



ABN 48 116 296 541

EXCHANGE RELEASE

THIRD SUPPLEMENTARY TARGET'S STATEMENT

24 August 2012

Minemakers Limited (ASX & TSX: MAK and NSX: MMS) (**Minemakers**) refers to the off-market takeover bid for all of the ordinary shares in Minemakers by UCL Resources Limited ACN 002 118 872 (**UCL Offer**).

In accordance with section 647(3)(b) of the *Corporations Act 2001* (Cth), Minemakers attaches a copy of its third supplementary target's statement dated 24 August 2012 in relation to the UCL Offer.

Cliff Lawrenson
Managing Director

Andrew Drummond
Executive Chairman

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Third Supplementary Target's Statement

in relation to the takeover bid by UCL Resources Limited ACN 002 118 872 for all the ordinary shares in Minemakers Limited ACN 116 296 541

1 Introduction

This document is a supplementary target's statement under section 644 of the Corporations Act. It is the third supplementary target's statement (**Third Supplementary Target's Statement**) issued by Minemakers Limited ACN 002 118 872 (**Minemakers**) in relation to the off-market takeover bid for all of the ordinary shares in Minemakers by UCL Resources Limited ACN 116 296 541 (**UCL**). This Third Supplementary Target's Statement supplements, and should be read together with, Minemakers' target's statement dated 23 July 2012 (**Original Target's Statement**) and Minemakers' first and second supplementary target's statement dated 3 August 2012 and 10 August 2012 respectively.

2 Letter to Minemakers Shareholders

Please see the letter to Minemakers Shareholders attached to this Third Supplementary Target's Statement which has today been lodged with ASX.

3 Other notices

Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning as in this Third Supplementary Target's Statement.

This Third Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement.

A copy of this Third Supplementary Target's Statement has been lodged with ASIC. Neither ASIC nor any of its officers take any responsibility for its contents.

Signed for and on behalf of Minemakers following a resolution of the directors of Minemakers.

Cliff Lawrenson
Managing Director

Annexure



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24 August 2012

Dear Minemakers Shareholder,

A Message from the Minemakers Managing Director

On 18 May 2012, UCL Resources (UCL) – our Joint Venture partner in the Sandpiper Marine Phosphate Project in Namibia – announced its intention to make an unsolicited takeover offer for Minemakers shares. The UCL offer followed Minemakers' previous offer for UCL shares which was announced in February 2012 and closed in May 2012.

The Minemakers Board continues to believe that the logic of combining UCL and Minemakers is compelling, the benefits are likely to be significant and we remain open to an equitable and well-structured transaction to deliver this outcome.

However, despite Minemakers' best efforts, so far the parties have been unable to make any real progress on agreeing the terms of such a transaction which I believe is unfortunate and a lost opportunity for both sets of shareholders.

The Board and I have been frustrated by the lack of progress and the time spent on takeover activities, and we understand that our shareholders are frustrated too.

UCL's offer for Minemakers has gained little traction

For the reasons outlined in its Target's Statement, the Minemakers Board believes the UCL takeover offer is unattractive and has recommended that Minemakers shareholders reject UCL's offer. This recommendation is supported by the conclusions of the Independent Expert, BDO Corporate Finance (WA) Pty Ltd, that the **UCL offer is neither fair nor reasonable**.

The value of the UCL offer over the last 5 days is a 16% discount to the Minemakers trading price over the same period¹ and UCL's offer is priced at a discount to Minemakers' medium and longer-term trading values.

The terms of UCL's offer have been public for more than three months now. Since the offer opened in mid July, UCL has achieved acceptances for around 3.3% of Minemakers' shares. It is clear that the offer is gaining little traction with our shareholders and it appears that there is little prospect of it succeeding unless UCL's offer is significantly improved.

Minemakers has genuinely attempted to engage with UCL on an agreed transaction

In Minemakers' view, an attractive, agreed, scrip-based transaction should have the following simple objectives:

- It should be designed to deliver a 100% transaction outcome;
- Both sets of shareholders should be able to hold a fair shareholding in the resulting entity;

¹ Based on the 5 day VWAP of Minemakers and UCL shares on the ASX up to and including 23 August 2012.

- It should have a Board and management team selected on merit that are best placed to develop the Sandpiper and Wonarah projects;
- The resulting entity should be structured so it is best placed to attract capital market support and have the flexibility to pursue alternative capital raising options; and
- No shareholder should be forced to accept cash through the transaction but may be provided the option to do so.

Minemakers management has made genuine and repeated attempts to engage with UCL to seek an agreed transaction which could be recommended to its shareholders.

Disappointingly, it is our view that to date these efforts have failed.

Accordingly, whilst the Minemakers Board will give due consideration to any proposals which UCL may choose to put forward, Minemakers is no longer proactively pursuing a combination of the two companies as a strategic objective.

Path forward

Minemakers is excited by the prospects at both its major projects – Sandpiper and Wonarah. These Projects are both world class plays in a commodity that is in increasing global demand as the need for more efficient agricultural practices grows.

They are also very different projects from a development perspective and, as such, require different development strategies. These strategies are underway.

We will continue to be a responsible and positive joint manager of the Sandpiper Project, and will pursue the announced strategy of securing a major enabling partner for our 100% owned Wonarah Project as the next major step in that project's development.

There is no doubt that the corporate activity has been an unhelpful distraction and, if the UCL offer is unduly prolonged, will impact the relationship between Minemakers and UCL at the Sandpiper operational level. It is in both Minemakers' and UCL's interests that these corporate matters are now resolved quickly.

Unless UCL is prepared to agree a transaction which treats both sets of shareholders equitably, or otherwise provides fair value to Minemakers shareholders, then Minemakers is of the view that enough time has been spent being distracted by these corporate actions.

For these reasons, Minemakers calls on UCL to either put forward its best proposal for Minemakers shareholders to consider, or alternatively let its current takeover offer lapse so that both parties can focus their efforts towards the common objective of developing the Sandpiper Project.

Thank you for your continued support.

Sincerely,



Cliff Lawrenson
Chief Executive Officer
Minemakers Limited