, during or at the end of the Offer Period, UCL and its Associates have a relevant interest in at least 90% (by number) of MAK Shares.

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

11.27 UCL as a disclosing entity

Due to the fact the UCL is offering Shares as consideration for the acquisition of MAK Shares under the Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of UCL Shares under sections 710 to 713 of the Corporations Act.

Neither UCL nor Minemakers need to issue a prospectus for the Offer of the UCL Shares as the Offer is occurring under a takeover bid.

UCL is a ~~"~~“disclosing entity~~"~~” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all disclosing entities, UCL is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of UCL Shares.

UCL shares have been quoted on the official List of ASX during the 3 months prior to the date of this Bidder's Statement. For this reason, UCL is only required to disclose information in this Bidder's Statement that would usually be required where UCL Shares have been continuously quoted securities.

In general terms where UCL Shares are continuously quoted securities the Bidder's Statement is only required to contain information in relation to the effect of the Offer on the rights and liabilities attaching to the UCL Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has been excluded from a continuous disclosure notice in accordance with the Listing Rules and it is information:

(a) that investors and their professional advisers would reasonably require for the purpose of making and informed assessment o such matters; and

(b) relating to the rights and liabilities attaching to the UCL Shares.

Having made such enquiries as are reasonable, UCL believes that is has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issues of this Bidder's Statement which required UCL to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

~~Information~~Information that is already in the public domain has not been reported in ~~this~~the Bidder's Statement, other than that which is considered necessary to make this Bidder's Statement complete.

UCL, as a disclosing entity under the Corporations Act, states that ~~it is subject to regular reporting and disclosure obligations;~~:

(a) it is subject to regular reporting and disclosure obligations;

(b) copies of documents lodged with ASIC in relation to UCL (not being documents referred to in section 1274(2)(a) of the Corporation Act) may be obtained form, or inspected at, the offices of ASIC; and

(c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the date the offer closes:

    (i) the annual financial report most recently lodged by UCL with ASIC;

    (ii) any half year financial report lodged with ASIC by UCL after the lodgement of the annual financial report referred to in paragraph (i) and before the lodgement of this Bidder's Statement with ASIC; and

    (iii) any documents used to notify ASX of information relating to UCL during that period in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with ASIC in relation to UCL can be inspected at the registered office of UCL during normal office hours.

UCL has lodged the following announcements with the ASX since 30 November 2011:

29/06/2012	Rights Issue Results
25/06/2012	Replacement Bidder's Statement
12/06/2012	Rights Issue – Despatch of Offer Documents
05/06/2012	Corrective Cleansing Notice (Rights Issue)
04/06/2012	Amended Appendix 3B
29/05/2012	Revised Investors Presentation
29/05/2012	Letter to Shareholders (Rights Issue)
28/05/2012	Takeover Bid for Minemakers – Investor's Presentation
28/05/2012	Takeover Bid for Minemakers – Bidder's Statement
28/05/2012	Letter to Option Holders (Rights Issue)
28/05/2012	Cleansing Notice (Rights Issue)
28/05/2012	Appendix 3B
28/05/2012	1For 12 Non-Renounceable Rights Issue
23/05/2012	Changes in substantial holding from MAK
22/05/2012	Revised Initial Director`s Interest Notice
21/05/2012	Fifth Supplementary Target`s Statement
21/05/2012	Initial Director`s Interest Notice
21/05/2012	Director Appointment
18/05/2012	Investor Presentation - Offer to acquire MAK
18/05/2012	Cleansing Notice
18/05/2012	1.Takeover bid for Minemakers 2.Convertible Note Funding
18/05/2012	Fourth Supplementary Target`s Statement
17/05/2012	Becoming a substantial holder
16/05/2012	Change in substantial holding from MAK
~~15/05/2012~~	~~Change in substantial holding from MAK~~
15/05/2012	Appendix 3B
14/05/2012	MB Holding Subscription Agreement
14/05/2012	Change in substantial holding from MAK
11/05/2012	Third Supplementary Target`s Statement
10/05/2012	Share Placement and Rights Issue
04/05/2012	Takeover Bid - Defeating Condition
03/05/2012	Letter to Shareholders
01/05/2012	Board Recommends Reject Revised Takeover Offer
30/04/2012	Second Supplementary Target`s Statement
30/04/2012	Quarterly Cashflow Report

30/04/2012	Quarterly Activities Report
18/04/2012	Placement, DFS Results and Resources upgrade
16/04/2012	Trading Halt
03/04/2012	Supplementary Target`s Statement
02/04/2012	Definitive Feasibility Study - Received by NMP
21/03/2012	Investor Presentation
21/03/2012	Board Recommends Rejection of Minemakers Offer
21/03/2012	Takeover Bid - Independent Expert`s Report
21/03/2012	Takeover Bid - Target`s Statement
20/03/2012	Sandpiper Marine Phosphate DFS update
13/03/2012	Half Yearly Report and Accounts
12/03/2012	Audio Broadcast - Response to MAK t/o offer
09/03/2012	Change in substantial holding
09/03/2012	Change in substantial holding
09/03/2012	Takeover Bid - Letter to Shareholders
05/03/2012	Change in substantial holding from MAK
02/03/2012	Takeover Bid - Major Shareholders Clarification
02/03/2012	UCL largest shareholder rejects MAK`s unsolicited offer
29/02/2012	Sandpiper Marine Phosphate Resources Upgrade
22/02/2012	Takover Bid - Letter to Shareholders
21/02/2012	Minemakers Takeover Bid - Correction to Earlier Announcement
21/02/2012	UCL Resources Rebuffs Minemakers Takeover Bid
15/02/2012	Small Shareholders - Finalisation
13/02/2012	Minemakers Limited - Takeover Proposal
27/01/2012	Audio Broadcast
27/01/2012	Quarterly Cashflow Report
27/01/2012	Quarterly Activities Report
20/01/2012	Sandpiper Final Laboratory Report
13/01/2012	NMP EIA and EMP lodged
16/12/2011	Change of Name

13/12/2011	Share Consolidation - Despatch of Holding Statements
13/12/2011	Change of Director`s Interest Notice
02/12/2011	Final Director`s Interest Notice

11.28 Ineligible Foreign Shareholders

If you are an Ineligible Foreign Shareholder and you accept the Offer, you will not receive any UCL Shares. Instead, you will receive in respect of your MAK Shares a cash amount calculated under section 10 of Annexure A of this Bidder's Statement.

The Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

This document is distributed to MAK Shareholders who are registered in the register of MAK Shareholders but not to, nor is it intended to be distributed to, anyone else nor to any person other than the person to whom this document is sent.

11.29 Competent person statements

The information in this Bidder's Statement that relates to the Mineral Resource estimates for Sandpiper is based on information compiled by 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 report of the matters based on his information in the form and context in which it appears.

The information in this Bidder's Statement that relates to Mineral Resources for the Mehdiabad Project, including metallurgical recoveries and the appropriateness of the use of a 2% lower Zn cut-off grade (the appropriate lower economic cut-off for zinc resources) and 0.3% Cu cut-off grade (the appropriate lower economic cut-off for copper resources) for reporting of Resources, is based on information compiled by Patrick Scott, consultant to UCL. Mr Scott is a director of PS Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Scott has sufficient experience which is 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." Mr Scott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Information related to the Mineral Resources of Wonarah and other assets has been compiled by MAK and sourced from public sources. UCL has relied on these disclosures and the information has not been verified.

11.30 Advisers' fees and benefits

UCL estimates that it will incur fees for services provided in connection with the offer, including for legal, taxation, and financial advisers, in the amount of approximately A$0.30 million.

Eakin McCaffery Cox has acted as legal adviser to UCL in relation to the Offer. UCL estimates that it will pay Eakin McCaffery Cox approximately A$~~60,000~~100,000 (excluding GST and disbursements) for services performed up to the date of this Bidder's Statement. Further amounts may be payable to Eakin McCaffery Cox in accordance with normal time-based charges.

Lawler Partners Pty Ltd has acted as tax adviser to UCL in relation to the Offer. UCL estimates that it will pay Lawler Partners Pty Ltd approximately A$15,000 (excluding GST and disbursements) for services performed in relation to the Offer.

11.31 Funding of the Offer

The total amount of the cash component of the Consideration will be provided under the MML Convertible Note Agreement with ~~Mawarid~~MML and from UCL's own cash reserves.

The material terms of this MML Convertible Note Agreement are set out below:

- The ~~Subscription Sum~~subscription sum for the note is the lower of: (i) A$9.0 million, (ii) the amount required to fund the cash component of the Consideration for acceptances received under the Offer, and (iii) that amount which will, on a fully diluted basis, result in MML's Voting Power in UCL exceeding 19.9%;
- the obligation to advance the subscription sum is subject to conditions precedent being met including this Bidder's Statement being lodged with the ASX and ASIC and the Offer is made in accordance with the conditions set out in Annexure A and all applicable laws and regulations, the Offer becoming or being declared unconditional, UCL obtaining a relevant interest in at least 50.1% of MAK, the prescribed occurrences conditions in the Offer having not been waived unless MML has consented and there being no breach of the MML Convertible Note Agreement by the Company (other than a trivial or insubstantial breach);
- if the above conditions precedent are not met by 31 August 2012 (or such other date as agreed by the Parties) MML may terminate the MML Convertible Note Agreement by written notice to UCL;
- interest is payable at 7.5% per annum (based upon a 360 day year), or 12.5% in the case of an Event of Default (for the duration of the default), payable six monthly in arrears;
- the MML Convertible Note may be converted in whole or in part into UCL Shares subject to law at the discretion of Mawarid;
- if not converted, the note is redeemable 18 months from advance;
- if converted, the number of shares will be the amount of the subscription sum plus accrued interest but not unpaid interest divided by the issue price; ~~and~~
- the issue price is A$0.25, though if ~~a default~~an Event of Default occurs and such is not remedied within three days the issue price will be the lower of A$0.20 or an amount equal to the closing price of the Shares on the day of the Event of Default (or if there is more than one day then the lowest such price). If the price is $0.20 then UCL will be required to fund an additional amount of $1.8M in the case there are 100% acceptances under the Offer. If there are 50.1% acceptances then UCL will be required to fund a further $935,000.00. These additional funds will be sourced from UCL's own cash reserves.
- apart from as noted above, if an Event of Default occurs, MML may then or at any time subsequently by notice to UCL:

  (1) declare all money owing under the MML Convertible Note Agreement to be immediately due and payable, and UCL must immediately pay that money (including accrued interest and fees) and cash cover for the full amount of any money contingently owing under this Agreement; and/or
  (2) cancel its obligations (if any) under the MML Convertible Note Agreement.

  One of the Events of Default relates to change in ownership in UCL which provides that an Event of Default shall arise if any person who obtains a relevant interest in 50% or more of the Shares of the Company (other than the Noteholder or an associate of the Noteholder), without the prior written approval of the Noteholder. A similar Event of Default exists under the Donwillow Note. In either case, such may represent a deterrent to a would-be bidder for UCL Shares.As to MML's ability to fund the cash component of the Offer, UCL has conducted its due diligence upon MB Holding and MML and is satisfied that MML has the financial resources to meet its obligations under the MML Convertible Note Agreement. In support of this, UCL attaches to Annexure C of this Bidder's Statement, an an agreed upon procedure report issued by Ernst & Young, Oman, on the related matter.

Based on the number of MAK Shares and MAK Options on issue on the day before the Announcement Date, the maximum amount of the cash component of the Offer, which would be required to be paid under the Offer if every MAK Shareholder accepted the Offer is $10.54 million.

UCL notes that the maximum sum to be advanced by MML under the MML Convertible Note is $9M, which may give rise to a shortfall of $1.054 million if every MAK Shareholder accepted the Offer. In such case, UCL will meet such shortfall out of its own cash reserves.

If UCL obtains 100% acceptances under the Offer, the amount of $9M will be available to be, and will be, drawn under the MML Convertible Note Agreement to be solely applied to the cash component of the Consideration.

11.32 UCL Rights Issue

As announced on 28 May 2012, UCL will raise up to approximately A$2.298 million via a non-renounceable, pro rata one-for-twelve Rights Issue at a price of A$0.30. The Rights Issue will be underwritten by Mawarid on the terms of the MML Underwriting Deed.

Under the MML Underwriting Deed, MML agrees to pick up any shortfall shares following the Rights issue. No underwriting fee is payable to MML. The obligation of MML to underwrite the Rights Issue is subject to certain conditions precedent (including satisfactory due diligence and offer documentation being acceptable to MML) and conditions subsequent (including UCL not being in breach of any representations or warranties or the MML Underwriting Deed not being terminated) in being satisfied.

This Rights Issue will proceed whether the Offer is successful or not. The number of Shares that UCL will issue will depend upon the up-take of the Rights Issue, but as the Rights Issue is fully underwritten UCL expects to issue the full allotment of approximately 7,660,366 Shares. Offer documents in respect of the Rights Issue were despatched to UCL shareholders on 12 June 2012.

The Rights Issue was completed on 26 June 2012. Application funds totalling $327,525.30 were received, leaving a deficit of $1,970,353.20. MML has subscribed for 6,567,844 UCL shares representing the shortfall shares at an exercise price of $0.30 per share.

11.33 Date for determining holders

For the purposes of section 633(2) of the Corporations Act, the date for determining the people whom information is to be sent under items 6 and 12 of section 633(1) of the Corporations Act is 7:00pm (Sydney Time) on 28 May 2012.

11.34 No other material information

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

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

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

- the information contained in this Bidder's Statement; and
- the information contained in UCL's and MAK's releases to the ASX, and in the documents lodged by UCL and MAK with ASIC before the date of this Bidder's Statement.

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

- the nature of MAK Shares;
- the matters that MAK Shareholders may reasonably be expected to know in relation to MAK, UCL and the Offer; and
- the fact that certain matters may reasonably be expected to be known to MAK Shareholders' professional advisers.

11.35 Consents

In accordance with the Corporations Act:

(a) Eakin McCaffery Cox has consented to being named in this Bidder's Statement as the Australian legal adviser to UCL in the form and context in which it is named;

(b) Link Market Services Ltd (ABN 54 083 214 537) has consented to being named in this Bidder's Statement as the share registry to UCL in the form and context in which it is named;

(c) Lawler Partners Pty Ltd (ABN 91 850 861 839) has consented to being named in this Bidder's Statement as the tax adviser to UCL in the form and context in which it is named;

(d) Financial & Corporate Relations Pty Ltd (ABN 99 067 477 703) has consented to being named in this Bidder's Statement as the Investors Relations ~~Adviser~~Advisers to UCL in the form and context in which it is named;

(e) MML has consented to being named in this Bidder's Statement in the form and context in which it is named;

(f) Montpellier Corporate Advisory Pty Ltd has consented to being named in this Bidder's Statement in the form and context in which it is named; and

(g) Ernst & Young has consented to being named in this Bidder's Statement in the form and context in which it is named.

None of the entities named above has withdrawn its consent prior to the lodgement of this Bidder's Statement with ASIC.

These consents have been given on the basis that the companies named as giving their consent:

(a) did not authorise or cause the issue of this Bidder's Statement; and

(b) do not make, or purport to make, any statement in this Bidder's Statement other than as specified in this Bidder's Statement.

As permitted by ASIC Class Order 01/1543 this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged by MAK with ASIC or given to the ASX, or announced on the Company Announcements Platform of the ASX, by MAK.

Pursuant to this Class Order, the consent of MAK is not required for the inclusion of such statements in this Bidder's Statement. Any MAK Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the Shareholder Information Line on 1800 65 65 68 (for calls made from within Australia) or +61 2 9207 3621 (for calls made from outside Australia). Any telephone calls to these numbers may be tape recorded, indexed and stored.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements:

- fairly representing a statement by an official person; or
- from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement may contain security price trading data sourced from IRESS, Capital IQ and Bloomberg without their consent.

11.36 No amounts or benefits to Dr Al Barwani

No amount or benefit has been paid or been given or been agreed to pay or give to Dr Al Barwani to induce him to become, or to qualify as, a Director of the Company.

12. Definitions and interpretation

12.1 Glossary

The meanings of the terms used in this Bidder's Statement are set out below:

$, A$ or AUD	Australian dollars.
Acceptance Form	the form of acceptance form for the Offer enclosed with this Bidder's Statement or alternatively an acceptance form sent to a MAK Shareholder by UCL's Share Registry in relation to the Offer.
Announcement Date	18 May 2012, being the date of the announcement of the Offer.
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in the Corporations Act
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
ATO	Australian Taxation Office.
BFS	Bankable Feasibility Study.
Bidder	UCL.
Bidder's Statement	the bidder's statement of the Bidder dated 28 May ~~2012.~~2012 or this replacement bidder's statement, as the context requires
Board	the Board of Directors of UCL.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that the ASX declares is not a business day.
CGT	capital gains tax.
CHESS Holding	a number of MAK Shares which are registered on MAK's register being a register administered by ASX Settlement Pty Limited and which records uncertificated holdings of MAK Shares.
Combined Group	the combined UCL and MAK entity including MAK and its subsidiaries following the acquisition of all, or the majority of MAK Shares.
Company	UCL Resources Limited (ABN 40 002 118 872).
Condition Period	the period beginning on 18 May 2012 and ending at the end of the Offer Period.
Conditions	the conditions of the Offer as set out in Annexure A of this Bidder's Statement.
Controlling Participant	In relation to your MAK Shares, has the same meaning as in the ASX Settlement Operating Rules.
Consideration	the consideration under the Offer for each of all the MAK Shares, to which the offer applies. That offer Consideration is $0.045 cash per MAK Share plus 1 UCL Share for every 1.6 MAK

	Shares.
Corporations Act	the *Corporations Act 2001* (Cth) (as modified or varied by ASIC) or otherwise amended.
DAP	diammonium phosphate.
Defeating Conditions Date	~~8~~[*] July 2012 being the date specified in Annexure A of the Bidder's Statement for giving notice as to the status of the Conditions as required by subsection 630(1) of the Corporations Act (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer is extended).
DFS	Definitive Feasibility Study.
Director	a director of UCL.
Donwillow	Donwillow Pty Ltd (ACN 002 928 421).
Donwillow Convertible Note	the convertible note issued by UCL under the Donwillow Deed
Donwillow Deed	the Convertible Note Deed signed by UCL and Donwillow on 3 November 2010.
DSO	direct shipping ore.
EBIT	earnings before interest and income tax.
EBITDA	earnings before interest, income tax, depreciation and amortisation.
ESOP	the Employee Share Option Plan for UCL which is governed by the Employee Share Option Plan Rules.
FCR	Financial & Corporate Relations Pty Limited (ABN 99 067 477 703)
Event of Default	has the same meaning as this term has in the MML Convertible Note Agreement, which is set out in Annexure B of this Bidder's Statement
FOB	free on board.
Holder Identification Number	has the same meaning as "HIN" in the ASX Settlement Operating Rules.
Ineligible Foreign Shareholder	has the meaning given to that term in section 10 of Annexure A.
IPO	initial public offering.
JDC	JDCPhosphate Inc. a company incorporated in Delaware.
JORC Code	the 2004 Edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".
Link Market Services	UCL's Share Registry, Link Market Services Limited.
MAK	Minemakers Limited (ACN 116 296 541).
MAK Offer	the offer by MAK to acquire all shares in UCL which was announced on 13 February 2012 and closed on 22 May 2012
MAK Options	see section 11.15
MAK Share	an ordinary share in MAK.
MAK Shareholder	the registered holder of a MAK Share.
MAP	monoammonium phosphate.
MBHolding	MBHolding Company LLC, a company registered in the Sultanate of Oman and the parent company of MML.
Mineral Resource	has the meaning given to Mineral Resource in the JORC Code.
MML or Mawarid	Mawarid Mining LLC, a company registered in the Sultanate of Oman and a wholly owned subsidiary of MBHolding Company LLC.

MML Convertible Note Agreement	The Convertible Note Agreement between UCL and MML dated 17 May 2012.
MML Convertible Note	The convertible note issued under the MML Convertible Note Agreement
MML Underwriting Deed	The Underwriting Deed between MML and UCL dated 27 May 2012 relating to the Rights Issue.
MoU	Memorandum of understanding.
Mt	Million tonnes.
Mtpa	Million tonnes per annum.
NMP	Namibian Marine Phosphate (Pty) Ltd.
Notice of Status of Conditions	the Bidder's notice disclosing the status of the Conditions to the Offer which is required to be given by section 630(3) of the Corporations Act.
NSX	Namibian Stock Exchange.
Offer	the offer by the Bidder to each MAK Shareholder to acquire all of their MAK Shares on the terms and Conditions set out in Annexure A of the Bidder's Statement.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 3 of Annexure A of this Bidder's Statement.
Official Quotation	Official quotation on the ASX.
Participant	has the same meaning as in the ASX Settlement Operating Rules.
Placement	The issue of 12,121,061 UCL Shares to MML in consideration for approximately $3.6 million pursuant to the Subscription Agreement.
Plan	the Performance Rights Plan approved by UCL Shareholders on 29 November 2011.
Public Authority	any government or representative of government or any governmental, semi governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets, including ASIC and ASX (and any other stock exchange).
Record Date	being 7pm (Sydney Time) on 28 May 2012.
Rights	all accretions to and rights attaching to the relevant UCL Shares at or after the Announcement Date (including all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid or issued by UCL).
Rights Issue	the one-for-twelve non-renounceable rights issue at $0.30 per Share announced by UCL on 28 May 2012.
S&P	Standard and Poor's.
S&P/ASX 200	the S&P/ASX 200 index published by Standard & Poor's.
Sale Nominee	has the meaning given to that term in section [10] of Annexure A of this Bidder's Statement.
Sandpiper or the Project	Sandpiper Marine Phosphate Project conducted in accordance with the Sandpiper Shareholder Agreement.
Sandpiper Shareholder Agreement	the shareholders agreement signed by Sea Phosphates (Namibia) (Pty) Ltd, Tungeni Investments cc, and Minemakers (Namibia) (Pty) Ltd, dated 30 July 2010 relating to NMP.
Security Holder Reference Number	has the same meaning as in the ASX Settlement Operating Rules.
Share Registry	UCL's share registry, Link Market Services Limited (ABN 54 083 214 537).
SPA	superphosphoric acid.

Subscription Agreement	The Subscription Agreement between MML and UCL in respect of the Placement dated 12 May 2012.
Takeovers Panel	the Takeovers Panel continuing in existence under section 261 of the *Australian Securities and Investments Commission Act 2001* (Cth) and given various powers under Part 6.10 of the Corporations Act.
Takeover	The proposed takeover of MAK by UCL by way of an off market conditional takeover offer.
Takeover Bid	UCL's takeover bid for MAK by making the Offer.
Takeover Transferee Holding	Has the same meaning as in the ASX Settlement Operating Rules.
Target's Statement	The target's statement to be prepared by MAK and despatched to MAK Shareholders on or before the day that is 15 days after the date that MAK receives notice that all the Offers have beed despatched to MAK Shareholders.
TSX	Toronto Stock Exchange.
Twynam	Twynam Agricultural Group Pty Ltd (ACN 000 573 213).
UCL	UCL Resources Limited (ABN 40 002 118 872).
UCL Constitution	the constitution of UCL.
UCL Option	an option issued by UCL to acquire a UCL Share.
UCL Performance Right	a performance right issued under the UCL Performance Rights Plan.
UCL Share	one ordinary share in UCL.
UCL Shareholder	the registered holder of a UCL Share.
Voting Power	has the same meaning given to this term as in the Corporations Act
VWAP	volume weighted average price.
Wonarah	the Wonarah phosphate project in the Northern Territory comprising each and all tenements granted by, or under application to, the Northern Territory Department of Resources – Minerals and Energy by Minemakers Australia Pty Limited including ML27244, SEL26451, SEL26452, EL26584, EL26586, EL26585, EL26589, EL264607, EL9979, EL26185, EL28233 and EL29355.

12.2 Interpretation

In this Bidder's Statement:

1) Other words and phrases have the same meaning (if any) given to them in the Corporations Act.

2) Words of any gender include all genders.

3) Words importing the singular include the plural and vice versa.

4) An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.

5) A reference to a section, clause, annexure, attachment and schedule is a reference to a section of, clause of and an annexure or attachment and schedule to this Bidder's Statement as relevant unless otherwise indicated.

6) A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.

7) Headings and bold type are for convenience only and do not affect the interpretation of this Bidder's Statement.

8) A reference to time is a reference to time in Sydney, Australia.

9) A reference to dollars, $, A$, AUD, cents, C and currency is a reference to the lawful currency of the Commonwealth of Australia.

10) A reference to "short term" means the period one to three years from the date of this Bidder's Statement.

11) A reference to "medium term" means the period three to five years from the date of this Bidder's Statement.

12) A reference to "long term" means the period more than five years from the date of this Bidder's Statement.

13) A reference to "operating cash flow" means operating cash flow as determined by operating asset revenue plus interest earned on cash balances less operating expenses (including management fees, but excluding performance fees), interest costs paid in relation to financing facilities (other than interest costs relating to capital expenditure projects that are not yet ready for use), maintenance capital expenditure, tax paid and working capital adjustments.

13. Approval of Bidder's Statement

This Bidder's Statement has been approved by a resolution passed by all the Directors of UCL.

Signed for and on behalf of UCL

Sign here

Print nameIan W Ross

Position Chairman

Date ~~28 May~~13 July 2012

A. Annexure A - Terms of Offer

A.1 General terms

(a) UCL offers to acquire all of your MAK Shares, together with all Rights attached to them, on the terms and conditions set out in this Offer.

(b) The Consideration being offered by UCL for the acquisition of all of your MAK Shares is $0.045 cash per MAK Share plus 1 UCL Share for every 1.6 MAK Shares you own, subject to the terms and conditions set out in this Offer.

(c) If you are an Ineligible Foreign Shareholder then, despite any other provision of this Offer, you are offered and will be paid for your MAK Shares a cash amount calculated under section 10 of this Annexure A.

(d) The UCL Shares to be issued pursuant to this Offer will, from their date of issue, rank equally in all respects with existing UCL Shares currently on issue.

A.2 Official Quotation

UCL will apply for Official Quotation of the UCL Shares on the ASX. Quotation will not be automatic but will depend on the ASX exercising its discretion. UCL has already been admitted to the official list of the ASX and the UCL Shares to be issued under the Offer are of the same class as UCL Shares already quoted on the ASX. UCL cannot guarantee, and does not represent or imply, that UCL Shares will be listed on the ASX following their issue.

A.3 Offer Period

Unless withdrawn, this Offer will remain open for acceptance during the period commencing on the date of this Offer and ending at 7:00pm (Sydney Time) on ~~16~~[ ] July 2012, subject to any extension in accordance with the Corporations Act.

A.4 Who may accept

(a) This Offer is being made to each person registered as the holder of MAK Shares in the register of MAK Shareholders as at the Record Date. It also extends to:

(i) holders of any MAK Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of, or exercise of rights conferred by MAK Options; and

(ii) any person who becomes registered, or entitled to be registered, as the holder of MAK Shares during the Offer Period.

(b) If, at the time the Offer is made to you, or at any time during the Offer Period, another person is, or is entitled to be, registered as the holder of some or all of the MAK Shares to which this Offer relates:

(i) a corresponding offer on the same terms as this Offer will be deemed to have been made to that other person in respect of those MAK Shares;

(ii) a corresponding offer on the same terms as this Offer will be deemed to have been made to you in respect of any other MAK Shares you hold to which the Offer relates; and

(iii) this Offer will be deemed to have been withdrawn immediately at that time in respect of those MAK Shares.

(c) If, at any time during the Offer Period and before this Offer is accepted, any person holds one or more distinct parcels of MAK Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of section 653B of the Corporations Act then:

(i) this Offer is deemed to consist of a separate corresponding Offer to that person in relation to each distinct parcel of MAK Shares; and

(ii) acceptance by that person of the Offer for any distinct parcel of MAK Shares is ineffective unless the person gives written notice to UCL in accordance with section 653B (3) of the Corporations Act stating that the MAK Shares consist of distinct portions and the acceptance specifies the number of the MAK Shares in each separate parcel to which the acceptance relates.

(d) This Offer is not registered in any jurisdiction outside Australia. It is your sole responsibility to satisfy yourself that you are permitted by any law of a country other than Australia applicable to you to accept this Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

A.5 Fractional entitlements

If the number of MAK Shares you hold is such that your entitlement to UCL Shares under this Offer is not a whole number, your entitlement to UCL Shares will be rounded up to the nearest whole number. If UCL believes that your Shareholding of MAK Shares has been manipulated to take advantage of rounding up, then any fractional entitlement will be aggregated or rounded down to the next whole number of UCL Shares.

A.6 How to accept this Offer

(a) You may only accept this Offer in respect of 100% (and not a lesser number) of your MAK Shares. For example, if you have 10,000 MAK Shares and you wish to accept the Offer, you may only accept this Offer in respect of 10,000 MAK Shares.

(b) You may only accept this Offer during the Offer Period.

(c) To accept the Offer for MAK Shares held in your name on MAK's issuer sponsored subregister (in which case your Security Holder Reference Number will commence with 'I') you must:

(i) complete and sign the accompanying Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and

(ii) ensure that the Acceptance Form together with all other documents required by the terms of this Offer and the instructions on the Acceptance Form are received at the address shown on the Acceptance Form before the end of the Offer Period.

(d) If your MAK Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are not a Participant, you should instruct your broker or Controlling Participant (this is normally the stockbroker through whom you bought your MAK Shares or ordinarily acquire shares on the ASX) to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(e) If your MAK Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X') and you are a Participant, you should initiate acceptance of this Offer in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(f) Alternatively, to accept this Offer for MAK Shares held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you may sign and complete the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form and ensure that it (including any documents required by the terms of this Offer and the instructions on the

Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(g) If your MAK Shares are held in your name in a CHESS Holding (in which case your Holder Identification Number will commence with 'X'), you must comply with any other applicable ASX Settlement Operating Rules.

(h) To accept this Offer for MAK Shares which are not held in your name, but of which you are entitled to be registered as holder, you must:

(i) complete and sign the Acceptance Form in accordance with the terms of this Offer and the instructions on the Acceptance Form; and

(ii) ensure that the Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is received before the end of the Offer Period, at one of the addresses shown on the Acceptance Form.

(i) The Acceptance Form forms part of the Offer.

(j) If your Acceptance Form (including any documents required by the terms of this Offer and the instructions on the Acceptance Form) is returned by post, for your acceptance to be valid you must ensure that they are posted or delivered in sufficient time for them to be received by UCL at one of the addresses shown on the Acceptance Form before the end of the Offer Period.

(k) When using the Acceptance Form to accept this Offer in respect of Shares in a CHESS Holding, you must ensure that the Acceptance Form (and any documents required by the terms of this Offer and the instruction on the Acceptance Form) are received by UCL in time for UCL to instruct your Controlling Participant to initiate acceptance of this Offer on your behalf in accordance with Rule 14.14 of the ASX Settlement Operating Rules before the end of the Offer Period.

(l) The postage of the Acceptance Form and other documents is at your own risk.

A.7 Validity of acceptances

(a) Your acceptance of the Offer will not be valid unless it is made in accordance with the procedures set out in section 6 of this Annexure A.

(b) UCL will determine, in its sole discretion, all questions as to the form of documents, eligibility to accept the Offer and time of receipt of an acceptance of the Offer. UCL is not required to communicate with you prior to making this determination. The determination of UCL will be final and binding on all parties.

(c) Notwithstanding section 6 of this Annexure A, UCL may, in its sole discretion, at any time and without further communication to you, deem any Acceptance Form it receives to be a valid acceptance in respect of your MAK Shares, even if a requirement for acceptance has not been complied with but the payment of the consideration in accordance with the Offer may be delayed until any irregularity has been resolved or waived and any other documents required to procure registration have been received by UCL.

(d) Where you have satisfied the requirements for acceptance in respect of only some of your MAK Shares, UCL may, in its sole discretion, regard the Offer to be accepted in respect of those of your MAK Shares but not the remainder.

(e) UCL will provide the Consideration to you in accordance with section 9 of this Annexure A, in respect of any part of an acceptance determined by UCL to be valid.

A.8 The effect of acceptance

(a) Once you have accepted this Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to sections 650E and 650G of the Corporations Act.

(b) By following the procedure described in section 6of this Annexure A, you will be deemed to have:

(i) accepted this Offer (and any variation to it) in respect of the MAK Shares registered in your name to which this Offer relates, regardless of the number of MAK Shares specified in the Acceptance Form, subject to sections 4(b) and 4(c) of this Annexure A;

(ii) agreed to the terms of the Offer and, subject to the conditions contained in section 11 of this Annexure A being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASX Settlement Operating Rules) to UCL all of your MAK Shares;

(iii) agreed to accept the consideration being offered by UCL and agreed to be bound by the constitution of UCL;

(iv) authorised UCL (and any director, secretary or nomine of UCL) to alter the Acceptance Form on your behalf by inserting correct details of your MAK Shares, filling in any blanks and correcting any errors in or omissions from the Acceptance Form as may be considered necessary by UCL:

(A) to make the Acceptance Form an effective acceptance of this Offer; and/or

(B) to enable registration of the transfer to UCL of your MAK Shares;

(v) irrevocably authorised and directed MAK to pay to UCL or to account to UCL for all Rights which are declared, paid or which arise or accrue after the Announcement Date in respect of your MAK Shares (subject to UCL accounting to you for any Rights received by it if your acceptance of this Offer is validly withdrawn pursuant to section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);

(vi) if you signed the Acceptance Form in respect of MAK Shares which are held in a CHESS Holding, irrevocably authorised UCL (or any director, secretary or agent of UCL) to instruct your Controlling Participant to initiate acceptance of this Offer in respect of your MAK Shares in accordance with Rule 14.14 of the ASX Operating Settlement Rules;

(vii) if you signed the Acceptance Form in respect of MAK Shares which are held in a CHESS Holding, irrevocably authorised UCL (or any director, secretary or agent of UCL) to give any other instructions in relation to your MAK Shares to your Controlling Participant, as determined by UCL acting in its own interests as a beneficial owner and intended registered holder of those MAK Shares;

(viii) irrevocably authorised UCL to notify MAK on your behalf that your place of address for the purpose of serving notices upon you in respect of your MAK Shares is the address specified by UCL in the notification;

(ix) agreed to indemnify UCL in respect of any claim or action against it or any loss, damage or liability whatsoever incurred by it as a result of you not producing your Holder Identification Number or Securityholder Reference Number or in consequence of the transfer of your MAK Shares to UCL being registered by MAK without production of your Holder Identification Number or your Securityholder Reference Number for your MAK Shares;

(x) represented and warranted to UCL that, unless you have notified it in accordance with section 4(c) of this Annexure A, your MAK Shares do not consist of separate parcels of MAK Shares;

(xi) irrevocably authorised UCL (and any nominee) to transmit a message in accordance with Rule 14.17 of the ASX Settlement Operating Rules to transfer your MAK Shares to UCL's Takeover Transferee Holding, regardless of whether it has paid the consideration due to you under this Offer;

(xii) represented and warranted to UCL that:

(A) UCL will acquire good title to and beneficial ownership of all of your MAK Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;

(B) you have paid MAK all amounts which are due in respect of your MAK Shares;

(C) all of your MAK Shares are fully paid; and

(D) you have full power and capacity to accept the Offer and to sell and transfer the legal and beneficial ownership of your MAK Shares (together with all Rights attached to them) to UCL;

(xiii) unless you are an Ineligible Foreign Shareholder, agreed to accept the UCL Shares to which you become entitled by accepting this Offer, subject to UCL's constitution and the terms of issue of the UCL Shares and to have authorised UCL to place your name on its register of shareholders as the holder of the UCL Shares issued to you under the Offer;

(xiv) acknowledged and agreed that if you are an Ineligible Foreign Shareholder, UCL will arrange for any UCL Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in section 10 of this Annexure A;

(xv) represented and warranted to UCL that the making by UCL to you, and your acceptance of this Offer is lawful under any law of a country other than Australia which apply to you to the making of this Offer and to your acceptance of this Offer;

(xvi) with effect from the later of acceptance of the Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) UCL and each of its Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your MAK Shares or in exercise of any right or power derived from the holding of you MAK Shares including, without limitation:

(A) attend and vote in respect of your MAK Shares at any and all meetings of MAK;

(B) requisition or join with other holders of MAK Shares in requisitioning and/or convening a meeting of the members of MAK;

(C) demand a poll for any vote to be taken at any meeting of MAK Shareholders;

(D) propose or second any resolutions to be considered at any and all meetings of MAK Shareholders;

(E) execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Director as a proxy in respect of all or any of your MAK Shares and a transfer form for your MAK Shares), proxies, consents, agreements, and resolutions relating to your MAK Shares;

(F) request UCL to register in the name of UCL or its nominee your MAK Shares which you hold on any register of MAK; and

(G) do all things incidental or ancillary to the foregoing,

and to have agreed that in exercising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of UCL as the beneficial owner and intended registered holder of your MAK Shares in respect of which you will do all such acts, matters and things that UCL may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the constitution of MAK) if required by UCL. This appointment is irrevocable and terminates upon registration of a transfer to UCL of your MAK Shares; and

(xvii) agreed not to vote in person, by proxy or otherwise at any general meeting of MAK or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on UCL and the Directors, secretaries and other officers of UCL by section 8(b)(xvi) of this Annexure A.

(c) The representations, warranties, undertakings and authorities referred to in this section 8 of this Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your MAK Shares and after UCL becomes registered as the holder of them.

A.9 Provision of Consideration

(a) Subject to the terms of this Offer and the Corporations Act, UCL will provide the Consideration for your MAK Shares not later than one month after this Offer is accepted or this Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Offer becomes or is declared unconditional) not later than 21 days after the end of the Offer Period.

(b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Offer, regardless of any delay in providing the consideration or any extension of the Offer.

(c) Subject to sections 10 and 11 of this Annexure A, the obligations of UCL to allot and issue any UCL Shares to which you are entitled under the Offer will be satisfied:

(i) by entering your name on the register of members of UCL;

(ii) if your name is entered into the issuer sponsored sub-register of UCL, by UCL dispatching to you an issuer sponsored holding statement of the UCL Shares to which you become entitled by accepting this Offer (by pre-paid mail to your address as shown on the register of members of MAK).

(d) Where the Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):

(i) if that document is given with your acceptance, UCL will provide the Consideration in accordance with section 9(a) of this Annexure A;

(ii) if that document is given after acceptance and before the end of the Offer Period while this Offer is subject to a defeating condition, UCL will provide the Consideration by the end of whichever of the following periods ends earlier:

(A) within one month after this Offer becomes unconditional; or

(B) 21 days after the end of the Offer Period;

(iii) if that document is given after acceptance and before the end of the Offer Period while this Offer is not subject to a defeating condition, UCL will provide the Consideration by the end of whichever of the following periods ends earlier:

(A) within one month after that document is given; or

(B) 21 days after the end of the Offer Period; and

(iv) if that document is given after the end of the Offer Period, UCL will provide the Consideration within 21 days after that document is given.

(e) If you accept this Offer, UCL is entitled to all Rights in respect of your MAK Shares. UCL may require you to provide all documents necessary to vest title to those Rights in UCL, or otherwise to give it the benefit or value of those Rights. If you do not give those documents to UCL, or if you have received the benefit of those Rights, UCL will deduct from the consideration otherwise due to you the amount (or value, as reasonably assessed by UCL) of those Rights, together with the value (as reasonably assessed by UCL) of the franking credits, if any, attached to the Rights.

(f) If, at the time you accept the Offer, any of the following:

(i) Banking (Foreign Exchange) Regulations 1959 (Cth);

(ii) Part 4 of the Charter of the United Nations Act 1945 (Cth);

(iii) Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth);

(iv) any other regulations made under Part 4 of the Charter of the United Nations Act 1945 (Cth); or

(v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Public Authority be obtained before you receive any Consideration for your MAK Shares, or would make it unlawful for UCL to provide any Consideration to you for your MAK Shares, you will not be entitled to receive any consideration for your MAK Shares until all requisite authorities, clearances or approvals have been received by UCL.

A.10 Ineligible Foreign Shareholders

(a) If you are a person whose address as shown in the register of members of MAK is in a jurisdiction other than Australia, its external territories or New Zealand and the law of that jurisdiction makes it, in the reasonable opinion of UCL, unlawful or too onerous for UCL to make the Offer to you and to issue you with UCL Shares then you will be taken to be an Ineligible Foreign Shareholder.

(b) As an Ineligible Foreign Shareholder, you will not be entitled to receive UCL Shares as consideration for your MAK Shares. Instead UCL will:

(i) arrange for the issue to a nominee approved by ASIC (Sale Nominee) of the number of UCL Shares to which you and all other Ineligible Foreign Shareholders would have been entitled but for this section;

(ii) cause those UCL Shares to be offered for sale on the ASX as soon as practicable after the end of the Offer Period, in such manner, at such price and on such other terms and conditions as are determined by the Sale Nominee acting in good faith; and

(iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Ineligible Foreign Shareholders who accept the Offer receive the same value per MAK Share, subject to rounding):

$$\textbf{Net Proceeds of Sale} \times \frac{\textbf{A}}{\textbf{B}}$$

Where:

Net Proceeds of Sale is the amount remaining after deducting the expenses of the sale and of appointing the Sale Nominee (brokerage, stamp duty and other selling costs, taxed and charges) from the proceeds of sale;

A is the number of UCL Shares which would, but for section 10(b) of this Annexure A, have been allotted and issued to you; and

B is the total number of UCL Shares allotted and issued to the Sale Nominee under this section in respect of the MAK Shares held by all Ineligible Foreign Shareholders.

(c) You will be paid your share of the net proceeds of the sale of the UCL Shares by the Sale Nominee in Australian currency.

(d) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the MAK register provided to UCL before your consideration cheque is produced.

(e) Under no circumstances will interest be paid on your share of the net proceeds of the sale of UCL Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds.

A.11 Conditions of this Offer

(a) The Offer and any contract that results from acceptance of the Offer is subject to the fulfilment of the following conditions:

(i) **(Minimum acceptance)** During, or at the end of, the Offer Period, UCL has relevant interests in at least 50.1% (by number) of all of the MAK Shares.

(ii) **(Namibian Competition Commission approval)** The Namibian Competition Commission granting, without imposing any terms or conditions which would have a material adverse effect on the economic value of Sandpiper, its consent to the proposed acquisition of MAK by UCL in accordance with the terms of the Offer.

(iii) **(No withdrawal or non-renewal of licences)** During the Condition Period, there is no official written notification of the withdrawal of any mining or exploration licences or rights to explore or develop the tenements in relation to Sandpiper or Wonarah, or the rejection of any mining or exploration licence applications or renewals in relation to Sandpiper or Wonarah or an announcement by any member of the Australian or Namibian Governments to this effect.

(iv) **(No material acquisitions, disposals, etc.)** None of the following events occur during the Condition Period:

(A) MAK or any other member of MAK 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) MAK or any other member of MAK disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than $250,000 or makes an announcement about such a disposal;

(C) MAK or any other member of MAK enters into, offers to enter into or announces that it proposes to enter into any agreement, joint venture, partnership, farm–in agreement, farm–out agreement, management agreement or commitment or involving the disposal of a legal, beneficial or economic interest in or right to, or in connection with, any mining tenements or permits held by, or applications relating to any mining tenements or permits made by MAK, or any other member of MAK, or makes an announcement about such a commitment; and

(D) MAK or any other member of MAK incurs or commits to, or grants to another person a right the exercise of which would involve MAK or any other member of MAK 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 Sandpiper.

(v) **(No prescribed occurrences)** None of the following events happens during the Condition Period:

(A) MAK converts all or any of its Shares into a larger or smaller number of Shares;

(B) MAK or any other member of MAK resolves to reduce its share capital in any way;

(C) MAK or any other member of MAK:

• enters into a buy-back agreement; or

• resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;

(D) MAK or any other member of MAK 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 MAK Shares in connection with the exercise of MAK Options existing as at the date of this ~~Bidders~~Bidder's Statement;

(E) MAK or any other member of the MAK issues, or agrees to issue, convertible notes;

(F) MAK or any other member of MAK disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;

(G) MAK or any other member of MAK charges, or agrees to charge, the whole, or a substantial part, of its business or property;

(H) MAK or any other member of MAK resolves to be wound up;

(I) the appointment of a liquidator or provisional liquidator of MAK or any other member of MAK;

(J) a court makes an order for the winding up of MAK or any other member of MAK;

(K) an administrator of MAK or any other member of MAK, is appointed under section 436A, 436B or 436C of the Corporations Act;

(L) MAK or any other member of MAK, 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 MAK or any other member of MAK.

(vi) **(Conduct of MAK's business)** During the Condition Period, none of MAK, or any other member of MAK, without the written consent of UCL:

(A) declares, pays or distributes any dividend, bonus, or other share of its profits or assets;

(B) issues or grants options over, or agrees to issue or grant options over, or otherwise makes any commitments regarding any shares or other securities, or alters its capital structure or the rights attached to any of its shares or other securities, or issues or agrees to issue any convertible notes;

(C) makes any changes in its constitution or passes any special resolution;

(D) gives or agrees to give any encumbrance over any of its assets otherwise than in the ordinary course of business;

(E) borrows or agrees to borrow any money;

(F) releases, discharges or modifies any material obligation owed to any member of MAK 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.

(vii) **(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 MAK or any other member of MAK (other than an Excluded Regulatory Authority); or

(C) no application is made to any Public Authority (other than an application by UCL or an Excluded Regulatory Authority),

which restrains or prohibits or threatens to restrain or prohibit, or may otherwise materially adversely impact upon, the making of the Offer or the completion of any transaction contemplated by this Bidder's Statement (including implementation of the intentions express in the Bidder's Statement) or seeks to require the divestiture by UCL of any MAK Shares, or the divestiture of any assets of MAK or the assets of any MAK member company.

(viii) **(No force majeure event)** During the Condition Period, no outbreak of hostilities (whether war is declared or not) or terrorism, mobilisation of armed forces, civil or political unrest or labour disturbance, fire or natural disaster, hijacking, material increase in the intensity of any of the above events or other event beyond the control of MAK or any other member of MAK occurs which materially affects or is likely to materially affect the assets, liabilities, financial position, performance, profitability or prospects of MAK or any other MAK member company.

(ix) **(Non-existence of certain rights)** No person has any right (whether subject to conditions or not) as a result of UCL acquiring MAK Shares to:

(A) acquire, or require MAK or any other MAK member company to dispose of, or offer to dispose of, any material asset of MAK;

(B) terminate or vary any material agreement with MAK or any other MAK member company; or

(C) accelerate or adversely modify the performance of any obligations of MAK or any other MAK member company in a material respect under any material agreements, contracts or other legal arrangements.

A.12 ASX quotation of new UCL Shares

The Offer is subject to the condition that permission for admission to Official Quotation by the ASX of the UCL Shares to be issued pursuant to the Offer is sought no later than seven days after the start of the Offer Period and is granted no later than seven days after the end of the Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in section 11 of this Annexure A. The Offer cannot be freed of this condition and consequently no statements made by UCL can be taken to waive this condition.

A.13 Nature and benefit of conditions

(a) The conditions in section 11 of this Annexure A are conditions subsequent. The non-fulfilment of any of these conditions does not, until the end of the Offer Period, or in the case of section 11(v) of this Annexure A (No prescribed occurrences), until the end of the third business day after the end of the Offer Period, prevent a contract to sell your MAK Shares from arising under the Offer. However, UCL will be entitled to rescind the contract resulting from your acceptance of this Offer by written notice to you.

(b) Subject to the Corporations Act, UCL alone is entitled to the benefit of the conditions in section 11 of this Annexure A, or to rely on any non-fulfilment of any of them.

(c) Each condition in section 11 of this Annexure A is a separate, severable and distinct condition.

A.14 Freeing the Offer of conditions

(a) UCL may free this Offer, and any contract resulting from its acceptance, from all or any of the conditions in section 11 of this Annexure A, by giving a notice to MAK and to the ASX declaring this Offer to be free from the relevant condition or conditions specified, in accordance with section 650F of the Corporations Act.

(b) This notice may be given:

(i) in the case of section 11(v) of this Annexure A (No prescribed occurrences), not later than three Business Days after the end of the Offer Period; and

(ii) in the case of all the other conditions in section 11 of this Annexure A, not less than seven days before the end of the Offer Period.

(c) If, at the end of the Offer Period (or in the case of section 11(v)of this Annexure A (No prescribed occurrences), at the end of the third Business Day after the end of the Offer Period), the conditions in section 11(v) of this Annexure A have not been fulfilled and UCL has not declared the Offer (or it has not become) free from those conditions, all contracts resulting from the acceptance of the Offer will be automatically void.

A.15 Notice on status of conditions

The date for giving notice on the status of the conditions required by section 630(1) of the Corporations Act is ~~8~~[ ] July 2012 (subject to extension in accordance with section 630(2) of the Corporations Act if the Offer Period is extended).

A.16 Lapsing of the Offer

(a) If the conditions of the Offer are not satisfied or waived at the end of the Offer Period, then the Offer will lapse and any acceptances received for the Offer will be void.

(b) If this happens, you will continue to hold your MAK Shares and be free to deal with them as if the Offer had not been made.

A.17 Withdrawal of Offer

(a) UCL may withdraw this Offer at any time before you accept it, but only with the consent in writing of ASIC (which consent may be given subject to such conditions, if any, as are imposed by ASIC). If ASIC gives such consent, UCL will give notice of the withdrawal to the ASX and to UCL and will comply with any other conditions imposed by ASIC.

(b) If, at the time this Offer is withdrawn, all the conditions in section 11 of this Annexure A have been freed, all contracts arising from acceptance of the Offer before it was withdrawn will remain enforceable.

(c) If, at the time this Offer is withdrawn, the Offer remains subject to one or more of the conditions in section 11 of this Annexure A, all contracts arising from its acceptance will become void (whether or not the events referred to in the relevant conditions have occurred).

(d) A withdrawal under section 17(a) of this Annexure A will be deemed to take effect:

(i) if the withdrawal is not subject to conditions imposed by ASIC, on the date after the date on which that consent in writing is given by ASIC; or

(ii) if the withdrawal is subject to conditions imposed by ASIC, on the date after the date on which those conditions are satisfied.

A.18 Variation

UCL may vary this Offer in accordance with section 650A of the Corporations Act.

A.19 Stamp duty or other costs

(a) All costs and expenses of the preparation, dispatch and circulation of this Offer and any stamp or other duty payable in respect of the transfers will be paid by UCL.

(b) No brokerage is payable by you if you accept this Offer.

A.20 Governing law

This Offer and any contract that results from your acceptance of this Offer are governed by the laws in force in New South Wales.

A.21 Date of Offer

This Offer is dated [● ~~June~~July] 2012.

Annexure B - Events of Default under the MML Convertible Note Agreement

Each of the following is an Event of Default under the MML Convertible Note Agreement.

(a) **non-payment: UCL** fails to pay within three Business Days of its due date any amount payable under the MML Convertible Note Agreement (“**Agreement**”);

(b) **breach:** UCL breaches any provision of the Agreement and such breach is not remedied within 10 Business Days of written notice of such breach from MML;

(c) **misrepresentation:** any representation, warranty or statement made or repeated in or in connection with the Agreement is untrue or misleading (whether by omission or otherwise) when so made or repeated or becomes untrue or misleading (or, in the case of financial forecasts, unfair or unreasonable) when taken as a whole;

(d) **involuntary** winding up: an application or order is made for the winding up of UCL or for the appointment of a liquidator;

(e) **voluntary:** winding up: UCL passes a resolution for its winding up;

(f) **Receiver**: a receiver, controller (within the meaning of section 9 of the Corporations Act) or analogous person is appointed to, or the holder of a Security Interest or Permitted Security Interest takes possession of all, or any part of the assets of UCL;

(g) **insolvency**: UCL:

(i) suspends payment of its debts generally;

(ii) becomes an externally-administered body corporate within the meaning of the Corporations Act;

(iii) becomes subject to administration under Part 5.3A of Chapter 5 of the Corporations Act, or steps are taken which could reasonably be expected to result in UCL becoming so subject; or

(iv) is or states that it is, or is deemed by applicable law to be, unable to pay its debts as and when they fall due;

(h) **statutory demand:** a statutory demand is served on UCL under section 459E of the Corporations Act or pursuant to section 459F of the Corporations Act UCL is taken to have failed to comply with that statutory demand;

(i) **compromise or arrangement:** UCL takes any step for the purpose of entering into a compromise or arrangement with any of its members or creditors except for the purpose of a reconstruction, amalgamation, merger or consolidation on terms approved by MML;

(j) **change in ownership:** any person obtains a relevant interest in 50% or more of the Shares of UCL (other than MML or an associate of MML), without the prior written approval of MML;

(k) **failure to comply with waiver:** if any Event of Default (or occurrence which would otherwise have been or become an Event of Default) is conditionally waived by MML and UCL does not comply with those conditions or those conditions are not fulfilled (whether by UCL or any other person) or are or become incapable of fulfilment;

(l) **investigations:** a person is appointed under any legislation to investigate or manage any part of the affairs of UCL;

(m) provisions void: all or any material provision of this Agreement:

(i) does not have effect or ceases to have effect in accordance with its terms;

(ii) is or becomes void, voidable, illegal, invalid or unenforceable other than by reason of equitable principles or laws affecting creditors' rights generally; or

(iii) is claimed by UCL or any other person to be any of the matters referred to in paragraphs (i) or (ii) or UCL or any other person commences any court proceedings to establish any of the matters referred to in paragraphs (m)(i) or (ii) to be the case;

(n) **undertakings:** UCL breaches any of the undertakings given by UCL in clause 12 of the MML Convertible Note Agreement which include:

(i) it will not from the date of the MML Convertible Note Agreement until the date the Convertible Note is Converted or redeemed, deposit or invest money in or with any person except in the ordinary course of UCL's business and on ordinary commercial terms (clause 12(a));

(ii) it will not from the date of the MML Convertible Agreement until the date the Convertible Note is Converted or redeemed, granted or create, or agree to grant or create, any Security Interest (other than a Permitted Security Interest) over its assets (clause 12(b); and

(iii) it will, at the cost of UCL, seek to obtain all shareholder approvals needed for MML to be able to Convert the Convertible Note and all accrued interest into Shares, including (without limitation) if such action is required as contemplated by clause 5.5(b) or is otherwise considered necessary by MML (Clause 12(c)); and

(o) **shareholder approval:** the shareholders of UCL fail to pass the resolutions needed for the shareholder approvals referred to in clause 12(c) at the respective general meeting referred to in clause 12(c), within 60 days of the Conversion Date.

If an Event of Default occurs, MML may then or at any time subsequently by notice to UCL:

(1) declare all money owing under the MML Convertible Note Agreement to be immediately due and payable, and UCL must immediately pay that money (including accrued interest and fees) and cash cover for the full amount of any money contingently owing under this Agreement; and/or

(2) cancel its obligations (if any) under the MML Convertible Note Agreement.

Annexure C - Procedure Report

P.O. Box 1750, Ruwi 112
Ernst & Young Building
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Muscat, Sultanate of Oman
Tel: +968 2455 9559 Fax: +968 2456 6043
muscat@om.ey.com
www.ey.com/me
C.R. No. 1/36809/5
P. R. No. MH/4

REPORT OF FACTUAL FINDINGS
TO THE SHAREHOLDERS OF MAWARID MINING LLC

We have performed the procedures agreed upon with you and enumerated below with respect to the future ability of Mawarid Mining LLC (MML) to meet its obligations of AUD 9 million under the terms of a Convertible Note Agreement to fund cash component of a takeover offer by UCL Resources Limited for Minemakers Limited. MML is a fully owned subsidiary of MB Holding Company LLC and we are auditors for both the companies. Our engagement was undertaken in accordance with the International Standard on Related Services applicable to agreed upon procedures engagements. The procedures were performed solely to assist you in submission of this report to the Board of Directors of the UCL Resources Limited and are summarised as follows:

1. We shall obtain and read the terms of Convertible Note Agreement dated 17 May 2012 executed by and between UCL Resources Limited and MML.

2. We shall obtain a schedule of bank balances of MML as of 30 June 2012 and trace the related balances to its bank statements.

3. We shall obtain and review the cash flow projections of MML for the six months period ending 31 December 2012 and include a comment on its projected cash flow position as of 31 December 2012.

We report our findings below:

a. With respect to item 1, we are aware of the terms of Convertible Note Agreement dated 17 May 2012 executed by and between UCL Resources Limited and MML.

b. With respect to item 2, we traced MML's bank balances as of 30 June 2012 amounting to USD 28.89 million to its bank statements and noted no exception.

c. With respect to item 3, we obtained and read MML's cash flow projections for the six month ending 31 December 2012. The cash flow projections are prepared by the management of MML using certain assumptions. MML's has projected a positive cash and cash equivalent balance as of 31 December 2012, which is after settling its above mentioned obligation of AUD 9 million. Based on above information, management of MML believes that MML will be able to meet its obligation under the Convertible Note Agreement.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any assurance on the MML's bank balances and cash flow projections.

ERNST & YOUNG

REPORT OF FACTUAL FINDINGS
TO THE SHAREHOLDERS OF MAWARID MINING LLC (Continued)

Had we performed additional procedures or had we performed an audit or a review in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

Our report is solely for the purpose set forth in the first paragraph of this report. This report relates only to the items specified above and do not extend to any financial statements of the Mawarid Mining LLC, taken as a whole.

Ernst & Young

10 July 2012
Muscat

UCL Corporate Directory

Directors of UCL

Mr Ian Ross

Mr Chris Jordinson

Mr Stephen Gemell

Ms Gida Nakazibwe-Sekandi

Dr Mohammed Al-Barwani

Company secretary

Mr John Lemon

Share registry

Link Market Services Limited

ANZ Building, Level 15, 324 Queen Street

Brisbane QLD 4000

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