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21 March 2012

ASX Markets Announcements
Australian Securities Exchange

Takeover Bid – Independent Expert's Report

As referred to in the Company's earlier release today please find attached a copy of the Independent Expert's Report prepared by Grant Thornton Corporate Finance Pty Limited which accompanies the Company's Target's Statement which has been lodged with the Australian Securities & Investments Commission ("ASIC") today and is being despatched to the Company's shareholders today.

Yours Faithfully
UCL RESOURCES LIMITED

John Lemon
Company Secretary

Independent Expert's Report and Financial Services Guide

prepared by
Grant Thornton Corporate Finance Pty Ltd
to assist shareholders of UCL Resources Limited
to assess the merits of
Minemakers Limited's
offer for their UCL shares

Conclusion:
THE OFFER IS NOT FAIR AND NOT REASONABLE TO UCL SHAREHOLDERS

Independent Expert's Report and Financial Services Guide

UCL Resources Limited

Independent Expert's Report and Financial Services Guide

18 March 2012

The Directors
UCL Resources Limited
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18 March 2012

Dear Sirs

Independent Expert's Report and Financial Services Guide

Introduction

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

- 42.5% interest in the Sandpiper marine phosphate project located in Namibia ("Sandpiper Project").
- 24.5% interest in the Mehdiabad base metals project located in Iran ("Mehdiabad Project").

Minemakers Limited ("Minemakers" or "MAK") is a mineral exploration and development company listed on the ASX, the Toronto Stock Exchange ("TSX") and the Namibian Stock Exchange ("NSX"). 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 Wonarah phosphate project located in Northern Territory, Australia ("Wonarah Project").
- 13.1% interest in UCL which implies a further 5.6% indirect interest in the Sandpiper Project.

UCL and MAK are joint venture partners with each owning 42.5% interest in Namibian Marine Phosphate (Pty) Ltd ("NMP" or "NMP Joint Venture"), an incorporated joint venture company which owns the Sandpiper Project. Tungeni Investments cc ("Tungeni"), a Namibian investment company, owns the remaining 15% of NMP.

Independent Expert's Report and Financial Services Guide

On 13 February 2012, MAK announced its intention to acquire all the outstanding shares of UCL that it currently does not own, by way of an off-market takeover bid ("Proposed Offer"). Pursuant to the Proposed Offer, shareholders of UCL ("UCL Shareholders") will receive 9 shares in MAK ("MAK Shares") for every 10 shares in UCL ("UCL Shares") held.

Among other conditions, the Proposed Offer is subject to a 50% minimum acceptance condition. In this regard we note that UCL's largest shareholder, Twynam Agricultural Group Pty Ltd ("Twynam"), and fourth largest shareholder, Donwillow Pty Limited ("Donwillow"), confirmed that they will not accept the Proposed Offer or any revised or superior scrip offer from MAK. Collectively, these two shareholders and their related parties hold 32.92% of UCL shares.

Purpose of the report

As at the date of our report, we note that there is no legal requirement to prepare an independent expert report as MAK has less than a 30% interest in UCL and there is no common director between UCL and MAK. However, the Directors of UCL have requested Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") to prepare an independent expert's report to assist UCL Shareholders to assess the merits of the Proposed Offer and whether the Proposed Offer is fair and reasonable to UCL Shareholders for the purposes of Section 640 of the Corporations Act.

Summary of opinion

Grant Thornton Corporate Finance has concluded that the Proposed Offer is not fair and not reasonable to UCL Shareholders.

Fairness Assessment

In forming our opinion in relation to the fairness of the Proposed Offer, we have compared our valuation assessment of the fair market value of UCL Shares on a control basis to the consideration offered, being shares in MAK after the Proposed Offer ("Combined Group") on a minority basis. We have assessed the fairness of the Proposed Offer under two scenarios, assuming that MAK acquires either a 50% interest (minimum acceptance condition) or a 100% interest in UCL.

For the purpose of this report, an independent technical specialist, Snowden Mining Consultants ("Snowden"), has been engaged to provide an independent technical report ("the Technical Report") in relation to the exploration and development assets owned by UCL and MAK. Snowden's report is included as Appendix G to this report

The following table summarises our assessment.

Fairness assessment		50% acquisition		100% acquisition	
		Low	High	Low	High
		A$	A$	A$	A$
Fair value of UCL Share (control basis)	Section 8.1	0.431	0.463	0.431	0.463
Fair value of Combined Group Share (minority basis)	Section 10.1	0.303	0.369	0.308	0.376
Share exchange ratio		0.9	0.9	0.9	0.9
Fair value of consideration offered on a minority basis		0.273	0.332	0.277	0.338
Premium/(Discount)		(0.158)	(0.131)	(0.154)	(0.125)
Premium/(Discount)%		(37%)	(28%)	(36%)	(27%)

Source: Calculations

The value of UCL on a control basis before the Proposed Offer is greater than the value of the consideration offered on a minority basis, accordingly, we conclude that the Proposed Offer is **NOT FAIR** to UCL Shareholders.

We note that Snowden's assessment of the Sandpiper Project is predominantly based on the information contained in the scoping study completed in November 2010. A Definitive Feasibility Study ("DFS") on the Sandpiper Project is close to finalisation and it is expected to be completed at the end of March 2012. If there are significant material changes between the key findings of the scoping study and the DFS, we will need to re-consider our valuation assessment and opinion and we may need to issue a supplementary report. Based on preliminary and indicative discussions held by Snowden and Grant Thornton Corporate Finance with the head consultant in charge of the DFS, we understand that the DFS will confirm that the Sandpiper Project is economically viable. We note that if the outcome of the DFS reduces the risk of development of the Sandpiper Project and as a consequence increases its value and financial metrics, the Proposed Offer will become more unfair due to the Sandpiper Project being the only material asset of UCL compared to MAK's asset portfolio. As set out in Appendix B, the value of UCL Share on a control basis increases to A$0.604 if the high end of the valuation range of the Sandpiper Project is considered[1] whilst the high end value of the consideration offered increases to A$0.397, which implies a discount of approximately 34%.

Other fairness considerations

In our assessment of the fairness of the Proposed Offer, we have had regard to Snowden's preferred value for the Sandpiper Project and Wonarah Project due to the wide value range assessed by Snowden for these projects. For completeness, we note that the use of the high and low values for these two projects instead of the preferred value would not alter the substance of our fairness assessment. Refer to Appendix B for the detailed calculation.

It is also noted that our assessed value of UCL Share in the range of A$0.431 and A$0.463 on a control basis is significantly higher than the trading share price of UCL before the announcement of

[1] In our assessment of the fairness of the Proposed Offer, we have had regard to Snowden's preferred value for the Sandpiper Project and Wonarah Project due to the wide value range assessed by Snowden for these projects.

the Proposed Offer. In our opinion, the UCL Share price is not liquid and not reflective of the underlying market value of UCL[2].

UCL Shareholders should be aware that our assessment of the value per share of the Combined Group after the Proposed Offer does not necessarily reflect the price at which the shares in Combined Group will trade if the Proposed Offer is approved. The price at which shares of Combined Group will ultimately trade depends on a range of factors including the liquidity of the shares, macro-economic conditions, the underlying performance of the Sandpiper Project and the Wonarah Project.

Reasonableness Assessment

For the purpose of assessing whether or not the Proposed Offer is reasonable to UCL Shareholders, we have considered the following likely advantages, disadvantages and other factors associated with the Proposed Offer.

Advantages

Value of UCL for Minemakers

If the Proposed Offer is successful and MAK acquires 100% of UCL, the Combined Group will hold 85% of NMP and it will be responsible for funding 100% of the project expenses until commencement of production. In our opinion, this may facilitate decision-making in relation to the potential development of the Sandpiper Project and fund raising. Furthermore, if 100% of the Proposed Offer is accepted, the Combined Group will realise direct synergies in relation to cost savings on listing fees, ASX compliance costs and Directors' fees. However, these costs are not expected to be significant.

Exposure to other capital markets

Minemakers is listed on the ASX as well as the TSX and the NSX. It is noted that the TSX market has a larger number of companies involved with the operation or development of phosphate, potash or fertiliser assets compared with the ASX. TSX's investors may have a better understanding of the phosphate industry and a greater appetite for investment opportunities.

Liquidity of Minemakers

As illustrated and discussed in sections 8.3 and 9.3, MAK Shares have greater liquidity than UCL Shares. If the Proposed Offer is successful, UCL may have a better opportunity to sell MAK Shares at market value due to the improved liquidity of the underlying securities.

[2] The top ten shareholders of UCL collectively own more than 70% interest in the Company.

Disadvantages

The Proposed Offer is not fair

As discussed earlier, the Proposed Offer is not fair.

Based on the different levels of MAK Share prices before the announcement of the Proposed Offer, we have indicated in the table below the implied offer price for UCL Shares and compared it with our valuation assessment of UCL on a control basis.

	MAK Share price	Implied offer price[(1)]	Assessed value of UCL Low	Assessed value of UCL High	Discount % Low	Discount % High
Prior to Proposed Offer						
Closing price as at 10 February 2012	A$0.335	A$0.302	A$0.431	A$0.463	(30%)	(35%)
5 day VWAP	A$0.345	A$0.310	A$0.431	A$0.463	(28%)	(33%)
10 day VWAP	A$0.334	A$0.300	A$0.431	A$0.463	(30%)	(35%)
1 month VWAP	A$0.325	A$0.293	A$0.431	A$0.463	(32%)	(37%)
2 month VWAP	A$0.309	A$0.278	A$0.431	A$0.463	(35%)	(40%)
3 month VWAP	A$0.307	A$0.277	A$0.431	A$0.463	(36%)	(40%)
After Proposed Offer						
13 Feb 2012 - 15 Mar 2012 VWAP	A$0.281	A$0.253	A$0.431	A$0.463	(41%)	(45%)

(1) Calculated based on share exchange ratio of 0.9

Source: CapitalIQ and Calculations

Exposure to the Sandpiper Project is diluted

The Proposed Offer will dilute existing UCL Shareholder's (including MAK) interest in the Sandpiper Project from 42.5% to approximately 21.7%[3]. MAK's asset portfolio comprises other substantial exploration and pre-development assets, including the Wonarah Project. If the Proposed Offer completes and MAK acquires 100% of UCL, UCL Shareholders will have exposure to a more diversified asset portfolio. In our opinion, the advantages of the asset diversification do not outweigh the advantages of the single asset focus of UCL due to features and status of development of the Sandpiper Project compared with the Wonarah Project as summarised below.

Item	Sandpiper Project	Wonarah Project
Development stage	The DFS for the Sandpiper Project is expected to be completed by the end of March 2012. Based on preliminary and indicative discussions held by Snowden and Grant Thornton Corporate Finance with the head consultant in charge of the DFS, we understand that the DFS will confirm that the Sandpiper Project is economically viable.	An Enabling Study was completed for the Wonarah Project in November 2011 and a DFS, estimated to cost approximately A$34 million, has not been commissioned as yet. We note that MAK's existing cash resources will not be sufficient to fund the DFS on a stand-alone basis. Accordingly, if MAK is not able to procure a partner to develop the Wonarah Project, it may be required to raise additional equity to commission a DFS.

[3] Calculated on an undiluted basis and including MAK's interest in UCL.

Capital expenditure	Based on the scoping study, capital expenditure required for the Sandpiper Project is approximately US$144 million.	Based on the enabling study, capital expenditure required for the Wonarah Project is between A$1.7 billion and A$2.5 billion.
Resource	The Sandpiper Project has total resources of approximately 1.8 billion (15% cut-off) with an average grade of 19.05%.	The Wonarah Project has a total resources of 782 million (10% cut-off) with an average grade of 18.08%.
Infrastructure	The Sandpiper Project is approximately 60 kilometres offshore from the coast, and relatively close to the port of Walvis Bay.	The Wonarah Project is located in the Northern Territory and is relatively far away from any ports and therefore transportation costs would be significant if the project was to develop to production stage.
Funding	NMP is currently in negotiations to secure funding for the development of the Sandpiper Project. Management of UCL has advised that preliminary term sheets have been received by NMP from financial institutions.	In June 2011, MAK entered into a non-binding MoU with NMDC Limited ("NMDC")[5] for the development of the Wonarah Project. However, the period of exclusivity to finalise the terms of the joint venture with NMDC for the Wonarah Project expired on 15 February 2012 without any agreement being achieved or exclusivity extended. We understand that NMDC and MAK remain in ongoing discussions.
Expected commencement of production	Production at the Sandpiper Project is expected to commence in last quarter of 2013.	Production at the Wonarah Project is expected to commence in mid-2016[6].

MAK's other assets are either early stage exploration assets or minority interests in early stage listed and unlisted companies. Overall, we are of the opinion that the Sandpiper Project is comparatively closer to production. Further, there is uncertainty about the future development of the Wonarah Project due to the large capital requirements and the current volatile market conditions.

In our opinion, if the Proposed Offer is completed and UCL's shareholder exposure to the Sandpiper Project is materially diluted with the other assets of MAK (including the Wonarah Project), UCL Shareholders future returns and prospects may be adversely affected.

Rejection of the Proposed Offer by UCL's largest shareholder

On 2 March 2012, UCL's largest shareholder, Twynam and fourth largest shareholder, Donwillow confirmed that they will not accept the Proposed Offer or any revised or superior scrip offer from

[5] NMDC is an Indian company listed on Bombay Stock Exchange with market capitalisation of approximately A$12.6 billion as at 15 March 2012.
[6] MAK Investor Update released on ASX on 15 November 2011

MAK. Collectively, these two shareholders and their related parties hold 32.92% of UCL shares. Accordingly, MAK will not be able to acquire 100% of UCL Shares unless circumstances change significantly.

Tax implications – Rollover Relief

If MAK is successful in acquiring greater than 50% but less than 80% of UCL Shares, Capital Gains Tax ("CGT") roll-over relief may not apply to the UCL Shareholders who accept the Proposed Offer. As a consequence, UCL Shareholders who accept the Proposed Offer may be required to incur CGT payment without having received any cash consideration from MAK. Based on the statements by Twynam and Donwillow that they will not accept the Proposed Offer, MAK will not be able to achieve the minimum shareholding threshold required to provide rollover relief to UCL Shareholders.

Other factors

Prospect of a superior offer or alternative transaction

In our opinion, it is unlikely that a higher offer or a superior offer to the Proposed Offer will be received due to the following reasons:

- Minemakers owns 13.1% of UCL shares on issue, which is likely to deter alternative offers.
- Any alternative offer by another party for 100% of UCL could not succeed unless Minemakers agrees to sell its shareholding.
- Minemakers has held its shareholding in UCL since August 2009 and has not indicated any intention of selling it.
- In our opinion, the basis of Minemaker's investment in UCL is to have additional exposure to the Sandpiper Project. Accordingly there are uncertainties as to whether Minemakers would favourably consider any alternative proposal, even a superior proposal to the Proposed Offer.
- Provisions in the shareholders' agreement of NMP in relation to pre-emptive rights may deter alternative interested parties.

Uncertainty regarding the prospectivity of the assets

We note that the Sandpiper Project and the Wonarah Project are advance-stage exploration assets. There is no certainty that the resources, or any reserve, relating to exploration activities will be proven and then realised. In addition, the value of resources and any reserve will depend upon, amongst other things, phosphate prices and currency exchange rates. Any material change in quantity of resources, or any reserve, or grade, may affect the economic viability of any future mines. Any material reductions in the estimates of resources, or reserves, or the ability to extract any such resources or reserves, could have a material adverse effect on future results and financial condition. Resource estimates, including those contained in the Technical Report, are expressions of judgment based on knowledge, experience and industry practice. Often these estimates were appropriate when made but may change significantly when new information becomes available.

There are risks associated with such estimates. Resource estimates are necessarily imprecise and depend to some extent upon interpretations, which may ultimately prove to be inaccurate and require adjustment. Adjustments to exploration activities could affect future development and mining plans.

The Directors of UCL unanimously recommend that UCL Shareholders reject the Proposed Offer.

As set out in the Target's Statement, the directors of UCL have recommended that UCL Shareholders reject the Proposed Offer.

Share sale facility

All UCL Shareholders other than Ineligible Shareholders[7] have the option to participate in a share sale facility capped at 15 million MAK Shares ("Share Sale Facility"). Pursuant to the Share Sale Facility, the MAK Shares to be allocated on acceptance of the Proposed Offer can be sold at the market price without paying any brokerage. However, we note that the share sale facility may result in over-hanging in the market and depress the MAK Share price in the short term.

Ineligible Shareholders

Ineligible Shareholders will not be eligible to receive MAK Shares as consideration on acceptance of the Proposed Offer. Ineligible Shareholders who accept the Proposed Offer, will be paid a cash amount by the nominee approved by Australian Securities and Investments Commission ("ASIC"). The cash amount will be based on the total net proceeds from the sale of the number of MAK Shares which would have been allocated if the shareholder was not an Ineligible Shareholder.

One-off transaction costs

We have been advised by Management of UCL ("Management") that the costs associated with defending the Proposed Offer are approximately A$0.5 million. We understand that these costs will be borne by UCL irrespective of whether the takeover proceeds or not. We have included these takeover costs in our valuation of a UCL Share. Based on the financial performance and financial position of UCL, these costs are not immaterial.

Potential uplift from the Mehdiabad

It is noted that UCL has invested approximately A$16.8 million on exploration and feasibility activities in relation to the Mehdiabad Project. The ability of UCL to recover its invested capital is heavily dependent on the resolution of the current ownership issues. If the Proposed Offer completes and the ownership issues are resolved in the future period, the potential value uplift in the Mehdiabad Project will be shared by UCL and MAK based on UCL's diluted holding in the Combined Group.

[7] Any UCL Shareholder with a registered address in a jurisdiction other than Australia, New Zealand, Namibia or Canada.

Other tax implications

If the Proposed Offer is successful and MAK acquires 100% of UCL, the taxation consequences for UCL Shareholders will vary according to their individual circumstances. If appropriate or required, UCL Shareholders should seek independent financial and tax advice on the implications of approving the Proposed Offer.

Management

UCL already has in-house management skills to bring the Sandpiper Project into production. UCL's management team has been the key driver of the development of the Sandpiper Project.

Implications if the Proposed Offer is not successful

In the absence of the Proposed Offer, all other things being equal, UCL Shares may trade at prices below the value of the consideration offered by Minemakers.

We consider it reasonable to expect that the increase in the UCL Share price since the Proposed Offer was announced can be largely attributed to the potential benefits arising from the proposed acquisition of UCL.

Accordingly, in our opinion, in the event that the Proposed Offer is not approved, it is likely that the share price of UCL will fall from the current levels.

We also note that the UCL Share price is not liquid and not reflective of the underlying market value of the Sandpiper Project. If the Proposed Offer is not successful, UCL Shareholders will have a reduced ability to sell their shares at a market price.

If the Proposed Offer is not approved, it would be the current Directors' intention to continue operating the Company in line with its objectives. UCL Shareholders who retain their shares would continue to share in any benefits and risks in relation to UCL's ongoing business.

Reasonableness conclusion

Based on the qualitative factors identified above, it is our opinion that the Proposed Offer is **NOT REASONABLE** to UCL Shareholders.

Overall conclusion

After considering the above mentioned quantitative and qualitative factors, Grant Thornton Corporate Finance has concluded that the Proposed Offer is **NOT FAIR AND NOT REASONABLE** to UCL Shareholders.

Other matters

Grant Thornton Corporate Finance has prepared a Financial Services Guide in accordance with the Corporations Act. The Financial Services Guide is set out in the following section.

The decision of whether or not to approve the Proposed Offer is a matter for each UCL Shareholder to decide based on their own views of value of UCL and expectations about future market conditions, UCL's performance, risk profile and investment strategy. If UCL Shareholders are in doubt about the action they should take in relation to the Proposed Offer, they should seek their own professional advice.

Yours faithfully
GRANT THORNTON CORPORATE FINANCE PTY LTD

ANDREA DE CIAN
Partner

LIZ SMITH
Partner

18 March 2012

Financial Services Guide

1 Grant Thornton Corporate Finance Pty Ltd

Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton Corporate Finance") carries on a business, and has a registered office, at Level 17, 383 Kent Street, Sydney NSW 2000. Grant Thornton Corporate Finance holds Australian Financial Services Licence No 247140 authorising it to provide financial product advice in relation to securities and superannuation funds to wholesale and retail clients.

Grant Thornton Corporate Finance has been engaged by UCL Resources Limited ("UCL" or "the Company") to provide general financial product advice in the form of an independent expert's report ("Report") in relation to the Proposed Offer by Minemakers. This report is included in the Target's Statement outlining the Proposed Offer.

2 Financial Services Guide

This Financial Services Guide ("FSG") has been prepared in accordance with the Corporations Act, 2001 and provides important information to help retail clients make a decision as to their use of general financial product advice in a report, the services we offer, information about us, our dispute resolution process and how we are remunerated.

3 General financial product advice

In our report we provide general financial product advice. The advice in a report does not take into account your personal objectives, financial situation or needs.

Grant Thornton Corporate Finance does not accept instructions from retail clients. Grant Thornton Corporate Finance provides no financial services directly to retail clients and receives no remuneration from retail clients for financial services. Grant Thornton Corporate Finance does not provide any personal retail financial product advice directly to retail investors nor does it provide market-related advice directly to retail investors.

4 Remuneration

When providing the Report, Grant Thornton Corporate Finance's client is the Company. Grant Thornton Corporate Finance receives its remuneration from the Company. In respect of the Report, Grant Thornton Corporate Finance will receive from UCL a fee in the range of $70,000 to $75,000 plus GST, which is based on commercial rates plus reimbursement of out-of-pocket expenses in relation to the preparation of the report. Our directors and employees providing financial services receive an annual salary, a performance bonus or profit share depending on their level of seniority.

Except for the fees referred to above, no related body corporate of Grant Thornton Corporate Finance, or any of the directors or employees of Grant Thornton Corporate Finance or any of those related bodies or any associate receives any other remuneration or other benefit attributable to the preparation of and provision of this report.

Independent Expert's Report and Financial Services Guide

5 Independence

Grant Thornton Corporate Finance is required to be independent of UCL in order to provide this report. The guidelines for independence in the preparation of an independent expert's report are set out in Regulatory Guide 112 *Independence of expert* issued by the Australian Securities and Investments Commission ("ASIC"). The following information in relation to the independence of Grant Thornton Corporate Finance is stated below.

"Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with UCL (and associated entities) that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

Grant Thornton Corporate Finance considers itself to be independent in terms of Regulatory Guide 112 "Independence of experts" issued by the ASIC.

6 Complaints process

Grant Thornton Corporate Finance has an internal complaint handling mechanism and is a member of the Financial Industry Complaints Services Complaints Handling Tribunal, No F-3986. All complaints must be in writing and addressed to the Chief Executive Officer at Grant Thornton Corporate Finance. We will endeavour to resolve all complaints within 30 days of receiving the complaint. If the complaint has not been satisfactorily dealt with, the complaint can be referred to the Financial Ombudsman Service who can be contacted at:

PO Box 579 – Collins Street West
Melbourne, VIC 8007
Telephone: 1800 335 405

Grant Thornton Corporate Finance is only responsible for this report and this FSG. Complaints or questions about the Target Statement should not be directed to Grant Thornton Corporate Finance. Grant Thornton Corporate Finance will not respond in any way that might involve any provision of financial product advice to any retail investor.

Compensation arrangements

Grant Thornton Corporate Finance has professional indemnity insurance cover under its professional indemnity insurance policy. This policy meets the compensation arrangement requirements of section 912B of the Corporations Act, 2001.

Contents

1 Overview of the Proposed Offer

1.1 Introduction

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

- 42.5% interest in the Sandpiper marine phosphate project located in Namibia ("Sandpiper Project").
- 24.5% interest in the Mehdiabad base metals project located in Iran ("Mehdiabad Project").

Minemakers Limited ("Minemakers" or "MAK") is a mineral exploration and development company listed on the ASX, the Toronto Stock Exchange ("TSX") and the Namibian Stock Exchange ("NSX"). MAK's key assets are summarised below:

- 42.5% direct interest in Sandpiper Project held in a joint venture with UCL.
- 100% interest in the Wonarah phosphate project located in Northern Territory, Australia ("Wonarah Project").
- 13.1% interest in UCL which results in a further 5.6% indirect interest in the Sandpiper Project.

Please refer to section 5.2 for details of other assets held by MAK.

UCL and MAK are joint venture partners with each owning 42.5% interest in Namibian Marine Phosphate (Pty) Ltd ("NMP"), an incorporated joint venture company which owns the Sandpiper Project. Tungeni Investments cc ("Tungeni"), a Namibian investment company, owns the remaining 15% of NMP.

On 13 February 2012, MAK announced its intention to acquire all the outstanding shares of UCL that it currently does not own, by way of an off-market takeover bid ("Proposed Offer"). Pursuant to the Proposed Offer, shareholders of UCL ("UCL Shareholders") will receive 9 shares in MAK ("MAK Shares") for every 10 shares in UCL ("UCL Shares") held.

1.2 Conditions precedent of the Proposed Offer

The Proposed Offer is subject to a number of conditions, including:

- 50% minimum acceptance by UCL Shareholders.
- Approval from the Namibian Competition Commission in relation to the Proposed Offer.
- No loss of rights to the tenements comprising the Sandpiper Project or rejection of any licence applications or renewals material to the Sandpiper Project.
- Customary conduct of business conditions.

- No prescribed occurrences or regulatory prohibitions.
- No material changes in UCL's business.

1.3 Other relevant aspects of the Proposed Offer

Set out below is a summary of the other key terms of the Proposed Offer:

- Any UCL Shareholder with a registered address in a jurisdiction other than Australia, New Zealand, Namibia or Canada ("Ineligible Shareholders") will not be eligible to receive MAK Shares as consideration on acceptance of the Proposed Offer. Ineligible Shareholders who accept the Proposed Offer, will be paid a cash amount by the nominee approved by ASIC. The cash amount will be based on the total net proceeds from the sale of the number of MAK Shares which would have been allocated if the shareholder was not an Ineligible Shareholder.
- All UCL Shareholders other than Ineligible Shareholders have the option to participate in a share sale facility capped at 15 million MAK Shares ("Share Sale Facility"). Pursuant to the Share Sale Facility, the MAK Shares to be allocated on acceptance of the Proposed Offer can be sold at the market price without paying any brokerage. However, the Sale Facility is subject to favourable market conditions and pro-rata scale back if the number of MAK Shares participating in the Sale Facility exceeds 15 million.
- We note that Donwillow Pty Limited ("Donwillow") and Twynam Agricultural Group Pty Limited ("Twynam") have confirmed to the directors of UCL that they will not accept the Proposed Offer or any revised or superior scrip offer from MAK. Donwillow[8] and Twynam hold 6.5% and 26.31% of UCL issued shares.

1.4 MAK's intention in relation to the Proposed Offer

MAK's intention upon acquisition of a controlling stake (equal to or greater than 50%) but less than 90% of the UCL Shares are summarised below:

- Appointment of its nominees as UCL Directors.
- Delisting of UCL from ASX.
- Review of UCL's strategic and financial operations to improve performance and realise any potential synergies.
- Continue progressing the operational activities of Sandpiper Project and continue with the same management for the project.
- Conduct a review of Mehdiabad Project to determine its viability.

MAK's intention upon acquisition of 90% or more of the UCL Shares are summarised below:

[8] Donwillow also holds convertible notes which if converted equates to a further 3.96% of UCL issued shares.

- Compulsory acquisition of any UCL Shares not acquired under the Proposed Offer.
- Appoint MAK's nominees to the UCL Board and seek the retirement of all current board members of UCL and associated entities.
- Subject to the outcome of a review of the operations of UCL, integrate UCL's management team into MAK and retain UCL's key employees.
- Review of UCL's strategic and financial operations to improve performance and realise any potential synergies.

2 Purpose and scope of the report

2.1 Purpose

Section 640 of the Corporations Act requires that a target statement made in response to a takeover offer for securities in an Australian publicly listed company must be accompanied by an independent expert's report if:

- the bidder's voting power in the target is 30% or more;
- for a bidder who is, or includes, an individual – the bidder is a director of the target company; or
- for a bidder who is, or includes, a body corporate – a director of the bidder is a director of the target company.

As at the date of our report, we note that there is no legal requirement to prepare an independent expert report as MAK has less than 30% interest in UCL and there is no common director between UCL and MAK. However, the Directors of UCL have requested Grant Thornton Corporate Finance to prepare an independent expert's report to assist UCL Shareholders to assess the merits of the Proposed Offer and whether the Proposed Offer is fair and reasonable to the UCL Shareholders for the purposes of Section 640 of the Corporations Act.

2.2 Basis of assessment

The Corporations Act does not define the meaning of "fair and reasonable". In preparing this report, Grant Thornton Corporate Finance has had regard to Regulatory Guide 111 "Content of expert reports" ("RG 111"). RG 111 establishes certain guidelines in respect of independent expert's reports prepared for the purposes of the Corporations Act. RG 111 is framed largely in relation to reports prepared pursuant to Section 640 of the Corporations Act and comments on the meaning of "fair and reasonable" in the context of a takeover offer.

As the Proposed Offer is a takeover bid, RG111 requires the following assessment:

- an offer is considered fair if the value of the offer price or consideration is equal to or greater than the value of the securities that are the subject of the offer. The comparison should be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is scrip or cash and without consideration of the percentage holding of the offeror or its associates in the target company.
- an offer is considered reasonable if it is fair. If the offer is not fair it may still be reasonable after considering other significant factors which justify the acceptance of the offer in the absence of a higher bid. ASIC has identified the following factors which an expert might consider when determining whether an offer is reasonable:
  - The offeror's pre-existing entitlement, if any, in the shares of the target company.
  - Other significant shareholding blocks in the target company.

- The liquidity of the market in the target company's securities.
- Taxation losses, cash flow or other benefits through achieving 100% ownership of the target company.
- Any special value of the target company to the offer, such as particular technology and the potential to write off outstanding loans from the target company.
- The likely market price if the offer is unsuccessful.
- The value to an alternative offeror and likelihood of an alternative offer being made.

In arriving at our opinion, Grant Thornton Corporate Finance has determined whether the Proposed Offer is fair to the UCL Shareholders by comparing the fair market value range of UCL Shares on a controlling basis with the value of the consideration (being shares in MAK) offered on a minority basis.

In considering whether the Proposed Offer is reasonable to the UCL Shareholders, we have considered a number of factors, including:

- Whether the Proposed Offer is fair.
- The implications to UCL and UCL Shareholders if the Proposed Offer does not complete.
- Other likely advantages and disadvantages associated with the Proposed Offer as required by RG111.
- Other costs and risks associated with the Proposed Offer that could potentially affect UCL Shareholders.

For the purpose of this report, an independent technical specialist, Snowden Mining Consultants ("Snowden"), was engaged to provide an independent technical report ("the Technical Report") in relation to the exploration and development assets owned by UCL and MAK. Snowden's report is included as Appendix G to this report.

2.3 Independence

Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to the Proposed Offer with reference to the ASIC Regulatory Guide 112 "Independence of Expert's Reports" ("RG 112").

We note that Chris Jordinson, Managing Director of UCL was the Chief Executive Officer ("CEO") of Outback Metals Limited during the period June 2007 to October 2009. Grant Thornton is the auditor of Outback Metals Limited and provided transaction advisory services in June 2008.

In our opinion, the above engagements do not impact on our ability to provide an independent and unbiased opinion in the context of the Proposed Offer. In our opinion, Grant Thornton Corporate Finance is independent of UCL, its Directors and all other parties involved in the Proposed Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in, the outcome of the approval of the Proposed Offer other than that of independent expert. Grant Thornton Corporate Finance is entitled to receive a fee based on commercial rates and including reimbursement of out-of-pocket expenses for the preparation of this report.

Except for these fees, Grant Thornton Corporate Finance will not be entitled to any other pecuniary or other benefit, whether direct or indirect, in connection with the issuing of this report. The payment of this fee is in no way contingent upon the success or failure of the Proposed Offer.

2.4 Consent and other matters

Our report is to be read in conjunction with the Target's Statement dated on or around 20 March 2012 in which this report is included, and is prepared for the exclusive purpose of assisting UCL Shareholders in their consideration of the Proposed Offer. This report should not be used for any other purpose.

Grant Thornton Corporate Finance consents to the issue of this report in its form and context and consents to its inclusion in the Target's Statement.

This report constitutes general financial product advice only and in undertaking our assessment, we have considered the likely impact of the Proposed Offer to the UCL Shareholders as a whole. We have not considered the potential impact of the Proposed Offer on individual shareholders. Individual shareholders have different financial circumstances and it is neither practicable nor possible to consider the implications of the Proposed Offer on individual shareholders.

The decision of whether or not to accept the Proposed Offer is a matter for each UCL Shareholder based on their own views of value of UCL and expectations about future market conditions, UCL's performance, risk profile and investment strategy. If shareholders are in doubt about the action they should take in relation to the Proposed Offer, they should seek their own professional advice.

3 Profile of the industry

3.1 Background

Phosphate is usually defined as rock or ore containing phosphate ions, or the naturally occurring form of the element phosphorus. Deposits of phosphate often occur in extensive layers which cover thousands of square kilometres of the Earth's crust.

Phosphate deposits can be classified into three types. The most economically significant are marine sedimentary deposits of phosphorites which are typically argillaceous to sandy sediments containing stratified concentrations of calcium phosphate, mainly as apatite. Other deposit types are, apatite-rich igneous rocks, and modern and ancient guano accumulations.

Phosphate rock is mined, beneficiated, and either smelted to produce elemental phosphorus, or solubilised to produce wet-process phosphoric acid.

The main use of phosphorus is to produce chemical fertilisers for use in the agriculture industry. Phosphorus helps to promote rapid plant growth by boosting nutrients in soil. Other uses for phosphate include animal feed supplements, soft drinks, food preservatives, household cleaning products, toothpaste, cosmetics, fungicide, and industrial chemicals.

A common method of extracting phosphate rock is strip-mining, where phosphate deposits on land are found close to the surface. Overburden is removed by draglines with the phosphate then readily able to be extracted. For phosphate deposits located offshore, dredging can be employed. Dredging, carried out at least partly underwater, has the purpose of scraping or sucking the seabed, gathering up sediments underwater.

In the case of the Sandpiper Project which is located offshore, dredging methodology is the preferred methodology by NMP, namely using a trailing suction hopper dredge. This type of dredge trails its suction pipe when working, and loads the dredge spoil into one or more hoppers in the vessel. When the hoppers are full, the trailing suction hopper dredge disposes the material by either pumping it out of the hoppers, or unloading it through doors. Some dredges also self-offload using drag buckets and conveyors.

3.2 Products and Production

The fertiliser industry consumes about 90% of world phosphate rock production[9]. Sulphuric acid and phosphate rock are the raw materials used in the production of single superphosphate ("SSP") and phosphoric acid. Phosphoric acid is an important intermediate by-product that is used to make triple superphosphate ("TSP") and ammonium phosphate. Phosphoric acid is also used to produce other non-fertiliser products such as feed additives for livestock, elemental phosphorus, and a variety of phosphate chemicals for industrial and home consumers.

The main production techniques of phosphate are summarised below:

[9] Food and Agriculture Organization of the United Nations

- Wet Acid Process ("WAP") – this production technique is generally used for fertiliser production. This method produces phosphoric acid by reacting sulphuric acid with naturally occurring phosphate rock. Under this method, the phosphate rock is dried, crushed, and then continuously fed into a reactor along with sulphuric acid.

- Thermal Process Acid Production - the production of phosphoric acid using this method is of a much higher purity than that produced using the WAP process. This high purity phosphoric acid is used in the manufacture of high grade chemicals, pharmaceuticals, detergents, food products, beverages, and other non-fertiliser products. Thermal process phosphoric acid manufacture, involves 3 major steps: combustion, hydration, and demisting.

- Improved Hard Process ("IHP") - is a relatively new process that may have major environmental and sustainability advantages over traditional methods of fertiliser production. This kiln-based phosphoric acid process produces a higher quality phosphoric acid, which through fertigation practices, allows more efficient utilisation in crops and allows for less surface and ground water contamination. This process is still unproven on a commercial scale.

3.3 Key industry drivers

The key drivers affecting phosphate exploration and production include:

- Supply - world phosphate rock capacity is projected to increase over the short term to an anticipated 256 Mt in 2015 (an increase of 19% from 215 Mt in 2011)[10]. Growth is expected to occur as a result of expansions at existing operations, new mines by current producers, and new capacity from emerging suppliers. Potential supply is projected to increase in almost all regions, but the largest increase will occur in Africa, accounting for half of the growth between 2010 and 2015.

  The United States, China and Morocco are currently the world's largest miners of phosphate. The following table outlines the mine production of relevant countries as well as their estimated reserves of phosphate rock:

[10] Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2012

Country	Mine production[1]		Reserves[1]
	2010	2011	
China	68,000	72,000	3,700,000
United States	25,800	28,400	1,400,000
Morocco and Western Sahara	25,800	27,000	50,000,000
Russia	11,000	11,000	1,300,000
Jordan	6,000	6,200	1,500,000
Brazil	5,700	6,200	310,000
Egypt	6,000	6,000	100,000
Tunisia	7,600	5,000	100,000
Israel	3,140	3,200	180,000
Syria	3,000	3,100	1,800,000
Australia	2,600	2,700	250,000
South Africa	2,500	2,500	1,500,000
Peru	791	2,400	240,000
Algeria	1,800	1,800	2,200,000
Mexico	1,510	1,620	30,000
India	1,240	1,250	6,100
Canada	700	1,000	2,000
Senegal	950	950	180,000
Togo	850	800	60,000
Iraq	-	-	5,800,000
Other countries	6,400	7,400	500,000
World total (rounded)	**181,000**	**191,000**	**71,000,000**

Note 1. Data in thousand metric tonnes

Source: U.S. Geological Survey, Mineral Commodity Summaries, January 2012

- Demand – the primary industry affecting phosphate demand is the fertiliser manufacturing industry. This is underpinned by the demand for agriculture globally. Whilst the current uncertainty around global economic performance is expected to adversely impact world agriculture and fertiliser demand, the overall demand for phosphate fertilisers is expected to increase going forward in an effort to feed a growing world population. Refer to section 3.5 for information on world population.

- Phosphate prices – low phosphate prices tend to have a negative impact on the level of phosphate exploration and production activities and vice versa. Factors affecting price are discussed further below.

- Oil prices - high crude oil prices have a positive effect on the phosphate and fertiliser industry. With oil prices increasing, the demand for alternate energy sources is on the rise. Alternate energy sources such as biofuel and ethanol are plant-derived substitutes of gasoline for powering vehicles. Production of biofuels requires extensive agriculture which stimulates the use of fertilisers and subsequently phosphate.

- Climate – weather conditions and rainfall levels also affects the demand for fertiliser, with less rainfall resulting in an increased demand for fertiliser to stimulate agriculture.

- Exchange rates – phosphate is usually traded in US dollars, therefore relative exchange rates are an important factor affecting the level of global phosphate trading and demand.

- Political and regulatory factors – exploration activities are typically considered high risk undertakings as there is a considerable amount of risk and uncertainty surrounding the commercial viability of underlying exploration projects. Consequently, tenements located in countries with well-defined regulatory processes and a stable political environment may be more attractive to phosphate explorers and producers as they are less risky than unregulated and politically unstable countries.

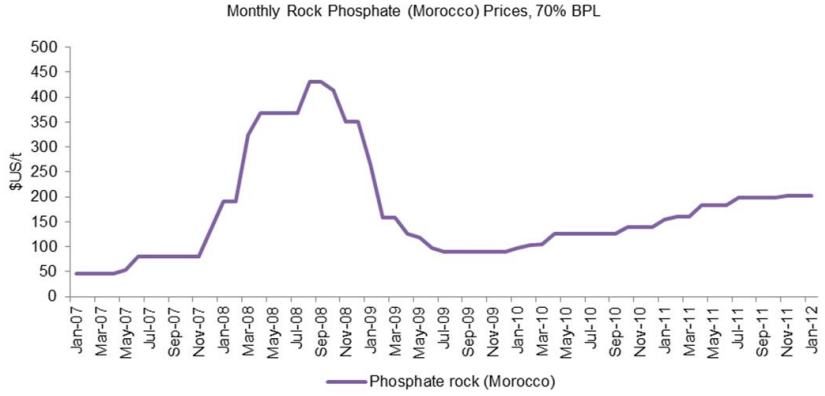
- Funding requirements – given the inherent riskiness of exploration activities, the availability and cost of capital to fund such projects can significantly impact on the level of exploration and production activities being undertaken.

3.4 Phosphate prices

The price that a producer can obtain for phosphate rock concentrate is mainly dependent on the percentage of P_2O_5 it contains.

Phosphate prices are not quoted on a trading exchange; instead, the Moroccan 70% Bone Phosphate of Lime ("BPL") phosphate rock concentrate is typically used as the benchmark for worldwide phosphate pricing. The prices quoted are Free on Board ("FOB"), which is the price once the phosphate has been loaded on a vessel ready to be shipped. The quoted price does not include the cost to ship the phosphate.

It is noted that Moroccan phosphate rock is typically at a higher grade than phosphate rock sourced from other mined areas. Historical price relationships are used to forecast prices at other locations, with adjustments made for grade, impurities and competitive factors. The graph below outlines the historical monthly price of Phosphate Rock (Morocco) with a 70% BPL over the past 5 years.

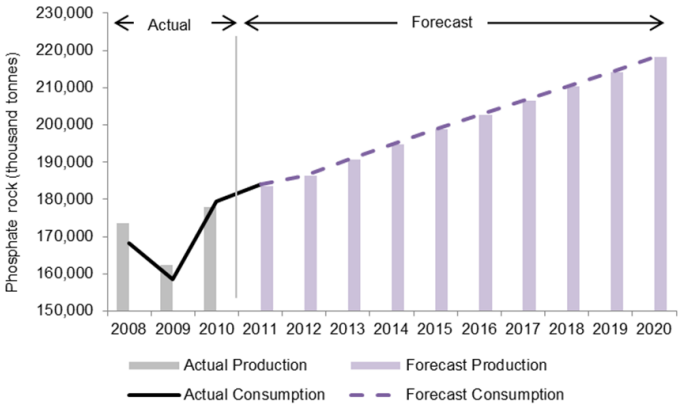


Source: http://www.indexmundi.com

A large increase in spot phosphate prices was experienced from late 2007 and into early 2008 as a result of an increase in agricultural demand as well as a decline in the supply of phosphate rock. Moroccan 70% BPL phosphate prices hit a peak of $US430/t in August and September 2008.

With the onset of the global economic downturn, phosphate prices declined significantly reaching a low of $US90/t during July 2009 to December 2009. The phosphate price has recovered since December 2009 as a result of the gradual increase in global economic growth and the demand for agriculture from a growing world population.

The following graph illustrates that consumption of phosphate rock is forecast to approximate production.

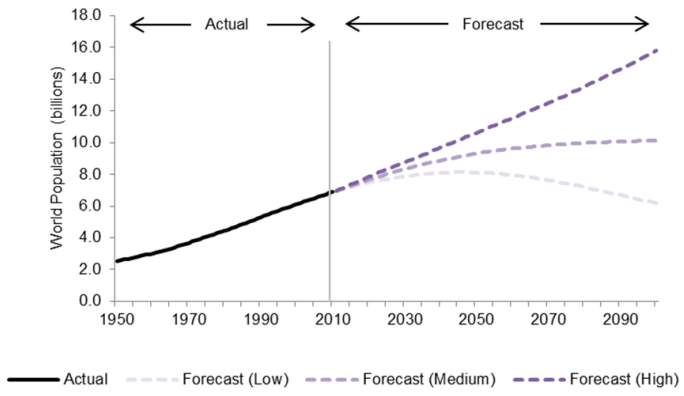


3.5 Outlook for the Industry

In the medium term, the positive agricultural outlook and a growing world population is expected to stimulate fertiliser demand. World demand is anticipated to reach 191.1 Mt in 2015/16, corresponding to an average annual growth rate of 2.6% from the base year (average consumption between 2008/09 and 2010/11)[11].

[11] Source: Fertiliser Outlook 2011 – 2015, Patrick Heffer and Michel Prud'homme, International Fertiliser Industry Association (IFA).

The world population is anticipated to increase, as illustrated by the graph below:



Source: United Nations: World Population Prospects: The 2010 Revision

There are many other different factors which will affect the demand of phosphate rock and phosphate products, as detailed in section 3.3, many of which cannot be determined or accurately predicted.

Africa and the Middle East are considered the predominant areas where phosphate rock sales will occur in the future.

3.6 Major participants in Australia

Incitec Pivot Ltd ("IPL") has the only operating phosphate mine in Australia. IPL uses open-cut mining to extract phosphate rock. IPL's biggest fertiliser plant in Australia is at Phosphate Hill, located 900 km west of Townsville, Queensland.

Phosphate Hill is complemented by a sulphuric acid plant at Mt Isa, 160 km to the north. Sulphuric acid is an essential ingredient in the manufacture of ammonium phosphates. IPL produces ammonia, urea and ammonium sulphate at its Gibson Island plant in Brisbane, south-east Queensland. IPL also produces superphosphates (commonly used fertilisers for improving pastures).

IPL's scale and production capacity was increased in August 2006 with the purchase of Southern Cross Fertilisers, Australia's only manufacturer of mono-ammonium phosphate ("MAP") and di-ammonium phosphate ("DAP") fertilisers.

Explorers with phosphate projects in Australia (other than Minemakers) include:

- Arafura Resources Ltd has exposure to phosphate through its 100% owned Nolan Bore mine in the Northern Territory. The mine contains P_2O_5 as well as other resources including rare earth oxides and uranium.

- Gold Cross Resources Ltd, through its 100% owned subsidiary, King Eagle Resources, has exploration tenements of prospective Cambrian phosphate units within the Georgina Basin. The tenements contain five major deposits of phosphate.

- Krucible Metals Ltd holds phosphate and rare earth inferred resources adjacent to the integrated fertiliser plant at Phosphate Hill near Mt Isa, Queensland. Depending on economic feasibility, Krucible Metals Ltd aims to undertake trial mining then upscale production from late 2012.

- Phosphate Australia Ltd has exploration interests in the Cambrian Georgina Basin in north-west Queensland and the Northern Territory. All of the tenements are 100% owned by the company.

- Rum Jungle Resources Ltd is the 100% owner of the Ammaroo Phosphate project, located on the Sandover Highway 350km north east of Alice Springs. Rum Jungle Resources' exploration licences are on the western side of the Georgina Basin. This basin contains the largest phosphate deposits in Australia.

4 Profile of UCL

4.1 Company history

UCL is a mineral resource company listed on the ASX with the following key assets:

- 42.5% interest in the Sandpiper Project; and
- 24.5% interest in the Mehdiabad Project.

Set out below is a brief overview of the recent corporate history of the Company:

May 2006	Mehdiabad Feasibility Study (Phase three of a Bankable Feasibility Development Project) was completed. The Mehdiabad Project was part of a joint venture established in 1999 with UCL holding a 24.5% interest.
December 2006	Received notice that its agreements covering the Mehdiabad Project in Iran may be terminated.
June 2008	Acquired Namibian company Sea Phosphates (Namibia) Pty Ltd ("SPN"), the holder of two exploration licenses in the Sandpiper Project.
October 2008	Entered a joint venture agreement ("JVA") with Bonaparte Diamond Mines NL ("Bonaparte"), and Tungeni Investments cc ("Tungeni") to jointly develop the Sandpiper Project. Both UCL and Bonaparte held a 42.5% interest in the joint venture, while Tungeni held 15%.
April 2009	Made a bid to acquire 100% of Bonaparte, the holder of 42.5% of the Sandpiper Project. The offer was for 9 UCL shares for every 1 share held in Bonaparte. The bid by UCL was competing with the bid made by Minemakers in March 2009, offering 1 Minemakers share for every 10 Bonaparte shares.
May 2009	Minemakers revised its offer to 1 Minemakers share for every 9 Bonaparte shares. Bonaparte recommended that shareholders reject the offer made by UCL and accept the offer by Minemakers.
July 2009	Minemakers purchased a 9.64% interest in UCL from Lundin Mining AB ("Lundin"). Minemakers was successful in acquiring 100% of Bonaparte.
August 2009	Minemakers increased its interest in UCL to 14.9% by purchasing UCL shares from RAB Special Situations (Master) Fund Limited ("RAB").
July 2010	UCL along with joint venture partners Minemakers (subsequent to the acquisition of Bonaparte) and Tungeni formalised the incorporation of NMP through the execution of a Shareholders Agreement ("SHA").
November 2010	Through NMP, a mining license application was lodged for the Sandpiper Project.
November 2011	At UCL's Annual General Meeting ("AGM"), shareholders agreed to change the Company's name from Union Resources Limited to UCL Resources Ltd, and also agree to consolidate the Company's share capital at a ratio of 1:30.
February 2012	Minemakers made an off market takeover bid for the shares in UCL which it doesn't currently own. Under the offer, UCL shareholders would receive 9

Minemakers shares for every 10 UCL shares held.

4.2 Key assets overview

4.2.1 Sandpiper Project

Overview

UCL's primary project is the Sandpiper Project, a deposit of unconsolidated phosphatic sediments located on the Namibian continental shelf. The Sandpiper Project covers approximately 7,000km² and is approximately 60 kilometres offshore from the coast, south of the port of Walvis Bay.

Source: Publicly available information

The Sandpiper Project has one mining license (ML170), covering 2,233km² and is valid for 20 years. There are also six (6) exploration licenses as part of the Sandpiper Project: (ELs 3323, 4009, 4010, 4021, 4059, 3415). The above mentioned exploration deposits were delineated in the 1970s but have remained undeveloped. They occur as unconsolidated sea floor sediments, which now lie within the reach and capability of currently available dredging technology.

The below table outlines the inferred, indicated and measured resources of the Sandpiper Project:

Mineral Resource of Sandpiper Project

15% Cut Off	Inferred Total (dry)	P_2O_5 Grade	Indicated Total (dry)	P_2O_5 Grade	Measured Total (dry)	P_2O_5 Grade
Aug 2011	1.717 Bt	19.0%	73.9 Mt	20.57%	-	-
Feb 2012	**1.607 Bt**	**18.9%**	**220.3 Mt**	**20.13%**	**4.1 Mt**	**20.45%**

Source: UCL resource announcement, 29 February 2012

Results to date

A scoping study was undertaken with the results announced in November 2010. The study indicated favourable results and justified furthering the project to a Definitive Feasibility Study ("DFS") stage. Subsequently, a DFS on the project was commissioned and is due to be completed in March 2012. The table below summarises the key outcomes of the scoping study.

Scoping Study Base Case	
Life of mine	25 years
Saleable Rock Phosphate per annum	3 mtpa
Commercial product	26% - 28% P_2O_5
Cash operating costs	US$57.76 per tonne
Capital costs for next three years	US$144 million
Capital costs per tonne	US$7.65 per tonne

Source: UCL annual report

The accuracy of the estimates in the scoping study is within +30% to -30%.

UCL has advised that the pre-production capital expenditure ("Capex") is estimated to be approximately $US144 million, which was based on the findings of the scoping study. NMP is currently in preliminary discussions regarding the funding of the Sandpiper Project. Up to 30 June 2011, NMP had incurred exploration expenditure of approximately A$3 million which was funded equally by UCL and MAK.

Pilot plant processing

As part of the DFS, NMP has recently commissioned a pilot plant in order to further fine tune the design of the commercial beneficiation plant to be built at Walvis Bay. Pilot plant processing occurred at a plant in Johannesburg, South Africa in late 2011 and was commissioned by MINTEK[12] under the supervision of lead consultant Bateman Litwin. The pilot plant operations produced a total of approximately 125 tonnes of marketable beneficiated product, which has been provided to end users to test in their own facilities.

The pilot processing comprises primary screening of the material, de-sliming the material through hydrocyclones, attrition to remove deleterious material as particle coatings, and washing, dewatering and drying of material to produce the final concentrate.

The results achieved so far have indicated a beneficiated product of approximately 26-28% P_2O_5 from a run of mine feed grade of approximately 18% P_2O_5 which can be used for direct application in the fertiliser industry.

[12] MINTEK is South Africa's national mineral research organisation, specialising in mineral processing and extractive metallurgy.

Laboratory testwork

Bateman Engineering BV ("Bateman") was engaged to conduct laboratory test work and issued its testwork report in December 2011. Bateman concluded that the mineral was upgraded from 19.9% P_2O_5 to 27.7% P_2O_5 by a combination of classification, gravity separation and attrition. Further grade upgrading to more than 28% P_2O_5 was achieved by calcination. The specification sheet and marketing samples have been released to potential end users of the Sandpiper phosphate beneficiated product.

Environmental studies

NMP lodged the Environmental Impact Assessment ("EIA") and Environmental Management Plan ("EMP") to the Namibian Ministries of Mines and Energy and Environment and Tourism in January 2012. The EIA and EMP were prepared by J Midgley and Associates in association with Namibian environmental consultants Enviro Dynamics and was externally reviewed by CSIR Consulting and Analytical Services: Environmental Management Services ("CSIR"). The draft report stated there was presently no identified issues of environmental significance to preclude the dredging of phosphate enriched sediments from the Mining License Area No. 170.

Final comments and additional considerations on the submitted draft EIA and EMP reports have been received and are being incorporated into the documents for submission to the relevant government ministries for final consideration. If final approval is granted, NMP will be issued with an environmental contract.

Infrastructure

As the Sandpiper Project is located offshore, dredging is the preferred option for recovery and transport and delivery of the phosphate sediments to the shore. Various consultants have undertaken studies regarding land based aspects of the project including the receiving or buffer pond (from the dredger), pump station and pipeline (for slurry transport to the plant site) as well as the proposed plant installations and layout near Walvis Bay.

UCL has advised that fresh water (re: treated sewage water) has been allocated to the project by the Walvis Bay Municipality and that land applications to suit project design parameters have been submitted to the relevant authorities.

Discussions are currently underway with the port authorities with respect to finalising the planning of bulk storage and loading facilities at Walvis Bay.

Pathway to production

NMP is undertaking discussions with potential off-take parties in relation to the concentrate to be produced, which will be used for direct application or producing phosphoric acid or SSP.

NMP is also negotiating with relevant parties in relation to available funding options for the Sandpiper Project. In this regard, we note that NMP is currently undertaking preliminary discussions with various financial institutions.

- We have been advised that subject to positive DFS outcome and sufficient funding arrangement, the Sandpiper Project is expected to commence production in last quarter of 2013 and ramping up to 3Mtpa from late 2015.

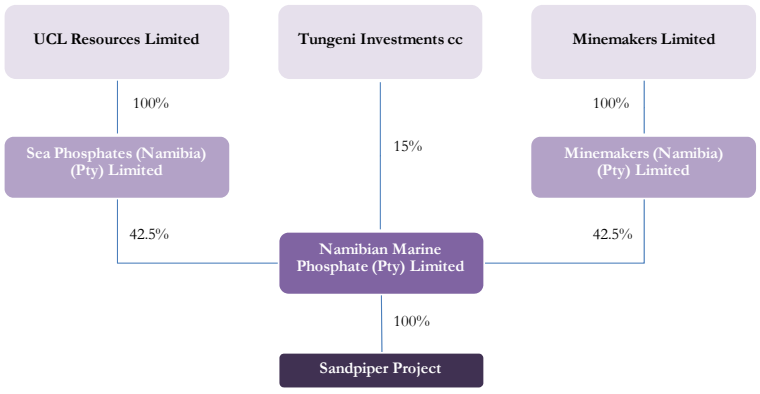
Ownership and agreements

In October 2008, a JVA was entered into with Bonaparte and Tungeni to develop the Sandpiper Project. As detailed in section 4.1, Bonaparte was acquired by Minemakers in 2009 and as a result, Bonaparte's interest in the Sandpiper Project was transferred to Minemakers. In July 2010, UCL along with joint venture partners Minemakers and Tungeni formalised the NMP Joint Venture through the execution of a SHA. A special purpose joint venture company, NMP[13] was incorporated. The shareholders of NMP are:

- Sea Phosphates (Namibia) (Pty) Ltd ("SPN"), a wholly owned subsidiary of UCL (42.5%);
- Minemakers (Namibia) (Pty) Ltd ("MMN"), a wholly owned subsidiary of Minemakers (42.5%)[14]; and
- Tungeni Investments cc, a Namibian Investment Company (15.0%).

Collectively, ("the Parties").

The current corporate structure of the Sandpiper Project is as follows:



Key items under the JVA are:

- The board of the NMP Joint Venture has five (5) directors, with two (2) nominated by UCL, two (2) nominated by Minemakers, and one (1) by Tungeni.

[13] Formerly A.S.S Investments Namibia Pty Ltd
[14] Minemakers holds a 13.1% interest in UCL, and therefore holds a further indirect interest in the NMP Joint Venture of 5.6%.

- Only UCL and Minemakers are responsible for the funding requirements of the Sandpiper Project through the exploration and development phases. This funding is to be provided in equal proportions. 15% of the funding contributed by UCL and Minemakers up until the completion of a Bankable Feasibility Study ("BFS") is considered to be a non-interest bearing loan to Tungeni, which is repayable out of after tax profits in the NMP Joint Venture before any dividends are distributed to shareholders.

A key clause of the SHA is that if there is any conflict or inconsistency between the SHA and the JVA, then the SHA would prevail. Key provisions included in the SHA are summarised below:

- A shareholder will have the right to appoint one director for every 15% of the shares held by it.
- When mining commences, all three shareholders will be responsible to contribute funds in accordance with their proportionate share.
- Key strategic, operation and corporate decisions require a unanimous approval of directors.
- If any shareholder fails to provide their share of funds upon request from the company, their shareholding is reduced and the respective shareholding of the other shareholders increases pro-rata on payment of such default amount.
- No shareholder of NMP can engage in further marine phosphate exploration or exploitation in Namibia, apart from the exploration on the Rocky Point Project[15] owned by MAK and Tungeni. The NMP Joint Venture holds a pre-emptive right over the Rocky Point Project, giving it the right to acquire the project under certain circumstances, including if a decision is made to proceed to completion of a DFS, a mining license is applied for, or an offer is made by a third party to purchase the project.
- Pre-emptive, non-compete, tag-along and drag-along rights customary for this type of agreement.

4.2.2 Mehdiabad Zinc-Lead-Silver Project

The Mehdiabad Project is an exploration project predominantly for zinc, lead and silver. It is located in central Iran, approximately 80km southeast of the provincial city Yazd.

[15] Refer to section 5.2.3 for details.

Source: http://www.ausimm.com.au

In 1999, an Iranian joint venture company called Mehdiabad Zinc Company ("MZC") was established and applied for and was granted an exploration license for the Mehdiabad Project. The shareholders of MZC at the time were the Iranian Mines and Mining Industries Development and Renovation Organisation ("IMIDRO") (50.0%), UCL (25.0%), and Itok GmbH ("Itok") (25.0%).

On 5 December 2006, UCL received a letter from IMIDRO outlining that they had terminated various agreements between the shareholders of MZC relating to the Mehdiabad Project, due to UCL failing to fulfil and complete their obligations under the agreements. UCL believed that the agreements were invalidly terminated and the ownership of the Mehdiabad Project has since been in dispute.

In December 2010, IMIDRO divested its holding in MZC to Karoun Dez Dasht ("KDD Group") and other minority shareholders.

IMIDRO holds an Exploitation License to enter into a Memorandum of Understanding ("MoU") for the operation of the Mehdiabad Project. In the event that the MoU is not formalised, UCL will explore the possibility of trying to resolve the matter through arbitration.

To date, UCL has invested $16.8 million on exploration and feasibility activities relating to the Mehdiabad Project which has been fully impaired on the UCL balance sheet. No exploration activities on the project have occurred since 2008.

The following table outlines the resource explored:

Mineral Resource of Mehdiabad Project

Resource Category	Tonnes (Mt)	Zn (%)	Pb (%)	Ag (g/t)
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**

Source: UCL 2011 Annual Report

UCL is committed towards development of the project and intends to maintain its current interest in the project. However, due to current political instability in Iran and tenement ownership issues, development of the project is expected to be delayed.

4.3 Financial information

4.3.1 Income Statement

The income statements of UCL for FY10, FY11 and the half year to 31 December 2011 are set out in the table below:

UCL Resources Limited Income Statements	FY2010 Audited A$	FY2011 Audited A$	H1FY2012 Unaudited A$
Revenue	226,720	(244)	29,113
Expenses			
Expenses, excluding finance costs and impairment loss	1,245,739	965,159	691,985
Finance costs	571	24,654	20,622
Impairment loss on Mehdiabad Project	17,373,679	-	-
Share of loss/(profit) of associates and jointly controlled entity accounted for using the equity method	195,912	1,509	(6,874)
Write-off exploration assets	56,585	53,896	-
Loss before income tax	**(18,645,766)**	**(1,045,462)**	**(676,620)**
Income tax expense	-	-	-
Loss from continuing operations after tax	**(18,645,766)**	**(1,045,462)**	**(676,620)**

Source: UCL annual reports and reviewed financial report for the half year ended 31 December 2011

We note the following in relation to the consolidated income statements set out above:

- Revenue from continuing operations is sourced from interest received on cash and cash equivalents, and foreign exchange movements.
- Operating expenses mainly include administration costs associated with the Sandpiper Project, consulting fees, employee expenses and corporate expenses.
- An impairment review was undertaken in FY10 on the exploration and evaluation expenditure on the Mehdiabad Project. The review resulted in the whole project being impaired to nil value due to the ownership issues as discussed in section 4.2.2 as well as deteriorating political conditions in Iran.

4.3.2 Balance sheet

The consolidated balance sheets of UCL as at 30 June 2010, 2011 and at 31 December 2011 are set out in the table below:

UCL Resources Limited	30-Jun-10 Audited	30-Jun-11 Audited	31-Dec-11 Unaudited
Balance Sheets	**$**	**$**	**$**
Current assets			
Cash and cash equivalents	531,203	4,452,797	2,175,610
Trade & other receivables	27,177	68,747	62,438
Available-for-sale financial assets	130,000	150,000	90,000
Total current assets	**688,380**	**4,671,544**	**2,328,048**
Non current assets			
Other financial assets	52,728	50,583	6,930
Investments accounted for using the equity method	1,251,687	3,616,957	5,124,718
Property, plant & equipment	15,496	11,952	10,533
Intangibles	798,022	-	-
Total non current assets	**2,117,933**	**3,679,492**	**5,142,181**
Total assets	**2,806,313**	**8,351,036**	**7,470,229**
Current liabilities			
Trade and other payables	179,012	311,677	283,891
Borrowings	-	-	500,000
Provisions	16,108	27,149	49,127
Total current liabilities	**195,120**	**338,826**	**833,018**
Non current liabilities			
Borrowings	-	500,000	-
Total non current liabilities	**-**	**500,000**	**-**
Total liabilities	**195,120**	**838,826**	**833,018**
Net Assets	**2,611,193**	**7,512,210**	**6,637,211**
Equity			
Contributed equity	95,710,673	101,687,383	101,687,383
Reserves	1,948,012	1,917,781	1,719,402
Accumulated losses	(95,047,492)	(96,092,954)	(96,776,574)
Total equity	**2,611,193**	**7,512,210**	**6,630,211**

Source: UCL annual reports and reviewed half year accounts for the period ended 31 December 2011.

We note the following in relation to the consolidated balance sheets:

- Available for sale financial assets include 10 million listed options issued by ASX listed company, Gold Anomaly Limited.
- Investments accounted for using the equity method is in relation to the Sandpiper Project which includes cash calls to NMP and contribution at cost of exploration licences and costs.
- The intangible assets relate to the exploration licences as a result of purchase of Sea Phosphates (Namibia) Pty Limited. In accordance with the terms of SHA, the exploration licence was transferred to NMP in October 2010.
- Borrowings relate to the issue of a $500,000 convertible note ("UCL Note") to Donwillow Pty Limited, a related party of Twynam Agricultural Group Pty Limited (UCL's largest shareholder). The note accrues interest at a rate of 7.50% per annum and has a maturity date of 3 November

2012. The note is convertible into 3,333,334 fully paid ordinary shares, implying an issue price of $0.15.

- On 28 February 2011, UCL announced it would undertake a two (2) for seven (7) renounceable rights issue to raise up to approximately $6.46 million. The offer closed on 28 March 2011 with 61.4% of shareholders taking up the offer, raising a total amount of $3.97 million. The remaining shortfall of shares was taken up by the underwriter of the issue, Patersons Securities Limited.

- UCL's shareholders voted at the Company's AGM on 29 November 2011 to consolidate the share capital in the Company in a ratio of one (1) new share for every thirty (30) shares held.

- UCL does not recognise any deferred tax assets in relation to accrued tax losses as the Company does not consider it probable that sufficient future taxable profits will be generated in the appropriate jurisdictions to enable these tax losses to be utilised.

4.4 Capital Structure

As at the date of our report, UCL has the following securities on issue:

- 80,807,074 UCL Shares;

- 2,425,336 performance rights ("UCL Performance Rights")[13];

- 333,335 unlisted options ("UCL Options"); and

- the UCL Note.

It is to be noted that the number of shares, securities and their associated prices documented in our report are given on a basis accounting for the 1:30 share capital consolidation which occurred late in 2011.

4.4.1 UCL Shares

As at the date of our report, UCL has 80,807,074 Ordinary Fully Paid Shares on issue.

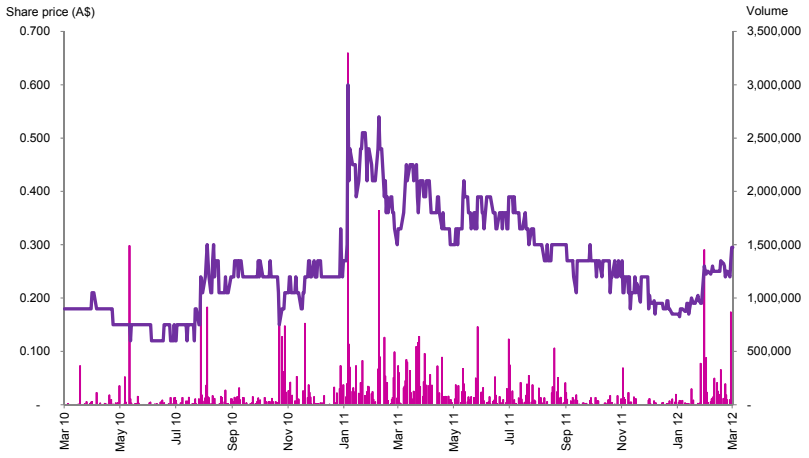
[13] We note that whilst UCL Shareholders have approved the issue of the UCL Performance Rights at the Annual General Meeting held on 29 November 2011, as at the date of this report, only 808,334 UCL Performance Rights have been issued. We have been advised that the Directors intend to issue the balance of the UCL Performance Rights as soon as practical. Accordingly, we have included the total UCL Performance Rights in our valuation assessment of UCL.

The top ten shareholders of UCL as at 9 March 2012 are set out below:

Shareholder	No. of shares	Interest
Tw ynam Agricultural Group Pty Ltd (1)	21,260,773	26.3%
Minemakers Ltd	10,590,815	13.1%
JP Morgan Nominees Australia	6,846,924	8.5%
Donw illow Pty Ltd	5,251,343	6.5%
National Nominees Ltd	3,693,688	4.6%
Keng Tin Enterprises Ltd	3,431,373	4.2%
Select Investments Super Pty Ltd	2,381,455	2.9%
Mrs Virginia Warnecke	1,760,660	2.2%
Austock Nominees Pty Ltd	1,190,682	1.5%
Bryan Welch Pty Ltd	1,133,334	1.4%
Other shareholders	23,266,027	28.8%
Total	**80,807,074**	**100%**

Source: UCL share registry as at 9 March 2012 – Note 1 This consolidates two separate shareholdings

The daily movements in UCL's share price and volumes since February 2010 is set out below.



Source: Capital IQ

We note the following with regards to the share price history shown above:

Date **Comments**

Date	Comments
2 Mar 2012	UCL's largest shareholder, Twynam Agricultural Group Pty Ltd, and fourth largest shareholder, Donwillow Pty Limited, confirmed that they will not accept the Proposed Offer or any revised or superior scrip offer from MAK. Share price closed at $0.27.
29 Feb 2012	Resource upgrade for Sandpiper Project. Share price closed at $0.25
21 Feb 2012	UCL board recommended its shareholders to reject the takeover offer from MAK. Share price closed at $0.25.
13 Feb 2012	MAK announces proposal to acquire UCL Shares via off-market takeover. Share price closed at $0.26
20 Jan 2012	Final results from Bateman's laboratory based test work on the Sandpiper Project. UCL's share price closed at $0.18.
4 Nov 2011	Sandpiper Project - Successful construction and commissioning of the phosphate beneficiation pilot plant. UCL's share price closed at $0.24.
21 Oct 2011	Mehdiabad Project - Iranian Government Press Release. UCL's share price closed at $0.27.
7 Oct 2011	Sandpiper Project - Bulk Sample Completed. UCL's share price closed at $0.27.
23 Sep 2011	Mehdiabad Press Release. UCL's share price closed at $0.24.
22 Sep 2011	Annual Report released. UCL's share price closed at $0.27.
6 Sep 2011	Sandpiper Project Bulk Sampling Programme Update. UCL's share price closed at $0.30.
31 Aug 2011	Updated Resource Estimate for Sandpiper Project. UCL's share price closed at $0.30.
15 Jul 2011	Sandpiper Project - Mining Licence Grant. UCL's share price closed at $0.39.
8 Jun 2011	Sandpiper Joint Venture Definitive Feasibility Study Progress. UCL's share price closed at $0.36.
1 Jun 2011	Managing Director Appointment. UCL's share price closed at $0.36.
14 April 2011	Change in substantial holding from MAK. UCL's share price closed at $0.39.
31 Mar 2011	Renounceable Rights Issue Close. UCL's share price closed at $0.45.
17 Mar 2011	Sandpiper JV Progress. UCL's share price closed at $0.33.
14 Mar 2011	Half Yearly Accounts released. UCL's share price closed at $0.30.
28 Feb 2011	Prospectus for Renounceable Rights Issue. UCL's share price closed at $0.39.
24 Feb 2011	Trading halt. Finalising details of rights issue. UCL's share price closed at $0.48.
21 Feb 2011	Iranian Project Update. UCL's share price closed at $0.48.
15 Feb 2011	Mehdiabad Project – Political Risk Insurance Form. UCL's share price closed at $0.42.

Source: ASX Announcements

Set out below is the share price performance of UCL:

UCL Resources Limited	Share Price			Average
	High $	Low $	Close $	weekly volume 000'
Month ended				
Feb 2011	0.600	0.390	0.390	1,260
Mar 2011	0.480	0.300	0.450	913
Apr 2011	0.510	0.360	0.360	1,130
May 2011	0.420	0.270	0.360	519
Jun 2011	0.420	0.300	0.330	502
Jul 2011	0.420	0.330	0.330	458
Aug 2011	0.360	0.270	0.300	326
Sep 2011	0.330	0.210	0.270	403
Oct 2011	0.300	0.240	0.270	90
Nov 2011	0.300	0.180	0.210	239
Dec 2011	0.210	0.165	0.180	48
Jan 2012	0.205	0.165	0.195	132
Feb 2012	0.260	0.190	0.250	865
Week ended				
25 Nov 2011	0.240	0.180	0.210	161
2 Dec 2011	0.240	0.180	0.223	130
9 Dec 2011	-	-	0.240	-
16 Dec 2011	0.210	0.165	0.190	108
23 Dec 2011	0.200	0.170	0.190	65
30 Dec 2011	0.200	0.180	0.180	38
6 Jan 2012	0.195	0.180	0.180	55
13 Jan 2012	0.180	0.170	0.170	171
20 Jan 2012	0.180	0.165	0.180	136
27 Jan 2012	0.190	0.170	0.170	44
3 Feb 2012	0.205	0.180	0.190	217
10 Feb 2012	0.205	0.190	0.190	416
17 Feb 2012	0.260	0.240	0.250	2,331
24 Feb 2012	0.260	0.245	0.250	462
2 Mar 2012	0.270	0.250	0.270	803
9 Mar 2012	0.265	0.240	0.250	403

Source: Capital IQ and calculations

4.4.2 Performance Rights

In October 2011, UCL approved a performance rights plan to provide ongoing incentives to key personnel via performance rights to shares in UCL.

In November 2011, a total of 2,425,336 UCL Performance Rights were issued. The number and vesting conditions associated with the UCL Performance Rights approved at the Company's AGM in November 2011 are as follows:

- 485,000 UCL Performance Rights approved, vesting upon MZC being granted a valid license to exploit the Mehdiabad Zinc Mine in Iran.
- 889,334 UCL Performance Rights approved, vesting upon the completion of the DFS in respect of the Sandpiper Project in Namibia.

- 323,334 UCL Performance Rights approved, vesting upon the completion of Phase 1 (on completion of the first run-of-mine ("ROM") ore discharged from the dredge vessel) of the development of the Sandpiper Project.

- 727,668 UCL Performance Rights approved, vesting upon the first commercial shipment of beneficiated phosphate from the Sandpiper Project.

4.4.3 Options

The following table outlines the unlisted options issued by UCL:

Expiry	Number of Unlisted Options	Exercise Price
31 March 2013	200,000	$0.60
31 March 2015	44,445	$0.63
31 March 2015	44,445	$0.39
31 March 2015	44,445	$0.15
Total	**333,335**	

4.4.4 Convertible Notes

As discussed in section 4.3.2, the UCL Note was issued on 5 November 2010. The UCL Note has a face value of A$500,000, it accrues interest at a rate of 7.50% per annum and has a maturity date of 3 November 2012. The note is convertible into 3,333,334 fully paid ordinary shares, implying an issue price of $0.15.

5 Profile of Minemakers

The overview of MAK and all information concerning MAK in this report has been prepared using publicly available information. Grant Thornton Corporate Finance does not make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

5.1 Company history

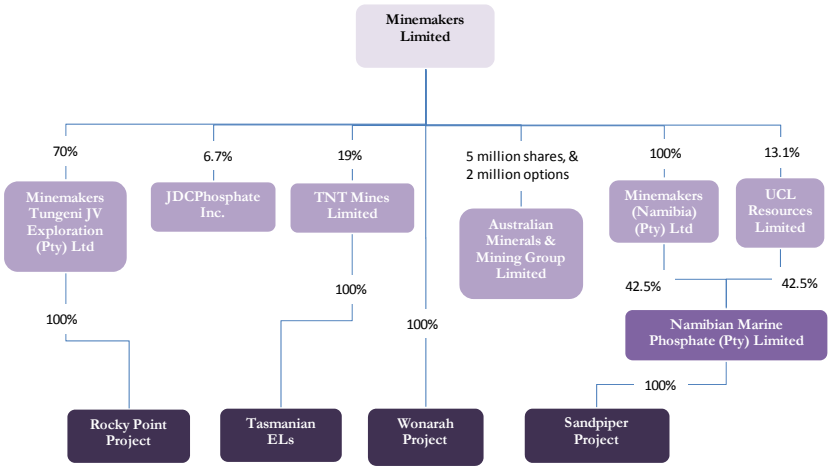
Minemakers is a mineral exploration and development company listed on the ASX, TSX and NSX. The company's key assets are its 42.5% direct interest (and 5.6% indirect interest[16]) in the Sandpiper Project and 100% interest in the Wonarah Project.

Set out below is a brief overview of the recent corporate history of the company[17]:

July 2010	Dual listed on the Namibian Stock Exchange after having listed on the ASX in October 2006.
September 2010	Listed on the Toronto Stock Exchange.
October 2010	Invested in the listed Tasmanian gold producer, BCD Resources NL, via a loan of $8.5 million. The loan was later changed to a convertible note, maturing in February 2012, attracting a 20% coupon.
June 2011	Entered into a non-binding Memorandum Of Understanding ("MoU") with NMDC Limited to establish a pathway for the development of Wonarah Project.
July 2011	TNT Mines Limited ("TNT") demerged from Minemakers, with Minemakers retaining a 19% shareholding in the company.
October 2011	Agreed to sell down its West South-down iron ore project to Australian Minerals and Mining Group Limited ("AMMG") for a consideration of 5 million shares and 2 million options in AMMG.
February 2012	Minemakers' made an off market takeover bid for the shares in UCL which it doesn't currently own. Under the offer, UCL shareholders would receive 9 Minemaker's shares for every 10 UCL shares held.

[16] MAK holds a 13.1% interest in UCL
[17] Details in relation to the direct and indirect acquisition of the Sandpiper Project already discussed in section 4.1 have not been restated in this section

The following chart outlines Minemakers' key investments:



5.2 Key assets overview

5.2.1 Sandpiper Project

Minemakers holds a 42.5% direct and a 5.6% indirect interest (through its shareholding in UCL) in the Sandpiper Project. See Section 4.2.1 for an overview of the Sandpiper Project.

5.2.2 Wonarah Project

Introduction

The Wonarah Project, located in the Northern Territory approximately 250 kilometres east of Tennant Creek and 1000km from Darwin, is 100% owned by Minemakers and is one of the largest known phosphate rock deposits in Australia.

Rio Tinto has previously completed drilling in the area, with an initial JORC[18] compliant Inferred Resource estimate of 72Mt at 23% P_2O_5.

Minemakers completed a four month drilling programme in mid-2008 and subsequently announced an initial JORC compliant 461Mt Inferred Resource, which was at the time Australia's largest JORC compliant rock phosphate resource.

Further drilling of the Wonarah Project has estimated a JORC resource of 782Mt at 18.1% P_2O_5 at 10% cut-off, as summarised below:

Mineral Resource of Wonarah Project

Resource	0% Cut Off		10% Cut Off	
Category	Tonnage (Mt)	Indicated (% P2O5)	Tonnage (Mt)	Indicated (% P2O5)
Indicated	565	12.6%	303	18.2%
Inferred	987	11.4%	479	17.6%
Total	**1,552**	**11.8%**	**782**	**17.8%**

Source: ASX announcements

Enabling study

As a consequence of entering into the MoU with NMDC Limited ("NMDC")[19], MAK commissioned an enabling study on the Wonarah Project which was completed in November 2011, with key findings summarised below:

- The study assessed two options to produce 1Mtpa of P_2O_5. The options were:
  - Production of 1.4Mtpa of 70% P_2O_5 superphosphoric acid ("SPA") by the improved hard process ("IHP SPA"); or

[18] A reported Mineral Resource as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code – 2004 Edition)
[19] NMDC is an Indian company listed on Bombay Stock Exchange with market capitalisation of approximately A$12.6 billion as at 15 March 2012.

– Production of 2.2Mtpa of DAP or MAP via a conventional WAP.

- SPA is conceptually MAK's preferred option due to lower operating and capital costs. However, before this processing option can be selected JDCPhosphate Inc ("JDC"), the holder of the patent for IHP must prove its ability to produce at commercial scale. MAK owns a 6.67% interest in JDC and holds the sole Australian rights to the IHP technology for a term of 7 years.

The following table summarises the key outcomes of the Enabling Study:

Enabling study	WAP option	IHP SPA option
Life of mine	20 years	20 years
Ore mined	7 mtpa	6.5mtpa
DAP/SPA produced	2.24 mtpa	1.46 mtpa
Operating cost	A$17,633 million	A$11,505 million
Operating cost per tonne of DAP/SPA produced	A$393.59	A$394.01
Upfront capital cost	A$2,464 million	A$1,691 million

Source: MAK presentation for November 2011

The accuracy of the estimates in the enabling study is -25% to +35%.

MoU with NMDC Limited

In June 2011, MAK announced that it had entered into a non-binding MoU with NMDC for the development of the Wonarah Project. The MoU has been entered with an intention to form a joint venture between MAK and NMDC in relation to the financing and development of the Wonarah Project. The expected key terms of the MoU are summarised below:

- NMDC to purchase 50% equity interest in the Wonarah Project.
- NMDC and MAK to co-fund the BFS (expected to cost approximately A$34 million).
- NMDC will have the responsibility for arranging debt component of the total required finance for development of Wonarah Project.
- NMDC will repay certain exploration and development costs already incurred by MAK.

Based on the disclosure included in the Bidder's Statement, we understand that the period of exclusivity to finalise the terms of the joint venture for the Wonarah Project expired on 15 February 2012 but NMDC and MAK remain in ongoing discussions.

Infrastructure

As discussed earlier, SPA and WAP/DAP are assessed as the possible development production options for the Wonarah Project.

- Under the IHP SPA option, MAK is expected to mine a lower grade product and undertake relatively simple beneficiation on site. We understand that MAK may locate the IHP plant at

Wonarah and petroleum coke would be transported by rail from Darwin to Tennant Creek, and from Tennant Creek to Wonarah by road. The SPA would be carried in tankers to Tennant Creek via road, and then railed to the port of Darwin, or to southern Australian markets. As discussed before, we note that the IHP SPA option is still unproven on a commercial scale.

- The WAP option uses conventional plants at capacities which have been extensively commercialised. Under the WAP option, the ore would be beneficiated on site and transported using a slurry pipeline to a factory site close to railway in the vicinity of Tennant Creek and then railed to Darwin. The phosphate slurry and the acid (sulphuric acid would be manufactured from the burning of imported sulphur) would be used to manufacture merchant grade phosphoric acid (52% P_2O_5) by using wet acid process. This would be followed by manufacture of imported ammonia to make N-P fertilisers such as MAP and DAP.

BFS

Based on the outcomes of the enabling study, MAK is contemplating a BFS on fertiliser production. The total costs in relation to the BFS are estimated to be approximately A$34 million and at this stage, MAK is considering partnering arrangements to fund the BFS costs.

Pathway to Production

MAK has stated via its Bidder's Statement that its strategy for the Wonarah Project includes the following:

- Continuing engagement with NMDC and Legacy Iron Ore Ltd regarding proposed joint venture terms whilst also continuing to evaluate alternative proposals from other potential partners.
- Commencing feasibility studies for an integrated phosphate rock mine, and fertiliser processing facilities at or near the Wonarah Project.
- Subject to a positive feasibility result, construction and commissioning of a phosphate rock mine and either a superphosphoric acid plant or finished fertiliser facility.

No specific timing has been announced on the various proposed developments. Timing will depend on the results of the aforementioned feasibility studies.

Based on our discussions with UCL and Snowden, we understand that the key milestones which still need to be achieved to get the Wonarah Project to a production stage are:

- Commissioning and obtaining adequate funding for the BFS. We note that MAK anticipates the BFS to cost $34 million. MAK has forecast a cash balance of $14 million at February 2012 and has a $15 million line of equity facility, totaling $29 million of cash available[20].
- Completing the BFS.
- Obtaining upfront project funding with a mix of debt and equity.

[20] Sourced from MAK's December 2011 quarterly statement

- Detailed engineering for the project.
- Appointment of Engineering Procurement and Construction Management ("EPCM") contractor.
- Commence construction and commissioning of on-site facilities.
- The production at Wonarah Project is expected to commence in mid-2016.

5.2.3 Rocky Point Project

The Rocky Point Project, located to the north of Walvis Bay in Namibia, comprises approximately 4,000km^2 of exploration tenements for further phosphate deposits. The exploration tenements are held by Minemakers Tungeni Joint Venture Exploration (Namibia) (Pty) Ltd, of which Minemakers holds a 70% interest and Tungeni holds the remaining 30%. A sampling program was conducted in first half of 2011, however no work was undertaken on the project during the December 2011 quarter.

A pre-emptive right is held by NMP Joint Venture over the Rocky Point Project, giving it the right to acquire the project under certain circumstances, including if a decision is made to proceed to completion of a DFS, a mining license is applied for, or an offer is made by a third party to purchase the project.

No shareholder of NMP can engage in further marine phosphate exploration or exploitation in Namibia, apart from the exploration on the Rocky Point Project owned by MAK and Tungeni.

5.2.4 Port Keats Salt

Minemakers had ownership of an exploration tenement, interpreted to be a rock salt dome, situated off the coast of the Northern Territory. Minemakers did not meet its exploration commitments on this tenement and it was surrendered in August 2011. The area remained vacant and Minemakers applied for three exploration licenses in October 2011. We understand that the exploration licenses have not yet been granted but are hoped to be granted in early 2012.

5.2.5 JDCPhosphate Inc ("JDC")

Minemakers holds a 6.67% equity interest in JDC, a Florida based company which is a developer of dry kiln technology for the production of SPA. As discussed earlier, MAK is considering this processing option for the Wonarah Project. MAK paid A$1 million (equally in cash and MAK Shares) to acquire a 6.67% stake in JDC[21].

MAK have the exclusive rights in Australia for a period of seven years to construct a plant, which uses JDC's patented dry kiln technology to produce super-phosphoric acid.

[21] ASX announcement by MAK – 2 September 2010

5.2.6 TNT Mines Limited

TNT Mines Limited ("TNT") is an unlisted public company with tin, tungsten, and fluorspar exploration properties in Tasmania. Minemakers holds a 19% interest in TNT, which arose after TNT was demerged from Minemakers in July 2011. Based on publicly available information, we understand that TNT intends to list on the ASX to raise further capital to develop its exploration assets when market conditions are favourable. In December 2011, TNT Mines raised A$1.3 million from a rights issue to use the funds towards exploration and evaluation of its exploration properties.

5.2.7 Australia Minerals & Mining Group Limited

Minemakers previously managed the West Southdown iron ore project located in Western Australia through a joint venture. In October 2011, MAK announced that it had entered into a sale agreement with Australian Minerals & Mining Group Limited ("AMMG") to sell its 80% interest in the project for 5 million shares and 2 million 20 cent options in AMMG. AMMG is listed on ASX and it had a market capitalisation of approximately A$14 million as at 2 March 2012.

5.3 Financial information

5.3.1 Income Statement

The income statements of Minemakers for FY09, FY10 and FY11 are set out in the table below:

Minemakers Limited Income Statements	FY2009 Audited A$	FY2010 Audited A$	FY2011 Audited A$
Revenue	936,553	2,189,321	1,344,647
Expenses			
Depreciation	115,727	385,091	314,078
Salaries and employee benefits expense	694,782	1,261,150	1,991,805
Exploration expenditure	14,063,957	1,573,629	1,639,195
Impairment expense	-	236,919	463,657
Corporate expenses	695,168	698,332	1,324,951
Administration expenses	366,734	551,256	422,616
Share based payment expense	2,852,778	1,229,654	5,410,348
Net foreign currency loss	-	-	763,214
Other expenses	381,601	736,094	1,094,446
Share of net (profit) / loss in associate	-	564,570	(2,340)
Loss before income tax	**(18,234,194)**	**(5,047,374)**	**(12,077,323)**
Income tax benefit / (expense)	3,825,880	-	-
Loss from continuing operations after tax	**(14,408,314)**	**(5,047,374)**	**(12,077,323)**

Source: Minemakers annual reports

We note the following in relation to the consolidated income statements set out above:

- Revenue for FY11 mainly includes interest on the cash balance amounting to approximately A$0.9 million.

- Exploration and evaluation costs for each area of interest in the early stages of project life are expensed, whereas exploration and evaluation costs for projects that have progressed to pre-feasibility are capitalised.

- Share based payment expense is in relation to unlisted options being issued to directors, employees and contractors. Further information relating to options on issue is detailed in section 5.4.2.

5.3.2 Balance sheet

The consolidated balance sheets of Minemakers as at 30 June 2010, 2011 and at 31 December 2011 are set out in the table below:

Minemakers Limited Balance Sheets	30-Jun-10 Audited $	30-Jun-11 Audited $	31-Dec-11 Reviewed $
Current assets			
Cash and cash equivalents	31,135,611	10,909,315	9,519,358
Trade & other receivables	858,570	9,729,211	7,483,148
Financial asset at fair value through profit or loss	50,667	-	-
Total current assets	**32,044,848**	**20,638,526**	**17,002,506**
Non current assets			
Trade & 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
Property, plant & equipment	1,223,046	856,931	675,097
Capitalised exploration and evaluation expenditure	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	**37,731,163**	**44,350,703**	**46,128,557**
Total assets	**69,776,011**	**64,989,229**	**63,131,063**
Current liabilities			
Trade and other payables	969,966	1,234,867	580,696
Provisions	195,792	279,621	230,307
Total current liabilities	**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	**2,455,258**	**2,803,988**	**2,100,503**
Net Assets	**67,320,753**	**62,185,241**	**61,030,560**
Equity			
Issued capital	87,187,241	87,947,116	86,400,854
Reserves	5,814,711	11,996,646	10,704,040
Accumulated losses	(25,666,452)	(37,685,712)	(35,990,303)
Capital and reserves attributable to members of Minemakers	**67,335,500**	**62,258,050**	**61,114,591**
Non-controlling interest	(14,747)	(72,809)	(84,031)
Total equity	**67,320,753**	**62,185,241**	**61,030,560**

Source: Minemakers annual reports and Minemakers' reviewed half year accounts for the period ended 31 December 2011.

We note the following in relation to the consolidated balance sheet as at 30 June 2011:

- Cash and cash equivalents include short term deposits of A$8.5 million. Based on the announcement released by MAK on the ASX, we understand the cash balance at the end of February is approximately $14 million, due to the redemption of the convertible notes outlined below.

- Current trade and other receivables include convertible notes in BCD Resources NL ("BCD")[22] of A$8.5 million as at 30 June 2011 (A$7.4 million as at 31 December 2011). In October 2011, MAK gave a loan of A$8.5 million to BCD, which was subsequently replaced with 850 million convertible notes. Each note is convertible into one BCD share and the notes not converted by 13 February 2012 must be redeemed at a price of 1 cent per note. Based on the announcement dated 16 February 2012, all the outstanding notes held by MAK were redeemed.

- Available for sale financial assets include 13.1% interest in UCL and 6.7% interest in JDC Phosphate Inc.

- Exploration and evaluation costs for projects that have progressed to pre-feasibility are capitalised.

- Investment accounted for using the equity method includes the carrying amount of NMP. MAK obtained their 42.5% interest in NMP through the takeover of Bonaparte.

- A non-current provision of approximately A$1.3 million has been made to account for mine rehabilitation and restoration for the Wonarah Project.

- Since 30 June 2010, Minemakers completed the following share issues:

  - In September 2010, 2,199,059 shares at $0.26 per share as part consideration for the acquisition of shares in JDC.
  - In November 2010, 481,612 shares at $0.39 per share as consideration pursuant to tenement acquisition.
  - In November 2011, 200,000 shares at $0.355 per share as consideration pursuant to tenement acquisition agreements.
  - In November 2011, 336,482 shares at $0.3269 per share as consideration pursuant to tenement acquisition agreements.
  - In November 2011, 696,295 shares at $0.3231 per share as consideration for the implementation fee for the A$15 million equity subscription facility ("the Facility") with Haverstock Fund LLC ("Haverstock").

- Under the terms of the Facility, Minemakers can issue shares to Haverstock at any time up to November 2014 up to a total value of A$15 million by draw-downs of up to A$1.0 million in any 10 day trading period. The shares to be issued to Haverstock will be priced at 94% of the 10 day Volume Weighted Average Price ("VWAP") after the advance notice.

[22] BCD is a gold producing company listed on ASX

5.4 Capital Structure

As at the date of our report, MAK has the following securities on issue:

- 228,236,727 MAK Shares.
- 17,375,000 outstanding options ("MAK Options").

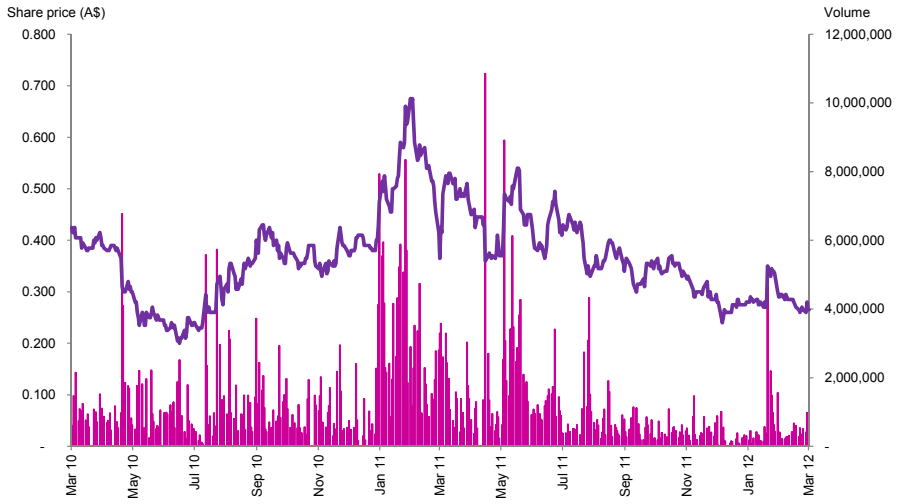
5.4.1 MAK Shares

The top ten shareholders of Minemakers as at 20 February 2012 are set out below:

Shareholder	No. of shares	Interest
Mr Paul Winston Askins	6,841,950	3.0%
Jerele Mining Pty Ltd	4,041,988	1.8%
HSBC Custody Nominees (Australia)	3,897,973	1.7%
Ms Shay Margaret Drummond	3,200,356	1.4%
Key International Pty Ltd	3,127,577	1.4%
Golden Archer Resources Pty Ltd	2,929,466	1.3%
Mr Andrew James Drummond	2,900,000	1.3%
Mr Brett Wilmott	2,300,000	1.0%
Mr Andrew James Drummond & Mrs Shay Drummond	2,266,446	1.0%
Citicorp Nominees Pty Ltd	1,781,016	0.8%
Other shareholders	194,949,955	85.4%
Total	**228,236,727**	**100.0%**

Source: Minemakers Bidder's Statement

The daily movements in Minemaker's share price and volumes since March 2010 is set out below.



Source: Capital IQ

We note the following with regards to the share price history shown above:

Date	Comments
2 Mar 2012	UCL's largest shareholder, Twynam Agricultural Group Pty Ltd, and fourth largest shareholder, Donwillow Pty Limited, confirmed that they will not accept the Proposed Offer or any revised or superior scrip offer from MAK. MAK's share price closed at $0.27.
29 Feb 2012	Resource upgrade for Sandpiper Project. MAK's share price closed at $0.28.
21 Feb 2012	UCL board recommended its shareholders to reject MAK's takeover offer. Share price closed at $0.295.
13 Feb 2012	MAK announces proposal to acquire UCL Shares via off-market takeover. Share price closed at $0.30
9 Feb 2012	New Board Appointment. MAK's share price closed at $0.34.
3 Feb 2012	Response to ASX Price and Volume Query. MAK's share price closed at $0.35.
20 Jan 2012	Sandpiper Project Final Laboratory Based Testwork Results. MAK's share price closed at $0.28.
28 Nov 2011	Wonarah Enabling Study Confirms Economic Potential. MAK's share price closed at $0.30.
25 Nov 2011	Minemakers Board and Executive Changes. MAK's share price closed at $0.30.
22 Nov 2011	Minemakers Secures $15M Equity Facility. MAK's share price closed at $0.29.
4 Nov 2011	Sandpiper Project - Pilot Plant Progress. MAK's share price closed at $0.355.
11 Oct 2011	AKA: AMMG Acquires Southdown Extension Iron Ore Project. MAK's share price closed at $0.36.
7 Oct 2011	Sandpiper Phosphate - Bulk Sample Completed. MAK's share price closed at $0.355.
5 Oct 2011	Wonarah Phosphate Deposit Significant Resource Additions. MAK's share price closed at $0.335.
30 Sep 2011	Full Year Statutory Accounts released. MAK's share price closed at $0.315.
6 Sep 2011	Sandpiper Project Bulk Sampling Programme Update. MAK's share price closed at $0.365.
31 Aug 2011	Updated Resource Estimate for Namibian Sandpiper Project. MAK's share price closed at $0.40.
15 Jul 2011	Sandpiper Phosphate Namibia Notice to Grant Mining Licence. MAK's share price closed at $0.43.
5 Jul 2011	Wonarah Progress Update. MAK's share price closed at $0.475.
4 Jul 2011	Record Date for In Specie Distribution. MAK's share price closed at $0.46.
8 Jun 2011	Sandpiper JV Definitive Feasibility Study Progress. MAK's share price closed at $0.43.

Date	Comments
2 Jun 2011	Wonarah Phosphate Development MoU Signed with NMDC Limited. Share price closed at $0.535.
1 Jun 2011	Trading Halt. MAK's share price closed at $0.54.
26 May 2011	Response to ASX Query. MAK's share price closed at $0.505.
24 May 2011	Termination of Verte Mandate. MAK's share price closed at $0.485.
18 May 2011	Media Speculation regarding Indian MoU for Wonarah. MAK's share price closed at $0.49.
29 Apr 2011	Quarterly cashflow and activities report. MAK's share price closed at $0.36.
17 Mar 2011	Namibian Phosphate JV Progress. MAK's share price closed at $0.415.
15 Mar 2011	Wonarah Phosphate Positive Dry Kiln Testwork Progress. MAK's share price closed at $0.365.
11 Mar 2011	Half Year Accounts released. MAK's share price closed at $0.455.
28 Feb 2011	Wonarah Phosphate Project Historic Mining Agreement Signed. MAK's share price closed at $0.58.

Source: ASX Announcements

Set out below is the share price performance of Minemakers:

Minemakers Limited	Share Price			Average
	High $	Low $	Close $	weekly volume 000'
Month ended				
Feb 2011	0.710	0.495	0.580	16,880
Mar 2011	0.595	0.365	0.480	8,805
Apr 2011	0.530	0.335	0.360	6,945
May 2011	0.560	0.350	0.540	10,675
Jun 2011	0.585	0.365	0.430	6,685
Jul 2011	0.505	0.405	0.415	4,361
Aug 2011	0.435	0.295	0.400	5,573
Sep 2011	0.420	0.295	0.315	2,834
Oct 2011	0.375	0.305	0.370	2,008
Nov 2011	0.370	0.280	0.295	2,111
Dec 2011	0.330	0.235	0.275	1,863
Jan 2012	0.295	0.270	0.280	1,040
Feb 2012	0.365	0.270	0.280	3,947
Week ended				
25 Nov 2011	0.320	0.280	0.300	2,990
2 Dec 2011	0.310	0.285	0.310	2,014
9 Dec 2011	0.330	0.280	0.285	1,921
16 Dec 2011	0.300	0.280	0.280	2,276
23 Dec 2011	0.280	0.235	0.260	2,397
30 Dec 2011	0.275	0.260	0.275	377
6 Jan 2012	0.285	0.270	0.275	766
13 Jan 2012	0.295	0.270	0.280	1,016
20 Jan 2012	0.295	0.280	0.280	1,016
27 Jan 2012	0.290	0.270	0.280	1,069
3 Feb 2012	0.360	0.270	0.350	6,188
10 Feb 2012	0.365	0.330	0.335	5,729
17 Feb 2012	0.320	0.285	0.295	2,664
24 Feb 2012	0.300	0.280	0.285	1,202
2 Mar 2012	0.290	0.270	0.270	2,459
9 Mar 2012	0.270	0.255	0.265	1,881

Source: Capital IQ and calculations

5.4.2 Options

The following table outlines the unlisted options still on issue in Minemakers:

Expiry	Number of Unlisted Options	Exercise Price
21 August 2013*	1,000,000	$0.29
21 August 2013	1,000,000	$0.97
1 July 2014	500,000	$0.47
3 January 2016	500,000	$0.47
25 March 2015	12,500,000	$0.71
17 August 2013	500,000	$0.49
3 January 2014	1,375,000	$0.36
Total	**17,375,000**	

* Options will vest on handover of the Wonarah Project to the Resident Mine Manager

Source: Minemakers Bidder's Statement

6 Profile of the Combined Group

We have summarised the key characteristics of the Combined Group in the following section.

6.1 Overview

If the Proposed Offer completes, the Combined Group will hold the following assets:

- 85% interest in the Sandpiper Project.
- 24.5% interest in the Mehdiabad Project.
- 100% interest in the Wonarah Project.
- 70% interest in the Rocky Point Project.
- 6.7% interest in JDCPhosphate Inc.
- 19% interest in TNT Mines Ltd.
- 5 million shares and 2 million $0.20 options in AMMG.
- Potentially 100% of Port Keats Salt Project[23].
- Combined Group cash balance of $11.2 million[24].

6.2 Pro forma financial information

Pro-forma financial information in relation to the Combined Group is set out in section 6.4 of the Bidder's Statement.

6.3 Directors and management

If Minemakers gains control of UCL (that is, gain an interest in UCL greater than 50% but less than 90%) it intends to seek the appointment of its nominees as directors of UCL. No disclosure has been made by MAK as to who these directors would be.

If Minemakers gains an interest in UCL greater than 90%, and therefore subsequently proceeds with the compulsory acquisition of UCL, Minemakers will appoint its own nominees to the Board of UCL and its subsidiaries and will seek the retirement of all current Board members of UCL and its associated entities. Minemakers has stated it will offer Chris Jordinson, the Managing Director of UCL, a position as Executive Director on the Minemakers Board. Minemakers will form a view as to how they will integrate existing UCL employees pending a review of UCL operations. MAK has stated it is possible that certain operational functions will become redundant; however, it will seek

[23] MAK is awaiting the grant of an exploration license. See section 5.2.4 for further details.
[24] Section 6.4 of the Bidder's Statement.

to retain the services of Chris Jordinson, Managing Director of UCL, as well as Roger Daniel, Chief Operating Officer.

6.4 Potential synergies

If the Proposed Offer completes and MAK acquires 100% of UCL, the ownership structure of the Sandpiper Project will be simplified, however no significant operational cost savings are expected to be realised (apart for ASX listing costs incurred by UCL).

6.5 Combined Group intentions

Management of Minemakers has advised, as disclosed in its Bidder's Statement released 20 February 2012, a series of intentions it wishes to implement in relation to UCL. Refer to section 5 of the Bidder's Statement for details.

6.6 Capital structure

As at the date of this report, the following securities were on issue for both UCL and MAK:

Securities on issue	UCL	MAK
Ordinary Shares	80,807,074	228,236,727
Options	333,335	17,375,000
Performance Rights	2,425,336	-
Convertible Note	3,333,334	-

Source: Publicly available information

The actual number of new shares to be issued by Minemakers in relation to the Proposed Offer will depend on the following circumstances:

- How many UCL shareholders accept the Proposed Offer.
- The number of UCL Options and MAK Options exercised into ordinary shares.
- The vesting of UCL's Performance Rights into UCL Shares.
- Whether or not the Convertible Note held in UCL is converted to UCL Shares.

Minemakers has stated in the Bidder's statement that it has assumed to issue 68,417,437 new MAK Shares if it acquires 100% of UCL based on the following:

- The 44,445 UCL Options that are currently in-the-money will be exercised during the Offer Period.
- All of UCL's Performance Rights will vest into ordinary shares in UCL.
- The Convertible Note held in UCL is converted to shares.

- Minemakers acquires 100% of all the shares in UCL it currently does not own.

If the 68,417,437 new MAK Shares are issued as contemplated above, the total number of MAK Shares on issue after completion of the Proposed Offer will be 296,654,164. UCL Shareholders (apart from Minemakers) will collectively own approximately 23.1% of the Combined Group.

The following table calculates the number of new MAK Shares to be issued if MAK acquires 100% of UCL under the Proposed Offer.

Share capital of the Combined Group	**Number of shares**
Number of MAK Shares currently on issue	228,236,727
Number of new MAK Shares to be issued:	
UCL shares on issue	80,807,074
(less): those owned by Minemakers	(10,590,815)
UCL options currently in-the-money	44,445
Exercise of the Convertible Note	3,333,334
Vesting of the Performance Rights	2,425,336
Subtotal	*76,019,374*
New MAK Shares to be issued (9 new MAK Shares for every 10 UCL Shares held)	68,417,437
Total number of Combined Group Shares	**296,654,164**

Source: Minemakers' Bidder's Statement

The following table calculates the number of new MAK Shares to be issued if MAK acquires 50% of UCL under the Proposed Offer and assuming that UCL Options, UCL note and UCL Performance Rights will remain in place.

Number of MAK Shares in Combined Group		**50% acquisition**
Number of outstanding UCL Shares		80,807,074
Percentage interest acquired under the Proposed Offer		50%
UCL Shares to be acquired by MAK		40,403,537
UCL Shares already held by MAK		(10,590,815)
Additional UCL Shares to be acquired by MAK		29,812,722
Share exchange ratio		0.9
Number of new MAK Shares to be issued under Proposed Offer	A	26,831,450
Existing MAK Shares	B	228,236,727
Number of MAK Shares in Combined Group	A + B	255,068,177

Source: Calculations

7 Valuation methodology

7.1 Introduction

In accordance with our adopted valuation approach set out in section 2.2, our fairness assessment involves comparing the fair market value range of UCL Shares on a controlling basis with the value of the consideration offered, being 9 MAK Shares for every 10 UCL Shares. Accordingly, Grant Thornton Corporate Finance has analysed the fair value of:

- UCL Share.
- MAK Share.
- Combined Group.

Grant Thornton Corporate Finance has assessed the value of UCL Shares and MAK Shares using the concept of fair market value. Fair market value is commonly defined as:

"the price that would be negotiated in an open and unrestricted market between a knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller acting at arm's length."

Fair market value excludes any special value. Special value is the value that may accrue to a particular purchaser. In a competitive bidding situation, potential purchasers may be prepared to pay part, or all, of the special value that they expect to realise from the acquisition to the seller.

7.2 Valuation methodologies

RG 111 outlines the appropriate methodologies that a valuer should generally consider when valuing assets or securities for the purposes of, amongst other things, share buy-backs, selective capital reductions, schemes of arrangement, takeovers and prospectuses. These include:

- Discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets.
- Application of earnings multiples to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets.
- Amount available for distribution to security holders on an orderly realisation of assets.
- Quoted price for listed securities, when there is a liquid and active market.
- Any recent genuine offers received by the target for any business units or assets as a basis for valuation of those business units or assets.

Further details on these methodologies are set out in Appendix A to this report. Each of these methodologies is appropriate in certain circumstances.

RG111 does not prescribe the above methodologies as the method(s) that an expert should use in preparing their report. The decision as to which methodology to use lies with the expert based on

the expert's skill and judgement and after considering the unique circumstances of the entity or asset being valued.

7.3 Selected valuation methodology

7.3.1 UCL

Grant Thornton Corporate Finance has selected the market value of net assets as the primary method to assess the equity value of UCL. In assessing the fair market value of UCL, Grant Thornton Corporate Finance has aggregated:

- The market value of its mineral assets.
- The value of other assets and liabilities owned by UCL and not included in the value of minerals assets.
- Considered the market value of other securities on issue such as options and performance rights.
- Deducted costs associated with the Proposed Offer.

RG111 requires the fairness assessment to be made assuming 100% ownership of the target company and irrespective of whether the consideration offered is script or cash and without consideration of the percentage holding of the offeror or its associates in the target company.

Prior to reaching our valuation conclusions, we have considered the reasonableness of our valuation having regard to the market approach, specifically a rule of thumb valuation methodology based on a multiple of resources.

In addition, we have also considered the quoted share price of UCL and recent capital raisings of UCL.

7.3.2 Combined Group

In our assessment of the Combined Group, Grant Thornton Corporate Finance has aggregated the underlying value of UCL, MAK and potential synergies resulting from the Proposed Offer and applied a minority discount in accordance with RG111.

For the purpose of assessing the equity value of MAK, Grant Thornton Corporate Finance has adopted a similar approach to UCL having regard to the market value of net assets, multiple of resources and share price.

7.3.3 Independent technical specialist

For the purpose of this report, Grant Thornton Corporate Finance has engaged Snowden to prepare a valuation of the exploration and predevelopment assets of UCL and MAK which was completed in accordance with the VALMIN Code[25].

[25] The VALMIN Code is binding on members of the Australasian Institute of Mining and Metallurgy when preparing public independent expert reports required by the Corporations Act concerning mineral and petroleum assets and securities. The purpose of the VALMIN Code is to provide a set of fundamental principles and supporting

We note that Snowden has undertaken a technical valuation of the mineral assets which reflects the market value of those assets based on the current information available and it does not incorporate any potential future upside for further development.

A copy of Snowden's report is included as Appendix G to this report.

recommendations regarding good professional practice to assist those involved in the preparation of independent expert reports that are public and required for the assessment and/or valuation of mineral and petroleum assets and securities so that the resulting reports will be reliable, thorough, understandable and include all the material information required by investors and their advisers when making investment decisions.

8 Valuation assessment of UCL before the Proposed Offer

8.1 Valuation summary

As outlined in section 7.3, Grant Thornton Corporate Finance has adopted the market value of net assets methodology to assess the equity value of UCL.

Set out below is a summary of our valuation assessment of UCL on a control basis:

Valuation summary - UCL	Section reference	Low A$'000	High A$'000
Sandpiper Project	8.1.1	34,340	34,340
Mehdiabad Project	8.1.2	-	2,565
Other assets and liabilities	8.1.3	2,154	2,154
Value of UCL Note	8.1.4	(780)	(750)
Value of UCL Options	8.1.5	(24)	(18)
Value of UCL Performance Rights	8.1.6	(369)	(369)
Costs associated with Proposed Offer	8.1.8	(500)	(500)
UCL equity value (control basis)		34,821	37,421
Number of UCL Shares on issue		80,807,074	80,807,074
Assessed value per UCL Share (A$)(Control basis)		0.431	0.463

Source: Calculations

8.1.1 Sandpiper Project

For the purpose of our valuation of UCL's interest in the Sandpiper Project, we have assessed the fair value of UCL's 42.5% interest in NMP, an incorporated joint venture company which owns the Sandpiper Project.

Grant Thornton Corporate Finance notes that NMP expects to complete the DFS by the end of March 2012. Whilst the DFS is close to completion, we note that the relevant data and outcomes of the DFS have not been finalised or made available to us as at the date of our report. Accordingly, the DFS has not been incorporated in Snowden's valuation assessment of the Sandpiper Project.

Furthermore, Management of UCL has prepared a financial model in relation to the future cash flows of the Sandpiper Project ("Financial Model") based on the scoping study completed in November 2010[26]. In relation to the Financial Model, we note the following:

- Significant work has been undertaken after completion of the scoping study and NMP is close to finalising the DFS. Accordingly, we are of the opinion that the forecast cash flows based on the scoping study may not reflect the current status and development of the Sandpiper Project.
- Based on our discussions with Snowden, it is our opinion that the Financial Model does not provide a reasonable basis for the potential future cash flows to be generated from the Sandpiper Project.

[26] The financial model underlying the DFS is not available as at the date of this report.

Accordingly, Grant Thornton Corporate Finance and Snowden have not relied on the income approach to assess the market value of the Sandpiper Project.

As discussed in section 7.3, Snowden has assessed the fair market value of mineral deposits in relation to the Sandpiper Project. Snowden has relied on the following valuation methodologies for its assessment of the Sandpiper Project:

- Market evidence in relation to the multiple of resources based on comparable transactions. Under this valuation methodology Snowden has applied discount factors to the resource estimates of the Sandpiper Project to reflect the following risks:
  - Political risk in Namibia.
  - Technical risk.
  - Resource risk associated with resource to reserve conversion.
- Snowden has cross-checked their main valuation methodology having regard to the multiple of the exploration area. Snowden has considered recent acquisitions of properties of similar geographic, sovereign and geological risk profiles. Under this methodology, the value is based on the assumption that the exploration area includes phosphate potential but no defined resources. Accordingly, Snowden has incorporated a premium for the resources within the Sandpiper Project.
- Snowden has also reviewed the preliminary cash flow model for the Sandpiper Project, which was based on the scoping study.

The following table summarises Snowden's assessment of the Sandpiper Project.

Sandpiper Project	Low	High	Preferred
	A$'000	A$'000	A$'000
Assessed value of mineral deposits contained in Sandpiper Project(1)	53,459	106,894	80,165

(1) UCL's interest in Sandpiper Project has been assessed by Snowden on a 100% basis.

Source: Snowden's report

Snowden has assessed the market value of the Sandpiper Project at between A$53.5 million and A$106.9 million, with a preferred value of A$80.2 million[27].

The large value range is driven by the wide confidence range around pre-development exploration assets. Typically, the spread of confidence diminishes as the underlying resources are proved-up and the uncertainty around contained resources is reduced. Accordingly, the valuation range narrows when tenement moves from inferred and indicated resources to measured resources or reserves.

[27] We note that Snowden has not assessed the market value of NMP but only the Sandpiper Project.

The Sandpiper Project is still at pre-development stage and more than 70% of its resources are inferred. The confidence range may decrease when the results of the DFS become available as this may mitigate some of the risk factors around this project.

Snowden has also indicated a preferred value for the Sandpiper Project of A$80.2 million. The preferred value has been assessed by Snowden having regard to the phosphate resource transaction in relation to the Ngualia Carbonatite Project located in Tanzania.

In our assessment of the fairness of the Proposed Offer, we have had regard to the Snowden's preferred value for the Sandpiper Project due to the following:

- The high end of the range of the Sandpiper Project is approximately double the low end of the range. This results in an extremely wide range of the market value of UCL.
- RG111 states that an expert should usually provide a range of values which should be as narrow as possible, as a broad range of values undermines the usefulness of the report.
- The Preferred Value is Snowden's view of the most likely value of the Sandpiper Project.
- We have adopted the same approach in the valuation of MAK's Wonarah Project.
- Whilst we have assessed the fairness of the Proposed Offer having regard to the preferred value, we have also shown the potential implications for our fairness assessment (if any) using the value range assessed by Snowden. Refer to Appendix B for detailed calculation.

The following table summarises our valuation assessment of UCL's interest in NMP:

Sandpiper Project	**Preferred**
	A$'000
Assessed value of mineral deposits contained in Sandpiper Project	80,165
Cash and cash equivalents as at 31 December 2011[(1)]	619
Trade and other receivables as at 31 December 2011[(1)]	215
Trade and other payables as at 31 December 2011[(1)]	(198)
Assessed value of NMP	80,800
UCL's interest in NMP	42.5%
Assessed value of UCL's interest in NMP	34,340

Source: Snowden, NMP financial statements and calculations

Note 1 – The other balance sheet items as at 31 December 2011 have been converted to Australian dollars based on an AUD:USD exchange rate of 1.0174 as at 31 December 2011.

We note that the value of NMP has been assessed on a 100% basis. In our assessment of UCL's 42.5% interest in NMP, we have not applied a minority discount due to the following reasons:

- UCL's management has been the key driver of the development plan for the Sandpiper Project.
- Key strategic, operation and corporate decisions require a unanimous approval of directors.

- Based on the terms of the joint venture agreement, both UCL and MAK have the right to appoint two directors out of five directors to the Board of NMP.

- Pre-emptive, tag-along and drag-along rights are applicable to the NMP Joint Venture.

Accordingly, it is our opinion that a minority discount is not applicable in assessing UCL's 42.5% interest in NMP. We have adopted the same approach in the valuation of MAK's 42.5% interest in the Sandpiper Project.

8.1.2 Mehdiabad Project

As discussed in section 7.3, Snowden has assessed the fair market value of the Mehdiabad Project. The following table summarises our valuation assessment of UCL's 24.5% interest in the Mehdiabad Project.

Mehdiabad Project	Ownership	Low	High
	%	A$'000	A$'000
Mehdiabad Zinc		2,082	12,408
Mehdiabad Copper		-	204
Snowden's fair value assessment of Mehdiabad Project	100.0%	2,082	12,612
UCL's interest in Mehdiabad Project		24.5%	24.5%
		510	3,090
Minority discount		29%	17%
Value of UCL's interest in Mehdiabad Project	24.5%	362	2,565
Fair value assessment by Grant Thornton Corporate Finance	24.5%	-	2,565

`*Source: Snowden and calculations*

Snowden has assessed the market value of the Mehdiabad Project between A$2.0 million and A$12.4 million on a 100% basis.

In our valuation assessment, we have applied a minority discount to reflect UCL's 24.5% interest in the Mehdiabad Project. In this regard, we note that evidence from studies indicates that the premium for control on successful takeovers has typically been in the range of 20% to 40% in Australia. The minority discount is the inverse of the premium for control and ranges between 17% and 29%.

Grant Thornton's adopted value for the Mehdiabad Project is between nil and $2.5 million on a minority basis. We have reduced the low-end of the range to nil due to the following:

- The Mehdiabad Project is subject to tenement ownership issues. On 5 December 2006, UCL received a letter from IMIDRO outlining that they had terminated various agreements between the shareholders of Mehdiabad Project, due to UCL failing to fulfil and complete their obligations under the agreements. UCL believes that the agreements were invalidly terminated and the ownership of the Mehdiabad Project has since been in dispute.

- There is high risk associated with the development of the project due to ongoing political instability in Iran.
- No exploration activities have been conducted on the Mehdiabad Project since 2008.
- UCL has invested in excess of $16.8 million in exploration and feasibility activities relating to the Mehdiabad Project which has been fully impaired for accounting purposes.

We note that UCL's 24.5% interest in the Mehdiabad Project is held via a joint venture company, however we have not considered the other assets and liabilities held by the joint venture company in our valuation assessment. Given the current ownership dispute, UCL is not involved in the management of the joint venture and accordingly it has no visibility or control over the other assets and liabilities.

8.1.3 Adjusted other assets and liabilities

For the purpose of this report, we have assessed the fair market value of other assets and liabilities of UCL based on the unaudited balance sheet as at 31 December 2011. Our assessment of UCL's other assets and liabilities are set out below:

Other assets and liabilities		A$'000
Cash and cash equivalents		2,176
Trade and other receivables		62
Available for sale financial assets	Note 1	27
Trade and other payables		(284)
Provisions		(49)
Loan to Tungeni as at 31 December 2011	Note 2	222
		2,154

Source: UCL half year report for the period ended 31 December 2011

Note 1 – Available for sale financial assets include 10 million listed options issued by ASX listed company, Gold Anomaly Limited. The fair value has been calculated based on the 5 day VWAP as at 12 February 2012.

Note 2 – Based on the terms of the NMP Joint Venture, only UCL and MAK are responsible for the funding requirements of the Sandpiper Project through the exploration and development phases. 15% of the funding contributed by UCL and MAK up until the completion of a BFS is considered to be a non-interest bearing loan to Tungeni, which is repayable out of after tax profits in NMP before any dividends are distributed to shareholders. As at 31 December 2011, the loan has been accounted with the other contributions to NMP, however, we have been advised that its face value is approximately US$0.87 million. For the purpose of our valuation, we have calculated the present value of the loan repayable from the future profits and converted it to Australian dollars based on the long term AUD:USD exchange rate of 0.90[28].

[28] Sourced from various broker reports

8.1.4 Value of UCL Note

The terms of UCL Note are set out in section 4.4.4 of our report. We have estimated the fair market value of the UCL Note using an equity value methodology based on the model set out by Tsiveriotis and Fernandes[29]. This model is based on the principle that a convertible note consists of two components, an equity component and a debt component which are subject to different risks.

The model assumes that the equity component of convertible notes follows an amended version of the Black-Scholes model based on the underlying share price. The model takes into account the possibility of an early exercise of the option embedded in the convertible note and calculates the value at selected testing dates over the life of the instrument.

The debt component is discounted at the risk free rate plus an appropriate credit spread, as the coupon and principal payments require cash settlement.

The value of the UCL Note was assessed based on the following assumptions:

- Underlying share price of A$0.19 (closing price of UCL before the announcement of the Proposed Offer).
- Risk free rate of 3.5%, based on the average yield of Australian Government Bonds with a comparable life to the UCL Notes.
- Market based interest rate for a bond with similar terms and risk profile assessed at 15%. This is based on the weighted average interest rate on credit outstanding for small businesses (8.6%) published by the Reserve Bank of Australia and a margin of 750 basis points to reflect the inherent risk associated with pre-development/exploration companies.
- Assessed volatility in the range of 100% to 120%[30].

Based on the above, we have assessed the value of the UCL Note to be in range of A$750,000 to A$780,000.

8.1.5 Value of UCL Options

UCL currently has 333,345 UCL Options on issue with different exercise prices. The value of the UCL Options has been determined using the binomial option pricing model.

We have assessed the total value of the UCL Options having regard to the following key assumptions:

- Underlying share price of 19.0 cents (closing price of UCL before the announcement of the Proposed Offer).

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[29] Tsiveriotis, K. and Fernandes, C., "Valuing convertible bonds with credit risk', Journal of Fixed Income, 95-102, September 1998

[30] Based on the historical volatility of UCL Shares observed over the period similar to the term of the UCL Note/life of UCL Options.

- Risk free rate of 3.50%, based on the average yield of Australian Government Bonds with a comparable life to the UCL Options.

- Assessed volatility over the life of options in the range of 100% to 120%[30].

8.1.6 Performance Rights

As discussed in section 4.4.2, UCL currently has approximately 2.4 million performance rights on issue. We have assessed the fair market value of the UCL Performance Rights using the Monte Carlo simulation approach, and inputs as discussed in section 8.1.5.

We also note that UCL Performance Rights are subject to the following non-market vesting conditions:

- 485,000 UCL Performance Rights approved, vesting upon MZC being granted a valid license to exploit the Mehdiabad Zinc Mine in Iran. Given the uncertainty associated in relation to the Mehdiabad Project and based on discussions with UCL Management, we have allocated a probability factor of zero.

- 889,334 UCL Performance Rights approved, vesting upon the completion of the DFS in respect of the Sandpiper Project in Namibia. We note that the DFS is expected to be completed in March 2012.

- 323,334 UCL Performance Rights approved, vesting upon the completion of Phase 1 (on completion of the first run-of-mine ("ROM") ore discharged from the dredge vessel) of the development of the Sandpiper Project. UCL Management has advised that the Phase 1 of the development of the Sandpiper Project is expected to be completed in first quarter of 2013.

- 727,668 UCL Performance Rights approved, vesting upon the first commercial shipment of beneficiated phosphate from the Sandpiper Project. Management of UCL have advised that first commercial shipment of beneficiated phosphate is expected to be completed in last quarter of 2013.

Based on the above, we have assessed the value of UCL Performance Rights to be A$369,000.

8.1.7 Taxation losses

UCL has approximately A$12 million net accumulated tax losses which could potentially be used to offset against future taxable income. However, the amount has not been recognised as an asset for financial reporting purposes as it does not satisfy the recognition criteria under the relevant accounting standards.

For valuation purposes, unutilised tax losses may have a value as the hypothetical purchaser of a company can use the tax losses to offset against future taxable income, subject to satisfying certain taxation rules.

With respect to the potential utilisation of tax losses by UCL, Grant Thornton Corporate Finance notes that:

- UCL does not currently generate any material earnings or positive cash flows.
- UCL's mineral assets are either at the pre-development stage or exploration stage.
- UCL expects to commence production at the Sandpiper Project in last quarter of 2013.

Given the existing uncertainty over the ability of UCL to utilise its tax losses, it is unlikely that a hypothetical purchaser would place any material value on unutilised tax losses. Furthermore, any future transactions may lead to uncertainty in relation to UCL being able to meet the specific Australian Taxation Office ("ATO") requirements in order to utilise the tax losses.

Accordingly, Grant Thornton Corporate Finance has not included a value of tax losses in our assessment of UCL.

8.1.8 Costs associated with the Proposed Offer

For the purpose of the valuation, Grant Thornton Corporate Finance has taken into consideration costs associated with the Proposed Offer payable by UCL. Management of UCL has advised that the estimated transaction costs to be incurred by UCL are approximately A$500,000 irrespective of whether the Proposed Offer is completed or otherwise.

8.2 Valuation cross check – resource multiple

As discussed in section 7.3, we have considered the reasonableness of our valuation having regard to the resource multiple observed for listed comparable companies.

This method provides a high level indication of the market value as the resource multiple may vary significantly between the different listed comparable companies due to size of the deposit, grade, availability of infrastructure, port allocation, cost structure and level of development. In our selection of comparable companies, we have had regard to the following factors:

- Flagship project focused on phosphate.
- Status of development of the flagship project of the relevant company (i.e. exploration/development phase).
- Size of the company, including market capitalisation.
- Resource and grade estimates.

8.2.1 UCL's Resource multiple implied in our valuation assessment

We have considered the reasonableness of our valuation assessment by comparing the resources multiple implied by the net assets valuation to the resource multiples of listed comparable companies in the phosphate industry.

Our assessment of UCL based on the net asset approach implies a Measured & Indicated ("M&I") resource multiple between 1.73 and 1.86, and a total resource multiple between 0.22 and 0.24, as summarised below:

Cross check	M&I attributable resources Low $'000	M&I attributable resources High $'000	Total attributable resources Low $'000	Total attributable resources High $'000
Fair market value of UCL	34,821	37,421	34,821	37,421
Net cash as at 31 December 2011	(1,676)	(1,676)	(1,676)	(1,676)
Enterprise value of UCL	33,145	35,746	33,145	35,746
Total contained mineral attributable to UCL (Mt)	19.2	19.2	148.3	148.3
Implied Resource Multiple	1.73x	1.86x	0.22x	0.24x

Source: ASX announcements and calculations

Our valuation of the contained mineral attributable to UCL is summarised in the table below:

Total JORC contained mineral attributable to UCL	M&I Mt	Inferred Mt	Total Mt
Total resources of the Sandpiper Project	224.4	1,607.0	1,831.4
UCL's interest in the Sandpiper Project	42.5%	42.5%	42.5%
Resources of the Sandpiper Project attributable to UCL	95.4	683.0	778.3
Weighted phosphate grade	20.1%	18.9%	19.1%
Total contained mineral attributable to UCL	19.2	129.1	148.3

Source: ASX announcements and calculations

8.2.2 Resource multiple of listed comparable companies

Set out below are the resource multiples of the comparable companies that are engaged in phosphate exploration and/or development. Refer to Appendix C for further details on the comparable companies and their primary projects.

Company	Market Cap	Total attributable resources[1]	M&I attributable resources (% of total attributable resources)	Average grade P_2O_5	EV/ Total contained mineral[2]	EV/ M&I contained mineral[3]
	A$M	Mt	%	%		
Arianne Resources Inc	69.6	462.0	75.3%	6.2%	2.10x	2.67x
Legend International	25.9	516.1	39.3%	15.1%	0.45x	1.17x
Minbos Resources Ltd	23.6	194.1	5.8%	13.0%	0.81x	8.43x
PhosCan Chemical Corp.	57.1	117.9	52.8%	22.8%	N/A[4]	N/A[4]
Phosphate Australia Ltd	6.7	56.0	0.0%	16.0%	0.41x	N/A[5]
Plains Creek Phosphate Corp.	13.1	63.9	65.8%	29.8%	0.69x	1.04x
Rum Jungle Resources Ltd	61.7	97.3	7.5%	18.1%	3.01x	37.81x
Stonegate Agricom Ltd	95.0	446.9	13.1%	10.6%	1.51x	7.30x
Low	6.7	56.0	0.0%	6.2%	0.41x	1.04x
Average	**44.1**	**244.3**	**32.4%**	**16.4%**	**1.28x**	**9.74x**
Median	**41.5**	**156.0**	**26.2%**	**15.6%**	**0.81x**	**4.99x**
High	95.0	516.1	75.3%	29.8%	3.01x	37.81x

Source: Capital IQ, company presentations and websites, information in the public domain

1. Total attributable resources = total resources x percentage ownership in the flagship project

2. Total contained mineral = total resources x average grade of total resources

3. M&I contained mineral = total M&I resources x average grade of M&I resources

4. Calculated value is negative, due to negative enterprise value as a result of a significant amount of cash

5. Does not have any estimated M&I resources

When considering the Enterprise Value ("EV") to contained minerals multiples of the trading comparable companies, we note the following:

- The resource multiples listed above have been calculated based on the market price for minority or portfolio share holdings and do not include a premium for control.
- The Sandpiper Project has estimated total resources of 1,831 Mt with an average grade of 19.1%. The total resources of the Sandpiper Project are substantially larger than all the other projects listed above.
- For the purpose of our valuation, we have calculated the attributable resources of each company based on their ownership interest in their respective flagship project[31].
- We have placed greater emphasis on resource multiples based on M&I resources rather than the total resources due to the following reasons:

[31] The enterprise value of the comparable companies have been adjusted for any minority or non-controlling interest in the same flagship project.

- The Sandpiper Project has inferred resource of approximately 1.6 billion tonnes, which is substantially larger than the selected companies. As a result, the large inferred resource base for UCL will have a significant dilutionary impact on the total resource multiple compared to the selected companies.

- Based on the scoping study, NMP plans to produce 3mtpa from the Sandpiper Project. Given the current resource estimate of 1.8 billion tonnes and average grade of 19.1%, it would imply a mine life of more than 100 years for the Sandpiper Project.

- There is higher level of uncertainty associated with the economic viability of inferred resources compared to M&I resources.

In our opinion, Plains Creek and its flagship Farim Phosphate Project ("Farim Project") is the most comparable company to UCL. We note the following attributes in relation to the Farim Project and the Sandpiper Project:

- Both the projects are located in Africa and are subject to similar jurisdictional and political risk. Whilst the Farim Project is located in Guinea-Bissau, West Africa, and the Sandpiper Project is located in Namibia, we are of the opinion that both the companies are subject to similar country risk.

- Neither Plains Creek nor UCL hold a 100% interest in their respective project.

- Both projects have a similar expected mine life.

- Both projects are at a similar stage of development, with Plains Creek currently undertaking a BFS expected to be completed in first half of 2012.

- Operating costs for both the projects are similar with average operating costs expected to be US$60 per tonne and US$58 per tonne for the Farim Project and the Sandpiper Project respectively.

- Whilst the operating cost structure of both the projects is similar, the Farim Project is located on land and will adopt either open cast dredges or conventional open pit mining, whereas the Sandpiper Project is located offshore and will undertake a dredging extraction process.

Before reaching our conclusion in relation to the implied M&I resource multiple, we have reviewed the liquidity of Plains Creek' shares to ensure the market capitalisation is a fair representation of the underlying market value.

As set out in Appendix E, the liquidity of Plains Creek shares is limited and accordingly, the M&I Resource multiple may not necessarily represent market value. Furthermore, most of the comparable companies are at exploration/pre-development phase and are subject to low levels of trading and hence low liquidity levels.

In summary, whilst the implied M&I resource multiple of UCL on a control basis in the range of 1.73 times to 1.86 times appears reasonable compared with the M&I resource multiple of Plains

Creek of 1.04 times on a minority basis[32], we note that we cannot draw definitive conclusions due to the limited liquidity of Plains Creek's share price which may undermine the reliability of the trading price.

8.2.3 Resource multiple of comparable transactions

For the purpose of this report, we have also considered the resource multiples implied by recent transactions in the broader phosphate industry in Australia and internationally. Refer to Appendix D for details of the comparable transactions. However, we note that the selected comparable transactions did not involve projects or exploration areas with JORC/NI 43-101[33] defined resources or reserves. Accordingly, we were unable to calculate any implied resource multiples based on historical transactions.

8.3 Valuation cross check - quoted security price and rights issue

8.3.1 Quoted securities

Prior to reaching our valuation conclusion, we have also considered the quoted security price of UCL Shares. In accordance with the requirements of RG111, we have considered the listed securities' depth, liquidity, and whether or not the market value is likely to represent the value of UCL.

The following table summarises the monthly trading volume of UCL Shares since January 2011:

Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of outstanding shares
Jan 2011	6,487	0.4005	2,598	10.3%
Feb 2011	5,039	0.4926	2,482	8.0%
Mar 2011	4,199	0.3863	1,622	6.7%
Apr 2011	4,744	0.4004	1,900	5.9%
May 2011	2,282	0.3457	789	2.8%
Jun 2011	2,208	0.3586	792	2.7%
Jul 2011	1,924	0.3670	706	2.4%
Aug 2011	1,499	0.3018	452	1.9%
Sep 2011	1,771	0.3016	534	2.2%
Oct 2011	378	0.2687	102	0.5%
Nov 2011	1,052	0.2225	234	1.3%
Dec 2011	211	0.1908	40	0.3%
Jan 2012	580	0.1814	105	0.7%
Feb 2012	3,631	0.2428	882	4.5%

Source: Capital IQ

[32] Evidence from studies indicates that premiums for control on successful takeovers have frequently been in the range of 20% to 40% and that the premiums vary significantly from transaction to transaction. In addition, It is also noted that the Sandpiper Project has substantially large inferred resource base compared to the Farim Project, which may provide UCL with a significant greater growth potential in the future

[33] NI 43-101 is a mineral resource classification scheme used for the public disclosure of information relating to mineral properties in Canada

Based on the above table, we note the following:

- There has been historically low level of trading in UCL Shares.
- The monthly volume traded as a percentage of outstanding shares ranged between 0.3% and 10.3% with an average of 3.6%.
- UCL Shares have been volatile over the past year with the minimum and maximum monthly VWAP price varying between 18.14 cents and 49.26 cents between January 2011 and February 2012.
- In the last 6 months before the Proposed Offer, approximately 7% of the issued shares were traded in total.

Based on the above, we note that the liquidity of UCL shares is extremely low and accordingly, the trading share price of UCL may not be reflective of market value. As a result, we have not relied on the quoted security price of UCL for our valuation assessment.

8.3.2 Rights issue

In March 2011, UCL completed a renounceable rights issue to raise approximately $6.5 million via the issue of approximately 18 million ordinary shares at an issue price of A$0.36 per share on a post consolidation basis.

In relation to the rights issue price of A$0.36 per share, we note the following:

- It reflects the value of UCL Shares on a minority basis and does not incorporate a premium for control.
- In the period between March 2011 and the announcement of the Proposed Offer, the Sandpiper Project has been advanced materially with upgraded resources and the DFS close to completion.
- MAK participated to the renounceable rights issue and subscribed for its entitlement of UCL Shares.
- Market prices for rock phosphate (FOB Morocco) increased from US$170-180 per tonne in April 2011 to US$200-205 per tonne in January 2012[34].
- The ASX All Ordinary Index has, between 28 February 2011 (date of issue of the prospectus) and 14 March 2012, reduced from 4,923 points to $4,376 points.

Based on the development of the Sandpiper Project in the last 12 months and the current stronger phosphate prices, we are of the opinion that the rights issue price on a minority basis supports the reasonableness of our valuation assessment of UCL based on market value of net assets.

[34] MAK's quarterly activity reports

9 Valuation assessment of MAK

9.1 Valuation summary

As outlined in section 7.3, Grant Thornton Corporate Finance has adopted the market value of net assets methodology to assess the equity value of MAK.

Set out below is a summary of our valuation assessment of MAK on a control basis:

Valuation summary - MAK	Section reference	Low A$'000	High A$'000
Sandpiper Project	9.1.1	34,340	34,340
Wonarah Project	9.1.2	40,710	40,710
Rocky Point Project	9.1.2	560	2,800
Investment in UCL	9.1.3	3,239	4,069
Investment in JDC	9.1.4	1,000	1,000
Investment in TNT	9.1.5	1,246	1,246
Investment in AMMG	9.1.6	759	819
Other assets and liabilities	9.1.8	16,413	16,413
Value of MAK Options	9.1.9	(2,113)	(1,741)
Costs associated with Proposed Takeover	9.1.11	(1,400)	(1,040)
MAK equity value (control basis)		94,754	98,617
Number of MAK Shares on issue		228,236,727	228,236,727
Assessed value per MAK Share ($)(Control basis)		0.415	0.432

Source: Calculations

9.1.1 Sandpiper Project

Both UCL and MAK each hold a 42.5% interest in the Sandpiper Project. Refer to section 8.1.1 for a detailed discussion regarding the valuation assessment of the Sandpiper Project.

9.1.2 Wonarah Project and Rocky Point Project

Snowden has assessed the fair market value of mineral deposits in relation to the Wonarah Project and Rocky Point Project. Snowden has only relied on publicly available information in their assessment. Snowden has selected the following valuation methodologies for its assessment of the Wonarah Project:

- For the valuation of phosphate resource, Snowden has considered comparable resource transactions. Under this valuation methodology, Snowden has applied discount factors to the resource estimates of the Wonarah Project to reflect the political risk, technical risk and resource risk associated with the Wonarah Project. We note that the methodology adopted is consistent with the methodology adopted to value the Sandpiper Project.

- For the valuation of exploration potential of mining tenements at Wonarah Project, Snowden has used the Kilburn valuation methodology. The Kilburn approach has been discussed in detail in the Technical Report.

The following table summarises Snowden's assessment of the Wonarah Project and Rocky Point Project.

Project	Ownership	Low	High	Preferred
		A$'000	A$'000	A$'000
Wonarah phosphate resource	100%	26,580	53,160	39,870
Wonarah phosphate exploration	100%	480	1,910	840
Wonarah Project		27,060	55,070	40,710
Rocky Point phosphate exploration	70%	560	2,800	1,680

Source: Snowden's report

Snowden has assessed the market value of the Wonarah Project between A$27.1 million and A$55.1 million, with a preferred value of A$40.7 million. Similarly to the Sandpiper Project, we have undertaken our fairness assessment having regard to the preferred value of the Wonarah Project (refer to section 8.1.1 for further details).

In relation to the Rocky Point phosphate exploration, we note that NMP has a right of first refusal if MAK and Tungeni decide to sell this asset. However, given the absence of a sale process or intention to sell, we have not considered this right in our valuation assessment

9.1.3 Investment in UCL

We note that MAK currently owns a 13.1% interest in UCL. As set out in section 8, we have assessed the value of UCL on a control basis to be in the range of A$0.431 to A$0.463.

As described in section 8.1.2, evidence from studies indicates that the premium for control on successful takeovers has typically been in the range of 20% to 40% in Australia. The minority discount range implied by this is between 17% and 29%.

The following table summarises our valuation assessment of MAK's 13.1% interest in UCL on a minority basis.

Investment in UCL	Section Reference	Low A$'000	High A$'000
Value of UCL on a control basis	Section 8	34,821	37,421
MAK's interest in UCL		13.1%	13.1%
		4,562	4,902
Minority discount		29%	17%
Assessed value of MAK's interest in UCL		3,239	4,069

Source: Calculations

9.1.4 Investment in JDC

MAK holds a 6.67% equity interest in JDC, a Florida based company which is a developer of dry kiln technology for the production of SPA. MAK have the exclusive rights in Australia for a period of seven years to construct a plant, and associated infrastructure, which uses JDC's patented dry kiln technology to produce super-phosphoric acid. Licencing rights to the process will also be available for MAK's other phosphate projects, including the Sandpiper Project.

We note that JDC is an unlisted company and there is limited publicly available information. Accordingly, due to lack of sufficient information, we have assessed the value of JDC based on the consideration paid by MAK for acquiring a 6.67% interest in JDC, being A$1 million paid by MAK in cash and MAK Shares[35]. We note that the carrying value of this investment on MAK's balance sheet as at 30 June 2011 appears to be A$67,057.

9.1.5 Investment in TNT

TNT is an unlisted public company with tin, tungsten, and fluorspar exploration properties in Tasmania. Minemakers holds a 19% interest in TNT, which arose after TNT was demerged from Minemakers in July 2011.

Given that TNT is an unlisted company and there is limited publicly available information, we have relied on the rights issue undertaken by TNT in December 2011 in our valuation assessment of MAK's interest in TNT. TNT raised A$1.3 million at 8 cents per share to fund exploration and evaluation of its exploration properties. Whilst the right issue price is typically at a discount to the market value of a company on a portfolio basis, we believe that the rights issue price of 8 cents per share is appropriate to value MAK's interest in TNT due to following reasons:

- TNT undertook the rights issue to raise up to A$5.26 million, however TNT managed to raise only A$1.3 million. Accordingly, the rights issue discount compared to the market value may have not been too deep.
- Based on the 'Use of funds' disclosed in the prospectus by TNT dated 11 November 2011 and limited funds raised from rights issue, it is unlikely that TNT has been able to undertake significant exploration activities and advance its projects significantly.
- As at 30 June 2011, TNT had net assets of A$0.78 million before the rights issue and it managed to raise only A$1.3 million.

[35] ASX announcement by MAK – 2 September 2010

The following table summarises our valuation assessment of MAK's interest in TNT.

Investment in TNT	
Total number of shares in TNT before rights issue	65,750,000
Number of shares issued under rights issue	16,250,000
Total number of shares	82,000,000
MAK's interest in TNT as set out in MAK's Bidder Statement	19%
Total number of shares held by MAK	15,580,000
Rights issue price	A$0.08
Value of MAK's interest in TNT (A$'000)	**1,246**

Source: Prospectus issued by TNT 11 November 2011 and calculations

We also note that Snowden has assessed the value of MAK's interest in TNT based on a similar methodology and in the range of A$1.0 million to A$1.5 million, which is consistent with our assessed value.

9.1.6 Investment in AMMG

In October 2011, MAK announced that it had entered into a sale agreement with AMMG to sell its 80% interest in the West Southdown iron ore project located in Western Australia for 5 million shares and 2 million options (exercise price of 20 cents and expiry period of 2 years) in AMMG, an ASX listed company.

We have assessed the fair value of 5 million shares in AMMG having regard to the VWAP of AMMG shares before the Proposed Offer. Based on the table below, we have assessed the value of AMMG shares to be in range of 14 cents and 15 cents.

VWAP Prior to 13 February 2012	Low A$	High A$	VWAP A$
5 day	0.145	0.160	0.151
10 day	0.135	0.160	0.145
1 month	0.130	0.160	0.142
2 month	0.110	0.160	0.137
3 month	0.110	0.160	0.137

Source: Capital IQ and calculations

The value of the options in AMMG has been determined using the binomial option pricing model. We have assessed the value of the options having regard to the following key assumptions:

- Underlying share price in the range of 14 cents and 15 cents.
- Risk free rate of 3.50%.

- Assessed volatility over the life of options of 60%[36].

The following table summarises our valuation assessment of MAK's investment in AMMG.

Investment in AMMG	Low	High
	A$'000	A$'000
Number of shares in AMMG	5,000,000	5,000,000
Value per share	0.140	0.150
Value of MAK's shareholding in AMMG	700	750
Number of options in AMMG	2,000,000	2,000,000
Assessed value per option	0.030	0.035
Total value of options	59	69
Total value of investments	**759**	**819**

Source: Capital IQ and calculations

9.1.7 Port Keats Salt Project

As stated in section 5.2.4, Minemakers has applied for three exploration licenses off shore the coast of the Northern Territory prospective for salt and potash, however, these have yet to be granted to MAK. We note that Snowden has stated that the project appears to be speculative and as such has considered the project to have little or no value. We have relied on Snowden's valuation ssessment.

9.1.8 Adjusted other assets and liabilities

For the purpose of this report, we have assessed the fair market value of other assets and liabilities of MAK based on the reviewed balance sheet as at 31 December 2011. The numbers have been sourced from half year financial statements released by MAK.

[36] Calculated based on historical volatility of AMMG shares observed over the period similar to life of options.

Our assessment of MAK's other assets and liabilities are set out below:

Other assets and liabilities		A$'000
Cash and cash equivalents	Note 1	14,100
Trade and other receivables	Note 1	2,902
Non-current trade and other receivables		1,290
Trade and other payables		(581)
Current provisions		(230)
Non-current provisions		(1,290)
Loan to Tungeni as at 31 December 2011	Note 2	222
		16,413

Source: Half year financial statements released by MAK

Note 1 – Cash and cash equivalents is adjusted to include the amount received by MAK in February 2012 in relation to cash redemption of outstanding notes in BCD held by MAK. The convertible notes in BCD were classified as 'trade and other receivables', which have been adjusted accordingly.

Note 2 – Refer section 8.1.3.

9.1.9 Value of MAK Options

MAK currently has 17.375 million MAK Options on issue with different exercise prices. The value of the MAK Options has been determined using the binomial option pricing model.

We have assessed the total value of the MAK Options having regard to the following key assumptions:

- Underlying share price of 33.5 cents (closing price of MAK before the announcement of the Proposed Offer).
- Risk free rate of 3.50%.
- Assessed volatility over the life of options in the range of 70% to 80%[37].

9.1.10 Taxation losses

Similar to our treatment of UCL's tax losses, we have not allocated any value to the unutilised tax losses of MAK. Given the existing uncertainty over the ability of MAK to utilise its tax losses, it is unlikely that a hypothetical purchaser would place any material value on unutilised tax losses. Furthermore, any future transactions may lead to uncertainty in relation to MAK's ability to meet the specific ATO requirements in order to be able to utilise the tax losses. We also note that the Wonarah Project is further away from production compared to the Sandpiper Project.

[37] Calculated based on historical volatility of MAK Shares observed over the period similar to life of options.

9.1.11 Costs associated with the Proposed Takeover Offer

We have assumed the costs associated with the Proposed Offer for MAK to be in range of A$1.04 million and A$1.4 million, based on information provided in Bidder's Statement.

9.2 Valuation cross check – resource multiple

We have considered the reasonableness of our valuation assessment of MAK having regard to multiple of resources and quoted share price of UCL.

9.2.1 Resource multiple

Our assessment of MAK based on the net asset approach of MAK implies an M&I resource multiple between 1.08 and 1.14, and a total resource multiple between 0.28 and 0.29, as summarised below:

Cross check	M&I attributable resources Low $'000	M&I attributable resources High $'000	Total attributable resources Low $'000	Total attributable resources High $'000
Fair market value of MAK	94,754	98,617	94,754	98,617
Net cash as at 31 December 2011	(14,100)	(14,100)	(14,100)	(14,100)
Enterprise value of MAK	80,654	84,517	80,654	84,517
Total contained mineral attributable to MAK (Mt)	74.3	74.3	289.7	289.7
Implied Resource Multiple	1.08x	1.14x	0.28x	0.29x

Source: Calculations

Our valuation of the contained mineral attributable to MAK is summarised in the table below:

Total JORC contained mineral attributable to MAK	M&I Mt	Inferred Mt	Total Mt
Total resources of the Wonarah Project	303.0	479.0	782.0
Attributable to MAK	100%	100%	100%
Resources of the Wonarah Project attributable to MAK	303.0	479.0	782.0
Weighted phosphate grade	18.2%	18.0%	18.1%
Total contained mineral attributable to MAK from the Wonarah Project	55.1	86.2	141.4
Total contained mineral attributable to MAK from the Sandpiper Project[1]	19.2	129.1	148.3
Total contained mineral attributable to MAK	74.3	215.3	289.7

Source: ASX announcements and calculations
1. Refer section 8.2

In our valuation assessment of MAK, we have relied on the same pool of selected comparable companies as discussed in section 8.2.

Company	Market Cap	Total attributable resources[1]	M&I attributable resources (% of total attributable resources)	Average grade P_2O_5	EV/ Total contained mineral[2]	EV/ M&I contained mineral[3]
	A$M	Mt	%	%		
Arianne Resources Inc	69.6	462.0	75.3%	6.2%	2.10x	2.67x
Legend International	25.9	516.1	39.3%	15.1%	0.45x	1.17x
Minbos Resources Ltd	23.6	194.1	5.8%	13.0%	0.81x	8.43x
PhosCan Chemical Corp.	57.1	117.9	52.8%	22.8%	N/A[4]	N/A[4]
Phosphate Australia Ltd	6.7	56.0	0.0%	16.0%	0.41x	N/A[5]
Plains Creek Phosphate Corp.	13.1	63.9	65.8%	29.8%	0.69x	1.04x
Rum Jungle Resources Ltd	61.7	97.3	7.5%	18.1%	3.01x	37.81x
Stonegate Agricom Ltd	95.0	446.9	13.1%	10.6%	1.51x	7.30x
Low	6.7	56.0	0.0%	6.2%	0.41x	1.04x
Average	**44.1**	**244.3**	**32.4%**	**16.4%**	**1.28x**	**9.74x**
Median	**41.5**	**156.0**	**26.2%**	**15.6%**	**0.81x**	**4.99x**
High	95.0	516.1	75.3%	29.8%	3.01x	37.81x

Source: Capital IQ, company presentations and websites, information in the public domain

1. Total attributable resources = total resources x percentage ownership in the flagship project

2. Total contained mineral = total resources x average grade of total resources

3. M&I contained mineral = total M&I resources x average grade of M&I resources

4. Calculated value is negative, due to negative enterprise value as a result of a significant amount of cash

5. Does not have any estimated M&I resources

We note that MAK's flagship projects are the Wonarah Project and the Sandpiper Project. We consider Plains Creek as the most comparable company for the Sandpiper Project (as discussed in section 8.2) and Legend International Holdings Ltd ("Legend") for the Wonarah Project.

Legend's flagship project, Paradise North, Paradise South and D-Tree Projects ("Paradise Project") is comparable to the Wonarah Project due to the following:

- Both companies' projects are located in central Australia.
- Both Legend and MAK hold a 100% interest in their respective projects.
- MAK completed an enabling study on the Wonarah Project in November 2011 whereas Legend completed a DFS on its Paradise Project in June 2011.
- Both the projects are highly capital intensive.

- The operating costs (per tonne of DAP) for the Paradise Project and the Wonarah Project are estimated to be US$319 and US$394 respectively.

- The Wonarah Project has 303Mt of M&I resources while the Paradise Project has 202.8Mt M&I resources. The grade of ore is higher for the Wonarah Project (approximately 18.2% P2O5) compared to the Paradise Project (approximately 14.9% P2O5).

However, as discusses in Section 8.2.2, both Legend and Plains Creek have limited liquidity. Refer to Appendix E for liquidity analysis.

Conclusion

In summary, whilst the implied M&I resource multiple of MAK on a control basis in the range of 1.08 times to 1.14 times appears reasonable compared with the M&I resource multiple of Plains Creek of 1.04 times and Legend of 1.17 on a minority basis, we note that we cannot draw definitive conclusions due to the limited liquidity of Plains Creek and Legend share prices which may undermine their reliability.

9.2.2 Resource multiple of comparable transactions

Refer to section 8.2.3.

9.3 Valuation cross check - Quoted security price

Prior to reaching our valuation conclusion, we have considered the quoted security price of MAK Shares. In accordance with the requirements of RG111, we have considered the listed securities' depth, liquidity, and whether or not the market value is likely to represent the value of MAK.

The following table summarises the monthly trading volume of MAK Shares since January 2011:

Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of outstanding shares
Jan 2011	49,727	0.4716	23,453	21.9%
Feb 2011	67,519	0.5962	40,253	29.7%
Mar 2011	40,501	0.4810	19,480	17.8%
Apr 2011	29,171	0.4366	12,737	12.9%
May 2011	46,971	0.4663	21,902	20.7%
Jun 2011	29,415	0.4438	13,053	13.0%
Jul 2011	18,317	0.4529	8,296	8.1%
Aug 2011	25,635	0.3601	9,232	11.3%
Sep 2011	12,471	0.3479	4,339	5.5%
Oct 2011	8,435	0.3502	2,954	3.7%
Nov 2011	9,289	0.3226	2,997	4.1%
Dec 2011	8,196	0.2826	2,316	3.6%
Jan 2012	4,575	0.2814	1,287	2.0%
Feb 2012	16,577	0.3223	5,342	7.3%

Source: Capital IQ

Based on the above table, we note the following:

- There has been historically consistent trading in MAK Shares.
- The monthly volume traded as a percentage of outstanding shares ranged between 2.0% and 29.7% with an average of 11.5%.
- MAK Shares have been volatile over the past year with the minimum and maximum monthly VWAP varying between 28.14 cents and 59.62 cents between January 2011 and February 2012.
- MAK complies with the full disclosure regime required by the ASX. As a result, the market is fully informed about the performance of MAK.
- In the last 6 months before the Proposed Offer, approximately 30% of the issued shares were traded in total.
- Great emphasis is provided in the Bidder's Statement in relation to the level of liquidity of MAK.

Accordingly, we have relied on MAK' share price as cross-check to our main valuation methodology. Our assessment of MAK's equity value using the quoted listed price is set out below.

The quoted price of listed securities method is based on the Efficient Market Hypothesis ("EMH") which states that the share price at any point in time reflects all publicly available information and will change "almost" instantaneously when new information becomes publicly available.

Set out below is a summary of the recent share market prices of MAK before the announcement of the Proposed Offer.

VWAP	Low	High	VWAP
Prior to 13 February 2012	A$	A$	A$
5 day	0.330	0.365	0.345
10 day	0.270	0.365	0.334
1 month	0.270	0.365	0.325
2 month	0.235	0.365	0.309
3 month	0.235	0.365	0.307

Source: Capital IQ and calculations

Based on the above table, the market value of MAK based on recent trading in shares has been assessed between 32 cents and 35 cents on a minority basis. Furthermore, we note that MAK issued 696,295 shares in November 2011 at $0.3231 per share as consideration for the implementation fee for the A$15 million equity subscription facility with Haverstock. The issue price reflects the value of MAK Shares on a minority basis and does not incorporate a premium for control.

9.3.1 Control premium

Our assessed value of MAK Shares ranging from A$0.415 to A$0.432 per share determined using the market value of net assets is on a 100% basis and inclusive of a control premium.

A premium for control is applicable when the acquisition of control of a company or business would give rise to benefits such as:

- the ability to realise synergistic benefits.
- access to cash flows.
- access to tax benefits.
- control of the board of directors of the company.

Evidence from studies indicates that premiums for control on successful takeovers have frequently been in the range of 20% to 40% in Australia and that the premiums vary significantly from transaction to transaction.

Accordingly, we consider our assessed value of MAK Shares in the range of A$0.415 and A$0.432 to be reasonable based on the quoted security price of MAK Shares and the capital raising undertaken in November 2011.

10 Underlying value of the Combined Group

When considering the underlying value of the Combined Group, Grant Thornton Corporate Finance has aggregated the underlying value of UCL and MAK based on the market value of net assets.

The underlying value of UCL and MAK assessed in sections 8 and 9 is on a 100% and control basis. As the purpose of assessing the underlying value of the Combined Group is to assess the value of the consideration offered to UCL Shareholders on a minority basis, we have adjusted the assessed value to take into account a minority discount.

We have assessed the market value of the consideration offered under two scenarios, assuming MAK acquires either a 50% interest (minimum acceptance condition) or a 100% interest in UCL.

We understand that if the Proposed Offer completes and MAK acquires 100% of UCL, the Proposed Offer may result in the achievement of certain synergistic benefits in the corporate overheads of UCL (mainly listing costs and directors fees). However, we have not incorporated into our valuation assessment of the Combined Group the potential synergies achievable by MAK due to the following:

- Our valuation methodology and the valuation of the underlying assets is not based on the net present value of future cash flows, but it is more based on the realisation value of those assets as at the date of our report.
- We have not considered the capitalised value of the corporate overheads in our valuation assessment of UCL and MAK.
- Our valuation assessment of the consideration offered is on a minority basis.

10.1 Value of the Combined Group

The following table summarises our assessment of the underlying value of the Combined Group on a minority basis:

Valuation summary - Combined Group	Section Reference	50% acquisition		100% acquisition	
		Low	High	Low	High
		A$'000	A$'000	A$'000	A$'000
Value of UCL	Section 8	17,411	18,711	34,821	37,421
Value of MAK	Section 9	94,754	98,617	94,754	98,617
Adjustment for MAK's investment in UCL	Section 9.1.3	(3,239)	(4,069)	(3,239)	(4,069)
Value of Combined Group		108,926	113,259	126,337	131,970
Number of MAK Shares in Combined Group	Section 10.2	255,068,177	255,068,177	291,431,360	291,431,360
Value per MAK share in Combined Group on a control basis (A$)		0.427	0.444	0.434	0.453
Minority discount		29%	17%	29%	17%
Value per MAK share in Combined Group on a minority basis (A$)		0.303	0.369	0.308	0.376

Source: Calculations

For the purpose of assessing the value of the consideration offered to UCL Shareholders, being shares in the Combined Group ("Combined Group Shares"), we have assessed the value of Combined Group Shares on a minority interest basis in accordance with the requirement of RG111.

As described in section 8.1.2, evidence from studies indicates that the premium for control on successful takeovers has typically been in the range of 20% to 40% in Australia. The minority discount is the inverse of a control premium and typically ranges between 17% and 29%.

10.2 Number of MAK Shares in Combined Group

Our calculation of the number of MAK Shares in the Combined Group is based on the current outstanding shares of UCL on an undiluted basis as we have incorporated the dilutionary impact of the UCL Note, Options and Performance Rights in our valuation assessment of UCL. The following table summarises the number of shares in the Combined Group used for the purpose of our valuation[38].

Number of MAK Shares in Combined Group		50% acquisition	100% acquisition
Number of outstanding UCL Shares		80,807,074	80,807,074
Percentage interest acquired under the Proposed Offer		50%	100%
UCL Shares to be acquired by MAK		40,403,537	80,807,074
UCL Shares already held by MAK		(10,590,815)	(10,590,815)
Additional UCL Shares to be acquired by MAK		29,812,722	70,216,259
Share exchange ratio		0.9	0.9
Number of new MAK Shares to be issued under Proposed Offer	A	26,831,450	63,194,633
Existing MAK Shares	B	228,236,727	228,236,727
Number of MAK Shares in Combined Group	A + B	255,068,177	291,431,360

Source: Calculations

[38] The number of shares referred in Section 6 are sourced from Bidder's Statement and the calculation assumes exercise of UCL Options and Performance Rights and conversion of UCL Note.

11 Sources of information, disclaimer and consents

11.1 Sources of information

In preparing this report Grant Thornton Corporate Finance has used various sources of information, including:

- UCL's draft Target's Statement dated on or around the date of this report.
- Minemakers' Bidders Statement dated 20 February 2012.
- Annual reports of UCL for FY09, FY10 and FY11.
- Annual reports of MAK for FY09, FY10 and FY11.
- Half year accounts for UCL for the period ended 31 December 2011.
- Half year accounts for MAK for the period ended 31 December 2011.
- UCL's share register as at 9 March 2012.
- Snowden's Report.
- UCL website.
- MAK website.
- Releases and announcements by UCL and MAK to the ASX.
- TNT Mines Ltd prospectus dated 11 November 2011.
- Various broker reports.
- Capital IQ.
- Mergermarket.
- Discussions with UCL Management.
- Other publicly available information.

11.2 Qualifications and independence

Grant Thornton Corporate Finance Pty Ltd holds Australian Financial Service Licence number 247140 under the Corporations Act and its authorised representatives are qualified to provide this report.

Grant Thornton Corporate Finance provides a full range of corporate finance services and has advised on numerous takeovers, corporate valuations, acquisitions, and restructures. Prior to accepting this engagement, Grant Thornton Corporate Finance considered its independence with respect to UCL and all other parties involved in the Proposed Offer with reference to the ASIC Regulatory Guide 112 "Independence of experts" and APES 110 "Code of Ethics for Professional Accountants" issued by the Accounting Professional and Ethical Standard Board. We have concluded that there are no conflicts of interest with respect to UCL, its shareholders and all other parties involved in the Proposed Offer.

Grant Thornton Corporate Finance and its related entities do not have at the date of this report, and have not had within the previous two years, any shareholding in or other relationship with UCL or its associated entities that could reasonably be regarded as capable of affecting its ability to provide an unbiased opinion in relation to the Proposed Offer.

Grant Thornton Corporate Finance has no involvement with, or interest in the outcome of the Proposed Offer, other than the preparation of this report.

Grant Thornton Corporate Finance will receive a fee based on commercial rates for the preparation of this report. This fee is not contingent on the outcome of the Proposed Offer. Grant Thornton Corporate Finance's out of pocket expenses in relation to the preparation of the report will be reimbursed. Grant Thornton Corporate Finance will receive no other benefit for the preparation of this report.

11.3 Limitations and reliance on information

This report and opinion is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

Grant Thornton Corporate Finance has prepared this report on the basis of financial and other information provided by UCL and publicly available information. Grant Thornton Corporate Finance has considered and relied upon this information. Grant Thornton Corporate Finance has no reason to believe that any information supplied was false or that any material information has been withheld. Grant Thornton Corporate Finance has evaluated the information provided by UCL and other experts through inquiry, analysis and review, and nothing has come to our attention to indicate the information provided was materially misstated or would not afford reasonable grounds upon which to base our report. Nothing in this report should be taken to imply that Grant Thornton Corporate Finance has audited any information supplied to us, or has in any way carried out an audit on the books of accounts or other records of UCL.

This report has been prepared to assist the directors of UCL in advising UCL Shareholders in relation to the Proposed Offer. This report should not be used for any other purpose. In particular, it is not intended that this report should be used for any purpose other than as an expression of Grant Thornton Corporate Finance's opinion as to whether the Proposed Offer is fair and reasonable to UCL Shareholders.

UCL has indemnified Grant Thornton Corporate Finance, its affiliated companies and their respective officers and employees, who may be involved in or in any way associated with the performance of services contemplated by our engagement letter, against any and all losses, claims, damages and liabilities arising out of or related to the performance of those services whether by reason of their negligence or otherwise, excepting gross negligence and wilful misconduct, and which arise from reliance on information provided by UCL, which UCL knew or should have known to be false and/or reliance on information, which was material information UCL had in its possession and which UCL knew or should have known to be material and which UCL did not provide to Grant Thornton Corporate Finance. UCL will reimburse any indemnified party for all expenses (including without limitation, legal expenses) on a full indemnity basis as they are incurred.

11.4 Consents

Grant Thornton Corporate Finance consents to the issuing of this report in the form and context in which it is included in the Target's Statement to be sent to UCL Shareholders. Neither the whole nor part of this report nor any reference thereto may be included in or with or attached to any other document, resolution, letter or statement without the prior written consent of Grant Thornton Corporate Finance as to the form and content in which it appears.

Appendix A – Valuation methodologies

Capitalisation of future maintainable earnings

The capitalisation of future maintainable earnings multiplied by appropriate earnings multiple is a suitable valuation method for businesses that are expected to trade profitably into the foreseeable future. Maintainable earnings are the assessed sustainable profits that can be derived by a company's business and excludes any abnormal or "one off" profits or losses.

This approach involves a review of the multiples at which shares in listed companies in the same industry sector trade on the share market. These multiples give an indication of the price payable by portfolio investors for the acquisition of a parcel shareholding in the company.

Discounted future cash flows

An analysis of the net present value of forecast cash flows or DCF is a valuation technique based on the premise that the value of the business is the present value of its future cash flows. This technique is particularly suited to a business with a finite life. In applying this method, the expected level of future cash flows are discounted by an appropriate discount rate based on the weighted average cost of capital. The cost of equity capital, being a component of the Weighted Average Cost of Capital ("WACC"), is estimated using the Capital Asset Pricing Model.

Predicting future cash flows is a complex exercise requiring assumptions as to the future direction of the company, growth rates, operating and capital expenditure and numerous other factors. An application of this method generally requires cash flow forecasts for a minimum of five years.

Orderly realisation of assets

The amount that would be distributed to shareholders on an orderly realisation of assets is based on the assumption that a company is liquidated with the funds realised from the sale of its assets, after payment of all liabilities, including realisation costs and taxation charges that arise, being distributed to shareholders.

Market value of quoted securities

Market value is the price per issued share as quoted on the ASX or other recognised securities exchange. The share market price would, prima facie, constitute the market value of the shares of a publicly traded company, although such market price usually reflects the price paid for a minority holding or small parcel of shares, and does not reflect the market value offering control to the acquirer.

Comparable market transactions

The comparable transactions method is the value of similar assets established through comparative transactions to which is added the realisable value of surplus assets. The comparable transactions method uses similar or comparative transactions to establish a value for the current transaction.

Comparable transactions methodology involves applying multiples extracted from the market transaction price of similar assets to the equivalent assets and earnings of the company.

The risk attached to this valuation methodology is that in many cases, the relevant transactions contain features that are unique to that transaction and it is often difficult to establish sufficient detail of all the material factors that contributed to the transaction price.

Appendix B – Fairness assessment sensitivities

Sensitivity 1 – Snowden's low and high value range for the Sandpiper Project and Wonarah Project

Whilst we have assessed the fairness of the Proposed Offer having regard to the preferred value, for completeness we have also shown below the fairness assessment using the value range assessed by Snowden. This is summarised in the table below:

Fairness assessment		50% acquisition		100% acquisition	
		Low	High	Low	High
		A$	A$	A$	A$
Fair value of UCL Share (control basis)	Section 8.1	0.290	0.604	0.290	0.604
Fair value of Combined Group Share (minority basis)	Section 10.1	0.218	0.471	0.219	0.481
Share exchange ratio		0.9	0.9	0.9	0.9
Fair value of consideration offered on a minority basis		0.196	0.424	0.197	0.433
Premium/(Discount)		(0.094)	(0.180)	(0.093)	(0.170)
Premium/(Discount)%		(33%)	(30%)	(32%)	(28%)

Source: Calculations

Sensitivity 2 – Potential uplift in the Sandpiper Project due to the DFS

As discussed in the body of the report, Snowden's assessment of the Sandpiper Project is predominantly based on the information contained in the scoping study completed in November 2010. Based on preliminary and indicative discussions held by Snowden and Grant Thornton Corporate Finance with the head consultant in charge of the DFS, we understand that the DFS will confirm that the Sandpiper Project is economically viable.

We note that if the outcome of the DFS reduces the risk of development of the Sandpiper Project and as a consequence increases its value and financial metrics, the Proposed Offer will become more unfair due to the Sandpiper Project being the only material asset of UCL compared to MAK's asset portfolio.

Accordingly, for completeness of our analysis, we have summarised below our assessment of the Proposed Offer under the circumstances that the of Sandpiper is more towards the high end of the Snowden's valuation assessment as a result of the outcome and findings of the DFS.

Fairness assessment		50% acquisition	100% acquisition
		A$	A$
Fair value of UCL Share (control basis)	Section 8.1	0.604	0.604
Fair value of Combined Group Share (minority basis)	Section 10.1	0.424	0.441
Share exchange ratio		0.9	0.9
Fair value of consideration offered on a minority basis		0.382	0.397
Premium/(Discount)		(0.222)	(0.207)
Premium/(Discount)%		(37%)	(34%)

Source: Calculations

We note that the table above does not represent Grant Thornton Corporate Finance's view in relation to the value of UCL and the consideration offered after the DFS. The purpose of the table is to show to UCL's Shareholders the potential implication of an uplift in the Sandpiper Project as a result of the DFS, all other things being equal.

Appendix C – Comparable companies

Descriptions

Arianne Resources Inc - together with its subsidiaries, engages in the acquisition, exploration, appraisal, development, and mining of mineral properties primarily in Canada and Mexico. It explores for precious metals, including gold and silver; base metals; and industrial minerals, such as rare earth elements. The company primarily holds interest in the Lac à Paul phosphorus-titanium project located to the north of the Saguenay–Lac-Saint-Jean region, Québec, Canada. Arianne Resources Inc. was founded in 1997 and is headquartered in Chicoutimi, Canada.

Legend International Holdings, Inc. - an exploration stage mining company, engages in the exploration, development, and mining of base metal properties in Australia. The company's principal property includes the Paradise South phosphate project located to the north west of Mt Isa in north-western Queensland. Its landholdings for prospective phosphate, diamonds, and base metals are in Queensland and the Northern Territory. The company was formerly known as Sundew International, Inc. and changed its name to Legend International Holdings, Inc. in March 2003. Legend International Holdings, Inc. was founded in 2001 and is headquartered in Melbourne, Australia.

Minbos Resources Limited - together with its subsidiaries, engages in the exploration and development of phosphate and potash bearing ore in Angola and the Dominican Republic of Congo. The company, through a joint venture agreement, holds a 50% interest in the Cabinda project that comprises the Mongo Tando prospect in the west and the Cacata prospect in the east with an area of approximately 200,000 hectares in Angola. It also holds exploration licenses and applications hosting the Kanzi and Fundu-Nzobe prospects with an area of approximately 200,000 hectares in the Dominican Republic of Congo. The company was founded in 2009 and is based in West Perth, Australia.

Phoscan Chemical Corp. - a development-stage company, engages in acquiring, exploring, and developing mineral and natural resource properties. It holds a 100% interest in the Martison Phosphate project consisting of phosphate deposits located near Hearst, Ontario, Canada. The company was formerly known as MCK Mining Corp. and changed its name to Phoscan Chemical Corp. in July 2006. Phoscan Chemical Corp. was founded in 1994 and is based in Toronto, Canada.

Phosphate Australia Limited - engages in the acquisition, exploration, and development of phosphate, iron, and uranium properties in Australia. The company was formerly known as Nicholson Resources Limited and changed its name to Phosphate Australia Limited in February 2008. Phosphate Australia Limited was incorporated in 2008 and is based in West Perth, Australia.

Plains Creek Phosphate Corporation - an exploration stage company, engages in the acquisition and exploration of mineral properties in Guinea-Bissau. The company focuses on the development of the Farim Phosphate Project covering an area of approximately 40 square kilometres located in the northern part of central Guinea-Bissau of West Africa. Plains Creek Phosphate Corporation is based in Vancouver, Canada.

Rum Jungle Resources Limited - together with its subsidiaries, engages in the exploration of mineral properties in the Northern Territory and Queensland, Australia. It explores for uranium, potash, phosphate, copper, gold, iron, nickel, cobalt, and silver. The company owns exploration licenses at project areas, including Ross River, Tennant Creek, Mount Bundy, Karinga Creek, Dajarra, Ammaroo, and Woolner. It has joint venture exploration agreements with Uranium West Ltd; Crocodile Gold Australia Pty Ltd; Deep Yellow Ltd; and Reward Minerals Ltd. The company is headquartered in Stuart Park, Australia.

Stonegate Agricom Ltd. - together with its subsidiaries, engages in the acquisition, exploration, and development of agricultural nutrient projects in the Americas. The company primarily explores for phosphate mineral products. It primarily holds interests in the Mantaro phosphate project covering approximately 12,800 hectares in Peru; and the Paris Hills phosphate project comprising 3 patented lode mining claims and 16 contiguous fee parcels covering approximately 2,114 acres in Bear Lake County, Idaho, the United States. Stonegate Agricom Ltd. is headquartered in Toronto, Canada.

Source: Capital IQ

Comparable Company Analysis

Company	Market Cap A$M	EV A$M	Project/s	Location	% Ownership	Stage
Arianne Resources Inc	69.6	60.5	Lac À Paul	Quebec	100%	Pre-Feasibility Study
Legend International Holdings Inc	25.9	35.4	Paradise North, Paradise South, & D-Tree	Queensland	100%	DFS Completed
Minbos Resources Ltd	23.6	20.3	Cabinda & Kanzi	Angola & Congo	50%, 100%	Both at PFS stage
PhosCan Chemical Corp.	57.1	(6.0)	Martison	Ontario	100%	Resumption of BFS Program
Phosphate Australia Ltd	6.7	3.7	Highland Plains	Northern Territory	100%	Exploration
Plains Creek Phosphate Corp.	13.1	13.1[1]	Farim	West Africa	50%	BFS stage
Rum Jungle Resources Ltd	61.7	53.0	Ammaroo	Northern Territory	100%	Exploration
Stonegate Agricom Ltd	95.0	71.6	Paris Hills, & Mantaro	Idaho, & Peru	100%	Feasibility Study, Exploration

1. Excludes 50.1% interest held in GB Minerals AG, the owner of the mineral rights in the Farim Phosphate Project
Source: Capital IQ, company presentations and websites, information in the public domain

Appendix D – Comparable transactions

Announced Date	Target	Buyers	Sellers	Transaction Descriptions	Transaction Value A$M
06-Mar-12	EL 26196,	Rum Jungle Resources Ltd	Spinifex Uranium Pty Ltd	EL 26196 comprises exploration licence 26196 of phosphate deposit. The asset is located w est of Barrow Creek, Northern Territory.	1.28
22-Feb-12	Dissimieux Lake Phosphate Property	Jourdan Resources Inc	Private Vendors	Dissimieux Lake Titanium-Phosphate-Rare Property comprises a phosphate mining property consisting of 30 claims and covering an area of 1,665.9 hectares. The property is located in Quebec, Canada.	0.17
17-Feb-12	Cardabia Phosphate Project in Western Australia	Strata Minerals Inc	South Boulder Mines Ltd	South Boulder Mines Ltd., Cardabia Phosphate Project in Western Australia comprises Cardabia Project phosphate mining tenement applications E08/2359, E08/2322, E08/2301, E08/2302 and E08/2303 w hich cover a total area of approximately 1,600 square kilometers located in Western Australia, Australia.	0.43
16-Feb-12	Bungalien Phosphate Pty Ltd	Sw ift Resources Ltd	GBM Resources Ltd	Bungalien Phosphate Pty Limited engages in the exploration and mining of phosphate. The company w as incorporated in 2011 and is based in Australia. Bungalien Phosphate Pty Limited operates as a subsidiary of GBM Resources Ltd.	3.30
14-Feb-12	Mantle Mining Corporation Ltd	Mineore Pty Ltd	Mantle Mining Corporation Ltd	The Barkley project area sits in the Georgina Basin betw een Minemakers' Wonarah deposit and Phosphate Australia's Highland Plains deposit. The agreement covers the Barkley phosphate project tenemnets and covers approximately 1,165km^2.	0.43

Source: Capital IQ

Appendix E – Liquidity of Plains Creek and Legend

Plains Creek Phosphate Corporation Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of total outstanding shares
Mar 2011	8,742	0.1634	1,428	3.9%
Apr 2011	5,992	0.1373	823	2.7%
May 2011	4,418	0.1151	508	2.0%
Jun 2011	12,782	0.0890	1,138	5.6%
Jul 2011	7,727	0.1187	917	3.4%
Aug 2011	2,209	0.1046	231	1.0%
Sep 2011	2,056	0.0976	201	0.9%
Oct 2011	3,063	0.0710	218	1.3%
Nov 2011	11,154	0.0700	781	4.8%
Dec 2011	6,092	0.0466	284	2.4%
Jan 2012	3,711	0.0550	204	1.5%
Feb 2012	7,550	0.0585	442	3.0%

Source CapitalIQ and calculations

Legend International Holdings, Inc. Month end	Volume traded ('000)	Monthly VWAP ($)	Total value of shares traded ($'000)	Volume traded as % of outstanding shares
Mar 2011	1,300	0.7694	1,000	0.6%
Apr 2011	3,079	0.7213	2,221	1.4%
May 2011	2,268	0.6452	1,463	1.0%
Jun 2011	2,048	0.5409	1,108	0.9%
Jul 2011	842	0.5419	456	0.4%
Aug 2011	1,687	0.4508	760	0.7%
Sep 2011	671	0.3981	267	0.3%
Oct 2011	2,202	0.3465	763	1.0%
Nov 2011	3,398	0.3119	1,060	1.5%
Dec 2011	18,056	0.1389	2,508	8.0%
Jan 2012	5,149	0.1317	678	2.3%
Feb 2012	8,155	0.1154	941	3.6%

Source: CapitalIQ and calculations

Appendix F – Glossary

APES	Australian Professional and Ethical Standard Board
AGM	Annual General Meeting
AMMG	Australian Minerals & Mining Group Limited
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
ATO	Australian Taxation Office
Bateman	Bateman Engineering BV
BCD	BCD Resources NL
BFS	Bankable Feasibility Study
Bonaparte	Bonaparte Diamond Mines NL
BPL	Bone Phosphate of Lime
Bt	Billion tonnes
Capex	Capital expenditure
CAPM	Capital Asset Pricing Model
CEO	Chief Executive Officer
CGT	Capital Gains Tax
Corporation Regulations	Corporation Regulations 2001
Corporations Act	Corporations Act 2001
CSIR	Council for Scientific Industrial Research
DAP	Di-ammonium Phosphate
DCF	Discounted cash flow
DFS	Definitive Feasibility Study
Donwillow	Donwillow Pty Limited
EIA	Environmental Impact Assessment
EL	Exploration License
ELA	Exploration License Application
EMH	Efficient Market Hypothesis
EMP	Environmental Management Plan
EPCM	Engineering, Procurement, and Construction Management
EV	Enterprise Value

Farim Project	Plains Creek's phosphate project located Guinea-Bissau, West Africa
Financial Model	A financial model in relation to the future cash flows of the Sandpiper Project
FIRB	Foreign Investment Review Board
FOB	Free on Board
FSG	Financial Services Guide
FY	Financial year
GST	Goods and Services Tax
Grant Thornton Corporate Finance	Grant Thornton Corporate Finance Pty Ltd
Haverstock	Haverstock Fund LLC
HY	Half year
IHP	Improved Hard Process
IMIDRO	Iranian Mines and Mining Industries Development and Renovation Organisation
Ineligible Shareholders	Any UCL Shareholder with a registered address in a jurisdiction other than Australia, New Zealand, Namibia or Canada
IPL	Incitec Pivot Ltd
Itok	Itok GmbH
JDC	JDC Phosphate Inc
JORC	Joint Ore Reserves Committee
JVA	Joint Venture Agreement
KDD Group	Karoun Dez Dasht
Legend	Legend International Holdings Ltd
Lundin	Lundin Mining AB
M&I	Measured & Indicated
MAK or Minemaker	Minemakers Ltd
MAK Options	Options in MAK
MAK Shares	Ordinary shares in MAK
MAP	Mono-Ammonium Phosphate
Mehdiabad Project	Mehdiabad base metals project located in Iran
Minbos	Minbos Resources Ltd
ML	Mining License
MMN	Minemakers Namibia (Pty) Ltd

MOU	Memorandum of Understanding
Mt	Million tonnes
Mtpa	Million tonnes per annum
MZC	Mehdiabad Zinc Company
NMA	Namibian Stock Exchange
NMDC	NMDC Limited
NMP	Namibian Marine Phosphate (Pty) Ltd
Non-Associated Shareholders	Shareholders of UCL not associated with Minemakers
NSX	Namibian Stock Exchange
Opex	Operating costs
Paradise Project	Legend's phosphate projects located in Queensland, consisting of Paradise North, Paradise South and D-Tree projects
Plains Creek	Plains Creek Phosphate Corp
Proposed Offer	Minemaker's proposed acquisition of the remaining issued capital in UCL which it does not currently own, by offering UCL eligible shareholders 9 new MAK Shares for each 10 UCL Shares held.
RAB	RAB Special Situations (Master) Fund Limited
RG 111	ASIC Regulatory Statement 111 "Content of expert reports"
RG 112	ASIC Regulatory Statement 112 " Independence of Expert's Reports"
ROM	Run-Of-Mine
Rum Jungle	Rum Jungle Resources Ltd
Sandpiper Project	Offshore phosphate project located in Namibia
SHA	Shareholders Agreement
Share Sale Facility	Sale facility capped at 15 million MAK Shares
Snowden	Snowden Mining Consultants
SPA	Superphosphoric acid
SPN	Sea Phosphates (Namibia) (Pty) Ltd
SSP	Single Superphosphate
The Company	UCL Resources Limited
The Facility	Equity subscription facility
The Parties	Collectively, SPN, MMN and Tungeni
The Technical Report	Independent technical report prepared by Snowden
TNT	TNT Mines Limited

TSP	Triple Superphosphate
TSX	Toronto Stock Exchange
Tungeni	Tungeni Investments cc
Twynam	Twynam Agricultural Group Pty Limited
UCL or The Company	UCL Resources Limited
UCL Note	Convertible Note in UCL
UCL Option	Options in UCL
UCL Performance Rights	Outstanding Performance Rights in UCL
UCL Shareholders	Shareholders of UCL
UCL Shares	Ordinary shares in UCL
US	United States
VALMIN	Code for the technical assessment and valuation of mineral and petroleum assets and securities for independent expert reports
VWAP	Volume Weighted Average Price
WACC	Weighted Average Cost of Capital
WAP	Wet Acid Process
Wonarah Project	Minemaker's 100% owned phosphate project located in the Northern Territory

Independent Expert's Report and Financial Services Guide

Appendix G – Snowden Report

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UCL RESOURCES LIMITED

Technical Expert's Report

Independent valuation of
UCL Resources Limited's
and Minemakers Limited's
mineral assets
prepared by
Snowden Mining Industry Consultants Pty Ltd
for inclusion as Appendix G
in the Independent Expert's Report

Technical Expert's Report

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Perth, Brisbane, Johannesburg, Vancouver, Calgary, Belo Horizonte, Oxford

16 March 2012

The Directors
UCL Resources Limited
Suite 2, Level 2 Watson House
300 George Street
SYDNEY NSW 2000

Dear Sirs

INDEPENDENT VALUATION OF UCL RESOURCES LIMITED AND MINEMAKERS LIMITED MINERAL ASSETS

Based on instructions from UCL Resources Limited ("UCL"), Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton") requested Snowden Mining Industry Consultants Pty Ltd ("Snowden") to provide an independent technical report ("the Technical Report") for inclusion in an Independent Expert's Report to accompany a Target's Statement in relation to the proposed off market takeover of UCL by Minemakers Limited ("Minemakers") ("Proposed Offer") on 21 February 2012. Snowden received a signed agreement from UCL dated 27 February 2012.

UCL requires an independent valuation of the exploration/development assets (Mineral Assets) owned by UCL and Minemakers in relation to the Proposed Offer in which Minemakers are offering 9 Minemakers' shares for every 10 UCL shares.

It is our understanding that this Independent Valuation will be used by Grant Thornton to assist UCL shareholders in determining the fair value of the Mineral Assets and will be made public. Snowden advises that this report may not be used for any other purpose without its express written consent.

For the specific purpose of this valuation, Snowden was provided information by UCL relating to the Sandpiper and Mehdiabad projects. A site visit was carried out to Cape Town, South Africa to inspect drill cores from the Sandpiper Project and the laboratory that prepared and analysed the samples. No other site visits to projects were made by Snowden.

Snowden has not independently verified the ownership and legal standing of the mineral tenements which are the subject of this valuation and is not qualified to make legal representations in this regard. Snowden has not attempted to re-establish the legal status of the tenements with respect to joint venture agreements, heritage or potential environmental and land access restrictions. Snowden is not qualified to make legal representations in this regard and therefore specifically disclaims responsibility for these aspects for the purpose of this review.

The following mineral assets are owned by UCL:

- Sandpiper Phosphate Project in Namibia (42.5% interest)
- Mehdiabad Zinc-Lead-Silver Project in Iran (24.5% interest)

Based on Snowden's appraisal of the information available including Grant Thornton's review and the requirements of ASIC Regulatory Guide 111 "Content of Expert's Reports", it is Snowden's opinion that there is not sufficient information to reasonably forecast the future cash flows in relation to the Sandpiper Project. Accordingly, Snowden has assessed the market value of this project based on comparable transactions for phosphate resources rather than conducting an independent assessment on the technical assumptions included in the forecast cash flows.

The following mineral assets are owned by Minemakers:

- Wonarah Phosphate Project located in Northern UCL, Australia (100% interest);
- Rocky Point Project, which includes four exploration tenements located north of Sandpiper Project in Namibia (70% interest)
- Sandpiper Phosphate Project in Namibia (42.5% interest)
- TNT Mines, an unlisted public company holding tin, tungsten and fluorspar assets in Tasmania (19% interest);
- Port Keats Rock Salt Project located in Northern UCL, Australia (100% interest);
- Fraser Iron Project located in Western Australia (80% interest); and
- Shares in UCL (13.1% interest)

Due to the scope of this project Snowden has not been provided with any information relating to Minemakers' projects, has not visited any of the Minemakers' sites or held discussions with any Minemakers' staff. As requested by Grant Thornton Snowden's valuation of the Minemakers' assets is therefore limited to our opinion based on information that is available in the public domain.

Snowden has applied a number of valuation approaches including the geoscientific Kilburn method for the evaluation of phosphate, iron and salt exploration properties, comparable transactions for phosphate exploration areas (km^2), and comparable transactions of phosphate, zinc and copper resources. Snowden reviewed the rights issue for TNT Mines as part of the valuation of Minemaker's 19% interest in the company. Snowden has also reviewed preliminary cash flow models for the Sandpiper and Wonarah phosphate projects. Snowden has prepared the valuations in this report based on these various valuation techniques and made a judgement as to the fair and reasonable market valuation of the mineral assets. The values assigned to these mineral assets are in Australian dollars (A$) and were prepared on the effective valuation date of 21 February 2012 as requested by UCL.

The following table shows the summary market valuation of UCL's mineral assets at 21 February 2012. It shows a range from A$23.23 million to a high of A$48.52 million with a preferred value of $35.61 million. The wide range in valuations is due to the uncertainty associated with the depths at which the use of dredging technology will be applied at Sandpiper and the political risk in Iran. UCL are completing a definitive feasibility study of the Sandpiper Project in the near future which should add confidence to its future development.

Summary of UCL market mineral asset valuation (A$M)

	Location	Holding	Low	High	Preferred
			A$M	A$M	A$M
Sandpiper	Namibia	42.5%	22.72	45.43	34.07
Mehdiabad Zinc	Iran	24.5%	0.51	3.04	1.52
Mehdiabad Copper	Iran	24.5%	0.00	0.05	0.02
Total			**23.23**	**48.52**	**35.61**

SNOWDEN

The following table shows the summary market valuation of Minemakers' mineral assets. It shows a range from A$51.34 million to a high of A$104.8 million with a preferred value of A$77.71 million. The wide range in valuations is due to the uncertainty associated with developing the large (average grade) Wonarah phosphate deposit near the centre of Australia which will require a large capital expenditure commitment to justify its development. The current economics of this project could change with improvements in the global economy, increasing population and the increasing demand for food and fertilizers particularly in developing countries, which will increase phosphate prices.

Summary of Minemakers market mineral asset valuation (A$)

Project	Location	Holding	Low (A$M)	High (A$M)	Preferred (A$M)
Sandpiper phosphate resource	Namibia	42.5%	22.72	45.43	34.07
Wonarah phosphate resource	Northern Territory	100%	26.58	53.16	39.87
Wonarah phosphate exploration	Northern Territory	100%	0.48	1.91	0.84
Rocky Point phosphate exploration	Namibia	70%	0.56	2.80	1.68
TNT Mines	Tasmania	19%	1.00	1.50	1.25
Port Keats rock salt	Northern Territory	100%	na*	na*	na*
Fraser iron	Western Australia	80%	na**	na**	na**
Total			**51.34**	**104.8**	**77.71**

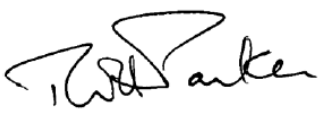
*na not appropriate, Refer to Section 10.6
**na not appropriate, Refer to Section 10.7

Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, which operates from offices in Perth, Brisbane, Johannesburg, Vancouver, Calgary, Oxford and Belo Horizonte (Brazil), has prepared independent technical reviews and mineral asset valuations on a variety of mineral commodities in many countries.

This report was prepared by Mr Terry Parker (Principal Consultant - Corporate), Mr Jeremy Peters (Principal Consultant – Mining/Geosciences), Mr Mark Burnett (Divisional Manager and Principal Consultant- Geosciences) and Ms Nursen Guresin (Senior Consultant – Metallurgy) and was reviewed by Mr Craig Morley (Senior Principal Consultant) in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

Neither Snowden nor those involved in the preparation of this report have any material interest in the companies or mineral assets considered in this report. Snowden is remunerated for this report by way of a professional fee determined according to a standard schedule of rates which is not contingent on the outcome of this report.

Yours faithfully



Mr T Parker
B.Sc.(Hons) Geology, MBA, Diploma Surface Mining, FAusIMM(CP)
Principal Consultant – Corporate Services

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1. INTRODUCTION

1.1 PURPOSE OF REPORT

Based on instructions from UCL Resources Limited ("UCL"), Grant Thornton Corporate Finance Pty Ltd ("Grant Thornton") requested Snowden Mining Industry Consultants Pty Ltd ("Snowden") to provide an independent technical report ("the Technical Report") for inclusion in an Independent Expert's Report to accompany a Target's Statement in relation to the proposed off market takeover of UCL by Minemakers Limited ("Minemakers") ("Proposed Offer") on 21 February 2012. Snowden received a signed agreement from UCL dated 27 February 2012.

UCL requires an independent valuation of the exploration/development assets (Mineral Assets) owned by UCL and Minemakers in relation to the Proposed Offer in which Minemakers are offering 9 Minemakers' shares for every 10 UCL shares.

It is our understanding that this Independent Valuation will be used by Grant Thornton to assist UCL shareholders in determining the fair value of the Mineral Assets and will be made public. Snowden advises that this report may not be used for any other purpose without its express written consent.

For the specific purpose of this valuation, a site visit was carried out to Cape Town to inspect some drill cores from the Sandpiper Project and the laboratory that prepared and analysed the samples.

Snowden has not independently verified the ownership and legal standing of the mineral tenements which is the subject of this valuation and is not qualified to make legal representations in this regard. Snowden has not attempted to re-establish the legal status of the tenements with respect to joint venture agreements, heritage or potential environmental and land access restrictions. Snowden is not qualified to make legal representations in this regard and therefore specifically disclaims responsibility for these aspects for the purpose of this review.

The following mineral assets are owned by UCL:

- Sandpiper Phosphate Project in Namibia (42.5% interest)
- Mehdiabad Zinc-Lead-Silver Project in Iran (24.5% interest)

Based on Grant Thornton's preliminary review of the information available and the requirements of ASIC Regulatory Guide 111 "Content of Expert's Reports", there is not sufficient information to reasonably forecast the future cash flows in relation to the Sandpiper project. Accordingly, Snowden has assessed the market value of this project rather than conducting an independent assessment on the technical assumptions included in the forecast cash flows.

The following mineral assets are owned by Minemakers:

- Wonarah Phosphate Project located in Northern UCL, Australia (100% interest)
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- Sandpiper Phosphate Project in Namibia (42.5% interest)
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- Port Keats Rock Salt Project located in Northern UCL, Australia (100% interest);
- Fraser Iron Project located in Western Australia (80% interest); and
- Shares in UCL (13.1% interest)

Snowden has based its valuation of the mineral assets upon information provided by UCL and in the public domain. The values assigned to these mineral assets are in Australian dollars (A$) and were prepared on the effective valuation date of 21 February 2012 as requested by UCL.

As part of the valuation process Snowden has reviewed the:

- exploration activity and mineral potential of the projects and mineral tenements
- costs associated with mineral exploration
- recent transactions of similar commodities in Australia and overseas.

Snowden has also based the valuation of UCL Mineral Assets on discussions with UCL key technical staff and review of public domain documents for Minemakers' Mineral Assets.

Snowden has applied a number of valuation approaches including the geoscientific Kilburn method for the evaluation of phosphate, iron and salt exploration properties, comparable transactions for phosphate exploration areas (km^2), comparable transactions of phosphate, zinc and copper resources and market capitalisation and rights issues for company valuation. Snowden has also reviewed preliminary cash flow models for the Sandpiper and Wonarah phosphate projects. Snowden has prepared valuations based on the various valuation techniques and made a judgement as to the fair and reasonable market valuation of the mineral assets.

1.2 DISCLAIMER

Snowden has relied on the accuracy and completeness of the technical documentation supplied to it by UCL and made available by Minemakers to the public domain. Snowden has made all reasonable enquiries into the material aspects of the projects and but makes no warranty or representation as to the accuracy or completeness of the information provided. Furthermore, Snowden accepts no responsibility for the information or statements, opinions, or matters expressed or implied arising out of, contained in, or derived from information contained in this report, unless specifically disclosed by Snowden.

This report is provided subject to the following assumptions and qualifications:

- UCL has made available to Snowden all material information in its possession or known to it in relation to the technical, development, mining and financial aspects of the project areas, that it has not withheld any material information and that the information provided is accurate and up to date in all material respects
- all reports and other technical documents provided by UCL or publically released by Minemakers correctly and accurately records the results of all geological and other technical activities and test work conducted to date in relation to the project areas and accurately record advice from any relevant technical experts
- all of the information provided by UCL or publically released by Minemakers pertaining to project areas or its history or future intentions, financial forecasting or the effect of relevant agreements is correct and accurate in all material respects

In relation to the above qualifications, Snowden did not undertake any independent enquiries or audits to verify that the assumptions are correct and gives no representation that they are correct. Snowden has not carried out any type of audit of UCL's or Minemakers' records to verify that all material documentation has been provided or is publically available. Snowden has however endeavoured (with respect to UCL's projects), by making reasonable enquiry of UCL, to ensure that all material information in the possession of UCL has been fully disclosed to Snowden. UCL has agreed to indemnify Snowden from any liability arising from Snowden's reliance upon information provided or not provided to it.

1.3 VALMIN CODE 2005

This valuation has been prepared in accordance with the "Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Expert Reports" (The VALMIN Code 2005). Compliance with the Code is obligatory to all members of the Australasian Institute of Mining and Metallurgy, the Mineral Industry Consultants Association ("MICA") and the Australian Institute of Geoscientists ("A.I.G.") who are involved in independent technical and valuation reports.

1.4 RESPONSIBILITY

The Snowden personnel responsible for the preparation of this report is Mr Terry Parker (Principal Consultant – Corporate Services) who is the principal author of this report. Mr Parker is a geologist with over 40 years relevant experience in mining and exploration geological roles and a member of the A.I.G / AusIMM. He has the appropriate qualifications, expertise and experience to undertake this valuation, as required by the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities, 2005 ("VALMIN Code"). Mr Craig Morley (Senior Principal Consultant) undertook the task of peer review on the report to ensure it complies with the guidelines as laid down by both the Valmin Code and The Australasian Code for Reporting of Exploration results, Mineral resources and Ore Reserves (JORC 2004).

1.5 VALUATION DATE

The opinions expressed and conclusions drawn with respect to this valuation are appropriate at the valuation date of 21 February 2012 which reflects the timing associated with the collection of information for this report. The valuation is only valid for this date and may change with time in response to variations in economic, market, legal or political conditions in addition to ongoing exploration results.

1.6 INDEPENDENCE

At the date of valuation Mr Parker, Mr Morley, and Snowden had no association with UCL or Minemakers, or its individual employees, or any interest in the securities of UCL or Minemakers, which could be regarded as affecting the ability to give an independent unbiased valuation. Snowden will be paid a fee for its valuation based on a standard schedule of rates for professional services, plus any expenses incurred. The fee is not contingent on the results of the valuation.

1.7 SITE VISIT

Snowden's Principal Consultant (Johannesburg office) Mr Mark Burnett visited Cape Town, South Africa on 1 March 2012, to inspect the Scientific Services cc (Scientific) laboratory used for the Sandpiper Project analytical work. Mr Burnett also inspected core samples in conjunction with Dr Charles Morrison, UCL's Exploration Manager (Marine and Africa Projects). Two sample cores were randomly selected and retrieved from the core storage facility in Cape Town and examined by Snowden, with Hole (Core) 1668 examined in detail. The primary storage and processing facility in Luderitz was not visited.

1.8 TECHNICAL DISCUSSIONS

Snowden held telephonic conversations with UCL management and Michael Baker of Bateman Engineering in South Africa regarding progress on the definitive feasibility study (DFS). Snowden also received comments from Jan Fordeyn of Jan de Nul concerning the feasibility of dredging the phosphate material from depth. Snowden was encouraged by the positive response concerning the viability of the project.

1.9 HERITAGE AND ENVIRONMENTAL LIABILITIES

Snowden has not attempted to establish the legal status of the tenement with respect to heritage issues or potential environmental and land access restrictions.

2. SANDPIPER PROJECT JV

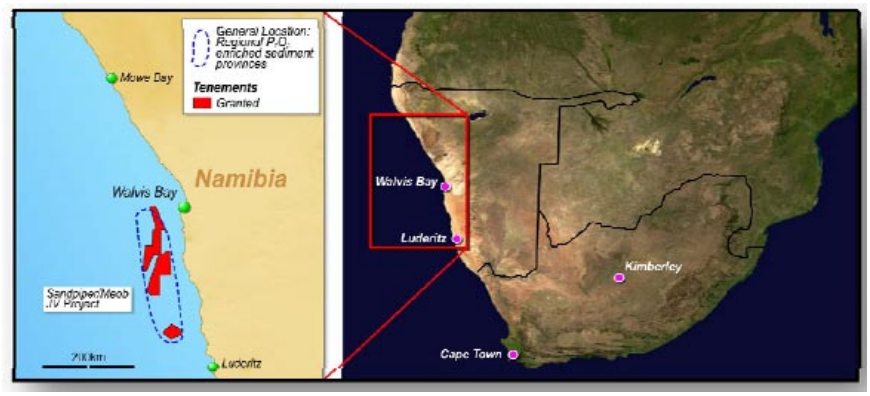
2.1 LOCATION AND ACCESS

The Sandpiper Project JV is situated in waters approximately 60 km off the coast of Namibia and covers a combined area of approximately 7,000 km^2 in the regional phosphate enriched province to the south of Walvis Bay in water depths of 180 m to 300 m. Figure 2.1 is a map of Namibia showing the location of the capital Windhoek and the ports of Luderitz, Swakopmund and Walvis Bay.

Figure 2.1 Namibia

Figure 2.2 shows the location of the Sandpiper Project, situated off shore between the ports of Luderitz and Walvis Bay. It was previously called the Sandpiper/Meob Project.

Figure 2.2 Location of Sandpiper Project



Source: UCL

2.2 BACKGROUND TO SANDPIPER PROJECT

In October 2008, Bonaparte Diamond Mines (Namibia) (Pty) Ltd (“Bonaparte”), Tungeni Investments cc (“Tungeni”) and Union Resources Limited ("Union") concluded a joint venture agreement to form the Sandpiper Phosphate Joint Venture to jointly develop their respective marine phosphate tenements located off the Namibian coast. The Sandpiper Phosphate Joint Venture interests comprised Bonaparte (42.5%), Union (42.5%) and Tungeni (15%). Bonaparte was a wholly owned subsidiary of Bonaparte Diamond Mines NL (“BDMNL”). BDMNL was appointed by the JV to manage the marine exploration and resource development program.

During 2009, Australian listed company Minemakers was successful in its bid to take over BDMNL. As a result, BDMNL has since been delisted and is now a wholly owned proprietary limited subsidiary of Minemakers. The interests in the Joint Venture project have also now been transferred into a Namibian Registered JV Company Namibian Marine Phosphate (Pty) Limited (NMP) which is held as follows: Minemakers Limited subsidiary (42.5%), Union Resources subsidiary (42.5%) and Tungeni (15%).

The JV area incorporates phosphate enriched province in Namibia to the south of Walvis Bay and specifically includes all of the central enriched core area, where published regional mapping shows phosphate concentration of more than 20% by weight. These deposits were delineated during regional scientific studies in the 1970s. The deposits occur as unconsolidated sea floor sediments, which now lie within the reach of currently available dredging equipment.

In 2009, work began at the Sandpiper Project on three tenements in the area namely EPLs 3414, 3415 and 3323 followed by several drilling campaigns. In February 2010 the resources of the Sandpiper Project were updated following the completion of the latest program of gravity corer sampling in ML170 consisting of 398 holes (cores) drilled to infill part of the Inferred Mineral Resource area defined in the northern portion of ML170 (formerly EPL3414). Cores were collected on 400 m by 400 m grid spacing and 68 of the cores were collected at a closer spacing, ranging from 50 m to 200 m, in order to assist with variographic analysis. No additional drilling was undertaken in the "Indicated Resource Areas" (IRA) or in EPL 3415.

Snowden notes that a detailed scoping study has been completed and a feasibility study is due for completion in March 2012.

2.3 TENEMENTS

The Sandpiper Project area comprises a total of 6 Exclusive Exploration Licences (EPL's) covering a total area of approximately 7,000 km^2. The three important tenements in the area are EPLs 3414, 3415 and 3323. EPL 3415 lies to the south of EPL 3414 and EPL 3323 lies to the east of EPL 3414. On 13 July 2011 a 20 year mining license, ML170, was awarded over the whole of EPL 3414 and portions of EPL 3415 and EPL 3323.

ML170 covers industrial minerals (including phosphate) and has been issued for a period of 20 years from 13 July 2011 and covers a total area of 223,310.4 ha (2,233.1 km^2). ML170 has a number of terms and conditions relating to work program and obligations, environmental matters as well as certain additional conditions including offshore bunkering, statutory deductions for employees and mandatory notifications prior to commencement of any mining activities, which are standard terms for Namibian MLs in the marine environment.

Figure 2.3 is a map of the Sandpiper Project showing the ML 170 application area in June 2011, which was granted on 13 July 2011, together with surrounding EPL's. The map also shows the resource blocks with low (pink), medium (red) and high grades (purple).

Figure 2.3 **Sandpiper Project tenements showing ML170 Mining Lease application area and resource blocks (June 2011)**

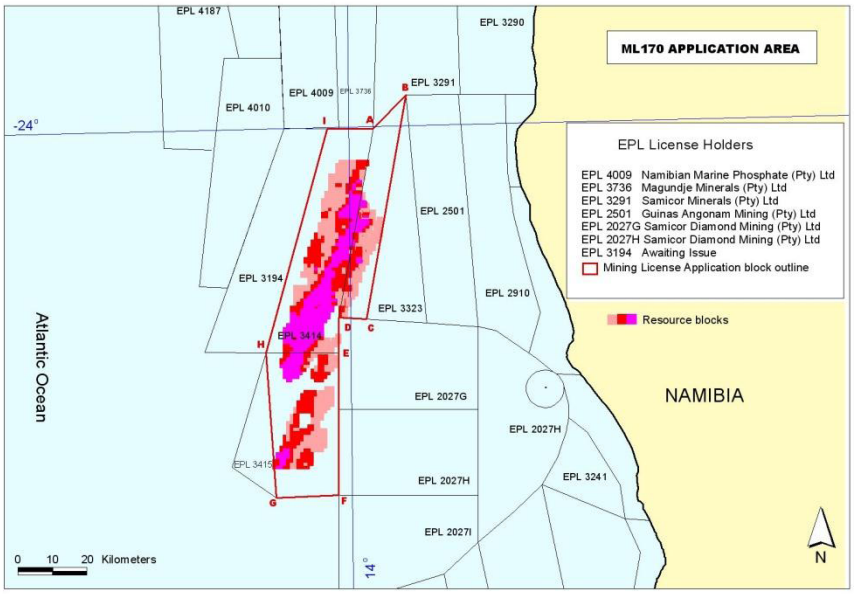


Table 2.1 shows details of the Sandpiper project tenements, including rent in Namibia dollars (N$).

Table 2.1 **Sandpiper tenements**

Lease	Name	Km^{2*}	Granted	Expiry	Rent N$ pa
EPL4059	Mowe 2	1,000	16/02/2010	15/02/2013	10,000
EPL4009	Black Cliff	1,000	16/01/2009	15/01/2012	10,000
EPL4010	Conception	1,000	16/01/2009	15/01/2012	10,000
EPL 3323	Meob	560	12/07/2005	11/07/2012	6,000
EPL 3415	Sandpiper	250	25/04/2006	24/04/2013	3,000
EPL 4021	Spencer Bay	1,000	16/07/2008	15/07/2013	10,000
ML 170	Sandpiper	2,233	13/07/2011	12/07/2031	5,000
Total					**54,000**

*Note: only includes areas not covered by ML170 as EPL 3414 and portions of EPL 3415 and EPL 3323 overlap with ML 170

Table 2.2 shows the expenditure commitments of the Sandpiper Project.

Table 2.2 Sandpiper tenements, expenditure commitments

Lease	Name	Expenditure Commitment N$
EPL4059	1st license period	525,000 yr 1, 1,620,000 yr 2,3
EPL4009	Applied 1st renewal, pending	550,000 yr 1, 1,620,000 yr 2
EPL4010	Applied 1st renewal, pending	550,000 yr 1, 1,620,000 yr 2
EPL 3323	In 2nd renewal period	1,430,000 yr 1, 2,575,000 yr 2
EPL 3415	In 2nd renewal period	1,425,000 yr 1,1,675,000 yr 2
EPL 4021	In 1st renewal period	525,000 yr 1, 1,620,000 yr 2
ML 170	1st license period	ML commitments

2.4 GEOLOGY

The phosphatic horizon, which overlies a grey-green clay of Miocene age, is subdivided into two distinct layers; an upper 0.1 to 1.0 m thick shelly phosphorite identified as Holocene in age and demonstrating a downward fining sequence and a lower 0.05 m to >2.0 m (up to 5.5 m in some Gencor vibracores) thick clayey phosphorite identified as Pleistocene in age.

These unconsolidated phosphate deposits are characterised by their spatial continuity (especially in a NNE direction) and general uniformity in grade. Thickness variations are generally the product of thicker accumulation of sediment in palaeo-topographic depressions in the underlying clay surface. The phosphate is thought to be the product of syn-sedimentary chemical precipitation and early diagenetic concretionary growth within the unconsolidated sediment. Regional (wide spaced) sampling with a grab sampler and a 2 m gravity corer shows the total strike length of the deposit is about 90 km.

Snowden reviewed the sampling and logging technique and sighted the drill logs and cross sections (east west and north south), which were found to be of a high standard.

2.5 MINERALISATION

Grades for individual samples rarely exceed 23% P_2O_5, and the majority lie between 17 and 21% P_2O_5. Average layer grades are typically 19% P_2O_5 - 20% P_2O_5 for the lower layer (Layer 2) and 18% P_2O_5 - 19% P_2O_5 for the upper layer (Layer 1). Overall deposit grades decrease both laterally and vertically, reflecting the pinch-out of Layer 2 to the east where Layer 1 sits directly on the underlying clay. In addition, decreases in grade may also be due to the local increase in clay infiltration or deposition or to the winnowing action of bottom currents near the water-sediment interface. Along the western edge of the deposit in the ITMA a lower grade intermediate horizon has been intersected between Layer 1 and Layer 2.

The phosphatic material within the sediment is predominantly comprised of unconsolidated fine sand sized phosphorite ooliths and pellets, falling in the 100 - 500 micron grain size range (mostly 150 - 250 microns). The richest fraction of phosphate bearing material occurs in the size range from 0.074 mm - 1.00 mm. This size fraction makes up 55% - 78% of the ore body solids mass, and contains from 78% - 96% of the total phosphate content.

2.6 EXPLORATION

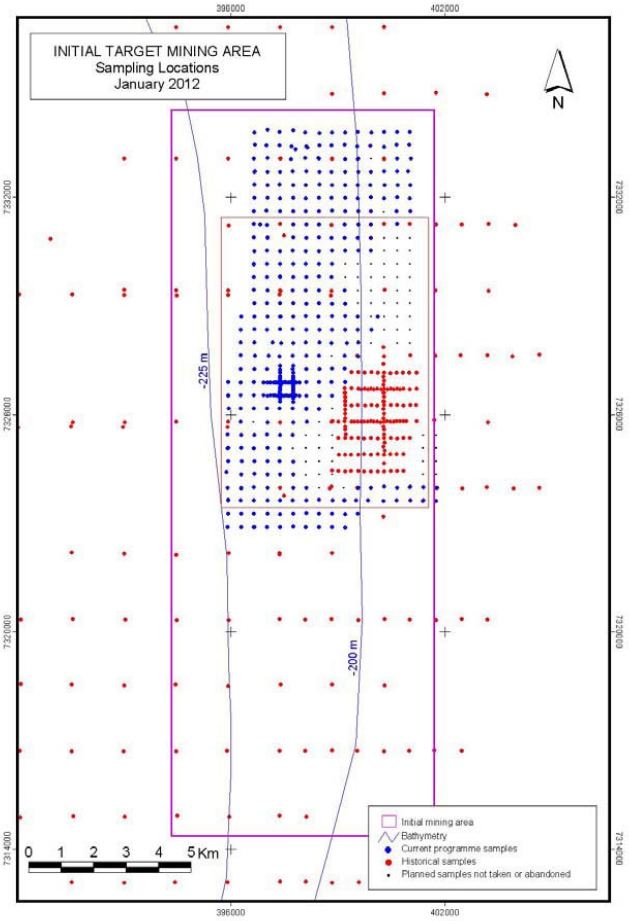
2.6.1 Drilling

In 2010 detailed (close spaced) sampling was completed in three selected 10 km^2 areas. Between August and December 2011 a further program of 398 samples were collected on a 400 m x 400 m infill grid pattern within the northern half of the ITMA focusing on mineralization grading above 20% P_2O_5 over an area of approximately 12 km by 6 km. Within this block, 68 of the 398 cores were collected to form a double cross of closer spaced samples (50m, 100m and 200m) in order to establish variographic trends. The new sampling in the ITMA confirmed the continuity of the phosphate mineralization and the general uniformity of grade but highlighted the local variability in the footwall of the deposit which largely affects Layer 2.

No additional sampling was undertaken in the two existing “Indicated Resource Areas” or in EPL 3415 in this program.

Figure 2.4 shows a plan of the initial target mining area (ITMA) with the location of core drill holes. The drill hole collars are between 190 m and 225 m below sea level. Cruciform pattern drilling was undertaken in two locations to determine the short term variability of the deposit in terms of grade and thickness.

Figure 2.4 Initial Target Mining Area (ITMA)



2.6.2 Core sampling

Further modifications were made to the gravity corer in 2011. The 4th generation upgraded gravity corer system allowed greater penetration depths than in the initial phase of sampling in 2008/2009 (with an average penetration depth of 1.22 m).

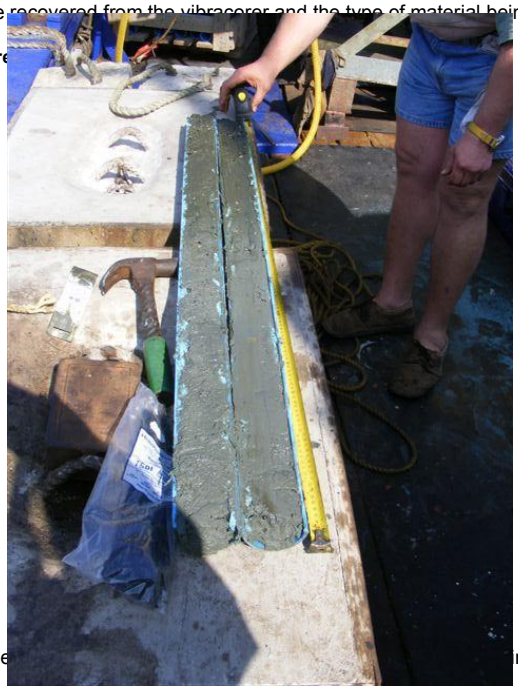
The sampling phase completed in March 2011 recorded an average penetration depth of 1.65 m and a maximum penetration depth of just over 3 m while the recent program had an average penetration depth of 1.93 m and maximum penetration depth of 3.63 m in water depths of between 193 m and 226 m. The average thickness of mineralization (Layers 1 and 2) intersected was 1.58 m.

In late 2011 gravity cores were recovered from 398 new sample sites on a 400 x 400m sample grid located in the northern half of the initial target recovery area of the Sandpiper Project Area with the objective of upgrading the confidence in the resource base to support the DFS. This area lies in water depths of less than 225 m which is targeted for dredging using Jan De Nul's vessel MV Christobal Colon. The improved gravity coring system achieved an overall greater penetration than the previous phases of the regional resource sampling completed in 2009, 2010 and 2011 with an average sampling penetration depth of 1.93 m (previously 1.45 m) and maximum penetration of just over 3 m. Sub-samples were taken from the new cores and submitted for P2O5 assay analysis in accordance with standard procedures which include duplicate samples as well as comparative testing by independent laboratories.

Core gravity sampling is a fast and cost effective method and well suited to the marine environment. Core penetration is dependent on the nature of the material being sampled and some areas with high seafloor shell content are not always completely sampled. A variety of core size (diameters) has been used in the exploration program (55 mm, 75 mm and 90 mm). An alternative technique is vibrocore, which allows penetration of between 6 to 8 metres, depending on the length of the core barrel, but is more expensive and time consuming.

Figure 2.5 shows core recovered from the vibracorer and the type of material being sampled.

Figure 2.5 Core re



Snowden reviewed the nion found them to be reasonable.

2.6.3 Laboratory

Scientific Services cc (Scientific) is an independent assay laboratory that has been engaged to undertake sample preparation and analysis of the drill cores. Snowden visited the laboratory and reviewed the following procedures with Scientific and Dr Morrison:

- Sample preparation and processing
- Loss on ignition assays
- Contamination
- Analytical techniques
- Equipment calibration
- Independent quality control and quality assurance procedures (QAQQC)
- Laboratory QAQC controls
- Certified Reference Materials (CRM's)
- ISO auditing and accreditation
- Equipment calibration
- Laboratory Proficiency Testing - Round Robin (Geostats Pty Ltd)

During the time of the visit no Sandpiper Project samples were being processed.

Data is entered and processed manually, which is not ideal but Snowden considers that the lack of a Laboratory Information System (LIMS) is not a serious issue. Minor contamination was noted during the pulverisation step of the sample preparation process, but this was not considered to be a serious problem. Snowden observed sub sampling by scooping, when weighing out pulp for fusion, which is not considered to be best practice, but the practice was consistent.

Sample Analysis is undertaken using X-ray fluorescence (XRF) using a Phillips X'unique II with a PW 1510 sample changer. The room that the machine is located in is not climate controlled, which may not be ideal. The machine is calibrated daily, in the morning, using PanAnalytical's Super Q software. Pre prepared blanks and CRM's are inserted at a rate of 1 in 30. Snowden believes that the insertion of pre made materials is not optimal and that the blanks and CRM's should be processed in the same manner as the field samples in order to detect any contamination in the process.

UCL submits field duplicate samples on a regular basis (1 in 15 cores are submitted as field duplicates) with an additional 10% of all samples submitted are sent to an umpire laboratory, ALS Chemix.

Major elements including phosphorus, silica iron and aluminium are routinely analysed and organic carbon is determined, in part, by loss on ignition. The following minor elements, considered to be contaminants, are only analysed by exception:

- Chlorine
- Fluorine
- Cadmium
- Uranium
- Mercury
- Thorium

Scientific participates as a free, invited laboratory, in Geostats Pty Ltd's bi-annual round robin and has achieved acceptable results to date. The laboratory is also ISO accredited, with the most recent audit been completed on 7 March 2012.

Snowden considers that Scientific employs industry accepted standards for the sample preparation and analytical processes. Snowden considers that overall the analytical results are to industry standard.

QAQC protocols

UCL submits field duplicate samples on a regular basis (1 in 15 cores are submitted as field duplicates) with an additional 10% of all samples sent to an umpire laboratory, ALS Chemix.

Pre-prepared blanks and CRM's are inserted at a rate of 1 in 30.

QA/QC protocols include the following:

- Close spaced drilling to test the reproducibility of sample data at a specific location.
- Duplicate sampling and analysis of core to determine the combined sampling and analytical precision.
- Repeat analysis of samples in the laboratory to determine the analytical precision. This procedure is undertaken by the laboratory.
- Repeat analysis of 'blind' samples previously analysed by the laboratory but resubmitted under new numbers.
- Analysis of commercially available accredited standards with each batch of routine samples to determine analytical accuracy.
- Analysis of blanks to monitor potential contamination in the sample preparation process.
- Analysis of a selected batch of samples covering the normal assay range at an internationally accredited assay laboratory (referee laboratory).

UCL/Minemakers report that results are very satisfactory and there is no evidence of any systematic bias. Intra- and inter-laboratory comparisons all indicated repeatability of results to a precision of better than 5%.

2.7 MINERAL RESOURCES

A recently completed resource development program of gravity core sampling in the northern half of the initial 8 km x 20 km target recovery area has resulted in an upgraded mineral resource estimate. The resource development sampling program has delineated sufficient resources in the Indicated Resource category to support a 20 year mine development plan for the Definitive Feasibility Study.

There has been a high rate of conversion from Inferred Resource to the higher confidence categories of Indicated and Measured Resource. Within the sampled area, the previous 109.5Mt Inferred Resource estimate has been replaced by estimates of 146.4Mt Indicated Resource and 4.1Mt Measured Resource. This greater than 100% conversion rate can be attributed to a 1:1 conversion of the Inferred to Indicated category Resource combined with a greater thickness of the resource due to deeper penetration into the mineralized sediments by an improved gravity coring system. It increased penetration from the previous 1.45m to 1.93m depth in the recent program. Phosphate mineralization is generally still open at depth to the west and south of this newly tested resource area.

Two dimensional (2D) Inverse Distance Weighting to the power of 3 (ID^3) methods were used to interpolate thicknesses, grade, metal accumulations, specific gravities and moisture content for 200 m N-S x 200 m E-W blocks. Extrapolation was constrained by the search parameters, which were controlled by examination of the distribution and trends of data, the numbers of samples captured and by the results of recent geostatistical studies. Indicated and Measured Mineral Resources were estimated by Annels (2011) for the ITMA in ML170 using combined assay and thickness data for Layers 1 and 2.

New specific gravity (SG) or density data for the two layers in the deposit was used to produce regression equations to determine a combined SG for each intersection using both P_2O_5 values and core lengths. A similar approach was used for the "dry to wet" ratios. The resultant values were used for both Indicated and Measured Mineral Resources.

For the Inferred Mineral Resources, volumes were converted into wet tonnes using a density of 1.68 tonnes/m^3 and a factor of 75% to convert to dry tonnes.

2.7.1 Resource Classification

Annels (2011) reports that variographic (geostatistical) studies show that the drill spacing and sampling of 400 m by 400 m of the ITMA and the level of geological understanding and knowledge of this area of the Namibian continental shelf is sufficient to estimate Indicated Mineral Resources. Measured resources have been estimated based on two thirds of the range of continuity. Snowden has not independently checked the resource classifications, but consider them to be reasonable.

2.7.2 Mineral Resource statement

Annels (2011) reports that all the Mineral Resources estimated for the gravity cored areas of ML170 in the Initial Target Mining Area (ITMA), EPL 3415 and the remaining areas of EPLs 3323 and 3414 are considered to be NI 43-101 and JORC compliant.

Table 2.3 shows the Measured and Indicated Mineral Resources in ML170 using a 15% block cut-off grade (BCOG), a minimum thickness of 0.25 m and a variable density and moisture ratio based on grade.

Table 2.3 Measured and Indicated Mineral Resources (ML 170) – after Annels (2011)

	Wet Tonnes x 10^6	Dry Tonnes x 10^6	Grade (% P_2O_5)	Area (km^2)
Measured	5.4	4.1	20.45	1.8
Indicated	211.9	158.6	19.95	69.5
Total	**217.3**	**162.7**	**19.96**	**71.3**

The Inferred Mineral Resources are exclusive of the Indicated Mineral Resources. The Inferred Mineral Resources are based on a 10% BCOG, an average wet density of 1.68 tonnes/m^3 and a factor of 75% to convert wet tonnes into dry tonnes.

Table 2.4 shows the Indicated Mineral Resources for all licence areas based on a 15% BCOG.

Table 2.4 Indicated Mineral Resources (all licence areas) – after Annels (2011)

EPL/ ML	Wet Tonnes x 10^6	Dry Tonnes x 10^6	Grade (% P_2O_5)	Date Reported
170	211.9	158.6	19.95	Feb 2012
3414	47.3	35.4	21.70	July 2009
3415	35.4	26.3	19.08	Sept 2009
Total	**294.6**	**220.3**	**20.13**	

Table 2.5 shows the Inferred Mineral Resources for all licence areas based on a 10% BCOG

Table 2.5 Inferred Mineral Resources (all licence areas)

EPL	Sample Type	Resource Area	Wet Tonnes x 10^6	Dry Tonnes x 10^6	Grade (% P_2O_5)	Date Reported
3323	Grab	All	139.1	104.3	13.4	August 11
3415	Core	North	138.0	103.5	19.8	August 11
3415	Core	Central + South	520.7	390.6	17.5	August 11
3414+ 3323	Core	All - ITMA Indicated	1,559.1	1,169.3	18.90	February 12
		Combined	2,356.9	1,767.7	18.3	

All of the resources are in tenements owned by Namibian Marine Phosphates (Pty) Ltd ("NMP") which advises that all of the tenements are currently in good standing.

A Definitive Feasibility Study (DFS) on the development of the phosphate resources is being carried out for NMP by independent local and international consultants. NMP advises that, at this time, is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or other factors which are likely to cause a material effect on the mineral resource estimates.

Mineral resources have been classified at the Indicated and Inferred level of confidence, using the inverse distance weighting (IDW) technique. Snowden has had a telephonic conversation with Dr A Annels to discuss the estimation methodology and techniques used. Snowden considers that the mineral resource classification and estimation technique are satisfactory for a scoping study level and provide a reasonably reliable estimation of the mineral resources.

2.8 QUALIFIED PERSON CONCLUSIONS

Dr Annels, the Qualified Person made the following conclusions regarding the latest drilling campaign and resource estimation.

- The completion of infill gravity coring has reduced the line spacing to 400 x 400m and though the continuity of mineralization and P_2O_5 grade has been confirmed on a regional scale, closer spaced sampling down to 100 m on variographic sample lines has indicated some local variability in thickness. This local variability has been further confirmed by twin drilling at separation distances of 5 m to 30 m. Small scale depressions in the surface of Layer 3 onto which the phosphorite was deposited are considered to be the explanation, perhaps augmented by variable compaction.
- Close spaced drilling continues to confirm that sample grades revealed by the gravity corer are representative of the area in which they lie.
- Sampling, core logging and petrographic analyses appear to have been undertaken with great care though these procedures have not been directly witnessed by the Qualified Person.
- Inter-laboratory analytical comparisons indicate that there is no systematic bias in the results from the routine laboratory and repeatability precisions are now significantly improved at 3.32%.
- Improvements in analytical precision are evident compared with previous studies of QA/QC results and are now considered very satisfactory. There has been continued improvement over those obtained in 2011 with precisions now at 1.57% which is excellent.
- Duplicate sampling of core shows that the combined sampling and analytical variance has produced precisions of less than 10% at 6.62%.
- Analysis of international standards has been undertaken on a routine basis in the laboratory and all analyses lie with acceptable limits around the "accepted" value
- QA/QC procedures have been followed and the results have been examined by the Qualified Person and have been found to be compatible with the level of confidence expected for NI 43 - 101 compatible Mineral Resources and now allow the production of resources in the Measured category.
- Sufficient Indicated Mineral Resources have now been defined to ensure a long operational life for the project and form the basis for the definitive feasibility study now being completed.
- The completion of a detailed variographic study has for the first time, allowed the definition of Measured Mineral Resources for the project further enhancing its technical and economic viability.
- The resource estimates presented are considered to be conservative in terms of tonnage as phosphate is known to continue below those intersections which failed to reach the underlying grey-green clay.
- Preliminary mineral processing tests and studies undertaken in 2001 and 2004 suggest that there is the potential for economic upgrading of Run of Mine material to a saleable product. This is accepted by the QP as further support for the definition of Mineral Resources within the Initial Target Mining Area.

Snowden concurs with these conclusions but notes that Dr Annels, the independent qualified person (QP) has not visited the site or sample laboratory and has relied heavily on Dr Morrison for geological and technical support.

2.9 EXPLORATION POTENTIAL

The extent of the sea floor phosphate mineralisation is known to a large extent, although the degree of confidence in the resource tonnes and grade has not yet been fully determined. The initial mine (dredging) plan is focussing on the higher grade areas that are less than 225 m below sea level. If the initial mining plan is successful then dredging may move to greater depths or along the sea floor to access lower grade material.

There has been a good conversion rate from Inferred Resources to Indicated Resources in terms of tonnes and grade by closer spaced drilling. Snowden anticipate that additional closer spaced drilling will convert Inferred Resources to Indicated Resources and possibly Measured Resources at similar grades.

2.10 MINING

2.10.1 Mining Concept

The mining concept is to dredge the phosphate resource from the seabed and ship ashore the material for processing and drying. Dredging for minerals off the coast of Namibia is not a new concept and De Beers has been dredging for diamonds off the coast at depths from 90 m to 140 m below sea level. De Beers are also considering dredging for gold on the sea floor. The Sandpiper phosphate resource occurs at depths from 200 m to 300 m below sea level, but the initial mine plan is to target areas to a depth of 225 m below sea level.

A number of studies have been commissioned by the Namibia Marine Phosphate (Pty) Ltd (NMP) and its shareholders. The most relevant reports have been prepared by a Belgian dredging contractor, Jan de Nul (JDN), a company with significant international dredging experience and assets.

JDN signed a Memorandum of Understanding with NMP in August 2008 to conduct investigative research and development with a view to determining the suitability of dredging technology for mining offshore phosphate deposits in Namibia. JDN has guaranteed that it will be feasible to dredge phosphate at that depth using a Trailing Suction Hopper Dredge (TSHD).

JDN provided various reports regarding mining of sea floor phosphate deposits to IHC Marine and Mineral Projects, Cape Town, South Africa (IHC) for an independent review of the proposed dredging operation identified by JDN. IHC noted that based on JDN's experience and successful history in the international dredging industry dredging at 225 m appears reasonable whereas dredging at 250 m would probably require more design and testing

Snowden has examined a number of the dredging reports, held in the Data Room, the most pertinent being:

- Deepwater Feasibility Study, Jan de Nul, 15 January 2012 (the most recent in a series of studies)
- Mining System Scoping Study Report, IHC Marine and Mineral Projects, 31 August 2010, Cape Town (a review of Jan de Nul's work to that date)
- Project Assessment Report, Jan de Nul, 21 March 2009,
- Project Assessment Report, Jan de Nul, 1 February 2010,

These studies conclude that the preferred mining technique is the use of a "Trailing Suction Hopper Dredge", specifically the deep-water dredging vessel the "MV Cristobal Colon", which is currently operating at depths of up to 165m. It has an extendable dredge arm which can be extended from 165 m to 225 m water depth. The vessel does not require large and expensive modification to the existing equipment onboard, but a complete new lower suction tube will need to be designed. JDN has also noted that further engineering studies will determine how much deeper the suction tube can be extended, beyond 225 m.

Dredged slurry is stored on-board, where it is decanted. The vessel is designed to dump this material at sea for conventional underwater earthmoving projects, but options are being examined for barging the dewatered material to onshore processing facilities.

Snowden notes that these reports conclude that a campaign mining schedule is required, given the effect of weather, the months from December until May being favourable. Snowden comments that this factor exposes the production rate, which is initially planned at 1.0Mtpa, expanding to 2Mtpa in the second years and 3Mtpa in the third and successive years, to weather and vessel charter risks. While JDN has factored weather into their calculations (allowing for 35% downtime) there is potential for both upside and downside in production due to actual conditions experienced. Processing of material stockpiled onshore further exposes the project to inventory costs.

The reports indicate significant uncertainty regarding the performance of as yet untried technology (a dredge ladder extended to 225 m), despite Jan de Nul's confidence that this is achievable – "the dredging technology of sucking up the resource, storing on board and ashore do NOT create any challenge from an engineering point of view" (*Project Assessment Report*, Jan de Nul, 21 March 2009, pg 6).

Snowden comments that the 2012 report identifies that the effect of Net Positive Suction Head (NPSH - *Deepwater Feasibility Study*, Jan de Nul, 15 January 2012, pg 7) presents a significant problem that has not been addressed in the various reports when dealing with some of the proposed mining depths.

JDN proposes a powerful pump mounted on the ship to create the enormous negative pressure required to suck a slurry through a rigid pipe from a depth of 225 m (the "extended suction pipe" option). The NPSH phenomenon reduces liquid partial pressure to the point where the liquid boils at low temperature, causing cavitation.

The reports examine submersible pumps, mounted at the suction head (the "mini skid", "skid" and "crawler" options), which would negate this effect, and compare these with a surface-mounted pump.

The reports also examine alternatives such as air lifting (compressed air is forced down a central tube in the string and "lifts" material up an outer tube), which has been dismissed as resulting in a low slurry density and inefficient performance. Snowden notes that a venturi system has not been examined.

The February 2012 report appears to favour the "skid" option with a smaller "mini skid" for the trial mining process. The "crawler" was eliminated for its technical difficulties. Snowden understands that the Skid option is favoured for depths beyond 225m, with the conventional negative-pressure technique to be used at shallower depths.

2.10.2 Dredging plan review

Snowden received feedback from Jan Fordeyn of Jan de Nul dredging company on 13 March 2012 regarding technical dredging queries as follows:

The dredge pump is mounted on the suction pipe of the dredging vessel, about 30 m under water. From about 150m dredging depth, the pump production is limited by cavitation and deeper dredging depth will result in less slurry density and less production. It is estimated to deliver on average 12,850 m³/day onshore calculated for the maximum dredging depth of 225 m below sea level. The planned dredging depth is between 180 m and 225 m below sea level, therefore the 12,850 m³/day estimate is at the lower limit of expected production.

The reason for the maximum dredging depth of the extended suction pipe to 225 m is due to:

- Mechanical reasons, the bending forces of a longer suction pipe and fitting the entire pipe on deck becomes problematic,
- Hydraulic reasons, the impact of the cavitation limit on the production becomes too important. The only way to solve the cavitation limit is bringing the pump further down under the water surface. In JDN's opinion, the best configuration for this is a towed skid.

The skid mounted pump is not limited by cavitation, but by available power. In the range of 200 m to 300 m water depth, it is estimated that the production of the skid mounted pump will be higher than the suction pipe mounted pump. JDN has confirmation from the manufacturers that the skid mounted pump and motor are not different from the existing suction pipe mounted pump, which is also an electrically driven submerged pump, apart from some minor adjustments such as the internal oil pressure compensation. The dredge pump and jet pump on the skid will be powered by two umbilicals, each delivering about 4.5 MW.

The submerged dredge pumps mounted on the suction pipe are considered by JDN to be very simple and robust and JDN has extensive experience with them. JDN currently has five 6.5 MW submerged pumps mounted on the suction pipe in operation in their dredging fleet (the size intended to be used on the skid). All submerged pumps used in the dredging fleet are electrically driven. The dredging vessels equipped with underwater pumps have two main heavy fuel oil (HFO) engines directly coupled to the propellers and generators.

Snowden considers that the comments from JDN provide additional confidence to the successful extraction of phosphate material from the sea floor.

2.10.3 Production

NMP estimated the first years production at 1.0 million tonnes (Mt), ramping up to 3.0 Mt over three years. JDN provided cost estimates which can incorporate the 0.5 Mt per annum (Mtpa) start up target.

In Snowden's opinion this production scenario appears to be prudent, given the risks associated with dredging at this depth. However, Snowden's view is that production rates will be most dependent on slurry density pumped to surface, irrespective of subsequent processing recoveries. This "mining recovery" will be dependent on pump efficiency, which in turn is affected by depth and can be expected to deteriorate with increasing depth.

A review of the proposed dredging process identifies this aspect (refer *Mining System Scoping Study Report*, IHC Marine and Mineral Projects, Section 5.3.1), as well as shipboard sizing of the slurry, as being critical to the success of the project.

2.11 PROCESSING

The metallurgical test work was conducted at laboratory scale for the Scoping Study (SS) and progressed to pilot scale for the Definitive Feasibility Study (DFS).

2.11.1 Scoping Study Level Metallurgical Test Work

The scoping study level test program was designed to verify whether it would be possible to beneficiate the marine phosphate and establish the extent of enrichment possible.

The main goals of this program of beneficiation test work were:

- To determine whether crushing, grinding, scrubbing and attrition would encourage the liberation of clay-like carbonaceous shell type gangue from valuable apatite/francolite and that a low grade rejectable size fraction could be produced as a result.
- To establish whether sufficiently rich concentrate can be produced from this low grade ROM
- To optimize the processes found most effective for beneficiation of the ore
- An assessment of the beneficiation potential of the phosphate ore body
- Evaluation of the concentrate produced for potential conversion into wet process phosphoric acid and fertilizer. This was a desk top assessment based on submitted assay of the concentrate to a WPA/fertilizer licensor.

The scoping study incorporated two phases of test work. The first phase investigated seven samples while a bulk sample was used for the second phase investigations. These two phases were completed in October 2010.

Phase 1

In the first phase, two distinct phosphate regions were found, two richer top layers assaying 17 - 22% P_2O_5 and a third deeper layer assaying around 3% P_2O_5. The richer layers were used for testing and the trials showed that concentrate assaying 27% P_2O_5 could be produced following a beneficiation process that incorporated the following stages:

- Size classification
- Attrition
- Desliming

- Gravity separation (heavy liquid)

The third and deepest layer was extremely fine grained and when subjected to the size separation a concentrate assaying 24% P_2O_5 was achieved for the target size fraction of 150 to 500 micron at a weight recovery of 6%. The remaining 94% is discarded as fine reject being finer than 150 microns.

The main conclusions from the phase 1 of the test work are summarised below:

- The phosphate is primarily carbonaceous with some silica and organic matter present.
- The results indicate that the samples from the upper two layers can be blended as they are quite similar in grade and gangue material distribution.
- In the third layer, approximately 10% of the ore contains 85% of the phosphate. The remainders are slimes which are very low in P_2O_5.
- The blended marine phosphate from layers 1 and 2 assayed 18.2% P_2O_5, 2.08% Al_2O_3, 3.36% Fe_2O_3 and 1.27% MgO.
- The phosphate contains appreciable organic matter (4 - 5% TOC).
- The marine phosphate contains borderline concentrations of MgO (0.8 - 1.6%), Al_2O_3 (0.9 - 3%) and Fe_2O_3 (2.2 - 3.9%).
- The -1 +0.074 mm size fraction makes up 55 - 78% of the ore and contains 78 - 96% of the phosphate, dependant on the subsample. Separation of this size fraction enriches the feed from 15 - 16% to 23 - 24% P_2O_5.
- Both coarse and fine fractions can be rejected with minor losses of phosphate. The combined reject represents 22 - 45% of the ROM.
- The phosphate show selective disintegration and slimes production during attrition. This phenomenon is relatively consistent and it is most effective during the first five minutes of the process after which the effect levels off.
- The attrited slimes result in P_2O_5 enrichment but generally less than 1%.
- After thirty minutes of attrition the sample was beneficiated from 22.2% P_2O_5 to 26.1% P_2O_5.
- In terms of Fe removal, attrition achieved removal of up to 8% of the Fe from layer 1 and up to 30% of the overall iron oxide from layer 2. This trend also applies to Mg, Al and insoluble matter.
- Attrition needs to be considered for inclusion into the proposed beneficiation process.
- The maximum enrichment of concentrate by gravity separation is approximately 26% to 27% P_2O_5, which is considered quite high.

Phase 2

The second phase of the test work consisted of advanced beneficiation trials conducted on a poorer bulk sample (mostly layer 1) assaying approximately16% P_2O_5. This phase incorporated the following stages of processing:

- Flotation
- Calcination
- Acidulation
- Magnetic separation

These trials resulted in beneficiation of the concentrate to 26 - 27% P_2O_5.

The main conclusions drawn from the Scoping Study test work conducted in two phases are summarised below:

- Sandpiper phosphate can be upgraded to 25 - 27% P_2O_5 by a combination of size classification, attrition and calcinations. The final grade of the concentrate depends on the ROM grade fed to the plant.
- The preferred concentrate particle size fraction is -500 +150 micron.
- Calcinations tests performed in the second phase of the test work provided enrichment of 2.8 - 3.5% P_2O_5 due to eliminating all the organic matter at temperatures exceeding 800 ºC.

- Acidulation tests achieved enrichment of 2 - 3% P_2O_5 irrespective to pre calcining the sample. Further test work in optimization of acidulation conditions and cost evaluation of acid consumption at industrial scale plant were recommended.
- Attrition was moderately effective in beneficiating the marine phosphate due to its coherent structure. The sample was enriched from 21.7% P_2O_5 to 22.3% P_2O_5 at 99% P_2O_5 recovery and 97% weight recovery. Narrowing the concentrate size fraction to -500 +150 micron increased the concentrate grade after attrition from 23.9% P_2O_5 to 24.6% P_2O_5.
- The richest concentrate produced was in the range of 25 - 27% P_2O_5 dependant on the size fraction by gravity separation using heavy liquids. This translates into an enrichment of 3 -5% P_2O_5. In overall concentrate terms the enrichment is much smaller. It is likely that dynamic gravity separation in flowing units will improve the effectiveness of the gravity separation as particle shape is also exploited.
- The richest concentrate produced by calcination assayed 25% P_2O_5 (3% P_2O_5 improvement). Washing the quicklime from the calcined ore was also inefficient in enriching the ore. Calcination is to be recommended if the presence of organic matter in the concentrate might prevent its conversion into WPA (wet process phosphoric acid).
- Acidulation before calcination and after calcination showed similar trend of enrichment (2 -3% P_2O_5). Maximum concentrate assaying 26.1% P_2O_5 was achieved.
- Settling test results demonstrated that whilst the coarser and intermediate size fractions settle within minutes, the take days to settle due to low specific gravity and surface characteristics. The usage of flocculants and regulation of pH accelerate the process.
- Flotation did not upgrade the sample before or after calcination. The flotation was not selective; any increase in collector dosage did not result in improved beneficiation.
- Magnetic separation did not yield any results due to incoherent iron distribution of the ore.
- Sun drying tests demonstrated the potential for sun drying in a hot and relatively dry climate. The reduction of moisture as a result of the sun radiation reached 8% after a week. These results are in direct contradiction with those from the 2001 study (1.8% moisture) and could not be explained.

Review of Sandpiper Phosphate Concentrate

Two concentrate samples produced in Phase 2 (layer 1 ore material) of the Scoping Study level test work were sent to Yara for a review to assess their suitability for phosphoric acid production.

The assessment of these concentrates by Yarra is summarised below:

<u>-1 mm +0.074 mm concentrate (22.1% P_2O_5)</u>

- The specification of the Namibia Phosphate shows that it is a sub commercial grade. However, this in its own right particularly with respect to P_2O_5, does not necessarily mean it is impossible to process in a phosphoric acid plant. What is more important is the relative concentration and interaction of the various impurities present in the phosphate sample. Yarra have good experience of processing slightly higher grades of phosphate on a commercial scale in its hemihydrate process plant. The performance of the phosphate can only be confirmed by test work and the first step would be to carry out a small scale test in a continuous laboratory scale phosphoric acid unit.
- The sample contains significant amounts of calcareous material and this together with the low P_2O_5 level results in a high CaO/P_2O_5 ratio which will lead to a correspondingly high level of sulphuric acid consumption when the rock is processed in a phosphoric acid plant. Yarra estimates the specific consumption would be approximately 4.2 t 100% H_2SO_4 per t P_2O_5 produced. This is about 30% more than what would be expected from processing of the regular commercial grade of phosphates.
- The organic material (TOC 3.3%) is extremely high and is expected to stabilise any foam which is generated by the significant amount of CO_2 present in the phosphate. Addition of an antifoam additive would be necessary to control this foaming tendency although in extreme cases there is a possibility that the gypsum filter cake becomes blinded by the organic material, which then impacts on the filtration characteristics.

- It is expected that phosphoric acid of nominal 40% P_2O_5 could be produced from the phosphate. However, due to the high organic content it is expected that the filtration rate is likely to be low.
- The metallic impurities (Fe, Mg and Al) are expected to be mostly transferred to the acid phase during processing although this can only be confirmed by test work. High metallic content will lead to production of a high viscosity phosphoric acid which may also result in lower filtration rates. If the acid is concentrated to 50 to 52% P_2O_5 then the viscosity will increase and some of the dissolved salts are likely to precipitate out during storage of the product acid. High levels of metallic impurities in the product acid are likely to make further downstream processing more difficult.
- The high levels of Na and K in the phosphate are expected to lead to the formation of silico fluoride scales in the filtration circuits and this will require frequent washing and cleaning of the plant to maintain an efficient plant operation.
- The chloride levels are relatively low compared with most commercial phosphates so corrosion is not likely to be a concern, particularly if there is sufficient silica available to associate with the fluoride compounds present in the rock.

-500 +150 micron concentrate after attrition and calcination (25% P_2O_5)

- By selecting the + 0.15 and +0.25 mm fractions the overall quality of the material improved in terms P_2O_5 concentration. Further improvement was achieved by lowering the CO_2 content of the material to almost zero and also by reducing the TOC content to 0.18%. The reduction in CO_2 and TOC will significantly reduce the foaming tendency of the phosphate although the TOC content is still a little on the high side compared with that of most commercial phosphates, should not have too much impact on the processing characteristics.
- The estimated specific consumption of sulphuric acid is reduced to 3.85 t 100% H_2SO_4 per t P_2O_5 produced, although this is still on the high side compared with regular commercial grade phosphates.
- The comments made previously regarding the high metallic content of the material are still applicable. Any improvement in these values would be most beneficial when producing high grade fertiliser products.
- If a final grade of 25 to 27% P_2O_5 can be achieved in the future by delivering a richer feed to the concentrator then this will be a further step towards improving the performance of the phosphate as a satisfactory feed material for WPA and subsequent downstream fertiliser production.

2.11.2 Feasibility Study Level Metallurgical Test Work

2011 Test Work

Additional test work to evaluate the amenability of the Sandpiper phosphate concentrates to the production of single super phosphate fertilizer (SSP) was carried out in January and February of 2011 as a preparation to subsequent pilot plant test work. This test work covered the following stages:

- Attrition
- Gravity concentration
- Calcination
- Flotation
- Chloride washing
- Fertiliser making tests
- Mineralogical investigations
- Recommended pilot plant flow sheet

For this test work, samples from 3 different layers were characterised and concentrated by hand screening to produce a composite concentrate (- 1 mm + 100 micron) with a head grade of 27.8% P_2O_5.

The main outcomes of this test work are summarised below:

- A higher phosphate grade in the feed resulted in a correspondingly higher grade in the concentrate. The results show that mineral was upgraded from 19.9% P_2O_5 to 27.7% P_2O_5 by a combination of classification, gravity separation and attrition. Further upgrading to > 28% P_2O_5 was achieved by calcination.
- Preliminary formic and citric acid solubility tests on the concentrate showed that although the concentrate phosphate grade itself is at the lower end compared with commercial direct application phosphates (DAPR), the formic and citric acid solubilities of the rock appear quite high, putting the product within the upper range of the available phosphate specification for DAPR.
- Acidulation of pulverized and un-pulverized concentrate produced very high solubility Single Super Phosphate (SSP).
- Wet Process Phosphoric Acid (WPA) was produced on a bench scale, with an acid recovery of around 70%. The acid was upgraded by evaporation to 43%.This work needs to be repeated by a fertilizer company on a much larger scale.
- Grinding and flotation were not effective for concentration of the P_2O_5, and the flotation process is not indicated as a possible beneficiation process for this ore. (Confirmed in independent testing by BAT, ArrMaz Specialty Chemicals and KemWorks)

The subsequent pilot plant work recommended to include the following processing stages:

- Screening
- Gravity separation
- Attrition
- Desliming
- Tailings thickening

2012 Pilot Test Work

The pilot scale test work was conducted in two stages by MINTEK in South Africa during February and March 2012. The 300 ton of material was dredged approximately 60 km off Walvis Bay for this test work.

2.11.3 Bulk sampling

The bulk sampling program was completed in October 2011 using the MV Smit Madura boat and delivered to Walvis Bay. Grab sample loads were recovered from 105 sample locations from the seafloor using NMP's purpose-built 2.0 m^3 mechanical grab and recovery system. The boat and equipment handled operations in swells of between 3.0 m to 5.5 m. The area sampled is probably the first mining target. Approximately 265 tonnes were collected in 1.0 m^3 bulker bags which were trucked by road to the MINTEK processing facility near Johannesburg.

Stage 1

The circuit comprised upfront screening of the shells at 1 mm, followed by desliming the natural slimes at 106 µm. This was then followed by spirals (rougher-cleaner) tests to remove finer shells and free silica, and final cleaning of the product by attritioning and desliming in an attempt to remove the possible impurities on the phosphate grains. The main waste streams were coarse tailings (sea shells), and fine tailings (rougher and cleaner tailings), and slimes from the cyclones.

The stage 1 pilot campaign was run on the first 155 tonne material with the aim to commission the circuit, and evaluate upgradability of the marine phosphate on the proposed circuit. The pilot plant was run at an average processing rate of 1.16 ton/hour dry solids for two weeks and with average plant utilisation of 70%. The pilot plant was initially planned to be run with sea water artificially made up at MINTEK, however, due to the cost constraints of neutralisation of the processed water, and the inability to recycle saline water at MINTEK site, it was agreed that the pilot plant test would utilise only Johannesburg tap water.

Stage 1 results indicated that:

- The head grade of the dredged material treated was fairly consistent at 19 - 20% P_2O_5, 40 - 44% CaO, 7.5 - 8.5% SiO_2, 2.3% Fe_2O_3 and heavy metal Cd at just under 20 ppm.
- Overall, the bulk phosphate concentrate produced from the stage 1 pilot campaign on full circuit including spirals was 38.6 tons (dried) with an average blended product grade of 27.5% P_2O_5. The CaO/ P_2O_5 ratio in the final blended product averaged 1.4. Cadmium averaged 28 ppm. The final product mass yield and P_2O_5 recovery averaged around 45% and 63% respectively.
- Stage 1 results indicated that notwithstanding attempting various circuit configurations, the maximum final product grade attainable on the proposed screening-gravity-attritioning and desliming circuit was 27.5% P_2O_5.
- Upfront screening proved inefficient resulting in up to 30% loss of phosphate to the oversize, despite the high spray wash water rate; with main reasons being 'dry' feeding which could not effectively remove the agglomerated phosphate encapsulated in the sea shells.
- Overall, the spirals together with the two desliming cyclones resulted in an average phosphate loss of 14% to the tails.

Stage 2

Stage 2 pilot campaign was conducted with the aim of confirming the attainable overall product yields, grades and recoveries. In addition further optimisation of the circuit configuration, particularly looking at slurry feeding system, improving spiral circuit as well as attritioner performance was conducted. The parallel objective of stage 2 was also to produce more bulk concentrate for marketing purposes.

The key change in stage 2 pilot plant run was the feeding system which was converted to slurry feeding with upfront conditioning in a stirred tank with dilution water to keep the solids in suspension and thereby promoting the release of the trapped phosphate material in the shells.

The general conclusions drawn from stage 2 pilot plant runs are summarised below:

- The stage 2 pilot plant feed of marine phosphate material was found to be consistent in terms of head grades at an average of 20.37% P_2O_5, ranging between 19 - 23% P_2O_5. This is in line with stage 1 feed grade which averaged 19.07% P_2O_5.
- Calcite is a major constituent reporting an average of 43% CaO, while silica reported 9% SiO_2, and iron as 2.5% Fe_2O_3 on average. Stage 1 was similar at averages of 43% CaO, 8%SiO_2, and 2.3% Fe_2O_3.
- Slurry feeding with a pump could not be achieved with major challenges experienced on pump, pipeline and flow control valve blockages caused by large sea shells in the feed.
- Slurry feeding with a stirred conditioner tank significantly improved screening recoveries as expected. Screen mass yields were improved from an average of 60% in stage 1 to over 85% on average for stage 2, with P_2O_5 recoveries improved from 73 to over 95%. The improvement was brought about by the additional liberation of the encapsulated phosphate rock from "broken" shells, with breakage mainly through the stirrer.
- Feed conditioning did result in more shells breaking to the product fraction, ending up in the spiral circuit. Although the spirals could still clean the product, the higher proportion of shells tended to wash the product along to the tails in the rougher stage resulting in significant product losses of up to 40% (by P_2O_5 value) in the rougher stage. This necessitates the incorporation of a scavenger spiral as a buffer for process feed fluctuations, particularly to aid removal of additional shells reporting to -1 mm fraction as a result of breakage. Recirculating cleaner middling to the rougher spiral was effected on the circuit after visual observations of excessive broken shells that ended up in the cleaner concentrate. This resulted in significant recovery benefit from lower 40-50% to up to 90% P_2O_5 recoveries.
- Overall, the gravity circuit with recycled cleaner middlings stream has demonstrated that the product grade of 27.8% P_2O_5 can be achieved at the average mass yield of 53% and 74% recovery of P_2O_5.

- The bulk product mass obtained was around 41 tons, accounting for 45% of the 104 tons feed treated in stage 2. Lower mass yield could be attributed to spillages resulting from blockages. The CaO/P2O5 ratio averaged 1.46 on the border line of the 1.5 that the market tends to prefer for acid consumption considerations. Cadmium in the final product is consistent at 28 ppm, similar to phase 1.
- Comprehensive batch attritioner tests on the cleaner concentrate have shown the following:
  - The results indicated that the final product (+106 µm) grade of slightly higher than 28% P_2O_5 could generally be achieved, however it must be noted that most of these were within the ± 2% average analytical variation based on feed.
  - Residence times above 15 minutes do not appear to have added benefit on product upgrade (+106 µm).
  - The -106 µm slimes regeneration via attritioning is not significant, varying from feed at 3.5% -106 µm to 5.7% -106 µm at 40% feed density, 1400 rpm and 10 minutes on laboratory scale. The pilot unit achieved highest slimes regeneration of 5.7% -106 µm at 20 minute residence time, 60% solids and 1400 rpm.
  - The effect of attritioner speed on a laboratory scale was inconclusive, with +106 µm grades virtually the same at around 27.8% P_2O_5.
  - Residence time of at least 10 minute should be considered, and density should be higher than 40% solids for a noticeable improvement in +106 µm grade.
  - Given the small proportion of -106 µm in the product, it was recommended to use a derrick screen as opposed to the cyclone given the inherent hydrocyclone inefficiencies of water bypass to the underflow.
- Although there were some runs that achieved slightly higher than 28% P_2O_5, this product grade specification would be a challenge for the beneficiation plant to meet given the lack of consistency in achieving this on the pilot plant. Hence the bench mark for upgrade was recommended to remain at 27.5% P_2O_5 as reported in stage 1.
- The mineralogical analyses conducted on the stage 1 concentrate sample have shown that there is high amount of fine pyrite inclusions (<1µm) and other gangue minerals such as quartz, mica and calcite within the main phosphate mineral (francolite). These inclusions within the phosphate nodules result in dilution of the final phosphate rock concentrate and mineralogical evaluation has shown that they may be impossible to remove by any physical means.

2.11.4 Product Marketing

The product specification sheet and marketing samples have been released to potential users of the Sandpiper Marine Phosphate Project or “NamPhos” phosphate beneficiated product. Those potential customers will now carry out their own laboratory scale test work to confirm the product specification and also the suitability of the product for their individual fertilizer plants or trading partners.

The market focus for use of the Namphos commercial product is:

- rock phosphate for phosphoric acid production – as set out in the Scoping Study, the beneficiated phosphate has been shown to be commercially viable for the production of phosphoric acid.
- direct application phosphate rock (“DAPR”) – tests by Bateman on concentrate characteristics have indicated that the rock phosphate is a highly reactive rock concentrate and should be suitable for direct application in appropriate soil and climate conditions;
- Single Super Phosphate (“SSP”) – Bateman has completed the test-work on the suitability of the rock to be used in SSP, the results of which were positive.

2.11.5 Summary of phosphate processing

- The Sandpiper Marine Phosphate Project metallurgical test work program seems to be well planned and conducted to generate engineering design data for the Scoping and Feasibility Studies.
- Different ore layers were identified and sampling was conducted accordingly.

- The pilot plant work shows that the treatment of the ore feed material in a conditioning tank helps with the release of trapped phosphate material in sea shells while also causing them to break and to find way to the spiral circuit. These shells also blocked the pilot plant equipment such as pipes, pumps and valves. From the available data, it is possible to calculate that the shells can make up around 13% of the feed material. It is understood that screening these shells on the dredging vessels is not possible due to the large foot print required for the screens
- The maximum concentrate grade achievable from an average feed head grade of 20.37% P_2O_5 was established to be 27.5% P_2O_5. The mineralogical investigations conducted at high standards showed that the inclusions of other minerals such as pyrite, mica quartz and calcite in the main phosphate mineral francolite structure results in dilution of the final product and it is not possible to remove these inclusions by any means. This observation also explains why the heavy liquid separation and flotation process did not produce higher grade concentrates.
- While the obtainable concentrate grade of 27.5% P_2O_5 is relatively low, the results of solubility, WPA and acidulation tests show that such a concentrate does have potential uses in the phosphate rock market.
- It is of paramount importance that the marketability of the concentrate be tested by the potential users not only with respect to phosphate content but also with respects to its contaminants.

2.12 ENVIRONMENTAL STUDIES

In accordance with the terms of the granted Mining Licence ("ML 170") and in compliance with the Namibian Environmental Management Act (No. 7 of 2007) ("the Act"), the EIA and EMP were lodged on 12 January 2012 at the Namibian Ministries of Mines and Energy and Environment and Tourism.

The key issues addressed in the EIA:

- Governance
- The EIA process
- Biogeochemical impacts
- Benthic impacts
- Marine fauna – flora impacts
- Cumulative impacts
- Socio-economic impacts
- Project impacts.

The EIA also included the full reports and findings of the four independent specialist studies that were undertaken to address the specific potential impacts on:

- Fish and fisheries and seabirds and marine mammals
- Water column dynamics
- Macrobenthos
- Jellyfish.

The draft report concluded:

"The significance of the potential impacts associated with the proposed Sandpiper Project for dredging of marine phosphate-enriched sediment has been investigated and assessed in the Environmental Impact Assessment. There are presently no identified issues of environmental significance to preclude the dredging of phosphate-enriched sediments from the Mining Licence Area No. 170. There are however, management and mitigation measures that are to be implemented by NMP and their sub-contractors".

During December 2011 the public consultation process was commenced for the terrestrial (land based) EIA, with meetings held in Windhoek and Walvis Bay. A number of matters were raised at the public scoping meetings and Enviro Dynamics, appointed independent consultant experts, and the NMP team is currently addressing the points raised.

Snowden is satisfied that environmental issues are being addressed and will not prevent the project from proceeding.

2.13 FUTURE WORK

The future work program for the NMP Joint venture has been reported as follows:

- finalise the DFS which is due for completion at the end of March Quarter 2012
- complete the upgrade of mineral resource estimates to support the DFS production schedule and the financial modelling
- complete the processing of the final 80 tonnes remaining of the bulk sample through the pilot plant and produce additional marketing sample
- complete test work on concentrate for production of the target set of fertiliser products
- continue discussions with potential off-take parties to establish interest for sale of the Namibian concentrate for producing either phosphoric acid or SSP and for direct application;
- continue the follow up from the terrestrial environmental public scoping meetings held in Windhoek and Walvis Bay
- investigate and commence discussions with regard to the available financing options for the development of the project.

The next phase of resource development sampling is planned to focus on further upgrading the current Indicated Mineral Resource in this initial target recovery area (IRA) to the Measured Resource category for further support to the definitive feasibility study (DFS). This work is currently in progress and comprises closer spaced infill sampling and analysis.

2.14 CONCLUSIONS

Snowden has reviewed all the available and relevant data concerning the Sandpiper Project and visited Cape Town to inspect drill cores and observe the sample preparation and analysis at the Scientific laboratory. Snowden is satisfied that the project has economic potential for the exploitation of phosphate from the sea floor.

Snowden notes that the technology required at the depth of the proposed dredging, may offer a challenge to the project, but Snowden is also aware that JDN is confident that the technology will be available following trials with different types of equipment. Dredging minerals from the sea floor is common for diamonds to depths of 150 m below sea level and is being considered by De Beers to recover gold from the sea floor.

3. MEHDIABAD PROJECT

3.1 OWNERSHIP

The Mehdiabad zinc project is owned by Mehdiabad Zinc Company (MZC) an Iranian registered joint stock company, which has three shareholders and voting shares as follows:

1. The Iranian Government Company (IMPASCO, now IMIDRO) 50%,
2. Itok GmbH 25.5%
3. UCL, formerly Union Capital Limited 24.5%.

UCL was nominated as the Project Supervisor for the project.

3.2 LOCATION AND ACCESS

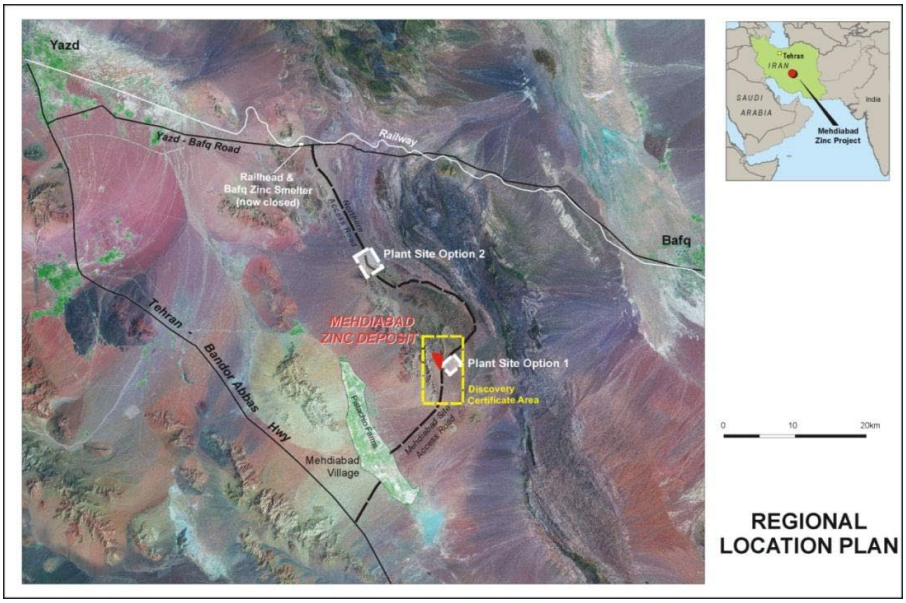
Figure 3.1 shows the location of the Mehdiabad Project in central Iran.

Figure 3.1 Location of Mehdiabad Project in Iran

Source: UCL

Figure 3.2 shows the regional location of the project, approximately 85-km southeast of the city of Yazd and approximately 550 km southeast of Tehran. The project site lies within the Mehriz district of Yazd province. The Mehriz district is divided into two regions and encompasses three cities and seven rural districts. There are four villages nearby, Mehdiabad, Bahadoran, Aliabad and Karimabad.

Figure 3.2 Regional location plan of Mehdiabad Project



Source: UCL

Access into the area is via the Tehran Bandor Abbas highway and the Yazd Bafg road.

3.3 TENEMENTS

The area of the Mehdiabad Project is approximately 276 km^2. No details of tenements have been provided to Snowden.

3.4 GEOLOGY

The project is located in early Cretaceous carbonate Taft Formation rocks, in a synformal half-graben structure.

3.5 EXPLORATION

The Mehdiabad zinc deposit has been explored by various parties since the 1960's. Exploration activities have included over 52,000 m of mostly diamond drilling, more than half of which has been completed by the UCL led joint venture. UCL has to date invested in excess of US$16.8 million on exploration and feasibility activities relating to the project up until December 2006.

3.6 RESOURCES

Table 3.1 shows the latest mineral resources at the Mehdiabad Project in 2006.

Table 3.1 Mehdiabad Project mineral resources (2006)

Resource classification	Tonnes (Mt)	Zn %	Pb %	Ag g/t
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**

Preliminary metallurgical test work indicated average recoveries of Zn, Pb, and Ag are 71%, 53% and 29% respectively. UCL considers that there is potential for additional resources to the north, over a width in excess of 1 km.

In addition, during the year ended 30 June 2007, UCL announced a copper (Cu) resource shown in Table 3.2.

Table 3.2 Mehdiabad Copper Resource

Category	Classification	Tonnes Mt	Cu %
Oxide	Indicated	29.1	0.61
	Inferred	12.9	0.60
	Sub total	**42.1**	**0.60**
Sulphide	Indicated	13.1	0.51
	Inferred	17.2	0.40
	Sub total	**30.3**	**0.45**
Oxide and sulphide	**Total**	**72.3**	**0.54**

3.7 FEASIBILTY STUDIES

A Pre-Feasibility Study (PFS) of the Mehdiabad Project was prepared in July 2001. UCL contracted Aker Kvaerner Australia ("AKAU") to manage a Bankable Feasibility Development Project (BFDP) which would culminate in a Bankable Feasibility Study (BFS) on the completion of Phase III of the project. AKAU completed the Phase II – Status Report in February 2005 and an extensive study into the development of the project was undertaken in May 2006 to determine the "Optimum Mine Plan" and "Optimum Process Route.

An interim Phase III – report provided a basis to assess the viability of the Project before proceeding to the completion of Phase III of the project. The following studies were undertaken as part of the (feasibility) study at the project:

3.7.1 Geotechnical

Coffey Consultants were commissioned to carry out feasibility-level geotechnical studies in May 2005. This Study presents aspects of the geotechnical study as assessed up to January 2006. Further work towards a feasibility level study was planned as more field and laboratory information became available in the first half of 2006.

3.7.2 Hydrology

Golder Associates was commissioned to carry out feasibility-level hydrological studies in May 2005.This Study presents aspects of the hydrological study as assessed up to January 2006. Further work towards a feasibility level study was planned as more field and laboratory information became available in the first half of 2006.

3.7.3 Mining

Mine design, optimisation and scheduling were completed by AMDAD, a Brisbane based mining consultancy.

3.7.4 Summary

AKAU stated that the study met their standard for a feasibility study, subject only to:

- grant of an Exploitation Licence;
- receipt of necessary water rights and environmental clearances; and
- an indication of commitment to the Project from the Iranian Government.

These exceptions were considered to be the responsibility of UCL's Iranian partners in the Project and have not yet been completed. The Study was independently reviewed by an Iranian consulting engineering firm, Aseh Sanat, which has agreed with AKAU"s conclusions. The Board of MZC subsequently approved the Study as bankable subject to the exceptions noted above, thereby finalising the key earn-in provisions of the agreements governing the Project.

UCL also conducted studies into lower capital cost options that may be able to be financed while maintaining the long term viability of the site under the "Optimum Case". Aker Kvaerner Australia prepared a BFDP financial model.

3.8 EXPLORATION POTENTIAL

The Mehdiabad Project involves the mining and processing of a large oxide and sulphide zinc-lead-silver deposit, which is reported to have the potential to be the second largest zinc metal mine in the world together with associated substantial lead-silver concentrate byproducts. The deposit also contains large quantities of barite.

Snowden considers that the project has further exploration potential if government and statutory approvals were granted.

3.9 BACKGROUND AND FUTURE DEVELOPMENT

3.9.1 Purported termination

A letter dated 28 November 2006 was received on 5 December 2006 from IMIDRO, an Iranian government partner in the Mehdiabad Project, purporting to terminate four of the five agreements under which UCL maintains its interest in the Project. UCL believes that it has complied with all of its obligations under the agreements and that no grounds exist for the purported termination.

As a consequence of the purported termination and having fully funded its contribution to MZC, UCL ceased all exploration and development funding to the project but still maintains a representative office, at minimal cost, in Tehran to assist in ongoing deliberations.

3.9.2 EFIC Claim

At the time of the purported termination by IMIDRO of several of the agreements governing the Project, UCL held a political risk insurance policy in respect of its investment in the project ("the Policy") with the Australian Government Export Finance and Insurance Corporation ("EFIC"). Following the purported termination UCL notified EFIC of the purported termination. The limit of liability under the Policy was US$4.5 million. In the 2009 financial year UCL lodged a claim with EFIC for the full liability of US$4.5 million, however EFIC rejected UCL's claim. Following further discussions with EFIC during which EFIC continued to refute UCL's claim, UCL's directors, based on independent legal advice, decided to discontinue the claim rather than incur further legal fees and taking up further management time in pursuing the claim with little likelihood of success.

3.9.3 UN sanctions

The UN sanctions placed on Iran have increased the uncertainty of attracting foreign investment into the country. UCL remains committed to the development of this world class zinc-lead-silver resource but, pending the outcome of current negotiations and given the current political environment in Iran, it may be some time before the development of the Mehdiabad Project can proceed and add value to the Company. Nevertheless, given the quality of the resource, the Company's commitment to the Project and the possibility of an improving political situation in Iran, UCL's management believe that it is worth maintaining an interest in the Project.

3.9.4 Ongoing dispute

In December 2009 UCL Directors decided to impair the book value of UCL's expenditure on exploration at the project which was US$16.8 million) in accordance with applicable accounting standards to reflect the perceived uncertainty surrounding the project, although this did not constitute the writing off of the expenditure. The impairment did not change the strategy of UCL in its continued efforts to achieve a positive outcome for the Project.

UCL announced on 21 February 2011 that MZC has continued to negotiate a Memorandum of Understanding ("MOU") with IMIDRO, as agreed at the meeting held on 21 December 2010 at the Office of the President (Iran).

3.9.5 Current status

During the December 2011 Quarter UCL representatives continued to seek a resolution to the ongoing issues and find a mutually beneficial solution to the ownership issues that have placed the Mehdiabad Base Metal Project on hold. The negotiations and discussions are ongoing but no resolution has been reached so far.

3.10 SNOWDEN ASSESSMENT

Snowden has not fully reviewed the feasibility study or the mineral resource estimation but considers that they have been carried out by well-known professional organisations. In Snowden's opinion the project has potential to be economically exploited but is obviously restricted by Western sanctions against Iran and issues concerning ownership. Considering the investment of $16.8 million and the possibility of recuperating some of this expenditure through an international court of arbitration (ICSID), Snowden considers that the project has some value although this is seriously impaired.

4. WONARAH PHOSPHATE PROJECT

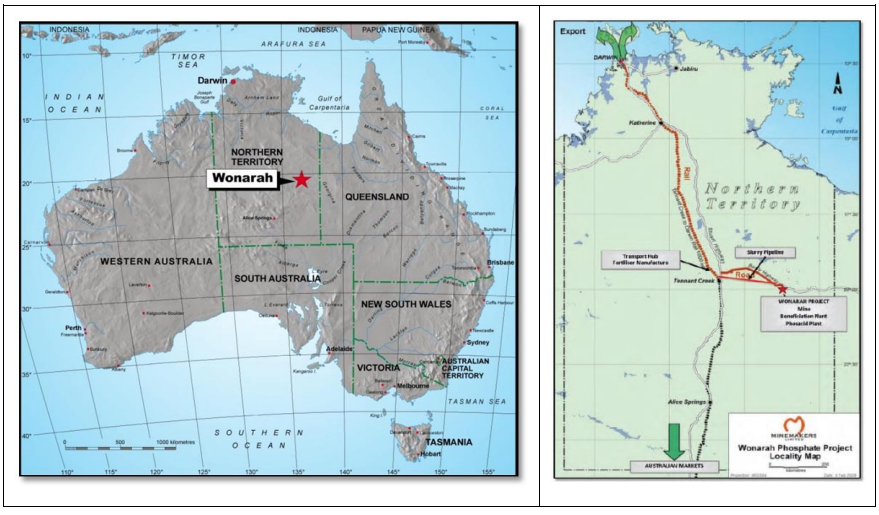
4.1 OWNERSHIP

The Wonarah Project is owned 100% by Minemakers.

4.2 LOCATION AND ACCESS

Figure 4.1 shows the location of the Wonarah Project in the Northern Territory and planned route for transport of phosphate concentrate and/or fertilize to Darwin. Access into the area is good with main roads close by.

Figure 4.1 Location of Wonarah Project

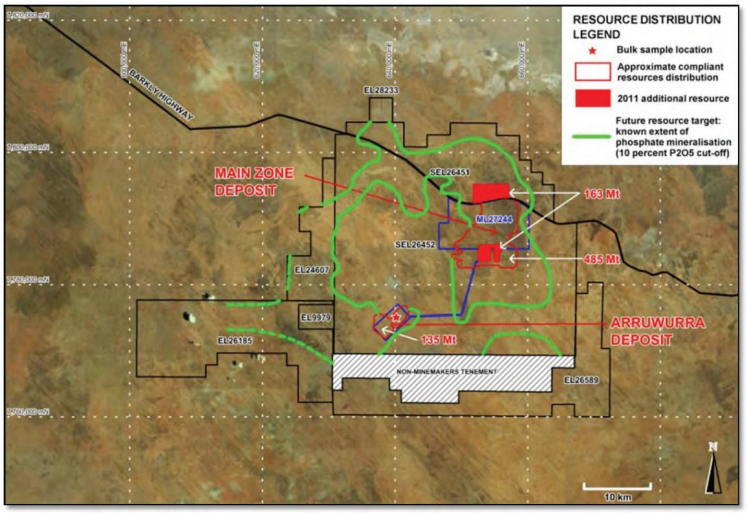


Source: Minemakers

4.3 TENEMENTS

Figure 4.2 is a map showing the Wonarah tenements and resource distribution.

Figure 4.2 Wonarah tenements and resource distribution



4.4 BACKGROUND

4.4.1 Joint Venture

On 1 June 2011, Minemakers advised that it had signed a non-binding memorandum of understanding (MOU) with Bombay Stock Exchange listed NMDC Ltd (NMDC) to develop of Wonarah. Under the MOU, relevant NMDC management and staff would join the Minemakers' team to undertake an Enabling Study into the agreed aspects of the full development of Wonarah.

At the time it was hoped that the initial Enabling Study will support Minemakers and NMDC signing a full Joint Venture Agreement (JVA) governing the financing of development of Wonarah and the downstream fertiliser manufacturing facilities.

The general terms of the JVA were anticipated to include:

- NMDC to purchase 50% equity in the Wonarah project
- NMDC will have responsibility for arranging project finance for the full development of Wonarah by way of a debt facility
- Repayment by NMDC to Minemakers of certain project and other costs already incurred on the Wonarah project to date

The results of the Enabling Study are being assessed by NMDC as part of its due diligence prior to entering into a joint venture. The JV covers the future ownership, purchase price, mine and marketing management, and mine and fertiliser plant funding obligations. Snowden notes that NMDC has backed away from signing the joint venture agreement and that Minemakers has advised that discussions were initiated with other potential parties.

4.4.2 JDCPhosphate Inc

Minemakers owns 6.67% of JDCPhosphate Inc (JDC) which has a patented technique to produce superphosphoric acid (SPA) by a dry kiln technique. It intends to construct a demonstration scale plant, subject to securing appropriate financing, in Florida during 2012. Minemakers intend to test the Wonarah ore at this facility. If results are positive, installation of kilns to produce that SPA at Wonarah is the likely downstream development route. Pilot scale test work was carried out in 2011 in the USA with encouraging results.

JDC advised in late 2011 that it has successfully closed the funding needed for the first stage of development of their demonstration plant to produce SPA in Florida. Initial investigations are planned for 2012 for metallurgical test work on beneficiation of the various Wonarah phosphate bodies and will be preceded by a drilling program to obtain representative mineralisation samples.

4.4.3 Mining agreement

Minemakers signed a Mining Agreement with the Arruwurra Aboriginal Corporation and the Central Land Council on 25 February 2011 which gives approval to the development of the Wonarah phosphate deposits, including the mining operation, beneficiation processing operations, production of fertilisers, and of the entire associated infrastructure. The agreement also provides a process for the protection of sacred sites, skills training and preferential job opportunities for local Aboriginal people in the mining, processing and freight operations and for financial benefits to the Traditional Owners.

4.4.4 Direct Shipping Ore

A Feasibility Study for direct shipping ore (DSO) was completed by Minemakers with reportedly positive results and a product suitable for fertilizer manufacture. However, Minemakers has stated that it may not necessarily have found a ready acceptance in the spot or short term contract markets. Uncertainty concerning future prices and the value of the Australian dollar has resulted in a decision to focus on downstream processing. The project is permitted for DSO production and that route remains an option, should future price increases consistently warrant it. Minemakers reports that capital costs would be under $200 million, which is reportedly to be offset against future needs when the operation is ramped up to produce fertiliser feed material.

4.5 ENABLING STUDY

4.5.1 Study

An independent Enabling Study was initiated in 2011 which indicated robust economics for a major 1Mtpa P_2O_5 operation. The study contemplates two options to produce 1Mtpa of contained P_2O_5:

- 1.4Mtpa of 70% P2O5 superphosphoric acid ("SPA"); or
- 2Mtpa of Diammonium Phosphate/Monoammonium Phosphate ("DAP/MAP")

The Enabling study was completed by the Florida-based international phosphate fertiliser consultancy, KEMWorks Technology Inc, assisted by Perth's Optimum Capital for the financial modeling, and was coordinated by Minemakers' management. The Enabling Study examined two process routes, various plant locations and associated logistics.

- The first process route uses the conventional Wet Acid Phosphoric (WAP) process to produce Merchant Grade phosphoric acid (52% P_2O_5) by reacting phosphate rock with sulphuric acid. The sulphuric acid is produced by burning sulphur which Minemakers would import. The phosphoric acid is reacted with ammonia to produce granular DAP or MAP fertiliser. Phosphate ore is beneficiated using crushing, grinding, screening, washing and froth flotation.
- The second route uses the Improved Hard Process (IHP) to produce superphosphoric acid (SPA) (70% P_2O_5). The process uses a kiln fed with lower-grade phosphate rock, silica, and petroleum coke. The SPA product is very pure and needs a source of High MER Acid with impurities normally found in Merchant Grade Acid to allow it to be granulated into DAP/MAP fertiliser. A significant benefit for the IHP route is that because the phosphate can be a lower grade, the beneficiation plant does not require flotation. An extension of the study examined the economics of establishing a DAP/MAP facility in India to use that SPA.

For the Wet Acid Process route in the study it was assumed that the beneficiation plant would be located at the mine site at Wonarah and phosphate rock slurry would be transported by pipeline to the sulphuric, phosphoric acid, and DAP/MAP fertiliser plants at Tennant Creek. Raw materials from Darwin to Tennant Creek (principally sulphur and ammonia), and DAP/MAP product from Tennant Creek to Darwin would be transported by rail.

For the IHP route, it was assumed that the IHP plant would be located at Wonarah. Petroleum coke would be transported by rail from Darwin to Tennant Creek, and from Tennant Creek to Wonarah by road. Product SPA would be transported from Wonarah to Tennant Creek by road and on to Darwin by rail.

The estimated capital cost is A$2.3 billion for the conventional wet acid process route and A$1.6 billion for the IHP process route. These costs do not include land acquisition, Darwin Port costs, transport costs, or owner's costs. An allowance was made in the IHP case for a fertiliser plant in India to show the same scope to finished fertiliser in both cases. This involved an additional capital cost of A$0.2 billion. The accuracy of the estimates is +35-25%. The operating cost estimate for the two cases was prepared by Optimum Capital.

The Wet Process Acid route uses conventional plants in capacities that have been extensively commercialised. However, the IHP route, though not commercialised yet, has clear capital and operating cost advantages.

4.5.2 The SPA option

Minemakers state that it prefers this option for claimed lower capital and operating costs. However, Snowden notes that the technology is not yet commercially proven, and the patent is held by an American firm, JDC Phosphate Inc., in which Minemakers holds a 6.67% stake and sole Australian rights.

This option contemplates ore being mined and beneficiated on site and SPA being produced in a central plant. Product is to be trucked to Tennant Creek and railed to Darwin for export or for sale to Australian customers.

4.5.3 The DAP/MAP Option

This option contemplates beneficiation of ore on site and beneficiated material pumped via a slurry pipeline to Tennant Creek. Imported sulphur would be used to generate sulphuric acid and Merchant Grade Phosphoric Acid (MGA) produced by a conventional wet acid process. This MGA would be used with imported ammonia to make fertilisers such as MAP and DAP.

4.6 GEOLOGY AND MINERALISATION

Little is known of the detailed geology of the Wonarah Project. Phosphorite mineralisation is hosted by lower Middle Cambrian sedimentary units of the Georgina Basin which also hosts the producing mine at Phosphate Hill to the east in the Mt Isa district. The same units host other known rock phosphate deposits in the region which are generally smaller. Within the phosphorite unit siliceous and calcareous pelletal units are present which were probably controlled by underlying structures during deposition of the sediments in a shallow marine environment. Phosphorites in the region are commonly associated with carbonaceous black chert and limestone.

4.7 EXPLORATION

Drilling campaigns in 2011 were adversely affected by an extraordinarily severe wet season. Nonetheless a program tested a northerly extension of the Main Zone deposit to the north of the Barkly Highway and in-filled two small areas towards the south of the Main Zone.

4.8 RESOURCES

Table 4.1 and Table 4.2 show resource estimates in 2010 and 2011 at 10% and 0% P_2O_5 cut-offs. There was an increase in total resources due to additional drilling in 2011.

Table 4.1 Resource estimates at 10% P_2O_5 cut-off

		2010		2011	
		Mt	**% P_2O_5**	**Mt**	**% P_2O_5**
Main Zone	Indicated	238	18.6	252	18.2
	Inferred	247	18	295	18
Arruwurra	Indicated	51	18.3	51	18.3
	Inferred	84	16	84	16
Total	Indicated	289	18.5	303	18.2
	Inferred	331	17	479	18
TOTAL		**620**	**17.7**	**782**	**18.1**

The 10% cut-off is used as a likely indication of feed material for a beneficiation plant on site and a zero % cut-off is alternatively used when considering the whole phosphate package.

Table 4.2 Resource estimates at 0% P_2O_5 cut-off

		2010		2011	
		Mt	% P_2O_5	Mt	% P_2O_5
Main Zone	Indicated	480	12.2	509	12.1
	Inferred	637	10	902	11
Arruwurra	Indicated	56	17.3	56	17.3
	Inferred	85	16	85	16
Total	Indicated	536	12.7	565	12.6
	Inferred	722	10.7	987	11.4
TOTAL		**1,258**	**11.6**	**1,552**	**11.8**

Source: Minemakers, 2011 Annual report

4.1 EXPLORATION AND DEVELOPMENT POTENTIAL

Wonarah has the potential to become one of the world's largest phosphate deposits. It is favoured by a relatively good transport infrastructure situation and by low levels of sovereign risk.

During 2011, the evaluation and planned development emphasis at Wonarah switched away from a rock production and export model to one incorporating downstream processing to produce phosphate and compound fertilisers. As construction of fertiliser factories involves considerably greater capital expenditure and, in view of the difficulties of financing major projects after the Global Financial Crisis, emphasis has moved to attracting a foreign partner for this development.

Snowden notes that Minemakers report robust economics for the Wonarah Project, but has not sighted any financial or technical details of the enabling study. In Snowden's opinion Minemakers are going to need the backing of a large company and major capital investment to develop this project.

5. ROCKY POINT

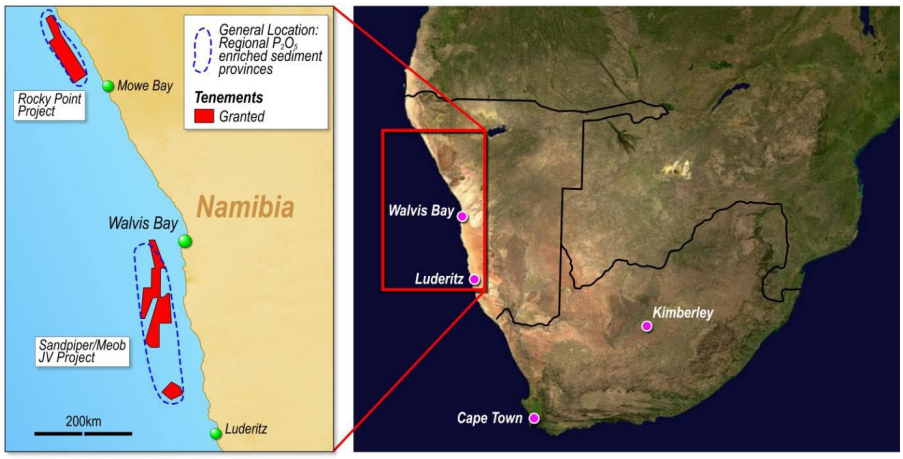
5.1 OWNERSHIP (TENEMENTS)

The Rocky Point Project tenements are held by Minemaker's Tungeni Joint Venture Exploration (Namibia) (Pty) Ltd in which Minemakers holds a 70% interest and is the Project Operator. Namibian partners, Tungeni Investments cc hold 30% interest. The Rocky Point Project comprises four exclusive granted prospecting licenses covering some 4,000 km^2. The project area incorporates an area of the marine phosphate mineralisation province, to the north of Walvis Bay where published regional mapping indicates phosphate content locally greater than 20% P_2O_5.

5.2 LOCATION

Figure 5.1 shows the location of Rocky Point Project north of the Sandpiper Project and Walvis Bay.

Figure 5.1 Location of Rocky Point Project



5.3 EXPLORATION

In 2011 an initial shallow penetrating grab sampling program confirmed widespread phosphate mineralisation. Although grades equivalent to those at Sandpiper were found in some areas, overall mineralisation was not as high and the rest of the area is less prospective. The sampling did not penetrate deeply, but found a stronger shell and sand component, possibly pointing to dilution of phosphate by on-going clastic input. By analogy with Sandpiper, grades should improve with greater depth penetration. Minemakers considers that further and deeper drill testing is warranted.

6. TNT MINES LIMITED (MINEMAKERS 19%)

6.1 REGIONAL GEOLOGY AND MINERALISATION

6.1.1 Northeast Tasmania

TNT Mines' projects in northeast Tasmania are located within the Eastern Tasmanian Terrane, which is dominated by Cambrian - Ordovician to Devonian rocks, into which several batholiths of granite have been intruded.

6.1.2 Northwest Tasmania

In northwest Tasmania the oldest rocks are Proterozoic and include high grade metamorphic assemblages of sedimentary and igneous rocks. The Oonah Formation contains sedimentary and volcanic rocks host to a number of Devonian vein and skarn tin deposits including Mt Bischoff and Oonah tin deposits. Carbonate sequences within the Proterozoic to Cambrian Togari Group host the Renison Bell tin deposit and the King Island scheelite skarn deposits.

The Avebury nickel deposit is hosted within intrusive ultramafic and carbonate rocks which host the Devonian Cleveland tin skarn deposit. The Middle Cambrian Mount Read Volcanics host large polymetallic base metal deposits at Rosebery, Hellyer and Mt Lyell. Ordovician limestone hosts the large Moina skarn deposit. Both I and S type granites were emplaced between the Late Devonian and the Early Carboniferous. World class tin and tungsten deposits are associated with I-type granites

6.2 PROJECTS

Figure 6.1 shows the location of TNT Mines Limited's projects, many of which have a long history of mining. Available data on previous production, mineralisation and resources has been compiled and assessed by independent geologist, Dr AC Gifford (TNT, Independent Expert Report).

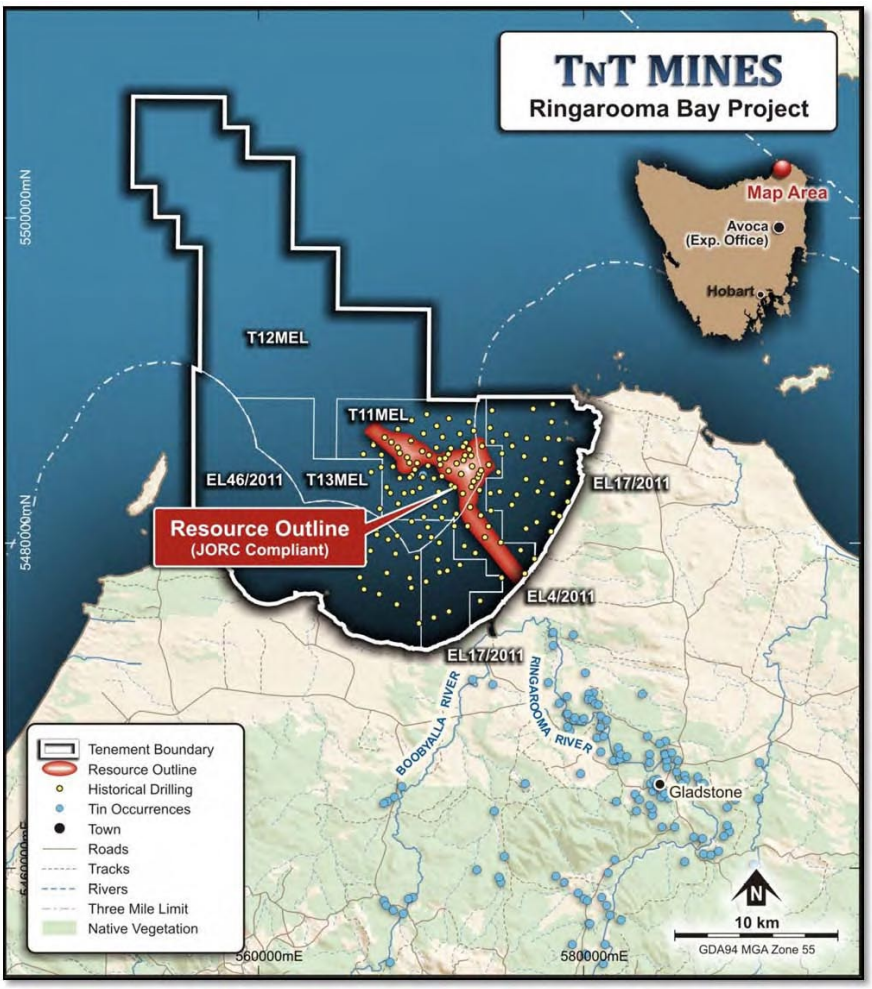
Figure 6.1 TNT Mines, location of projects

6.2.1 Ringarooma Bay (Applications FOR EL4/2011, T11MEL, T12MEL, EL17/2011, EL46/2011 and T13MEL)

The Ringarooma Project (Figure 6.2) is based offshore the northeast coast of Tasmania. The Ringarooma River has shed tin bearing ore into Ringarooma Bay, which is considered by TNT to have potential for economic tin deposits. The water depth in the Bay ranges from 5 m to 25 m and further into Bass Strait the project covers water depths of up to 40 m. There is also prospectivity for zircons, sapphires, and other heavy minerals.

If a commercial dredging operation appears viable, it is envisaged that test dredging will be undertaken subject to obtaining all required statutory approvals. A geophysical survey is planned to determine the location of palaeo-channels and other sites in the valley-fill alluvial sediments which could host additional tin mineralisation.

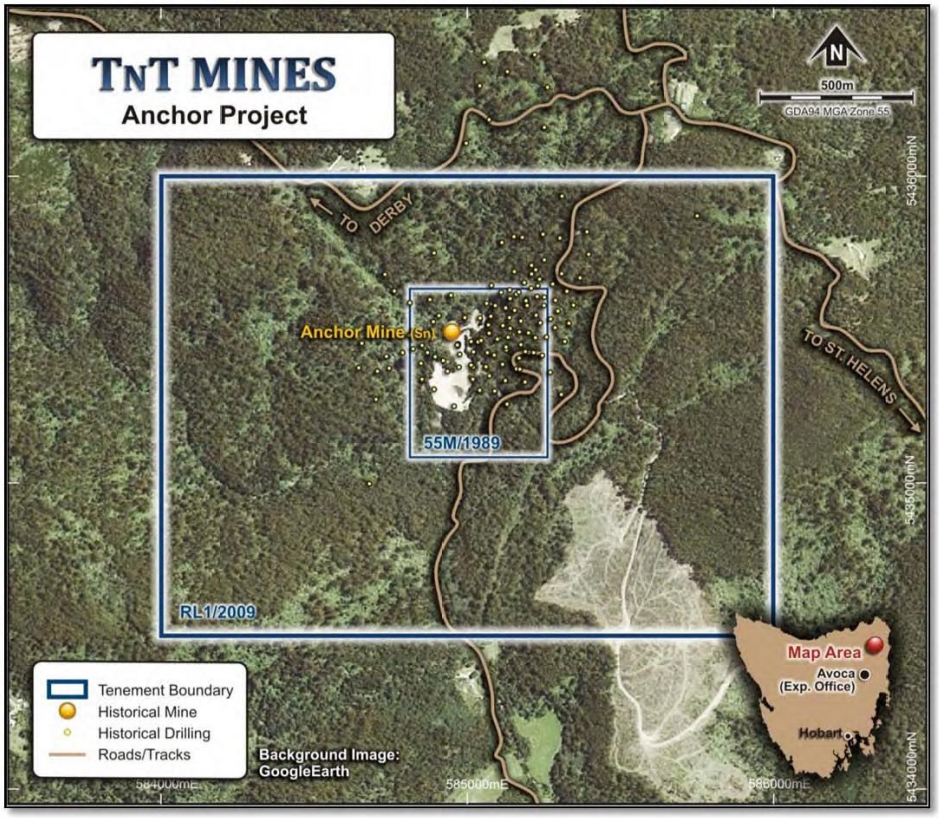
Figure 6.2 Ringarooma Bay Project



6.2.2 The Anchor Project (55M/1989 and RL1/2009)

The Anchor Project is located in northeast Tasmania (Figure 6.3). The Anchor open cut tin mine operated between 1895 and 1942 and treated 1.9 Mt at a recovered grade of 0.2% tin (for 3,800t of contained tin). A considerable amount of drilling and evaluation has taken place since then, which has identified a pre-JORC mineralisation estimate of 8.8 Mt at 0.18% tin (for 16,720t of contained tin). Minemakers commissioned a study in 2007 by Lycopodium Engineering Pty Ltd to review the project, who determined that there was insufficient tonnes and grade to proceed. Further drilling is required to confirm the resource estimate and define an ore reserve.

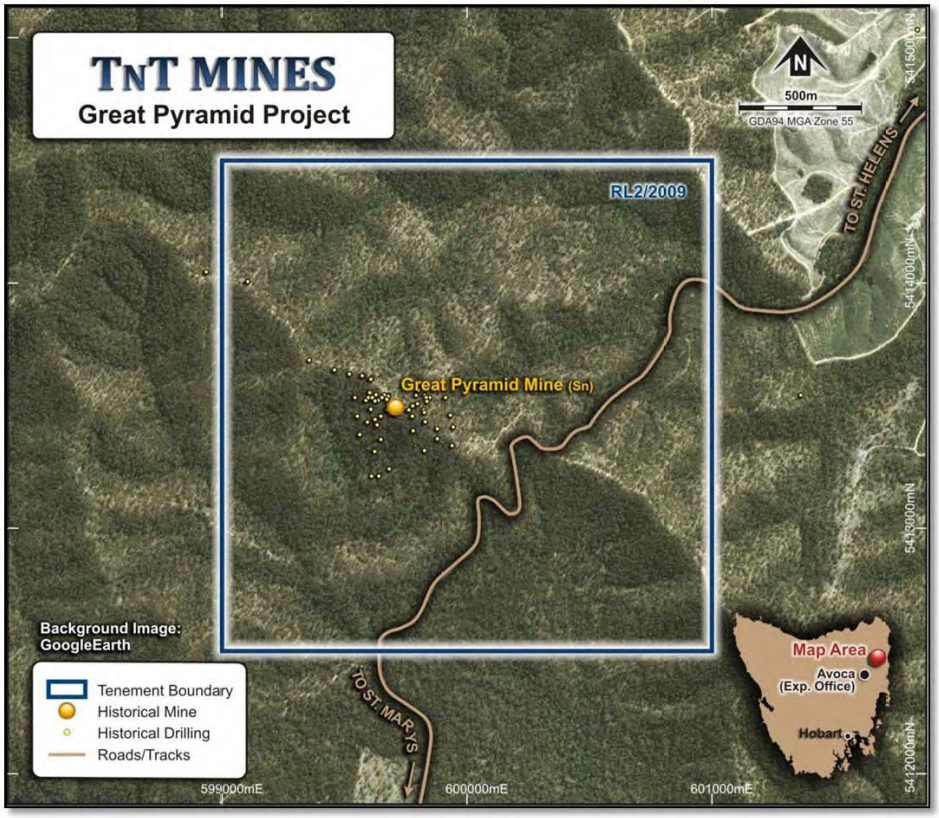
Figure 6.3 Anchor Project



6.2.3 Great Pyramid (RL2/2009)

The Great Pyramid Project is located in northeast Tasmania on a prominent conical shaped hill. Assessment in 1909-1910 defined highly variable grades of tin ranging from 0.14% Sn to 6.37% Sn. Numerous adits were driven into the side of the hill to assess the tin potential. Aberfoyle, BHP and Shell companies have also undertaken various amounts of work over a 20 year period since the early 1960's. TNT plans to evaluate the potential for a bulk open cut mining operation.

Figure 6.4 Great Pyramid Project

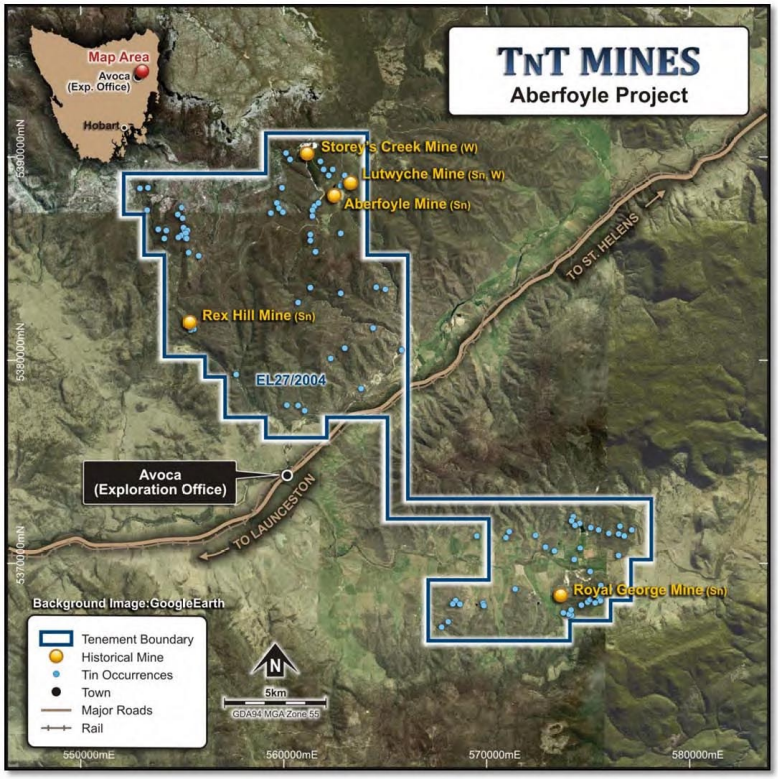


6.2.4 Aberfoyle Project (EL27/2004)

The Aberfoyle Project is located in northeast Tasmania (Figure 6.5). The Aberfoyle mine produced 2.1 Mt at 0.91% Sn and 0.28% tungstate between 1926 and 1982 when tin prices collapsed. Mineralisation is known both north and south of the Aberfoyle No.1 Fault System and also in the nearby Lutwyche and Kookaburra prospects. TNT is planning seismic surveys and bulk sampling programs at the prospects.

SNOWDEN

Figure 6.5 Aberfoyle Project



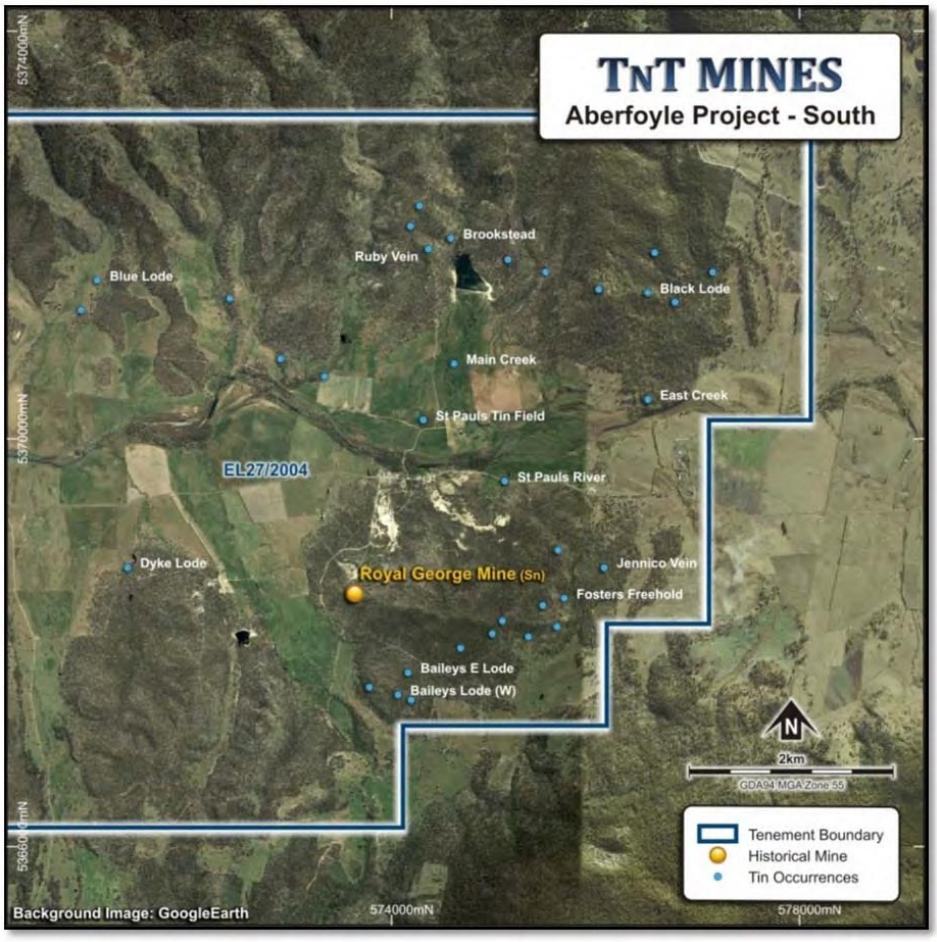
6.2.5 Storey's Creek Project (EL27/2004)

The Storey's Creek Project is located in northeast Tasmania (Figure 6.5) about 3 km northwest of Aberfoyle tin mine. Previous production from the mine comprised 1.1 Mt at 1.09% tungstate and 0.18% Sn. Most of the high grade ore has been mined, but narrow veins were not mined and there is potential for a large bulk mining operation, which needs to be assessed.

6.2.6 Royal George Tin Mine (EL27/2004)

The Royal George Tin Mine Project occurs in northeast Tasmania and forms part of the South Aberfoyle Project (Figure 6.6). There is believed to be potential for tin mineralisation beyond the open cut and underground workings to the north where land access has been resolved. TNT Mines plans to carry out drilling to determine if any resources exist.

Figure 6.6 Royal George Mine

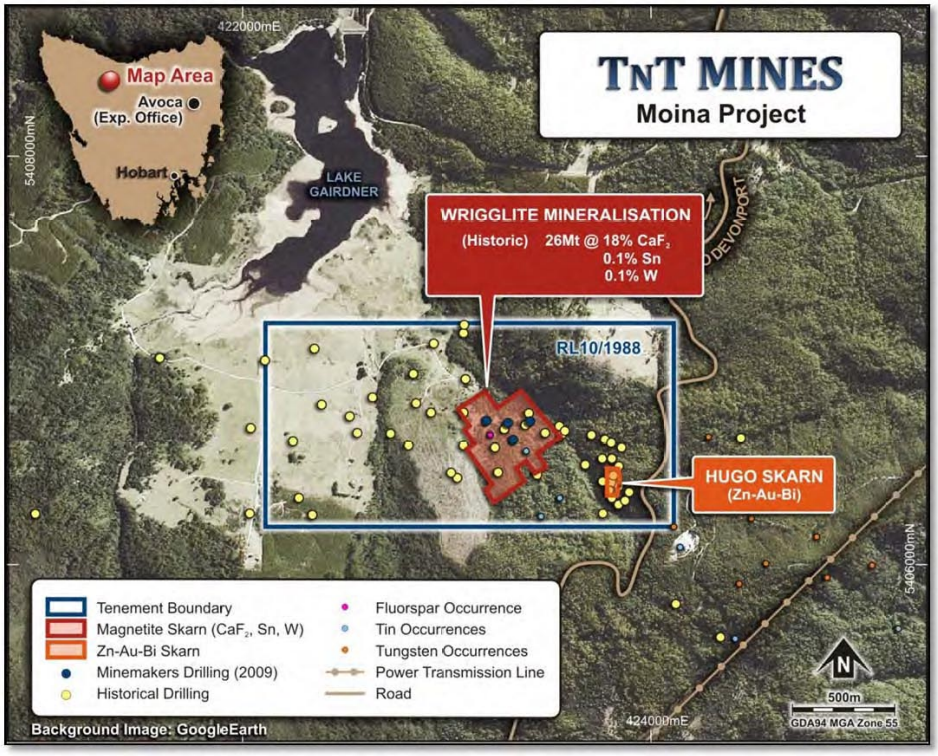


6.2.7 Moina Fluorite, Tin and Tungsten Project (RL10/1988)

The Moina Project (Figure 6.7) occurs in northwest Tasmania and hosts the largest known undeveloped fluorspar deposit in Australia and possibly the world. Two styles of mineralisation are known; replacement skarn and fissure veins. Seven fissure veins were discovered in 1893 and mined for tin and bismuth until 1919. The magnetite skarn was mined with an estimated production of 26.5 Mt at 18% CaF_2 (fluorspar), 0.1% tin and 0.1% tungsten with associated bismuth, molybdenum, magnetite, gold and zinc.

A magnetic signature indicates the possibility for additional magnetite skarn, with potential for base metals and magnetite. Metallurgical studies are in progress and plans could include an open cut mining operation.

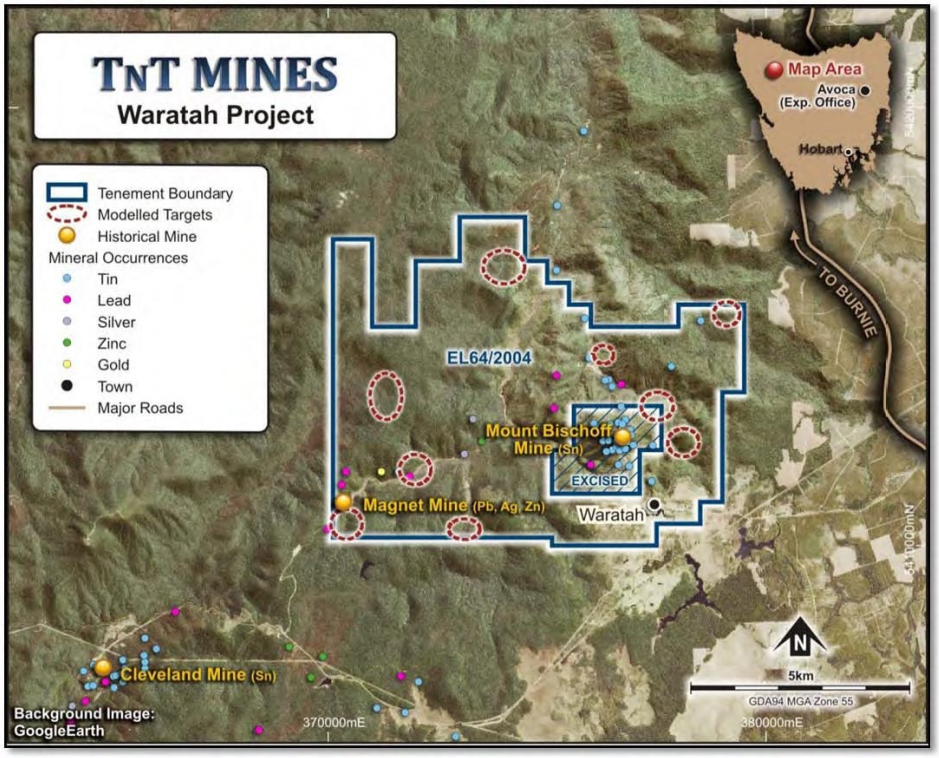
Figure 6.7 Moina Project



6.2.8 Waratah Project (EL64/2004) 75%

The Waratah Project (75% TNT) is situated in rugged terrain in northwest Tasmania pursuant to the Clancy Exploration Joint Venture. The Tenement surrounds the Mt Bischoff mine owned by other companies. The tenement (EL64/2004) includes the old Magnet silver-lead mine worked from 1895 to 1933. Geophysical anomalies and tin mineralisation indicate mineral potential. TNT plans a gravity survey to investigate previous known targets.

Figure 6.8 Waratah Project

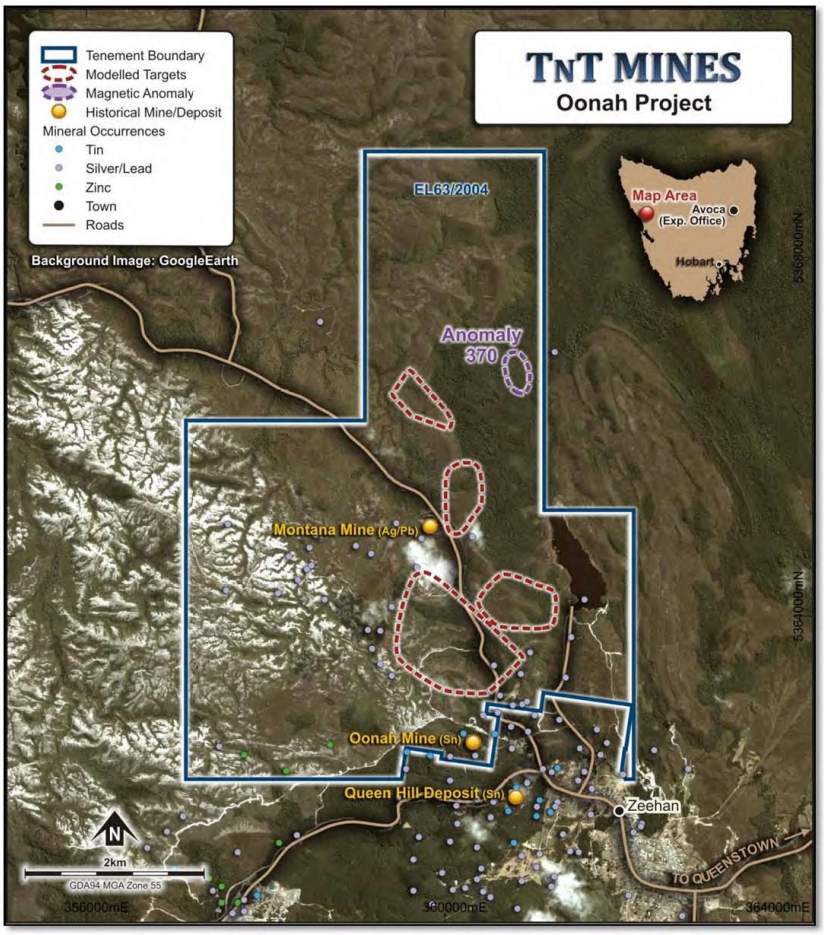


6.2.9 Oonah Project (EL63/2004) 75%

The Oonah Project (75% TNT) is situated in northwest Tasmania near the town of Zeehan (Figure 6.9) and is also pursuant to the Clancy Exploration JV. The Tenement (EL63/2004) hosts a large number of old workings including Oonah, which was mined from 1890-1899 and from 1905-1910, producing about 2 Moz of silver. The Oonah deposit also contains tin as stannite (Cu_2FeSnS_4) which was previously not recovered, but which should now be recoverable by fuming. Magnetic Anomaly (370) is similar to the magnetic anomaly at Renison Bell and is untested. TNT plans to undertake ground geophysical surveys to confirm the magnetic anomaly and later drill test it and other shallow tin and silver mineralisation zones near the Oonah mine.

SNOWDEN

Figure 6.9 Oonah Project



6.3 SUMMARY

Snowden notes that many of TNT's projects have a long history of mining and exploration. Potential exists in areas surrounding old mines (brownfield exploration), but significant exploration has been undertaken in these areas in the past. Exploration in Tasmania can be difficult due to logistics and environmental issues.

Due to time constraints, lack of site visits and the low materiality of the projects, Snowden has not valued the projects individually. Snowden considers that the value of the TNT company (based on the rights issue) of A$6.5 million is fair and reasonable for the TNT projects. Mine makers holds 19% of TNT so accordingly has a value of A$1.25 million.

7. PORT KEATS ROCK SALT AND POTASH PROJECT, NORTHERN TERRITORY (100%)

7.1 OWNERSHIP (TENEMENTS)

The Port Keats rock salt and potash project, in the Northern Territory is owned 100% by Minemakers, consisting of three Exploration License Applications including EL24602 and ELA 25555. The offshore application covers most of the target area and is hoped to be granted in early 2012.

7.2 LOCATION

The Project is located off shore the coast of the Northern Territory (Figure 2.1), about 200 km south west of Darwin and about 150 km north east of Kununurra and the border with Western Australia.

Figure 7.1 Location of Port Keats Rock salt and potash project, NT

Source: Minemakers

7.3 BACKGROUND

Marine and onshore seismic surveys of the Bonaparte Basin by the oil industry defined several diapiric structures which have been interpreted as salt domes. Offshore and some 30 km west, one of them was drilled (Kinmore No. 1 Well) which intersected a salt column over 200 m thick, with the well bottoming in salt. The operator estimated the salt thickness as more than 1,200 m as the well attained salt on the shoulder of the dome and 1,000 m deeper than the top of the structure.

With an interpreted diameter of up to 10 km, the Port Keats Diapir potentially hosts up to 150 million tonnes of salts per vertical metre. The oil explorers estimated the top of the dome to be only about 350 m deep. The Port Keats structure lies under shallow waters adjacent to the coast and its development will require access to land for brine evaporation purposes.

Since acquisition of the project in 2004, potash prices have increased strongly. The dome is viewed as having potential to also host potash salts.

To date, work has included liaison with Traditional Owners which has resulted in obtaining permission to drill the target from shore, and a detailed airborne magnetic survey.

7.4 FUTURE PLANS

Once the tenements have been approved Minemakers state they aim to drill test the large seismic structure. Drilling from an offshore barge is preferred, so as to provide more certainty in the testing of the target. As this will be expensive, Minemakers has been seeking a JV partner.

7.5 CONCLUSION

Snowden notes that the tenement covering the diapir has not yet been approved. The project appears to be speculative with no guarantee of a favourable economic outcome.

8. FRAZER RANGE IRON PROJECT (80%)

The Frazer Range Iron (West Southdown magnetite) JV project (Minemakers 80%) occurs in the south of Western Australia close to Grange Resources Southdown Magnetite Project. The potential of the magnetite deposits was illustrated by a $1 billion corporate deal involving Grange Resources, the majority owner of the Southdown Magnetite deposit, and Chinese iron interests.

During 2011, a ground magnetic survey was undertaken to define the targets for future drill evaluation. On 10 October 2011, Minemakers advised that it had entered into a Sale Agreement with Australasia Minerals and Mining Group Ltd ("AMMG") to sell its 80% interest for 5 million shares and 2 million 20 cent options in AMMG. The sale was planned to be completed upon renewal of the tenement in about February 2012.

9. VALUATION CONSIDERATIONS

The authors and reviewers of this report are either Members of the Australasian Institute of Mining and Metallurgy ("AusIMM") or Australian Institute of Geoscientists ("AIG") and therefore, are obliged to prepare mineral asset valuations in accordance with the Australian reporting requirements as set out in the VALMIN Code (2005 Edition).

The objective of a mineral asset valuation is to establish a "fair market" value for an asset in the context of the factors outlined in the body of this report.

9.1 FAIR MARKET VALUE OF MINERAL ASSETS

Mineral assets are defined in the VALMIN Code as all property including, but not limited to real property, mining and exploration tenements held or acquired in connection with the exploration, the development of and the production from those tenements together with all plant, equipment and infrastructure owned or acquired for the development, extraction and processing of minerals in connection with those tenements.

The VALMIN Code defines fair market value of a mineral asset as the estimated amount of money or the cash equivalent of some other consideration for which, in the opinion of the Expert or Specialist reached in accordance with the provisions of the VALMIN Code, the mineral asset should change hands on the valuation date between a willing buyer and a willing seller in an arm's length transaction, wherein each party has acted knowledgeably, prudently and without compulsion.

In effect therefore, the valuation Expert is assumed to have the knowledge and experience necessary to establish a realistic value for a mineral asset. The real value of a tenement can only be established in an open market situation where an informed public is able to bid for an asset. The most open and public valuation of mineral assets occur when they are sold to the public through a public share offering by a company wishing to become a public listed resource company, or by a company raising additional finance. In this instance, the public is given a free hand to make the decision, whether to buy or not buy shares at the issue price, and once the shares of the company are listed, the market sets a price.

It is well known to most valuation Experts that where mineral tenement valuation is concerned there are two quite distinct markets operating in Australia. Almost without exception, the values achieved for mineral assets sold through public flotation are higher than where values are established through, say, the cash sale by a liquidator, or the sale by a small prospector to a large company neighbour, or through joint venture arrangements.

It is Snowden's experience, that in all these circumstances the terms of sale generally do not meet the criteria laid out in the VALMIN Code for fair market value (i.e. transaction between a willing buyer and willing seller in an arm's length transaction, wherein each party had acted knowledgeably, prudently and without compulsion). Invariably one of the parties is a less than enthusiastic participant and it cannot be said that the purchase or sale is without an element of compulsion.

It is Snowden's opinion that the market value of mineral assets should be valued by the Expert on the assumption that they are traded by vending them into a public float. Generally this will mean that the vendor is issued escrow shares (escrow period is usually two years). Importantly, this is a true cash sale situation, since the purchaser of the tenements (the public) is always expected to pay cash.

The VALMIN Code notes that the value of a mineral asset usually consists of two components; the underlying or Technical Value, and the Market component which is a premium relating to market, strategic or other considerations which, depending on circumstances at the time, can be either positive, negative or zero. When the Technical and Market components of value are added together the resulting value is referred to as the Market Value.

The value of mineral assets is time and circumstance specific. The asset value and the market premium (or discount) changes, sometimes significantly, as overall market conditions, commodity prices, exchange rates, political and country risk change. Other factors that can influence the valuation of a specific asset include the size of the company's interest, whether it has sound management and the professional competence of the asset's management. All these issues can influence the market's perception of a mineral asset over and above its technical value.

9.2 METHODS OF VALUING MINERAL ASSETS

9.2.1 Mineral assets in the exploration stage

When valuing an exploration or mining property, the Expert is attempting to arrive at a value that reflects the potential of the property to yield a mineable Ore Reserve and which is, at the same time, in line with what the property will be judged to be worth when assessed by the market. Arriving at the value estimate by way of a desktop study is notoriously difficult because there are no hard and fast rules and no single industry-accepted approach.

It is obvious that on such a matter, based entirely on professional judgement, where the judgement reflects the Expert's previous geological experience, local knowledge of the area, knowledge of the market and so on, that no two valuers are likely to have identical opinions on the merits of a particular property and therefore, their assessments of value are likely to differ - sometimes markedly.

The most commonly employed methods of exploration asset valuation are:

- multiple of exploration expenditure method (exploration based) also known as the premium or discount on costs method or the appraised value method;
- joint venture terms method (expenditure based);
- geoscience rating methods such as the Kilburn method (potential based); and
- comparable market value method (real estate based).

It is possible to identify positive and negative aspects of each of these methods. It is notable that most valuers have a single favoured method of valuation for which they are prepared to provide a spirited defence and, at the same time present arguments for why other methods should be disregarded. The reality is that it is easy to find fault with all methods since there is a large element of subjectivity involved in arriving at a value of a tenement no matter which method is selected. It is obvious that the Expert must be cognisant of actual transactions taking place in the industry in general to ensure that the value estimates are realistic.

In Snowden's opinion, a valuer charged with the preparation of a tenement valuation must give consideration to a range of technical issues as well as make a judgement about the 'market'. Key technical issues that need to be taken into account include:

- geological setting of the property
- the relative size of the landholding
- results of exploration activities on the tenement
- evidence of mineralisation on adjacent properties
- proximity to existing production facilities of the property.

In addition to these technical issues the Expert has to take particular note of the market's demand for the type of property being valued. Obviously this depends upon professional judgement. As a rule, adjustment of the technical value by a market factor must be applied most judiciously. It is Snowden's view that an adjustment of the technical value of a mineral tenement should only be made if the technical and market values are obviously out of phase with each other.

It is Snowden's opinion that the market may pay a premium over the technical value for high quality mineral assets (i.e. assets that hold defined resources that are likely to be mined profitably in the short-term or projects that are believed to have the potential to develop into mining operations in the short term even though no resources have been defined). On the other hand exploration tenements that have no defined attributes apart from interesting geology or a 'good address' may well trade at a discount to technical value. Deciding upon the level of discount or premium is entirely a matter of the Expert's professional judgement. This judgement must of course take account of the commodity potential of the tenement, the proximity of an asset to an established processing facility and the size of the land holding.

9.2.2 Mineral assets with Mineral Resources and Ore Reserves

Where Mineral Resources and/or Ore Reserves have been defined, Snowden's approach is to excise them from the mineral property and to value them separately on a value per resource tonne / metal unit basis or on the basis of a discounted cash flow ("DCF"). The value of the exploration potential of the remainder of the property can then be assessed. Where appropriate, discounts are applied to the estimated contained metal to represent uncertainty in the information.

In Snowden's opinion, an Expert charged with the preparation of a development or production project valuation must give consideration to a range of technical issues as well as make a judgement about the 'market'. Key technical issues that need to be taken into account include:

- confidence in the Mineral Resource / Ore Reserve estimate
- metallurgical characteristics
- difficulty and cost of extraction
- economies of scale
- proximity of and access to supporting infrastructure.

Discounted cash flow analysis

A DCF analysis determines the Technical Value of a project by approximating the value if it were developed under the prevailing economic conditions.

Once a Mineral Resource has been assessed for mining by considering revenues and operating costs, the economically viable component of the resource becomes the Ore Reserve. When this is scheduled for mining, and the capital costs and tax regime are considered, the net present value ("NPV") of the project is established by discounting future annual cash flows using an appropriate discount rate.

The resulting 'classical' NPV has several recognised deficiencies linked to the fact that the approach assumes a static approach to investment decision making, however the NPV represents a fundamental approach to valuing a proposed or on-going mining operation and is widely used within the mining industry.

Comparable market transaction value

When the economic viability of a resource has not been determined by studies, then a 'rule of thumb' or comparable market transaction value approach is typically applied. The comparable market transaction value approach for resources is a similar process to that for exploration property, however a dollar value per resource tonne / metal in the ground is determined.

As no two mineral assets are the same, the Expert must be cognisant of the quality of the assets in the comparable transactions, with specific reference to:

- the grade of the resource
- the metallurgical qualities of the resource
- the proximity to infrastructure such as an existing mill, roads, rail, power, water, skilled work force, equipment, etc
- likely operating and capital costs
- the amount of pre-strip (for open pits) or development (for underground mines) necessary
- the likely ore to waste ratio (for open pits)
- the size of the tenement covering the mineral asset
- the overall confidence in the resource.

9.3 SNOWDEN'S VALUATION METHODOLOGY

It is Snowden's opinion that no single valuation approach should be used in isolation as each approach has its own strengths and weaknesses. Where practicable, Snowden undertakes its valuations using a combination of valuation techniques in order to help form its opinion.

In completing this project Snowden has, where considering the value of existing resources, reviewed Australian Phosphate projects, the Phosphate market and available previous transactions involving Phosphate projects.

With respect to the exploration potential of the various projects, and having considered the various methods used in the valuation of exploration properties, Snowden is of the opinion that the Kilburn method provides the most appropriate approach to utilise in the technical valuation of the exploration potential of mineral properties on which there are no defined resources. Kilburn, a Canadian mining engineer was concerned about the haphazard way in which exploration tenements were valued. He proposed an approach which essentially requires the valuer to justify the key aspects of the valuation process. The valuer must specify the key aspects of the valuation process and must specify and rank aspects which enhance or downgrade the intrinsic value of each property. The intrinsic value is the base acquisition cost ("BAC") which is the average cost incurred to acquire a base unit area of mineral tenement and to meet all statutory expenditure commitments for a period of 12 months. Different practitioners use slightly differing approaches to calculate the BAC.

The Kilburn method systematically assesses and grades four key technical attributes of a tenement to arrive at a series of multiplier factors. The multipliers are then applied serially to the BAC of each tenement with the values being multiplied together to establish the overall technical value of each mineral property. A fifth factor, the market factor, is then multiplied by the technical value to arrive at the fair market value.

The successful application of this method depends on the selection of appropriate multipliers that reflect the tenement prospectivity. Furthermore, there is the expectation that the outcome reflects the market's perception of value, hence the application of the market factor. Snowden is philosophically attracted to the Kilburn type of approach because it endeavours to implement a system that is systematic and defendable. It also takes account of the key factors that can be reasonably considered to impact on the exploration potential. The keystone of the method is the BAC which provides a standard base from which to commence a valuation. The acquisition and holding costs of a tenement for one year provides a reasonable, and importantly, consistent starting point. Presumably when a tenement is pegged for the first time by an explorer the tenement has been judged to be worth at least the acquisition and holding cost.

It has been argued that the Kilburn method is a valuation-by-numbers approach. In Snowden's opinion, the strength of the method is that it reveals to the public, in the most open way possible, just how a tenement's value was systematically determined. It is an approach that lays out the subjective judgements made by the Expert. In the case of assessing the TNG suite of properties, Snowden has also considered previous exploration expenditure and the value ascribed to various tenements currently under agreements with third parties. In Snowden's opinion, the costs for previous exploration can be used as a basis for assessment of mineral asset value.

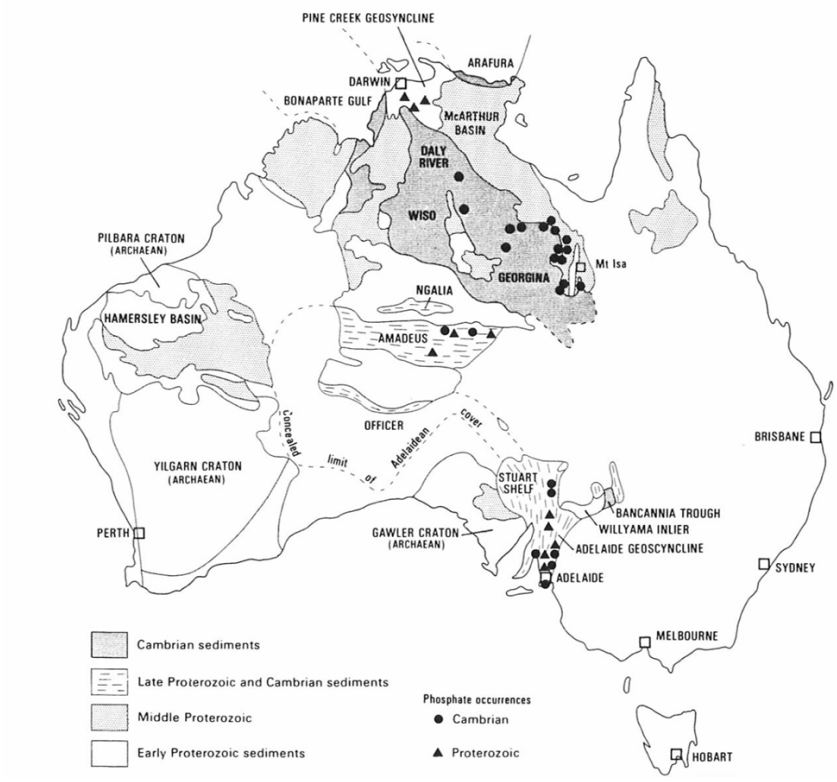
In arriving at a technical value for the properties, Snowden has taken into consideration the company's equity position if the tenements are subject to a farm-in, joint venture or option to purchase arrangement. Snowden has elected to only value tenement applications where it is satisfied that there is no cause to doubt their eventual granting and where there is no pre-existing or related title.

9.4 OVERVIEW OF AUSTRALIAN PHOSPHATE PROJECTS

9.4.1 Australian Phosphate Occurrences

Figure 9.1 shows the phosphorite occurrences in the Proterozoic and Cambrian sediments of Australia. Although the major Australian phosphate deposits occur in the Georgina Basin, several occurrences having been recorded within the Early to Late Cambrian sediments of the of the Amadeus Basin. The Cambrian Todd River Dolomite which outcrops in the north eastern margin of the Amadeus Basin has been recorded to contain significant phosphatic occurrences.

Figure 9.1 Phosphate occurrences in Australia



Source: BMR

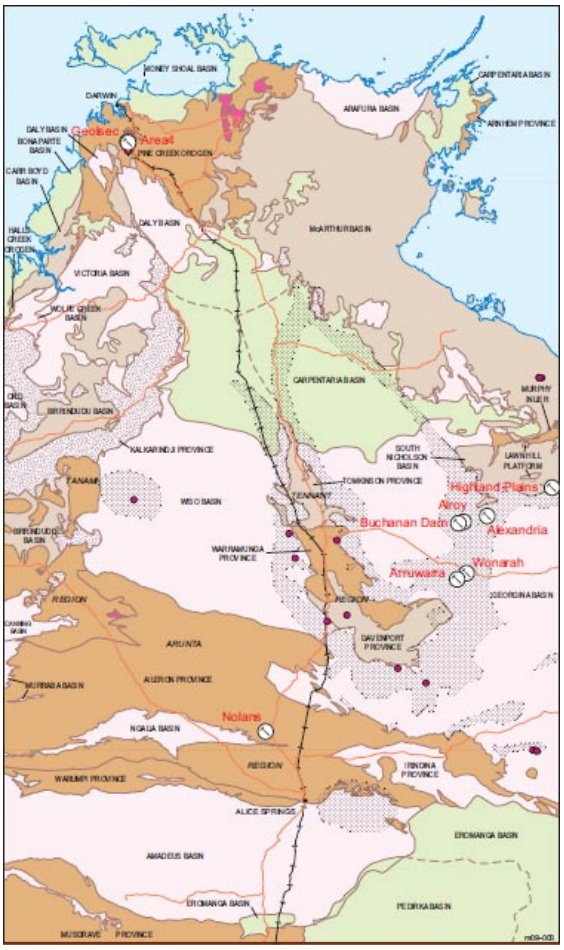
Most of the large phosphate deposits in Australia occur in the shallow marine Cambrian aged sediments of the Georgina Basin, a large Late Proterozoic to Early Palaeozoic sedimentary basin covering a large part of the eastern Northern Territory and extending into northwest Queensland. The deposits include Duchess Phosphate Mine in Queensland, and Minemakers' Wonarah and Arruwurra Deposits in the Northern Territory, which are undergoing feasibility studies. Other deposits within the same stratigraphic horizon include Phosphate Australia's Highland Plains, Alexandria, Alroy and Buchannan Dam.

The Amadeus Basin is a large east west trending intra-cratonic basin of late Proterozoic to Carboniferous aged marine and continental sediments. Phosphorite occurrences exist within the (Early Cambrian) Todd River Dolomite, (Middle Cambrian) Tempe Formation (Late Cambrian – Ordovician) Pacoota Sandstone, all of which are located in the central and eastern portion of the basin. The Todd River Dolomite is considered the most prospective unit for hosting phosphate mineralisation

9.4.2 Northern Territory

There are reported to be at least thirty phosphate occurrences in the Northern Territory. They are all of sedimentary origin except Nolans Bore which is a hydrothermal deposit. Figure 9.2 shows the important phosphate projects in NT including Wonara and Arruwurra belonging to Minemakers.

Figure 9.2 Northern Territory phosphate projects



Source: www.orestruck.nt.gov.au

Table 9.1 shows the identified phosphate resource of projects in the Northern Territory based on Northern Territory government website.

Table 9.1 Northern Territory phosphate projects

Project	Resource	Company
Wonarah	969 Mt at 19% P_2O_5*	Minemakers Ltd
Arruwurra	136 Mt at 17% P_2O_5*	Minemakers Ltd
Alexandria	15 Mt at 10% P_2O_5	Phosphate Australia Ltd
Highland Plains	56 Mt at 16% P_2O_5*	Phosphate Australia Ltd
Nolans Project	30.3 Mt at 12.9% P_2O_5*	Arafura Resources Ltd
Alroy	5 Mt at 20% P_2O_5	Phosphate Australia Ltd
Buchanan Dam	8 Mt at 20% P_2O_5	Phosphate Australia Ltd
Geolsec	1.3 Mt at 12% P_2O_5	Korab Resources Ltd
Area 4	0.1 Mt at 10% P_2O_5	Guardian Resources Pty Ltd / Compass Resources NL

Source: www.orestruck.nt.gov.au

The following list shows the active explorers for phosphate in the Northern Territory and Queensland.

- Arafura Resources Ltd
- Aragon Resources Ltd
- Compass Resources Ltd
- FSL World Holding Pty Ltd
- Korab Resources Ltd
- Legend International Holdings Inc
- Minemakers Ltd
- Nupower Resources Ltd
- Phosphate Australia Ltd
- Territory Phosphate Pty Ltd
- Uramet Minerals Ltd
- Vale Australia Pty

There is currently significant and growing interest in phosphate exploration and development in the NT and Queensland based on forecast requirements for phosphate.

9.5 OVERVIEW OF PHOSPHATE MARKETS

9.5.1 Phosphate Prices

Prices of rock phosphate continued to improve during the quarter ended 31 December 2011 and the outlook is considered to be positive, based on supply and demand projections. Recent political and environmental troubles in many of the world's producing countries, including Tunisia have indicated the need for supply security and given an impetus to develop alternative long term supplies from more secure countries, such as Australia but also Namibia.

Table 9.2 shows prices for various phosphate products as at 19 January and 13 October 2011. The table shows an increase in rock phosphate and phosphoric prices, but a decrease in DAP and TSP fertilizer prices over the last few months. Prices are forecast to increase in the future as the world recovers from the global financial crisis. Snowden has reviewed current phosphate prices and forecasts but has not applied phosphate prices to any of the valuations.

Table 9.2 Phosphate prices

Item	19 Jan 2012	13 Oct 2011
Rock phosphate FOB Morocco	US$200/t -205/t	US$180-205/t
Phosphoric acid, 100% basis	US$1010/t-1175/t	US$980-1,165t
DAP fertilizer, FOB Tampa	US$523/t-530/t	US$ 650-655/t
TSP fertilizer, FOB Morocco	US$500/t-505/t	US$590-610/t

Source: Profercy Phosphates & NPK, 19 January 2012, FOB = Free on board

Peruvian rock phosphate is being used as the basis for the price estimates on the Namibian Sandpiper Project and its price has increased from US$135 -145/t FOB to US$150/t -155/t over the Quarter.

9.5.2 Phosphate Uses

Phosphate rock is used mostly to produce fertilizer products for agriculture. There are currently no alternative sources of phosphate nutrient other than to mine/dredge guano, sedimentary (phosphorite) or igneous (carbonatite/foskorite) deposits. The Namibian off shore deposits can be classified as recent sedimentary deposits.

9.5.3 World Phosphate reserves

World phosphate rock reserves are at 15 billion tonnes, mostly in the North African and Mediterranean region, but also in Southern Africa (Phalaborwa), Florida (USA) and operations in Brazil. .

9.5.4 Phosphate price forecasts

As a result of the high prices in 2008 and the global recession, fertilizer sales are currently below agricultural requirements. Farmers will need to increase crop output per hectare in order to maintain food production/capita as world population increases. According to Minemakers, over a forecast period to 2021, strong crop prices and a trend towards more balanced fertilizer applications, are expected to boost phosphate rock demand at an annual rate of more than 2%.

9.6 PREVIOUS TRANSACTIONS

9.6.1 Recent relevant comparable transactions (phosphate)

Table 9.3 shows a transaction for phosphate resources which equated to US$3.00/ tonne of P_2O_5. No other recent resource transactions are known to Snowden. The value is similar to an independent study of Foskor's Phalaborwa phosphate mine undertaken in 2008. Based on these valuations Snowden considers that the mineral resources have a value in the range of US$2.00/t P_2O_5 to $4.00/t P_2O_5 with a preferred value of $3.00/t P_2O_5. This equates to approximately 2% of the price per tonne of P_2O_5 (currently about US$150/t), which is relatively high. Fertilizer prices and forecasts in September 2008 were very bullish, and it is considered that this was a high value for a resource tonne of P_2O_5 compared to today. However it is a starting point to value other phosphate resources. Details of the phosphate resource transaction are shown in Appendix 1.

Table 9.3 Phosphate resource comparable transactions

Project Name	Date	Purchase Price 100% USD $M	USD$/ t P_2O_5
Ngualia Carbonatite	Sep 2008	0.75	3.00

Table 9.4 shows recent global phosphate exploration transactions with an average value of A$6,984. The value per km^2 can be biased towards large or small areas but does provide an indication of prospective ground. Details of the phosphate exploration transactions are also shown in Appendix 1.

Table 9.4 Phosphate exploration project transactions

Project & Date	Transactions details	Area Km^2	AUD/km^2
Dissimieux Lake, Canada	February 2012	16.7	15,099
Cardabia Phosphate NT	February 2012	1,600	156
Queensland JV phosphate rights	February 2012	878	3,758
Barkley Phosphate NT	February 2012	1,165	364
Barkley Phosphate NT	February 2012	1,165	536
Moose Lake, Canada	October 2011	18	24,357
Aguia Metals Ltd, Brazil	February 2010	834	2,999
Pilgrim JV, Queensland	December 2008	58	8,602
Average			**6,984**

NT = Northern Territory

There is a wide range of values for phosphate exploration properties, ranging from A$364 to A$24,357 with an average value of A$6,984. The range is largely a reflection of the size of area. Snowden considers that the phosphate exploration project transactions have a value in the range of A$2,000 to $10,000 with a preferred value of A$6,000/km^2. This valuation assumes phosphate potential but no defined resources. Snowden considers the premium for resources within the exploration area should be at least double, giving a range of A$4,000 to A$20,000 with a preferred value of A$12,000/km^2.

9.6.2 Recent Relevant comparable Transactions (zinc)

Table 9.5 shows recent zinc equivalent resource comparable transactions between 2006 and 2011 for zinc (lead, silver) deposits ranging from a low of US$8.04 to a high of US$59.20 with an average of US$22.90/tonne of zinc equivalent metal. Snowden considers these are relatively closely spread and have selected values form US$10 to US$60 with a preferred value of $30/tonne Zinc equivalent. This represents about 1.5% of the average current metal prices for zinc and lead and silver, shown in Table 9.6 at the Valuation Date of 21 February 2012.

Table 9.5 Zinc equivalent resource comparable transactions

Project Name	Date	Value 100% US$M	US$/Zn Eq tonne
Pallas Green Property	Jul 2011	82	41.83
Ironbark Zinc Ltd	Mar 2010	124	37.00
CBH Resources Ltd	Mar 2010	189	59.20
Silvertip project	Mar 2010	14.0	20.34
Aurcana De Mexico Sa De Cv	Dec 2009	0.74	22.53
Platosa Property	Nov 2009	4.08	19.62
Altia JV	Nov 2009	13.3	36.91
Ironbark Gold Ltd	Sep 2009	26.35	5.40
Meridian Minerals Limited	Jul 2009	19.1	19.36
Hera Nymagee JV	Jun 2009	9.5	42.90
Lennard Shelf Project Area	Apr 2009	3.90	8.04
Perilya Limited	Dec 2008	60.1	16.15
Kempfield	Jun 2007	3.30	38.13
Napier Ranger	Feb 2006	3.17	41.35
Average			**29.20**

Table 9.6 Metal prices (21 Feb 2012)

Zn US$/t	Pb US$/t	Ag US$/oz
1,962	2,025	33.42

Source: LME

9.6.3 Recent Relevant comparable Transactions (copper)

Table 9.7 shows recent copper transactions reported as copper equivalent tonnes.

Table 9.7 Recent global copper resource transactions

Project	Date	Value US$M	US$ Cu Equiv t
Afton-Ajax Copper-Gold Project	May2010	127	64.19
Anvil Mining Congo SARL	February 2010	1.75	21.34
Inca de Oro SA	February 2010	68	24.84
Redcorp Empreendimentos Mineiros Unipessoal Lda	February 2010	0.46M	5.65
Cerro Casale Project	February 2010	1,725	4.9
San Anton Resource Corp	February 2010	27.4	14.10
Tepal Gold- Copper Project	January 2010	3.9	10.85
Indophil Resources NL	December 2009	4,957	294.61
Murgor Resources Inc	August 2009	4.914	18.96
Kaldora Co Ltd	June 2009	10.0	48.18
Average			**50.8**

Snowden considers that the value of the copper equivalent resource tonnes is in the normal range of US$20/t to US$100/t with a preferred value of US$50/t. This is based on the current copper price (February 21) of US$8,252/t. This represents about 0.6% of the current metal price value.

9.7 RISK ASSESSMENT

In undertaking the valuation of the Mineral assets Snowden has considered the following risks:

- Political uncertainty, sovereign risk
- Legal and environmental uncertainty (disputation)
- Resources (conversion to ore reserves)
- Technical feasibility (dredging, mining, processing etc)
- Marketing (off-take and sales agreements)
- Price variability and forecasts
- Currency and exchange rates
- Capital and operating cost forecasts

The different risks have been applied as discounts to the technical mineral asset valuation to provide a more realistic market valuation.

10. VALUATION

10.1 SANDPIPER

10.1.1 Resources Valuation model

Table 10.1 shows the Sandpiper resources and estimated quantity of phosphate (P_2O_5)

Table 10.1 Sandpiper Project mineral resources

EPL/ML	Sample Type	Resource	Dry Mt	Grade % P_2O_5	Mt P_2O_5
170	Core	Measured	4.1	20.45	0.84
170	Core	Indicated	158.6	19.95	31.64
3414	Core	Indicated	35.4	21.70	7.68
3415	Core	Indicated	26.3	19.08	5.02
3323 All	Grab	Inferred	104.3	13.4	13.98
3415 N	Core	Inferred	103.5	19.8	20.49
3415 C & S	Core	Inferred	390.6	17.5	68.36
3414+ 3323 All	Core	Inferred	1,169.3	18.90	221.00
Total			**1,992.1**	**18.5**	**369.00**

Table 10.2 shows Snowden discount factors applying to the resource estimates. They include political risk in Namibia compared to Australia, technical risk associated with deep water dredging and resource risk associated with resource to reserve conversion. Deeper water resources and Inferred resources have been discounted more heavily, as approximately half the resources are at depths greater than 225 m. Snowden has no evidence for any modifying factors such as mining dilution and mining recovery to convert resources into reserves.

Table 10.2 Sandpiper Project, resource discount factors

Resource	Mt	% P2O5	Mt P2O5	Political	Technical	Resource	Mt P2O5
Measured	4.1	20.45	0.84	90%	50%	75%	0.28
Indicated	158.6	19.95	31.64	90%	50%	50%	7.12
Indicated	35.4	21.7	7.68	90%	50%	50%	1.73
Indicated	26.3	19.08	5.02	90%	50%	50%	1.13
Inferred	104.3	13.4	13.98	90%	25%	25%	0.79
Inferred	103.5	19.8	20.49	90%	25%	25%	1.15
Inferred	390.6	17.5	68.36	90%	25%	25%	3.84
Inferred	1,169.3	18.9	221.0	90%	25%	25%	12.43
Total	**1,992.1**	**18.5**	**369.0**				**28.47**

Table 10.3 shows Snowden's estimate of the valuation range for the Sandpiper Project mineral assets in US$M.

Table 10.3 Sandpiper Project valuation of mineral assets (US$M)

	Mt P2O5	Low US$M	High US$M	Preferred US$M
Measured	0.28	0.57	1.13	0.85
Indicated	7.12	14.24	28.48	21.36
Indicated	1.73	3.46	6.91	5.19
Indicated	1.13	2.26	4.52	3.39
Inferred	0.79	1.57	3.14	2.36
Inferred	1.15	2.31	4.61	3.46
Inferred	3.84	7.69	15.38	11.53
Inferred	12.43	24.86	49.72	37.29
Total	**28.47**	**56.95**	**113.90**	**85.42**

At the A$:US$ exchange rate on 21 February of 1.0655 this gives a valuation range in A$M shown in Table 10.4. Snowden considers that the value of the Sandpiper Project ranges from A$53.45M to A$106.90M with a preferred value of A$80.17M.

Table 10.4 Sandpiper Project valuation of mineral assets (A$M)

Low	High	Preferred
A$M	A$M	A$M
53.45	106.90	80.17

Table 10.5 shows the valuation range for UCL's 42.5% of the Sandpiper Project.

Table 10.5 Sandpiper Project valuation UCL share (42.5%) A$M

Low	High	Preferred
A$M	A$M	A$M
22.72	45.43	34.07

10.1.2 Exploration Area Valuation model

As an alternative approach to the valuation of the Sandpiper project to that provided above an exploration area valuation approach can be used. The Sandpiper Project area comprises a total of 7 Exclusive Exploration Licences (EPL's) covering a total area of approximately 7,000 km^2. ML170 covers a total area of 2,233 km^2. The values assigned to the exploration area assume the area has phosphate potential but no defined resources. Snowden considers the value for the exploration areas with defined resources should higher than those with no identified resource, giving a range of A$4,000 to A$20,000 with a preferred value of A$12,000/$km^2$.

Table 10.6 shows the valuation of the Sandpiper exploration area based on the exploration valuation/km^2 basis.

Table 10.6 Sandpiper Project valuation based on exploration area (A$M)

Tenement	Tenement	low	High	Preferred
	Area Km2	A$M	A$M	A$M
ML	2,233	8.93	44.66	26.80
ELs	4,667	19.24	96,20	57,72
Total	**7,043**	**28.17**	**140.86**	**84.54**

Table 10.7 shows the valuation range for UCL's 42.5% of the Sandpiper Project, based on exploration area.

Table 10.7 UCL share of Sandpiper Project (42.5%) based on exploration area

Low	High	Preferred
A$M	A$M	A$M
11.97	59.87	35.92

Table 10.7 shows a preferred value of A$35.92 M which is close to the preferred value of A$34.07M based on resource transactions reported in Table 10.5. Snowden considers that the valuation based on resource transactions is preferred over the value based on exploration area, with the latter value supporting the former.

10.2 MEHDIABAD PROJECT

Snowden considers that there is some value in UCL's share of the Mehdiabad project. Over 52,000 m of mostly diamond drilling was carried out at the project and UCL's share of expenditure was US$16.8 million on exploration and feasibility studies up until December 2006. Snowden has valued the project and heavily discounted the value for political, technical (resources) and disputation risks.

10.2.1 Zinc Project

Table 10.8 shows the Mehdiabad Zinc Project mineral resources estimated in 2006. It also shows the metal tonnes and in-situ value of the metal.

Table 10.8 Mehdiabad Zinc Project mineral resources (2006)

Resource classification	Tonnes (Mt)	Zn %	Pb %	Ag g/t	Zn Mt	Pb Mt	Ag Moz	Zn US$M	Pb US$M	Ag US$M
Measured	140	4.1	1.6	34	5.74	2.24	153	11,262	4,536	5,113
Indicated	222	4.2	1.6	36	9.32	3.55	257	18,286	7,189	8,589
Inferred	32	4.5	1.4	38	1.44	0.45	39	2,825	911	1,303
Total	**394**	**4.2**	**1.6**	**36**	16.5	6.3	456	32,373	12,636	15,006

Table 10.9 shows zinc equivalent tonnes for the Mehdiabad Project.

Table 10.9 Mehdiabad Zinc Project zinc equivalent Mt

	Zn Zn Mt	Pb Zn Equiv Mt	Ag Zn equiv Mt	Total Zn Equiv Mt
Measured	5.74	2.31	2.53	10.58
Indicated	9.32	3.67	4.24	17.23
inferred	1.44	0.46	0.65	2.55
Total	**16.55**	**6.44**	**7.42**	**30.36**

Table 10.10 shows Snowden estimates of discounting of the zinc equivalent tonnes for 100% of the Mehdiabad Project. They include resource to reserve conversion risk, political risk of operating in Iran and dispute risk with the government of Iran. While Snowden acknowledge the project has a technical value based on resource tonnes and grades there are serious obstacles for the project being developed in the near future.

Table 10.10 Mehdiabad Zinc Project discounted Zn Equiv Mt based on 100% of project

	Zinc Equiv Mt	Resource Risk	Political Risk	Dispute Risk	Total Discounted Zn Equiv Mt
Measured	10.58	75%	5%	25%	0.10
Indicated	17.23	50%	5%	25%	0.11
Inferred	2.55	25%	5%	25%	0.01
Total	**30.36**				0.22

Snowden considers that in the current political climate that the project has little chance of being developed. Therefore Snowden has valued the project at values ranging from $10/tonne to $60/tonne with a preferred value of $30/tonne zinc equivalent. Table 10.11 shows the values for UCL's 24.5 % share of the Mehdiabad zinc project ranging from USM$0.54 to USM3.24 with a preferred value of US$1.62 million.

Table 10.11 Mehdiabad Zinc Project discounted valuation range based on 24.5% of project (US$M)

Zn Equiv Mt 100%	Zn Equiv Mt 24.5%	Low US$/t Zn Equiv	High US$/t Zn Equiv	Preferred US$/t Zn Equiv	Low US$M	High US$M	Preferred US$M
0.10	0.025	10.0	60.0	30.0	0.25	1.50	0.75
0.11	0.026	10.0	60.0	30.0	0.26	1.56	0.78
0.01	0.003	10.0	60.0	30.0	0.03	0.18	0.09
0.22	**0.054**				**0.54**	**3.24**	**1.62**

At the A$:US$ exchange rate on 21 February of 1.0655 this gives a valuation range in A$M shown in Table 10.12 Snowden considers that the value of the Mehdiabad zinc project ranges from A$0.51M to A$3.04M with a preferred value of A$1.52M

Table 10.12 Mehdiabad Zinc Project valuation range (A$M), UCL 24.5%

Low A$M	High A$M	Preferred A$M
0.51	3.04	1.52

10.2.2 Copper Project

In addition to the zinc resource, in 2007 UCL announced a copper (Cu) resource shown in Table 10.13.

Table 10.13 Mehdiabad Copper Project resources

Category	Classification	Tonnes Mt	Cu %	Cu Mt
Oxide	Indicated	29.1	0.61	0.18
Oxide	Inferred	12.9	0.60	0.08
Oxide	Sub total	42.0	0.60	0.25
Sulphide	Indicated	13.1	0.51	0.07
Sulphide	Inferred	17.2	0.40	0.07
Sulphide	Sub total	30.3	0.45	0.14
Oxide and sulphide	**Total**	**72.3**	**0.54**	**0.39**

Table 10.14 shows Snowden estimates of discounting of the copper equivalent tonnes for 100% of the Mehdiabad Project. They include resource to reserve conversion risk, political risk of operating in Iran and dispute risk with the government of Iran. While Snowden acknowledge the copper project has a technical value based on resource tonnes and grades there are also serious obstacles for the project being developed in the near future.

Table 10.14 Mehdiabad Copper Project discounted Cu equiv tonnes based on 100% of project

	Resource Class	Total Cu t	Resource Risk	Political Risk	Dispute Risk	Total Discount Cu t
Oxide	Indicated	180,000	50%	5%	25%	1,125
Oxide	Inferred	80,000	25%	5%	25%	250
Sulphide	Indicated	70,000	50%	5%	25%	438
Sulphide	Inferred	70,000	25%	5%	25%	219
Total		**400,000**				**2,032**

Snowden has valued the Copper project at values ranging from $10.0/t to $100/t with a preferred value of $50/t copper equivalent.

Table 10.15 shows the valuation for UCL's 24.5% ownership of the Mehdiabad Copper Project ranging from a low of US$4,800 to a high of US$49,800 with a preferred value of US$24,900.

Table 10.15 Mehdiabad Copper Project, discounted valuation range of UCL 24.5% of the project (US$)

Cu t 100%	Cu t 24.5%	Low US$/t Cu	High US$/t Cu	Preferred US$/t Cu	Low US$	High US$	Preferred US$
1,125	276	10.0	100.0	50.0	2,760	27,600	13,800
250	61	10.0	100.0	50.0	610	6,100	3,050
438	107	10.0	100.0	50.0	1,070	10,700	5,350
219	54	10.0	100.0	50.0	540	5,400	2,700
2,032	498				4,980	49,800	24,900

Table 10.16 shows the valuation of the Mehdiabad copper project in A$M (to two decimal places) based on an exchange rate of 1.0655 on 21 February 2012. The values are insignificant within the total valuation.

Table 10.16 Mehdiabad Project valuation (A$M)

Low A$M	High A$M	Preferred A$M
0.00	0.05	0.02

10.3 WONARAH PHOSPHATE PROJECT

In valuing the Wonarah Project, Snowden has applied a Kilburn valuation technique (as modified by Snowden) to the exploration tenements. Snowden has excluded Minemakers' published Resources from this exercise and has valued these separately, applying an appropriate P_2O5 price range and discount factors relating to Resource confidence (Measured, Indicated or Inferred). A further, subjective, technical "recovery" factor (discount) has been applied to account for the project status in relation to financing, product production technology and development strategy.

Snowden considers that the project will require significant certainty regarding the proposed process route, marketing of product and commitment of capital and has valued the project accordingly.

10.3.1 Wonarah Resources

Table 10.17 shows the Wonarah phosphate resources and estimated tonnes of P_2O_5. This Resource has been taken by Snowden, verbatim, from the Minemakers' 2011 Annual Report, reported at a 10% P_2O_5 cut-off grade. This Resource represents a significant increase in the 2010 Resource for which Minemakers claims a discovery cost of A$0.003 per tonne for the resource expansion.

Table 10.17 Wonarah Project phosphate resources

	Resource	Mt	% P2O5	Mt P2O5
Main Zone	Indicated	252.0	18.2	45.86
	Inferred	295.0	18.0	53.10
	Total	**547.0**	**18.1**	**99.01**
Arruwurra	Indicated	51.0	18.3	9.33
	Inferred	84.0	16.0	13.44
	Total	**135.0**	**16.90**	**22.82**
Main Zone + Arruwurra	**TOTAL**	**682**	**17.9**	**121.83**

Table 10.18 shows the Wonarah phosphate resources and estimated tonnes of P_2O_5 discounted for technical and resource to reserve conversion risk. The Resource risk discount relates to the estimation confidence associated with the relevant Resource classifications and the Technical Risk discount contemplates the status of project development, funding and logistics. In this instance, the raw annualised ore feed has been divided by the annualised product, as stated in the Minemakers' 2011 Annual Report, to produce a factor of 32%. Snowden has assumed no political or sovereign risks to the project.

Table 10.18 Wonarah Project phosphate resource discount factors

	Mt P2O5	Political Risk	Technical Risk	Resource Risk	Mt P2O5
Indicated	45.86	100%	32%	50%	7.34
Inferred	53.10	100%	32%	25%	4.25
Indicated	9.33	100%	32%	50%	1.49
Inferred	13.44	100%	32%	25%	1.08
Total					14.16

Table 10.19 shows the Wonarah resource valuation in US$M. Snowden has applied a preferred P_2O_5 value of US$3/t P_2O_5 to the discounted Resource to result in the valuation illustrated in which shows the Wonarah resource valuation in US$M. This gives a valuation range from a low of US28.32 to a high of US$56.64M with a preferred value of US$42.48M for Minemakers 100% of the project

Table 10.19 Wonarah Project valuations (USM$)

	Mt P2O5	Low US$M	High US$M	Preferred US$M
Indicated	7.34	14.68	29.36	22.02
Inferred	4.25	8.50	17.00	12.75
Indicated	1.49	2.98	5.96	4.47
Inferred	1.08	2.16	4.32	3.24
Total	**14.16**	**28.32**	**56.64**	**42.48**

At the A$:US$ exchange rate on 21 February of 1.0655 this gives a valuation range in A$M shown in Table 10.20. The table shows the valuations range from A$26,58 M to $53.16 M with a preferred value of A$39.87 M.

Table 10.20 Wonarah project summary of valuation (A$M)

	Mt P2O5	Low A$M	High A$M	Preferred A$M
Total	14.15	26.58	53.16	39,87

10.3.2 Wonarah Exploration Area

Snowden has used the Kilburn valuation technique (as modified by Snowden) to determine a value for the exploration potential of Wonarah. The Resources, as estimated by Minemakers for each tenement, have been excluded from this exercise. Relevant modification factors have been applied to the perceived geological prospectivity of the tenements and then multiplied by the relevant Base Acquisition Cost (BAC) for each tenement type within the holding.

The various exploration areas have been considered separately. In undertaking this exercise, Snowden has relied on publicly released geological information from Minemakers. Snowden also note that some of the tenements are hold by Geotech Pty. Ltd, a Minemakers subsidiary company. Snowden considers that the value of the exploration project areas is very much dependent on the future likelihood of obtaining a reserve and has valued the project accordingly.

Table 10.21 shows a Kilburn valuation of the exploration potential of mining tenements at Wonarah.

Table 10.21 Wonarah Project phosphate exploration area valuation, Kilburn (100%)

Lease	Area Km^2	BAC A$	Off property		On property		Anomaly		Geology		Lower (A$)	Upper (A$)	Preferred (A$)
EL9979	19.35	7,353	0.7	0.9	0.5	0.7	0.5	0.7	0.5	0.8	640	2,590	1,130
EL24607	95.80	36,404	0.7	0.9	0.5	0.7	0.5	0.7	0.5	0.8	3,190	12,840	5,600
SEL26451	215.90	82,042	1.0	1.5	1.0	1.5	0.5	0.7	2.0	2.5	82,040	323,040	142,290
SEL26452	937.96	356,425	1.0	1.5	1.0	1.5	0.5	0.7	2.0	2.5	356,420	1,403,420	618,170
EL28233	12.92	4,910	0.6	0.8	0.3	0.4	0.3	0.4	0.3	0.4	80	250	120
EL26589	228.25	86,735	0.6	0.8	0.3	0.4	0.3	0.4	0.3	0.4	1,410	4,440	2,170
EL26185	149.03	56,631	0.7	0.9	0.5	0.7	0.5	0.7	0.5	0.8	4,960	19,980	8,720
EL26584	2.42	920	1.0	1.5	1.0	1.5	0.5	0.7	2.0	2.5	920	3,620	1,600
Total											**449,660**	**1,770,180**	**779,800**

Table 10.22 shows a Kilburn valuation of the exploration potential of mining tenements at Wonarah NW. Snowden notes that tenements EL 29350 and EL 29351 are distal from the Wonarah project proper and lie at the northern extremity of the geological Tennant Creek inlier. Snowden has valued these tenements as being speculative exploration tenements requiring significant commitment of capital and exploration resources and has therefore also applied a 50% discount factor to reflect this.

Table 10.22 Wonarah NW area (100%)

Lease	Area Km^2	BAC A$	Off property		On property		Anomaly		Geology		Market discount	Lower (A$)	Upper (A$)	Preferred (A$)
EL29350	77.95	29,621	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	50%	380	1920	770
EL29351	117.20	44,536	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	**50%**	570	2890	1,150
EL29352	42.03	15,971	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	**50%**	200	1030	410
EL29353	29.11	11,062	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	**50%**	140	720	290
EL29354	32.21	12,240	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	**50%**	160	790	320
EL29355	26.41	10,036	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	**50%**	130	650	260
Total												**1,580**	**8,000**	**3,200**

Table 10.23 shows a Kilburn valuation of the exploration potential of mining tenements held by Geotech Pty Ltd. Snowden notes that some of these tenements represent “infill” tenements (cf EL 26585 and EL26586) to cover gaps in the overall holding. Snowden further notes that EL 26813, although extensive in area, lies north of the Tennant Creek Inlier and represents a distal speculative exploration project that requires significant capital expenditure and commitment of resources for evaluation. Snowden has valued these tenements accordingly.

Table 10.23 Geotech Pty Ltd areas

Lease	Area Km^2	BAC A$	%	Off property		On property		Anomaly		Geology		Lower (A$)	Upper (A$)	Preferred (A$)
EL26585	0.54	205	100%	1.0	1.5	1.0	1.5	0.5	0.7	2.0	2.5	210	810	360
EL26586	1.53	581	100%	1.0	1.5	1.0	1.5	0.5	0.7	2.0	2.5	580	2,290	1,010
EL26588	1,160.40	440,952	100%	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	11,290	57,150	22,760
EL26813	961.66	365,431	80%	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	7,480	37,890	15,080
EL26687	233.96	88,905	80%	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	1,820	9,220	3,670
EL26693	349.25	132,715	80%	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	2,720	13,760	5,480
EL26710	351.37	133,521	80%	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	2,730	13,840	5,510
Total	**3,058.71**											**26,830**	**134,960**	**53,870**

Table 10.24 shows a summary of the Wonarah exploration tenement valuations.

Table 10.24 Wonarah exploration area valuations

Area	Lower (A$M)	Upper (A$M)	Preferred (A$M)
Wonarah	0.450	1.770	0.780
Wonarah NW	0.002	0.008	0.003
Geotech Pty Ltd	0.027	0.135	0.054
Total	**0.479**	**1.913**	**0.837**

10.4 ROCKY POINT PROJECT (MAK 70% EQUITY)

The Rocky Point Project comprises some 4,000 km^2 in granted licenses. The project area incorporates the core area of the marine phosphate mineralisation province, to the north of Walvis Bay where published regional mapping indicates phosphate content of greater than 20% by weight. The tenements are held by Minemakers Tungeni Joint Venture Exploration (Namibia) (Pty) Ltd, with Minemakers holding a 70% interest and being the Project Operator. Namibian partners, Tungeni Investments cc hold 30% interest.

Snowden considers that the phosphate exploration project transactions have a value in the range of A$2,000 to $10,000 with a preferred value of A$6,000/km^2. Snowden note that the Rocky Point Project has been shown to be lower grade than Sandpiper and therefore may be less likely to be developed in the near future. This gives a range of A$0.80 million to $4.00 million with a preferred value of A$2.40 million based on 100% equity, shown in Table 10.25.

Table 10.25 Rocky Point phosphate project valuation (100%)

Low A$M	High A$M	Preferred A$M
0.80	4.00	2.40

Table 10.26 shows the valuation of Rocky Point for Minemakers 70% interest in A$M.

Table 10.26 Rocky point phosphate project valuation (70%)

Low A$M	High A$M	Preferred A$M
0.56	2.80	1.68

10.5 TNT MINES (19%)

On 3 June 2011 Minemakers' Shareholders authorised the TNT Directors to effect a reduction in capital by way of an in-specie distribution and transfer of 50,005,476 TNT Mines' Shares to Minemakers Shareholders registered as at the Record Date of 14 July 2011 on a pro rata basis. The Directors of Minemakers have subsequently authorised this in-specie distribution and the transfer which was completed on 19 July 2011. Minemakers held 12,494,524 Shares in TNT Mines as at 3 June 2011.

TNT Mines Limited demerged from Minemakers on 19 July 2011 when all Minemakers' shareholders on the record date received a distribution in-specie of shares in TNT Mines. The ATO class ruling provided an exemption from a capital gains tax event: unfortunately that process took much longer than had been advised to Minemakers originally and market conditions have not been sufficiently positive for an intended initial public offering since the demerger.

TNT Mines Limited an unlisted public company issued a Replacement Prospectus on 11 November 2011, which replaced the original prospectus dated 7 October 2011. A copy of this Prospectus was lodged with ASIC on 11 November 2011. The offer was for 1 New Share for every 1 Share held by way of a non-renounceable Rights Issue at a price of 8 cents each to raise up to $5,260,000. This valued the company at A$5.26 million prior to the rights issue

TNT Mines raised A$1.3M from a Rights Issue in December 2011, for evaluation and enhancement of its tungsten, tin and fluorspar properties which puts the value of TNT in December at A$6.56 million.

The value of TNT at 21 February is estimated by Snowden at A$6.56 million which values Minemakers share at approximately A$1.25 million, shown in Table 10.27. Snowden has not independently valued the individual mineral assets owned by TNT Mines Limited.

Table 10.27 TNT Valuation

Low	High	Preferred
A$M	A$M	A$M
1.00	1.50	1.25

10.6 PORT KEATS ROCK SALT PROJECT (100%)

At the end of December 2011 Minemakers was awaiting grant of the new Exploration License on the main target area. Table 10.28 shows the valuation of Port Keats based on the Kilburn method. Snowden has applied a market discount of 50% because the tenements have not yet been granted.

Table 10.28 Port Keats valuation (Kilburn)

Lease	Area Km^2	BAC A$	Off property		On property		Anomaly		Geology		Market discount	Lower (A$)	Upper (A$)	Preferred (A$)
EL24728	28.67	10,859	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	50%	140	710	280
EL25555	1.88	1.88	0.4	0.6	0.4	0.6	0.4	0.6	0.4	0.6	50%	10	50	20
Total												**150**	**760**	**300**

Table 10.29 shows the valuation of Port Keats rock salt in A$ million rounded to two decimal places which reflects that their value as part of this Minemakers portfolio is not material.

Table 10.29 Port Keats valuation summary (A$M)

Low	High	Preferred
A$M	A$M	A$M
0.00	0.00	0.00

10.7 FRASER IRON PROJECT (80%)

On 10 October 2011, the market was advised that Minemakers had entered into a Sale Agreement with Australasia Minerals and Mining Group Ltd ("**AMMG**") to sell its 80% interest in its Fraser Iron West Southdown magnetite project for 5 million shares and 2 million 20 cent options in AMMG. The sale was expected to be completed upon renewal of the tenement in about February 2012. AMMG has recently advised the market that it is drilling the tenement and that should ensure compliance with expenditure commitment that should result in the tenement being renewed.

Snowden is aware that Grant Thornton has valued the project based on the transaction outlined above and therefore Snowden has not carried out a mineral asset valuation.

11. VALUATION SUMMARY

Table 11.1 shows the summary market valuation of UCL's mineral assets. It shows a range from A$23.23 million to a high of A$48.52 million with a preferred value of A$35.61 million. The wide range in valuations is due to the uncertainty associated with the dredging technology at Sandpiper and the political risk in Iran. UCL are completing a definitive feasibility study of the Sandpiper Project in the near future which should add confidence to its future development.

Table 11.1 Summary of UCL market mineral asset valuation (A$)

	Location	Holding	Low	High	Preferred
			A$M	A$M	A$M
Sandpiper	Namibia	42.5%	22.72	45.43	34.07
Mehdiabad Zinc	Iran	24.5%	0.51	3.04	1.52
Mehdiabad Copper	Iran	24.5%	0.00	0.05	0.02
Total			**23.23**	**48.52**	**35.61**

Table 11.2 shows the summary market valuation of Minemakers' mineral assets. It shows a range from A$51.34 million to a high of A$104.8 million with a preferred value of A$77.71 million. The wide range in valuations is due to the uncertainty associated with developing the large (average grade) Wonarah phosphate deposit near the centre of Australia which will require large capital expenditure to justify its development. The situation could change with improvements in the global economy, increasing population and the increasing demand for food and fertilizers particularly in developing countries.

Table 11.2 Summary of Minemaker market mineral asset valuation (A$)

Project	Location	Holding	Low (A$M)	High (A$M)	Preferred (A$M)
Sandpiper phosphate resource	Namibia	42.5%	22.72	45.43	34.07
Wonarah phosphate resource	Northern Territory	100%	26.58	53.16	39.87
Wonarah phosphate exploration	Northern Territory	100%	0.48	1.91	0.84
Rocky Point phosphate exploration	Namibia	70%	0.56	2.80	1.68
TNT Mines	Tasmania	19%	1.00	1.50	1.25
Port Keats rock salt	Northern Territory	100%	na*	na*	na*
Fraser iron	Western Australia	80%	na**	na**	na**
Total			**51.34**	**104.8**	**77.71**

*na not appropriate, Refer to Section 10.6
**na not appropriate, Refer to Section 10.7

12. DECLARATIONS BY SNOWDEN MINING INDUSTRY CONSULTANTS PTY LTD

12.1 INDEPENDENCE

Snowden Mining Industry Consultants Pty Ltd is an independent firm of consultants providing a comprehensive range of specialist technical and financial services to the mining industry in Australia and overseas, through offices in Perth, Brisbane, Johannesburg, Oxford, Vancouver, Calgary and Belo Horizonte (Brazil). Our corporate services include technical audits, project reviews, valuations, independent expert reports, project management plans and corporate advice.

The Snowden personnel responsible for the preparation and review of this report are Mr Terry Parker (Principal Consultant) who is the principal author of this report. Mr Craig Morley (Senior Principal Consultant) peer reviewed the report to ensure it complies with the guidelines as laid down by both the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports (Valmin 2005) and The Australasian Code for Reporting of Exploration results, Mineral Resources and Ore Reserves (JORC 2004).

This report has been prepared independently and the authors do not hold any interest in any of the entities, their related parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Snowden's standard rates, whilst expenses are being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

12.2 QUALIFICATIONS

Mr Terry Parker has 41 years' experience as a geologist working in Africa, the Middle East and Australia for Anglo American, Rio Tinto, Barrack Mines and Simcoa Operations Pty Ltd. He has worked in exploration and mining for gold, base metals and industrial minerals. He has a Diploma in Surface Mining, Quarry Manager Certificate (WA) and an MBA specialising in mineral economics. He has consulted to the mining industry worldwide for 16 years, including Snowden in Perth (1995 to 1999 and 2010 to 2012) and Snowden in Johannesburg, South Africa (2008 to 2010). He has consulted on a wide range of commodities, including phosphate and participated in numerous technical audits, valuations, independent geologist reports (IGR's) and competent person's reports (CPR's). He has more than five years' experience in exploration and mining of bulk commodity and industrial minerals.

Mr Craig Morley has a geological background with mining experience underground on Australia's Golden Mile in Kalgoorlie as well as in a number of senior positions across Australian Underground and Open Pit operations. Since joining Snowden in 1997 he has consulted on mining and exploration projects throughout Australia, Africa, India, Papua New Guinea, Indonesia, South America, and Canada. His experience ranges from project valuation to mining software systems and databases, across a wide range of commodities. He has completed an MBA and is a Fellow of the Australasian Institute of Mining and Metallurgy. Craig is the CEO of Snowden Mining Industry Consultants and leads a multidisciplinary team with offices in Australia, South Africa, Canada, Brazil and the UK.

Mr Jeremy Peters is a Mining Engineer and Geologist with some 20 years' open pit and underground mining experience in gold and base metal mines. He holds Registered Mine Manager certificates for WA and NT and a WA Shotfirer's licence. He has significant exploration and mining experience to the level of Exploration Manager and Registered Mine Manager in iron ore, gold, base metals, nickel and industrial minerals in the Pilbara, Yilgarn, Northern Territory, Tasmania and Far North Queensland of Australia. He has undertaken exploration in Papua New Guinea and consulted internationally in both mining and geology in the Mediterranean, Russia, North America, the Philippines and North Africa.

Dr Nursen Guresin is a Metallurgical and Materials Engineer with over 20 years' experience in physical, hydrometallurgical and pyrometallurgical treatment of ores. Her experience covers a wide range of mineral commodities such as gold, silver, nickel, copper, zinc, lead, iron ore, antimony, tungsten, uranium, coal, phosphatel and a wide range of traditional or novel processes applied to these commodities.

12.3 DISCLAIMER

Snowden has relied on the accuracy and completeness of the technical documentation supplied to it by UCL. Snowden has made all reasonable enquiries into the material aspects of the project and makes no warranty or representation as to the accuracy or completeness of the information provided. Furthermore, Snowden accepts no responsibility for the information or statements, opinions, or matters expressed or implied arising out of, contained in, or derived from information contained in this report, unless specifically disclosed by Snowden.

13. BIBLIOGRAPHY

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UCL Limited	Annual reports and Quarterly reports, 2009 to 2011
TNT Mines Limited, 2011	Prospectus for rights issue
Clifford, DA, 2011	Independent Geologist Report, (in TNT Mines Limited prospectus)
UCL FTP website	(containing all Sandpiper scoping study 2011 reports and Mehdiabad Project 2006 reports).

Technical Expert's Report

Appendix A Phosphate Transactions

Phosphate Exploration Transactions

Project & Date	Transactions details	Asset details	Area	AUD/km2
Dissimieux Lake Property February 2012	On the 22nd February 2012 Jourdan Resources announced the acquisition of 66.6% of the Dissimieux Lake Property in Quebec. Total compensation to the vendors is 2 million common shares of Jourdan Resources.	The Property consists of 30 claims for 1,665.9 hectares or 16.7 km2. The Property hosts titanium-phosphate (ilmenite-apatite) mineralization located near the southern margin of the La Blache Anorthositic Complex (the "LBAC").	16.7km2	$15,099
Cardabia Phosphate Project February 2012	On the 17th February 2012 South Boulder Mines ltd announced it entered into a JV agreement with Strata Minerals Inc. The consideration for the transaction is $200,000 cash which allows Strata to own an 80% interest in the project.	The Cardabia project is comprised of 5 exploration tenements which cover a total area of approximately 1600km2.	1600km2	$156
Queensland Joint Venture phosphate rights February 2012	On the 16th February 2012 GBM Resources Limited announced that Swift Resources Limited has conditionally agreed to acquire 100% of GBM's JV for a consideration of 16.5M fully paid Swift shares subject to Swift being admitted to the ASX.	Bungalien and the other projects are contained within the areas phosphate-rich Beetle Creek Formation, part of the broader Georgina Basin mineralised footprint near Mount Isa. The project are covers approximately 878km2.	878km2	$3,758
Barkley Phosphate project February 2012	On the 14th February 2012 Mantle Mining Corporation Limited announced that it has entered into an Option and Sale Agreement with Mineore Pty Ltd over the Barkly Phosphate Project. The terms of the agreement are a 1 month option period , initial payment of $225,000 plus a deferred payment of $200,000 value in shares if Mineore are successful at listing (option 1) or $400,000 in cash of Mineore do not successfully list in the next 24 months (Option 2). This transaction is option 1.	The Barkly project area sits in the Georgina Basin between Minemakers Wonarah deposit and Phosphate Australia's Highland Plains deposit. The agreement covers the Barkly phosphate project tenements and covers approximately 1,165km2.	1165km2	$364
Barkley Phosphate project February 2012	On the 14th February 2012 Mantle Mining Corporation Limited announced that it has entered into an Option and Sale Agreement with Mineore Pty Ltd over the Barkly Phosphate Project. The terms of the agreement are a 1 month option period , initial payment of $225,000 plus a deferred payment of $200,000 value in shares if Mineore are successful at listing (option 1) or $400,000 in cash of Mineore do not successfully list in the next 24 months (Option 2). This transaction is option 2.	The Barkly project area sits in the Georgina Basin between Minemakers Wonarah deposit and Phosphate Australia's Highland Plains deposit. The agreement covers the Barkly phosphate project tenements and covers approximately 1,165km2.	1165km2	$536

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Project & Date	Transactions details	Asset details	Area	AUD/km2
Moose Lake October 2011	On the 14th October 2011 Glen Eagle Resources Inc announced it signed an option agreement with three separate private parties to acquire 100% of the Moose Lake phosphate property composed of 90 claims located approximately 150 km South of Lac Lisette. For the acquisition, the Company will pay an amount of ($455,000 in share equivalent) over a 4 year period.	The property is adjacent the Mirepoix phosphate property of Arianne Resources. The Moose Lake property is easily accessible year round being located 125 km North of Chicoutimi, Quebec. Mineral claims in Quebec are between 16 and 25 hectares each. As no exact figure could be identified Snowden has chosen to multiply the amount of claims by 20hectares to calculate the area of the project	18km2	$24,357
Aguia Metais Ltda February 2010	On the 25th February 2010 Newport Mining Ltd announced it entered into a conditional agreement to acquire two highly prospective and potentially large-scale phosphate projects ("Projects") located in Brazil. The acquisition of the Projects will occur by Newport acquiring a 100% of Aguia Metais Ltda (Aguia). Aguia is a 100% owned subsidiary of Falcon Metais Ltda (Falcon), a private company held within the Forbes & Manhattan Group. The commercial terms of the acquisition, which is subject to approval by Newport shareholders, include the issue of 10 million ordinary shares at settlement, with further ordinary shares to be issued upon achievement of milestones involving independent delineation, classification and reporting of mineral resources in accordance with the JORC Code and/or NI 43-101 guidelines (see Commercial Terms section for further details).	The Lucena Phosphate Project ("LPP") in Brazil has an initial exploration target of 40 to 50 million tonnes at an average grade of 10% to 14% P2O5 based on a compilation of historical drilling by CPRM1. • The Mata da Corda Phosphate Project ("MCPP") has outcropping mineralisation with historical rock chip results of up to 23.2% P2O5 and is ready for drill testing. Initial land position of approximately 83,361 hectares with additional areas identified, providing the potential to expand exploration target.	834km2	$2999
Pilgrim JV December 2008	On the 3rd December 2008 KRB announced it has the right to earn 80% equity in the PJV by expenditure of $400,000 on exploration and / or development over a four year period. At any time during the earning period, but only after the Company has expended at least $80,000, KRB has the right to withdraw from the PJV. During the first two years of the earning period KRB has the right to acquire the property 100% by the issue of one million fully paid KRB shares to DYL. After the earning period, KRB has the right to acquire the property 100% by the issue of 1.2 million fully paid KRB shares to DYL. If KRB does not elect to acquire the property 100% then DYL will be free carried to a decision to mine.	Krucible considers the Pilgrim EPM15072 to be of important strategic value as it abuts the D10 Phosphate Prospect within the Corella Bore EPM in Queensland. This Prospect has phosphate enriched zones at the surface assaying up to 35% P2O5 that are located close to an existing railway line and infrastructure.	58km2	$8,602

Phosphate Resource Transaction

Project & Date	Transactions details	Asset details	100% purchase price	AUD/tonne
Ngualla Phosphate Project	On 3 September 2008 Peak Resources Ltd announced the entering of a JV Agreement that provides Peak with the right to earn an 80% interest in Ngualla Phosphates as well as a 20% interest in uranium discoveries and 60% interest in other minerals within the project licence area. In respect of phosphate prospects Peak is required to free carry Minergy to completion of prefeasibility studies where after the parties will contribute to expenditures on a pro-rate basis. Minergy has the option to increase its interest to 40% through paying to Peak 2.5 times exploration expenditures. Peak will contribute to expenditure on uranium prospects on a pro rata basis. In respect of other mineralisation Peak will meet the first $500,000 of project exploration costs. In consideration for granting Peak rights under the agreement Peak is to issue to Minergy, ordinary shares in the capital of Peak Resources to the value of $100,000 (based on a five day weighted average) upon grant of the mineral tenement.	The Ngualla Carbonatite located approximately 150km northwest of the city of Mbeya, Tanzania. Historical data at Ngualla has identified phosphate concentrations of between 12 and 20% P2O5 in overlying soils.	$750,000	$3.00

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Appendix B US$/ Zn eq tonne Comparable Transactions

Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Pallas Green Property July 2011	On the 13th July 2011 Xstrata Zinc Canada has agreed to purchase the remaining 23.6% interest in the Pallas Green property in Ireland belonging to its current joint venture partner in the project, Minco plc, for $19.4 million.	Exploration efforts have identified significant zinc mineralisation at the Pallas Green property, which is at pre-feasibility study stage. As of December 31, 2010 the JORC compliant inferred resource estimate is 25.9 million tonnes with 7.51% zinc and 1.38% lead at a 4% cut off (8.89% Zn eq).	$82M	$41.83
Ironbark Zinc Ltd March 2010	On the 31 March 2010 Ironbark Zinc Limited announced that it executed an agreement to issue Nyrstar International BV with 42,857,143 Ironbark shares at 35 cents each, giving Nystar another 11% interest in Ironbark. Total Consideration for this transaction is approximately $15,000,000.	Ironbark is a well funded Company listed on the Australian Securities Exchange and focusing on the development of a major base metal mining operation in Greenland. Ironbarks key focus is the wholly owned Citronen base metal deposit in Northern Greenland that currently hosts in excess of 10 billion pounds of zinc and lead. The current JORC compliant resource for Citronen (November 2008) is detailed as follows: 55.8 million tonnes at 6.1% zinc (Zn) + lead (Pb)	$124M	$37.00
CBH Resources Ltd March 2010	On the 11th March 2010 Nystar proposed to acquire all of the 1,094,600,000 ordinary shares for a cash payment of A$0.195 per CBH share.	CBH Resources Limited is a Sydney based mineral resource company producing zinc, lead and silver from the Endeavour Mine at Cobar in central western New South Wales. This is the main project held by CBH.	$189M	$59.20
Silvertip project March 2010	On the 1st March 2010 Silver Standard was issued 1.2 million common shares of Silvercorp at a deemed price of $6.25 per common share, and received a cash payment of CDN$7.5 million, for total consideration of CDN$15 million for the sale of the Silvertip Project.	Upon acquisition, the project covered approximately 216 km2 in 63 contiguous claims and 26 fractional claims. The Silvertip deposit is at the advanced exploration stage and has undergone a number of surface and underground drilling programs and geophysical surveys since the 1955 discovery of an argentiferous galena outcropping on Silvertip Hill by A. Zborovsky, V. Alfody, S. Mezaros and S. Papp working under a government grub staking program. The silver equivalent (AgEq.) equation is based on a formula that includes long-term metal prices as well as the metal recoveries metallurgical tests for the deposit by CSMA Mineral Laboratories of the U.K. The silver equivalent calculation formula is shown below: AgEq. = (Au * 0.5 * 60 + Ag * 0.692) + (Pb * 0.75 * 0.804 * 22.0462 + Zn * 0.75 * 0.847 * 22.0462) / 0.39. >200 Indicated 2,349,055 Silver 352 g/t, Lead 6.73 %, Zinc 9.41 %, Gold 0.54 g/t.	$14.0M	$20.34

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Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Aurcana De Mexico Sa De Cv December 2009	On 4 December 2009 Aurcana Corporation announced they and Silvermex Resources Ltd. subsequent to its announcements on May 25, 2009 and October 14, 2009, have completed the sale of the Rosario exploration and development project located in Sinaloa, State, Mexico to Silvermex through the sale of the shares in its wholly owned subsidiary Aurcana de Mexico. Silvermex paid CDN$224,996 and issued 1,250,000 shares at C$0.45 per share.	Aurcana's 92% owned La Negra silver-lead-zinc-copper mine in Queretaro State, Mexico, is working towards expanding operations to 1500 tonnes per day by spring of 2010. The reader should be cautioned the Company has not completed a feasibility study confirming the projected production capacity for La Negra and there is no certainty the Company's plans will be economically viable. The Shafter silver mine, with a NI 43-101 measured and indicated resource of 24.6 million ounces of silver and an inferred resource of 22.8 million ounces of silver (using a 4.0 ounce per ton cut off), is scheduled to start up production at 3.9 million ounces silver per year. The assets acquired include all facilities and infrastructure at Rosario including; 20 year surface rights agreement in good standing, 30 year water use permit, underground workings, tailings dam, water, 60 km - 33 KV power line, offices, shops, 120 man camp, infirmary, warehouses and assay lab. The previous owner invested approximately $11 million in property payments, exploration, upgrades and renovations to the mine and mill site including upgrading of electrical substations and wiring, camp and accommodations, mine dewatering and detailed engineering of an 800 tonne per day (t/d) mill designed to be installed on the existing foundations and structures.	$0.74M	$22.53
Platosa Property November 2009	On 16 November 2009 Excellon Resources Inc. announced that it has agreed to purchase the remaining 49% joint venture interest in a large portion of the Platosa Property from Golden Minerals Company, for US$2.0 million in cash and a 1% Net Smelter Returns royalty subject to completion of definitive documentation and satisfaction of customary closing conditions.	The Company is also pleased to release assay results for eight additional holes at Platosa. Five of the holes continued delineation of the 623 Manto discovered in July of this year. The results confirm the high-grade nature of this manto and while the widths of massive sulphides encountered are less than those of some of the previously disclosed holes, this is not unexpected as we probe the edges of the manto. Hole EX09-LP657 intersected 7,030 g/t (205 oz/T) Ag, 30.5% Pb, 5.3% Zn over 1.20 metres (m), while hole LP662 cut 4,850 g/t (141 oz/T) Ag, 22.5% Pb, 7.4% Zn over 1.10 m. Assays for LP661, LP663 and LP666, also in the 623 Manto, are shown in the table below.	$4.08M	$19.62

Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Altia JV November 2009	In November 2009, BHP Billiton acquired from Breakaway Resources Limited a 70% interest in the Altia Joint Venture Project through exploration expenditure of A$10M over 5 years (A$14.3M at 100%).	Altia Joint Venture Project hosts the Altia Silver-Lead-Zinc Deposit with Inferred Resources of 5.78Mt at 40.3g/t silver, 3.96% lead and 0. 49% zinc (7.5Moz of contained silver and 229Kt contained lead) which remains open both down dip and along strike.	$13.3M	$36.91
Ironbark Gold Ltd September 2009	In September 2009 Nyrstar NV today announced that it has agreed to acquire a 19.9% interest in Ironbark Gold Limited (ASX-IBG) (Ironbark) for (approximately) 3.5 million Euros (17.6M Euros at 100%).	Ironbark is an Australian publicly listed mining company with exploration projects in Australia and Northern Greenland. Ironbark's key focus is the development of the world-class Citronen zinc-lead deposit in Northern Greenland which Ironbark believes represents one of the world's largest undeveloped zinc resources. In November 2008, Ironbark issued an updated JORC Code compliant resource statement for the Citronen zinc-lead deposit indicating a total ore resource (indicated and inferred) of (approximately) 56 million tons at (approximately) 5.4% zinc and 0.6% lead.	$26.35M	$5.40
Meridian Minerals Limited July 2009	Australian resources company Meridian Minerals Limited has reached agreement to place 131,250,000 ordinary shares to state-owned Chinese company, Northwest Mining and Geology Group Co., Ltd for Nonferrous Metals (NWME), raising A$10.5M, at a share price of A$0.08 (Placement). NWME will make the placement through its wholly owned Australian subsidiary, Northwest Nonferrous Australia Mining Pty Ltd. The issue price of A$0.08 per share is at a 78% premium to the last capital raising, a 23% premium to the current share price and a 28% premium to the 30 day VWAP. Following the placement and post completion of the acquisition of the Lennard Shelf Project, Western Australia. Northwest will hold approximately 45% of the issued capital of Meridian. Funds will be applied to fast-track the development of the project. Placement is subject to FIRB, Chinese Government and Meridian shareholder approvals and completion of the acquisition of the Lennard Shelf project. Directors of Meridian will unanimously recommend the transaction to shareholders. (A$23.3M at 100%)	Meridian has an exclusive option over the Lennard Shelf project and plans to commence a +20,000m drill program in August to extend the currently defined Inferred, Indicated and Measured resources of 8.2m at 7.4% Zn and 4.5% Pb (comprising 24,000t of Measured resource, 3,039,000t of Indicated resource and 5,137,000t of Inferred resource).	$19.1M	$19.36
Hera Nymagee JV June 2009	In June 2009, YTC Resources Ltd (“YTC”) announced it had reached an agreement to purchase a 100% interest in the Hera Project and an 80% interest in the adjacent Nymagee JV from CBH Resources Ltd (“CBH”) for a total of A$11 M plus a 5% gold royalty (not valued). (A$12M at 100%)	A June 2008 estimate from CBH of 3.30 Mt grading 3.35% Zn, 2.72% Pb, 0.18% Cu, 15.13 g/t Ag and 2.67 g/t Au. A 7.5% Zn Eq cut-off was applied.	$9.5M	$42.90

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Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Lennard Shelf Project Area April 2009	In April 2009 Meridian Minerals Limited (ASX code: MII) (Meridian or the Company) has entered into an MOU to purchase a package of zinc-lead tenements containing existing JORC Code compliant resources in the Lennard Shelf region of Western Australia, from the Xstrata Zinc/Teck Cominco Limited (Teck) joint-venture company, Lennard Shelf Pty Ltd (LSPL). The Company intends to acquire a 100% interest in the project from LSPL in consideration for the issue to LSPL of 25 million new ordinary Meridian shares at A$0.02/share. The shares to be issued as consideration will likely be subject to an ASX-imposed escrow period. The acquisition is subject to completion of satisfactory due diligence and an associated new equity fund raising by Meridian. Teck is a cornerstone investor and major shareholder of Meridian. The MOU agreement provides Meridian with exclusive access to the project for a period of eight weeks from execution. During this exclusive period, Meridian must raise a minimum of $5 million for the project and complete final due diligence. The purchase of the project remains contingent upon satisfactory due diligence being completed by Meridian. Detailed due diligence has already been completed on various technical aspects of the project to Meridians satisfaction. Following the completion of satisfactory due diligence, Meridian may purchase 100% of LSPL interest in the tenements, excluding the Pillara mining leases and mining assets, by issuing to LSPL 25 million Meridian shares. The consideration shares will be issued at a price equivalent to the volume weighted average price for Meridian shares for the five trading days prior to signing a Tenement Acquisition Agreement (for the purpose of determining an implied value, Snowden has deemed the price per share as the closing price of $0.02 on 21/4/09). The consideration shares will likely be subject to an ASX-imposed escrow period. LPSL will also retain a once only right to claw back to a 51% interest in each new resource discovered on the project by funding the completion of a Bankable Feasibility Study or spending $20 million in development and assessment costs on that resource, whichever comes first. The existing zinc-lead resources on the project are excluded from this claw back right. (A$5.5M for 100%)	The project is located in the Kimberley's Lennard Shelf region of Western Australia, approximately 80 km southeast of Fitzroy Crossing. The Lennard Shelf is one of the world's premier MVT zinc-lead provinces and prior to the commencement of mining in 1987, hosted resources which were stated as 41Mt at 7.9% zinc and 3.2% lead. Existing JORC resources defined within the tenement package to be acquired (which excludes the Pillara mining leases and mining assets), include Kutarta (2.34Mt at 7.2% Zn, 0.5% Pb & 39 g/t Ag as Inferred and Indicated resources*) and Fossil Downs (2.15Mt at 9.5% Zn, 2.1% Pb & 50 g/t Ag as Inferred resources). Multiple areas of known zinc-lead mineralisation exist within the tenement package including the Kapok Mine, Kapok West, Cadjebut Splay, Palijippa and Wagon Pass prospects.	$3.90M	$8.04

Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Perilya Limited December 2008	Perilya Limited (ASX:PEM) today announced it has entered into a share placement agreement and strategic partnership with major Chinese metal company Shenzhen Zhongjin Lingnan Nonfemet Co., Ltd. (Zhongjin), to raise A$45,464,560. Pending Perilya shareholders and regulatory approvals, Zhongjin will subscribe for 197,672,000 fully paid ordinary shares in Perilya at an issue price of A$0.23 per share, to acquire 50.1% of the Company.	Perilya owns and operates the iconic Broken Hill zinc, lead and silver mine in New South Wales, Australia and the Beltana high grade zinc mine in South Australia. The company is also targeting early development of its 203,000 tonne Mount Oxide copper project in the Mt Isa region in Queensland. Zinc, lead and silver resources have been defined at Reliance and other projects, gold resources at Daisy Milano and Moyagee and copper resources at Mount Oxide.	$60.1M	$16.15
Keno Hill Mines Ltd October 2008	Silver Wheaton Corp. (Silver Wheaton) announced that it has agreed to purchase 25% of the life of mine silver produced by Alexco Resource Corp. (Alexco) at its Keno Hill project located in the Yukon Territory, Canada. Silver Wheaton will pay Alexco US$50 million to acquire 25% of all payable silver produced from the Keno Hill project, for the lesser of US$3.90 (subject to a one percent annual adjustment starting in year four after the achievement of specific operating targets) or the prevailing market price per ounce of silver delivered. The upfront payment will be made in several tranches, with a total payment of US$15 million to fund ongoing underground development made upon the satisfaction of certain conditions, and the remaining US$35 million payment to fund mill construction and mine development costs made on a drawdown basis, upon the satisfaction of certain additional requirements, including the receipt of operating permits. Silver Wheaton is not required to contribute to further capital or exploration expenditures and Alexco has provided a completion guarantee with certain minimum production criteria by specific dates. Payment for the transaction will be drawn from Silver Wheatons existing credit facilities. (A$90.5M at 100%)	Keno Hill is historically one of the highest-grade and most prolific silver producing districts in the world. It is Alexco's flagship project, located in the Yukon Territory, 330 kilometers north of Whitehorse and comprises more than 30 historic mines. From 1913 to 1989, the district produced more than 217 million ounces of silver with average grades in excess of 40 ounces per ton silver, 5% lead and 3% zinc (according to the Yukon Government's published Minfile database). These historical production grades would rank Keno Hill in the top 3% by grade of today's global silver producers. Alexco acquired the 240 square kilometre Keno Hill project in 2006 and has invested over US$26 million on exploration in and around at least seven of the historic mines. As a result of their exploration success, Alexco completed a preliminary economic assessment (PEA) on the Bellekeno deposit in July 2008, and is advancing Bellekeno towards production. The PEA forecasts a production start in 2010 with average annual mine production of 3.3 million ounces of silver, 30.1 million pounds of lead and 24.5 million pounds of zinc over an initial five year mine life. It is expected that the mine life will be extended significantly through continued exploration success. Currently, underground development is underway to access the deeper portions of the Bellekeno deposit.	$200M	$730

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Project Name & Date	Transaction Details	Asset Details	Purchase Price 100% US$M	US$/Zn Eq tonne
Kempfield June 2007	In June 2007, Kempfield Silver Pty Ltd acquired from Golden Cross Resources Ltd the right to earn a 51% interest in the Kempfield project by spending A$2.0 M on exploration over 4 years (A$3.92M at 100%)	The 129 km2 Kempfield project is located approximately 30 km south of Blayney in New South Wales, Australia. The project contains an aggregate Measured Resource of 0.82 Mt grading 0.41% Zn, 0.34% Pb, 109.3 g/t Ag, 0.06% Au and 29.6% barite; an Indicated Resource of 1.93 Mt grading 0.70% Zn, 0.41% Pb, 90.7 g/t Ag, 0.04 g/t Au and 26.0 g/t barite; and an Inferred Resource of 1.87 Mt grading 0.55% Zn, 0.48% Pb, 85.5 g/t Ag, 0.03 g/t Au and 26.25% barite. The barite is excluded from this valuation.	$3.30M	$38.13
Napier Ranger February 2006	In February 2006, CBH acquired a 70% interest in the Napier Range project by expending A$3 M on exploration over a 4 year period. (A$4.29M at 100%)	The Napier Range tenements (MLA04/161, MLA04/162, ELA04/1526 and ELA04/1527) cover an area of 112 sq km and are underlain by limestone units that elsewhere host the important zinc-lead deposits of the Lennard Shelf. Inferred Resource of 0.59 Mt grading 8.5% Zn and 8.0% Pb.	$3.17M	$41.35

Appendix C US$/ t Cu Equiv Global Copper Transactions

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Project	Transaction Details	Project Detail	Implied Project value on 100% basis US$M	Implied value per Cu Eq tonne (US$)
Afton-Ajax Copper-Gold Project May 2010	On the 4th May 2010 Abacus Mining & Exploration Corporation announced it signed an investment agreement with KGHM Polska Miedz S.A. to form a joint venture to advance Abacus' Afton-Ajax copper-gold project located near Kamloops, B.C. Under the terms of the Investment Agreement, following an immediate private placement in Abacus of C$4.5 million, KGHM will invest US$37 million to fund the Project through BFS and earn a 51% interest in the Project. Upon completion of the BFS, KGHM will have the option to acquire a further 29% in the Joint Venture (for a total 80% interest in the Joint Venture) for cash consideration of US$0.025 per pound copper for 29% of the Proven and Probable copper equivalent reserve, to a maximum of US$35 million.	The Ajax property comprises eight 100% owned Crown grants including the historic Ajax East and West pits. Also included is an interest in claims between the pits acquired as a result of a joint-venture agreement signed with New Gold Inc. The Ajax area lies nine kilometres southeast along an existing haul road from the Afton mill, shop facilities, tailings area, and water rights which Abacus agreed to purchase in 2005 from Teck-Cominco.	$127M	$64.19
Anvil Mining Congo SARL February 2010	Anvil Mining Limited (TSX, ASX: AVM), (Anvil or the Company) today announced that it has reached agreement with Mawson West Limited (Mawson West) on the terms and conditions for the sale of the Company's 90% interest in Anvil Mining Congo SARL (AMC). AMC is the holder of the Dikulushi Mining Convention and the Dikulushi copper-silver mine in the Democratic Republic of Congo (DRC) which was placed on care and maintenance in the fourth quarter of 2008. Under the terms of the agreement with Mawson West, the shares in AMC held by Anvil will be transferred to Mawson West, in consideration for which Anvil will receive 83,070,000 shares in Mawson West, representing approximately 28% of the issued and outstanding shares in Mawson West, on an undiluted basis.	Location; 25 km west of Lake Mweru in Katanga Province, DRC First production; October 2002 2008 production: 11,047 tonnes of copper 1,095,801 ounces of silver Current status; In Care & Maintenance since Q4 2008	$1.75M	$21.34
Inca de Oro SA February 2010	PanAust Limited (PanAust) has made a binding offer to Corporaci□acional del Cobre de Chile (Codelco) for PanAust to acquire a majority interest in the Chilean registered company Inca de Oro S.A. PanAust Minera will initially invest US$45 million of equity into Inca de Oro S.A. to acquire 66% of the company of which: US$23 million will be paid to acquire study data and the majority interest; US$10 million will be allocated to fund a feasibility study on the Inca de Oro Project; and US$12 million will be retained as cash to support growth initiatives and initial development costs for the Project.	Following a re-structure of Codelco subsidiaries, Inca de Oro S.A. will own the Inca de Oro Copper-Gold Project where an Indicated and Inferred sulphide Mineral Resource of 259 million tonnes grading 0.46% copper and 0.13g/t gold has been identified. The Project is currently the subject of a pre-feasibility study scheduled for completion in mid-2010. The Inca de Oro deposit is a typical oxide-transitional-primary zoned Andean style porphyry copper-gold deposit located near the town of Inca de Oro (gold of the Incas, population of approximately 500), in the province of Cha□l, Region III of Atacama, Chile. Inca de Oro is approximately 100 kilometres northwest of Copiap□nd 108 kilometres from the town of El Salvador and Codelcos nearby mining operations..	$68M	$24.84

Project	Transaction Details	Project Detail	Implied Project value on 100% basis US$M	Implied value per Cu Eq tonne (US$)
Redcorp Empreendimentos Mineiros Unipessoal Lda February 2010	SRA today closed a private placement financing of $490,000 through the issuance of non-interest bearing convertible debentures which are convertible into units of SRA at the price of 10 cents per unit, each unit consisting of one common share of SRA on a post Consolidation basis and a 12 month, one-half common share purchase warrant pursuant to which each whole warrant is exercisable at the price of $0.15 per share. The use of proceeds will be used to complete the previously announced acquisition (Feb 24, 2010 Press Release) of Redcorp Empreendimentos Mineiros Unipessoal, Lda, (REM), through a wholly-owned subsidiary of SRA.	The assets of the Acquisition include two exploration projects in Portugal covering gold prospects at the Vila de Rei concession and polymetallic massive sulphide mineralization at the 208 km2 Lagoa Salgada Concession. The Lagoa Salgada concession covers a partially defined massive sulphide deposit which was subject of a 43-101 compliant resource estimate prepared by Wardrop Engineering Inc. for Redcorp. Gold mineralization at the Vila de Rei property in central Portugal occurs in persistent quartz vein systems up to 15m in width and in breccia zones associated with late granitic intrusives.	$0.46	$5.65
Cerro Casale Project February 2010	The total transaction value to Kinross was approximately US$474 million, comprised of approximately US$454 million in cash (after adjusting for working capital) plus the assumption by Barrick of a US$20 million contingent obligation. Kinross now owns 25%, and Barrick 75%, of the Cerro Casale project.	The project is located in the Maricunga district of Region III in Chile, 130 kilometers north of the Pascua Lama project. Its proximity to Pascua Lama is expected to provide opportunities for construction and operating synergies.	$1,725M	$4.9M
San Anton Resource Corp February 2010	Under the terms of the proposed transaction, Kings will establish a wholly-owned Canadian subsidiary which will amalgamate with San Anton (the Amalgamation) to form an amalgamated company (Amalco). Pursuant to the Amalgamation, Kings will receive all of the common shares of Amalco so that Amalco will become a wholly-owned subsidiary of Kings and the shareholders of San Anton, other than Kings, will receive two (2) ordinary shares in the capital of Kings for each San Anton common share held.	San Anton Resource Corporation (TSX:KMN) is an exploration and development company that is listed on the Toronto Stock Exchange and is totally focused on the mining friendly jurisdiction of Mexico. The Company's principal asset is a 64% interest in the San Anton Property (Goldcorp 36%), which hosts the near-surface Cerro del Gallo gold-silver-copper deposit. The Property is located in a historic gold-silver mining district and has only recently been subjected to modern exploration techniques. This work quickly identified several targets and has led to the delineation of a NI 43-101 Mineral Resource of 4.5 million ounces of gold, 202 million ounces of silver, and 1.4 billion pounds of copper. The deposit remains open in several directions.	$27.4M	$14.10

Technical Expert's Report

Project	Transaction Details	Project Detail	Implied Project value on 100% basis US$M	Implied value per Cu Eq tonne (US$)
Tepal Gold-Copper Project January 2010	January 19, 2010 -- Geologix Explorations Inc. (the "Company" or "Geologix") announced it has completed its due diligence and technical reviews of the Tepal Gold-Copper Project, Mexico of Arian Silver Corp. and delivered notice to Arian of the Company's election to proceed with an Option to Purchase a 100% interest in the Project subject to execution of a definitive agreement between Arian and Geologix. Under the terms of the previously announced agreement (see Geologix news release dated November 5, 2009), Geologix can elect to complete the purchase of 100% of the property, subject to a 2.5% net smelter return royalty to the underlying vendor, by delivering to Arian US$1.45 million before February 23, 2010 and a further US$1.55 million to Arian before February 23, 2011. Of the first payment, US$517,500 will be satisfied by Geologix forgiving a loan in the same amount made to Arian. At Geologix's election, up to 50% of both payments may be satisfied in Geologix shares, subject to Toronto Stock Exchange approval. The Company will also assume the remaining underlying property option agreement payments of US$900,000 payable before June 6, 2010, and a further US$2.3 million before June 6, 2011 to the underlying vendor.	The Tepal project hosts a resource estimated at 1.15 million ounces ("ozs") of gold and 413 million pounds ("lbs") of copper. The project is located in the northwest portion of Michoac□State, Mexico. Access and infrastructure are excellent, with paved roads, deep sea port access, and low topographical relief. The project is comprised of 6 concessions covering approximately 138 square kilometres. The estimate is based upon 92 drill holes and utilizes a 0.18 g/t gold envelope that honours geology to constrain the mineralization. An inverse distance method was used to the power of (ID3) to interpolate into 25 x 25 x 20 metre blocks using Micromine software. It is reported using a 0 g/t gold cut off. To the Company's knowledge, such resources will not be materially affected by any known environmental, permitting, legal, title, taxation, socio-political, marketing or other relevant issues. The known resource remains open for possible expansion in multiple directions and numerous highly prospective targets remain untested throughout the project area. The project has a total of 129 drill holes (62 diamond drill and 67 reverse circulation) totalling 20,121 metres which led to the identification of two main mineralized zones, the North Zone and the South Zone, which host the current resource estimate. In addition, surface geochemical surveys throughout much of the project area indicate numerous highly prospective untested gold and copper anomalies; most notably to the east of the current deposits (see geochemical maps on the Company's website).	$3.9M	$10.85
Indophil Resources NL December 2009	Zijin will make a cash offer for all issued shares in Indophil held by all Indophil shareholders at A$1.28 per share, valuing Indophils share capital at approximately A$545 million (on a fully diluted basis).	The Companys focus has been the development of the world-class Tampakan Copper-Gold Project in the southern Philippines. The Tampakan Project has an Australasian Joint Ore Reserves Committee (JORC) compliant mineral resource estimate of 2.4 billion tonnes containing 13.5 million tonnes of copper and 15.8 million ounces of gold at a 0.3% copper cut-off grade.	$4,957M	$294.61

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Murgor Resources Inc August 2009	Murgor Resources Inc. (MGR: TSX-V) has completed its previously-announced private placement to China Nonferrous Metals Exploration Corp. ("CNME") by issuing 8,100,000 common shares to CNME at a price of $0.10 per share, for proceeds to Murgor of $810,000. As a result of the private placement, CNME now holds a 14.95% interest in Murgor Resources.	Murgor Resources Inc. is a mineral exploration and development company focused on copper, zinc and gold deposits. The company is earning a 100% interest in three deposits, adjacent to the Snow Lake and Flin Flon mining districts of Manitoba, from HudBay Minerals Inc. (TSX:HBM). Murgor is also exploring an exceptional portfolio of gold properties in proven mining districts of Canada.	$4.914M	$18.96
Kaldora Co Ltd June 2009	Kentor Gold has acquired an option from Aurum to purchase 100% of Kaldora Company Limited, a BVI registered holding company which has an 80% interest in the Kyrgyz-registered Andash Mining Company which in turn holds the license to the Andash Project. A local partner of Aurum is entitled to the remaining 20% of Andash Mining Company. Kentor Gold will pay Aurum US$100,000 for an initial exclusive 3 month option to purchase 100% of Kaldora Company and separately the Aurum owned fleet of mining and construction equipment. ? Aurum will not unreasonably withhold a 3 month extension to the option in return for a payment of US$150,000. If a second three month option is given, Kentor will also pay Aurum a $150,000 deposit that will be off-settable from the purchase price once the deal is completed. ? The option has two parts ? US$10,000,000 to purchase 100% of Kaldora, and US$5,000,000 to purchase the fleet of mining and construction equipment (although the option to purchase the fleet of equipment cannot be exercised unless the option to purchase 100% of Kaldora is also exercised).	Andash is situated within the Tien Shan gold belt, one of the world's largest gold provinces that stretches through Central Asia. The Project is located in the Talas valley, close to the Kyrgyz Republics north western border with the Republic of Kazakhstan. It is approximately 300 km by road from the capital city of Bishkek. The regional centre of Talas is 45 km from the site and the closest village, Kupre-Bazar, is 2.5 km away. The License covers an area of 53km2.	$10.0M	$48.18

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