UCL Resources Limited

A.B.N. 40 002 118 872

Tel: +61 2 9233 4750
Fax: +61 2 9233 4749

Suite 201, Level 2, Watson House 300 George Street,
Sydney, NSW, Australia

Postal Address:
GPO Box 1494
Sydney NSW 2001
Australia

21 March 2012

ASX Markets Announcements
Australian Securities Exchange

Takeover Bid – Target's Statement

Please find attached a copy of 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. The Independent Expert's Report prepared by Grant Thornton Corporate Finance Pty Limited which accompanies the Target's Statement will be provided separately following this announcement.

Yours Faithfully
UCL RESOURCES LIMITED

John Lemon

John Lemon
Company Secretary

TARGET'S STATEMENT

BY UCL RESOURCES LIMITED (ABN 40 002 118 872)

Your Directors unanimously recommend that you REJECT the offer by Minemakers Limited to acquire your UCL Shares.

REJECT

THE OFFER BY MINEMAKERS LIMITED TO ACQUIRE YOUR UCL SHARES

THIS IS AN IMPORTANT DOCUMENT

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

UCL Shareholders can call the UCL Shareholder Information Line on +61 2 9233 4750.

Pottinger

Financial Adviser

Eakin McCaffery Cox solicitors

Legal Adviser

Important notices

Nature of this document

This document is a Target's Statement issued by UCL Resources Limited (ABN 40 002 118 872) ("UCL"), under Part 6.5 Division 3 of the Corporations Act 2001 (Cth) ("Corporations Act") in response to the off-market takeover bid made by Minemakers Limited (ACN 116 296 541) ("Bidder") for all shares in UCL. A copy of this Target's Statement was lodged with ASIC and given to ASX on 21 March 2012. Neither ASIC nor ASX nor any of their respective officers take any responsibility for the content of this Target's Statement.

Defined Terms

A number of defined terms are used in this Target's Statement. These terms are explained in section 13 of this Target's Statement. In addition, unless the contrary intention appears or the context requires otherwise, words and phrases used in the Target's Statement have the same meaning and interpretation as in the Corporations Act.

No account of personal circumstances

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

Disclaimer as to forward looking statements

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

Disclaimer as to information

The information on the Bidder including its business contained in this Target's Statement has been prepared by UCL using publicly available information. The information in this Target's Statement concerning the Bidder and its assets and liabilities, financial position and performance, profits and losses and prospects, has not been independently verified by UCL. Accordingly, UCL does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of such information.

Foreign jurisdictions

The release, publication or distribution of this Target's Statement in jurisdictions other than Australia may be restricted by law or regulation in such other jurisdictions and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable laws or regulations. This Target's Statement has been prepared in accordance with Australian law and the information contained in this Target's Statement may not be the same as that which would have been disclosed if this Target's Statement had been prepared in accordance with laws and regulations outside Australia.

Maps and diagrams

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

Privacy

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

Key dates

Date of the Offer	5 March 2012
Date of this Target's Statement	21 March 2012
Close of the Offer Period (unless extended or withdrawn)	7:00pm (Sydney time) on 10 April 2012

Chairman's letter

Dear Shareholder

You will have received recently from Minemakers Limited ("MAK") its unsolicited and conditional Offer to acquire all your shares in UCL Resources Limited ("UCL" or the "Company"). This Offer would involve you receiving 9 MAK Shares for every 10 UCL Shares you currently own.

The UCL Board has reviewed the Offer in detail and recommends unanimously that you **REJECT** MAK's Offer. Your Directors intend to reject the Offer for all the UCL Shares they hold.

Grant Thornton Corporate Finance Pty Ltd ("Independent Expert"), as Independent Expert, has stated that the Offer is not fair and not reasonable.

MAK's Offer would dilute UCL Shareholders' interest in the Sandpiper Marine Phosphate Project ("Sandpiper") from 42.5% to 21.7%.

Phosphate is a key ingredient in agricultural fertilizer and consumption is forecast to grow as global demand for food increases. Sandpiper is believed to be the world's largest individual marine phosphate resource and a world-class phosphate operation in the making.

As a manager of Sandpiper, UCL has developed a detailed plan to begin production in the fourth quarter of 2013. This will use a proven, conventional process to dredge the phosphate, which will be shipped to customers through existing port infrastructure within approximately 20 kilometres. Sandpiper will be a competitive FOB (free on board) cost producer supplying a growing market.

A Definitive Feasibility Study ("DFS") is due to be published later this month, and encouraging meetings have already been held with financiers. Sandpiper is now at a stage when the plans developed by UCL's management team are expected to start to unlock the value of the resource.

If MAK's Offer is successful, your interest in Sandpiper will be diluted and you will have an interest in MAK's Wonarah project ("Wonarah"). Progressing the Wonarah project still requires a Bankable Feasibility Study ("BFS"), costing approximately $34 million, and production is currently estimated to be more than three years away. Several target milestones for Wonarah have been missed and, as MAK does not have a chief executive at present, there must be uncertainty around the company's strategy and ability to develop Wonarah successfully.

Your Board is astonished and disappointed that MAK has not engaged with UCL in any meaningful way to discuss working together to advance Sandpiper and instead has made a hostile and opportunistic bid to take over UCL.

This Target's Statement sets out in detail the reasons why you should **REJECT** MAK's Offer and we encourage you to read it in its entirety. To **REJECT** MAK's Offer, simply ignore all acceptance forms sent to you by MAK.

If you have any queries in relation to MAK's Offer, please consult your independent professional adviser or contact the UCL Shareholders Information Line on 02 9233 4750 (within Australia) or +61 2 9233 4750 (outside Australia).

Yours sincerely,

Ian W Ross

Ian W Ross
Non-Executive Chairman
UCL Resources Limited

▶ To REJECT MAK's Offer, simply ignore all acceptance forms sent to you by MAK.

Reasons to reject the Offer

Why the UCL Board recommends you REJECT MAK's hostile takeover bid

REASON 1

The Independent Expert has concluded that the Offer is not fair and not reasonable.

- The value implied by MAK's Offer is well below the Independent Expert's assessment of the value of UCL Shares.

The following table summarises the assessment of the Independent Expert.

Fairness assessment	50% acquisition		100% acquisition	
	Low (A$)	High (A$)	Low (A$)	High (A$)
Fair value of UCL Share (control basis)	0.431	0.463	0.431	0.463
Fair value of consideration on a minority basis	0.273	0.332	0.277	0.338

The full Independent Expert's Report and Technical Expert's Report accompany this Target's Statement.

REASON 2

Sandpiper is a world-class resource, with great potential in a growing market. If the Offer is successful, your interest in the world-class Sandpiper project would fall from 42.5% to 21.7%[1].

- Phosphate is a key ingredient in agricultural fertilizer and consumption is forecast to grow as global demand for food increases.
- Sandpiper is believed to be one of the world's largest individual marine phosphate resources and a world-class phosphate operation in the making.
- Sandpiper's resources were upgraded on 29 February 2012, supporting a 20 year mine and production plan.
- The dredging process for the resource involves the use of conventional dredge technology.
- Product will be shipped from the existing Walvis Bay port within 20 kilometres of Sandpiper, which enjoys good supporting infrastructure.
- The scoping study completed for Sandpiper indicates that it will be a relatively low-cost producer with FOB costs which your Directors consider to be highly competitive.
- MAK has acknowledged that Sandpiper is a valuable asset and wants to increase its shareholders' interest in the resource - at the expense of UCL Shareholders.
- Don't let your interest in this resource be diluted by MAK.

1. On an undiluted basis. Calculation includes MAK's direct interest in UCL. The outcome for MAK as a UCL Shareholder will differ from the outcome for other UCL Shareholders.

REASON 3

UCL is best positioned to unlock Sandpiper's value.

- UCL's management team, under the direction of Managing Director Chris Jordinson, has been the key driver of Sandpiper's development plan. MAK has recognised this in seeking to retain Mr Jordinson as an executive director of the Combined Group.
- Key Sandpiper project milestones have been met and the project is on schedule.
- The DFS is due to be published at the end of March 2012.
- A mandate for a financial adviser to assist with sourcing debt required for Sandpiper's development has been executed and indicative term sheets from prospective debt providers have been received and are under review.

REASON 4

UCL is wholly focused on delivering value from Sandpiper and is close to doing so.

- UCL's Board and management team are focused on a single mining project.
- By rejecting the Offer, UCL Shareholders will continue to benefit from a direct undiluted interest in Sandpiper.
- Cash flow from this late stage project startup is currently anticipated to commence in 2013.

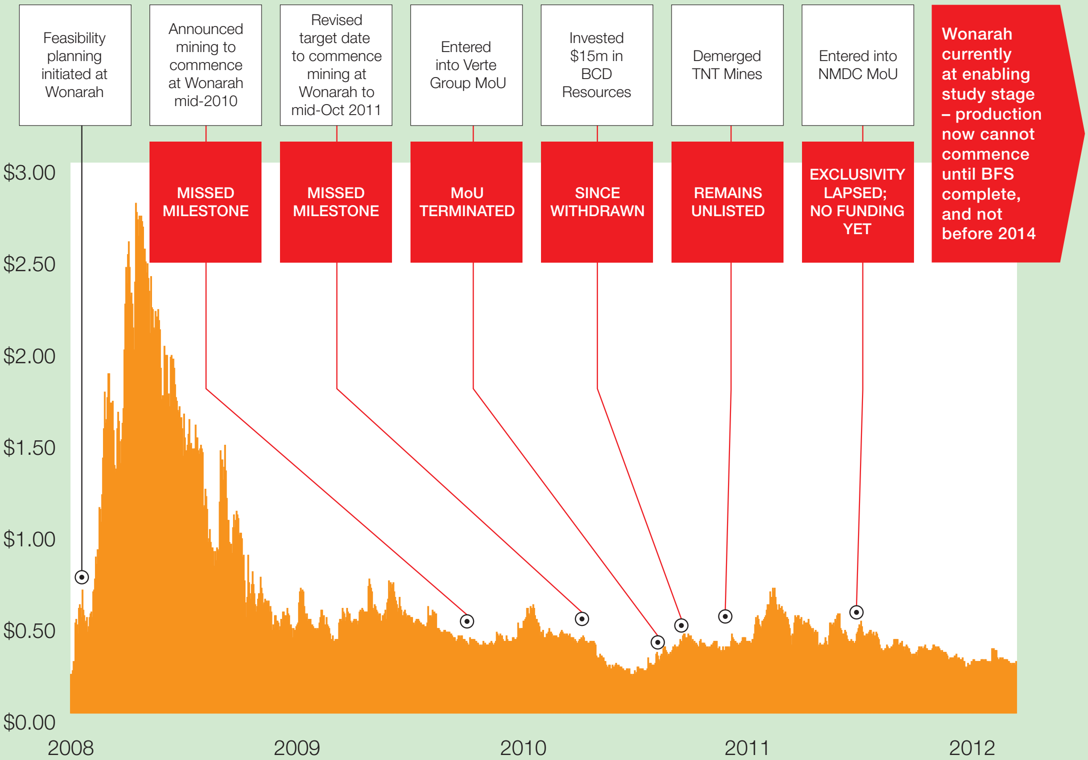
REASON 5

The viability of MAK's Wonarah project, in which you are being offered an interest, is uncertain and the project is a distraction.

- MAK has not met announced project milestones for Wonarah.
- The original DSO feasibility study completed for Wonarah has now been superseded by an enabling study at the scoping level. Progressing Wonarah still requires the commissioning of a BFS which will take approximately two years to complete. Despite an announcement from MAK in October 2009 that production from Wonarah was expected to commence in the middle of 2010, and a subsequent announcement in April 2010 that production would commence in 2011, production now cannot commence until the BFS is complete and not before 2014.
- The enabling study completed by MAK identified that significant infrastructure investment would be required to develop Wonarah given its location more than 250km by road from the Tennant Creek railhead which is in turn a further 1,000km from the port of Darwin.
- Sourcing funding for Wonarah is uncertain due to MAK's inability to successfully conclude funding negotiations with either Verte Group Limited or NMDC Limited.

REASON 5 (CONT)

Figure 1: Share price history for MAK and selected key events[2]



Poor share price performance highlighting delays with Wonarah and lack of clear strategy and direction

REASON 6

The future value of your investment would depend upon the performance of MAK Shares.

- MAK's share price has been highly volatile over time and MAK's Shares have fallen in value by 90% since their high of $2.78 in April 2008 to $0.28 on 16 March 2012.
- Your Directors believe that MAK's investment in, and withdrawal from, a variety of projects, indicates a lack of clear strategy and direction which may impact MAK's ability to generate shareholder value. Examples include:
  - TNT Mines Limited: Demerged and ***remains unlisted***.
  - BCD Resources NL: Investment made then ***withdrawn***.
  - Verte Group Limited MoU: Entered into then ***terminated***.
  - NMDC Limited MoU: Exclusivity period has lapsed, ***no funding arrangements yet in place***[3].
- MAK currently does not have a CEO. Operational and strategic planning is challenging in the absence of a CEO. There can be no certainty about the capabilities and strategic intentions of any new CEO of MAK when he or she is appointed.

2. Source: ASX and MAK announcements.

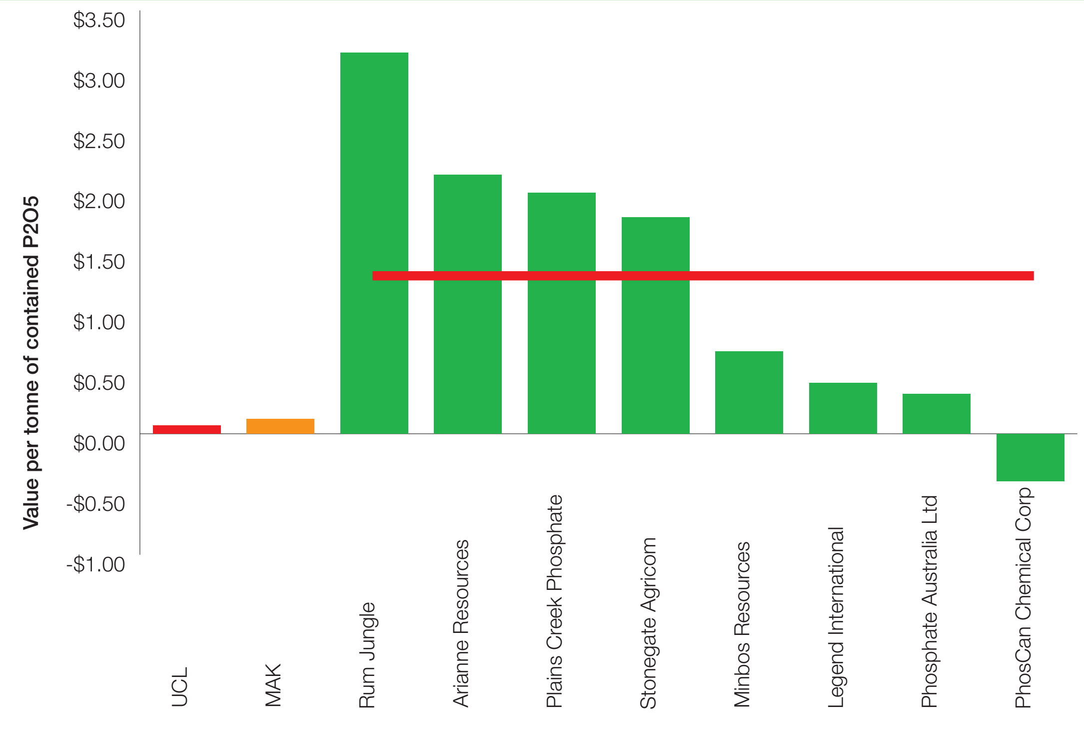
3. As noted in the Bidder's Statement, the exclusivity period expired on 15 February 2012.

REASON 7

MAK's Offer substantially undervalues UCL.

- The Offer values UCL at $23.7m[4] (at 10 February 2012) implying a value of just 7 cents per tonne of phosphate mineral. This is 94.6% lower than the average of 8 other phosphate explorers which is $1.26 per tonne of phosphate mineral.

Figure 2: Graph showing enterprise value / tonne of phosphate mineral for selected peers[5]



- MAK has previously been willing to pay more for UCL Shares. MAK paid 36 cents per share for UCL Shares in the Company's rights issue in March 2011. This is 19% higher than the current value[6] of the MAK Shares it is offering you, after adjusting for the recent share consolidation.
- In addition, the UCL rights issue price did not take into account the substantial progress that has been made with Sandpiper's development since March 2011 or the upgrade to Sandpiper's resources announced on 29 February 2012. Importantly, this did not include any premium for control.
- If the Offer is successful it is unlikely that you will benefit from CGT roll-over relief[7].

4. Value given in MAK Second Supplementary Bidder's Statement for UCL assuming that the UCL Convertible Note is converted into UCL Shares, UCL in-the-money options are exercised and UCL Performance Rights vest and are exercised. This calculation also uses MAK's closing share price on 10 February 2012 of $0.335 and subtracts UCL's net cash at 31 December 2011.
5. Source: Capital IQ as at 10 February 2012, company announcements and websites. Red line denotes average of peers excluding UCL and MAK.
6. Based on the implied value of MAK's Offer based on share prices for MAK and UCL as at close of trading on 10 February 2012, the last trading day immediately prior to the announcement of MAK's Offer and taking into account the 1 for 30 consolidation of UCL's securities undertaken in December 2011.
7. UCL's largest and fourth largest shareholders have stated they will not accept MAK's Offer, or any revised or superior scrip offer from MAK, in respect of their shares which together represent approximately 32.92% of UCL's issued shares (based on substantial shareholder notices lodged with ASX). If the Offer becomes unconditional, this may trigger a CGT event for you for which it is does not appear that CGT roll-over relief will be available. For more information on the potential tax consequences for UCL Shareholders see section 11 of this Target's Statement.

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To REJECT the Offer simply ignore all acceptance forms sent to you by MAK

UCL Shareholders can call the UCL Shareholder Information Line on +61 2 9233 4750

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Directors' recommendation

After taking into account each of the matters in this Target's Statement and MAK's Bidder's Statement, each of your Directors recommends that you **REJECT** MAK's Offer.

Each of your Directors who has a relevant interest in UCL Shares presently intends to **REJECT** the Offer in relation to those UCL Shares.

To **REJECT** the Offer you should **DO NOTHING** and take **NO ACTION** in relation to all documents sent to you by MAK.

REJECT

Frequently asked questions

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

Question	Answer
1. What is the Offer for my UCL Shares?	MAK has made a highly conditional and unsolicited Offer of 9 MAK Shares for every 10 UCL Shares held by you. If you are an Ineligible Foreign Shareholder, you will not be entitled to receive MAK Shares (see question 27 below).
2. What is the Bidder's Statement?	The Bidder's Statement is the document setting out the terms of the Offer. Holders of UCL Shares will have already received a copy of the Bidder's Statement in the mail.
3. What is this Target's Statement?	This Target's Statement has been prepared by UCL and provides UCL's response to the Offer, including the unanimous recommendation of the Directors to **REJECT** the Offer.
4. What choices do I have as a UCL Shareholder?	As a UCL Shareholder you have the following three choices in respect of your UCL Shares: ■ **REJECT** the Offer by doing nothing. The Directors recommend that you **REJECT** the Offer; ■ sell your UCL Shares on the ASX (unless you have previously accepted the Offer and you have not validly withdrawn your acceptance); or ■ accept the Offer. There are implications in relation to each of the above choices. A summary of these implications is set out in section 6 of this Target's Statement.
5. What are the Directors of UCL recommending?	**The Directors unanimously recommend that you REJECT the Offer.** If there is a change to this recommendation or any material development in relation to the Offer, UCL will inform you.

Question	Answer
6. Why should I REJECT the Offer?	The Directors are unanimously recommending that you **REJECT** the Offer because: 1. The Independent Expert has concluded that the Offer is not fair and not reasonable. 2. Sandpiper is a world-class resource, with great potential in a growing market. If the Offer is successful, your interest in the world-class Sandpiper project would fall from 42.5% to 21.7%[8]. 3. UCL is best positioned to unlock Sandpiper's value. 4. UCL is wholly focused on delivering value from Sandpiper and is close to doing so. 5. The viability of MAK's Wonarah project, in which you are being offered an interest, is uncertain and the project is a distraction. 6. The future value of your investment would depend upon the performance of MAK Shares. 7. MAK's Offer substantially undervalues UCL. Further details as to why you should **REJECT** the Offer are set out in the "reasons to REJECT the Offer" in section 2 of this Target's Statement.
7. What do your Directors intend to do with their UCL Shares?	Each Director who has a relevant interest in UCL Shares intends to **REJECT** the Offer in relation to those UCL Shares he or she owns or controls. Refer to sections 2 and 12 of this Target's Statement for further detail.
8. What does the Independent Expert conclude?	The Independent Expert's Report prepared by Grant Thornton has concluded that the Offer is not fair and not reasonable. **Further information: Independent Expert's Report and Technical Expert's Report accompanying this Target's Statement.**
9. What should I do?	To follow your Directors' unanimous recommendation to REJECT the Offer you should do nothing. If you are in any doubt as to what to do you should seek professional advice in relation to the Offer. UCL Shareholders can call +61 2 9233 4750 for information about the Offer.
10. How do I REJECT the Offer?	To **REJECT** the Offer, you should **DO NOTHING**. You should take **NO ACTION** in relation to all correspondence from MAK in relation to the Offer for your UCL Shares.

8. On an undiluted basis. Calculation includes MAK's direct interest in UCL. The outcome for MAK as a UCL Shareholder will differ from the outcome for other UCL Shareholders.

Question	Answer
11. What are the consequences of accepting the Offer now, while it remains conditional?	If you accept the Offer, unless withdrawal rights are available (see question 28 below) and you exercise those rights, you will give up your right to sell your UCL Shares on the ASX or otherwise deal with your UCL Shares while the Offer remains open (including the acceptance of any potential higher competing offer). While the Offer remains conditional, you will not receive MAK Shares as consideration under the Offer. You should take into account the possibility that there may be a delay in certain Conditions being satisfied or waived. The Offer is subject to 39 Conditions (see Attachment 1 of this Target's Statement and question 19 below for more information).
12. What are the risks of not accepting the Offer?	If you do not accept the Offer you will be exposed to the risks associated with being a continuing shareholder in UCL. Some of these risks are described in section 10 of this Target's Statement.
13. Will I get any warning if and when the minimum acceptance condition is about to be satisfied?	No. You will need to monitor the acceptance levels yourself by checking the substantial shareholder notices lodged by MAK with the ASX during the Offer Period.
14. Does satisfaction of the minimum acceptance condition mean that I will definitely receive the Offer Consideration if I accept?	No. All the Conditions of the Offer must be either satisfied or waived for the Offer to become unconditional. Even if the minimum acceptance condition is satisfied other Conditions may still be unsatisfied and satisfaction (or waiver) of those other Conditions may take some time or may not occur at all. For further information on the Conditions of the Offer see Attachment 1 of this Target's Statement.
15. What are the consequences of the Offer becoming unconditional?	If you accept the Offer after the Offer becomes unconditional, or the Offer becomes unconditional after you have accepted, you will be entitled to receive MAK Shares as consideration under the Offer. MAK will be entitled to attend any meeting of UCL and vote on behalf of those UCL Shareholders who have accepted the Offer which could be used to defeat resolutions relating to competing offers or other resolutions important to the operation of the Company.
16. What happens if the consideration payable under the Offer is increased?	If MAK increases the consideration under the Offer the Directors will carefully consider the revised offer and advise you accordingly.
17. When does the Offer close?	The Offer is presently scheduled to close at 7:00pm (Sydney time) on 10 April 2012, unless extended or withdrawn. See section 12 of this Target's Statement for details of the circumstances in which the Offer Period can be withdrawn or extended.

Question	**Answer**
18. When do I have to decide?	If you wish to follow the Directors' recommendation and **REJECT** the Offer you do not need to do anything. If you wish to accept the Offer you need to do so before its scheduled closing date being 7:00pm (Sydney time) on 10 April 2012, unless the Offer Period is extended.
19. What are the Conditions of the Offer?	The Offer is highly conditional, with 39 Conditions, including the following: ■ 50% minimum acceptance ■ Namibian Competition Commission approval ■ No withdrawal or non renewal of licences ■ No material acquisitions, disposals or new commitments ■ No prescribed occurrence including no issue of shares ■ Restrictions on the conduct of UCL's business including no payment of dividends ■ No action by a Public Authority adversely affecting the Offer Further detail on these Conditions is provided in Attachment 1.
20. What happens if the Conditions of the Offer are not satisfied or waived?	If the Conditions are not satisfied or waived before the Offer closes the Offer will lapse and acceptances will be cancelled. You would then be free to deal with your UCL Shares even if you had accepted the Offer.
21. When will I be sent my Offer Consideration if I accept the Offer?	If you accept the Offer you will have to wait for the Offer to become unconditional before you will be issued your MAK Shares by MAK. See section 12.20 of this Target's Statement for further details on when you will be issued your MAK Shares.
22. When will I be issued the Offer Consideration if I accept the Offer?	Generally speaking, if you accept the Offer you will have to wait until no later than: ■ One month after acceptance or one month after the Offer becomes unconditional; or ■ 21 days after the end of the Offer Period, to be issued the Offer Consideration. **For further information please see paragraph 9 of annexure A of the Bidder's Statement.**

Question	Answer
23. What are the tax implications of accepting the Offer?	A general outline of the tax implications of accepting the Offer is set out in section 11 of this Target's Statement. As the outline is a general outline only UCL Shareholders are encouraged to seek their own specific professional advice as to the taxation implications applicable to their circumstances. In order for a UCL Shareholder to be eligible to elect for scrip-for-scrip roll-over relief, MAK must become the owner of 80% or more of the voting shares in UCL as a result of the Offer. **Significantly, UCL Shareholders, controlling greater than 20% of UCL Shares, have already stated that they will not be accepting the Offer or any revised or superior scrip offer. As a result the requirements for roll-over relief will not be met.** If the Offer becomes unconditional this may trigger a capital gains tax event for you, for which you will not be entitled to roll-over relief.
24. What happens if I do nothing?	You will remain a UCL Shareholder. If MAK acquires 90% or more of UCL Shares and the Offer becomes unconditional, MAK intends to compulsorily acquire your UCL Shares. See section 12.23 of this Target's Statement for more details. Given the notices received by UCL from shareholders accounting for more than 20% of UCL Shares that **they will not be accepting the Offer or any revised or superior scrip offer as outlined above**, it seems unlikely that MAK will acquire 90% or more of UCL. If MAK acquires in excess of 50% and less than 90% of UCL Shares and the Offer becomes unconditional, you will be a minority security holder in UCL. The risks associated with this are described in section 10 of this Target's Statement.
25. Can I be forced to sell my UCL Shares?	You cannot be forced to sell your UCL Shares unless MAK acquires a relevant interest in at least 90% of all UCL Shares by the end of the Offer Period, and proceeds to compulsory acquisition of your UCL Shares. If MAK does proceed to compulsory acquisition of your UCL Shares, you will receive the last price offered by MAK for UCL Shares before compulsory acquisition commenced. As stated in the answer to question 24, compulsory acquisition now seems very unlikely. See section 12 of this Target's Statement for more details.
26. Who may accept the Offer?	The Offer is being made to each registered holder of UCL Shares as at the Record Date and any person who becomes a registered holder of UCL Shares during the Offer Period. It also extends to holders of Shares that are issued during the period from the Record Date to the end of the Offer Period due to the conversion of or exercise of rights conferred by UCL Options, UCL Convertible Notes or UCL Performance Rights.

Question	Answer
27. What if I am a foreign shareholder?	Any UCL Shareholder whose address (as recorded in the register of members of UCL provided by UCL to MAK) is in a place outside Australia or its external territories, New Zealand, Canada or Namibia (an "Ineligible Foreign Shareholder") will not be entitled to receive MAK Shares under the Offer. Instead, the relevant MAK Shares (that would otherwise be transferred to such Ineligible Foreign Shareholders) will be allotted to a nominee approved by ASIC who will offer those securities for sale and will distribute to each of those Ineligible Foreign Shareholders their proportion of the proceeds of sale net of expenses. See paragraph 10 of annexure A of the Bidder's Statement for further details.
28. If I accept the Offer, can I withdraw my acceptance?	UCL Shareholders who accept the Offer will not be able to withdraw their acceptance and sell their UCL Shares except in certain limited circumstances. Please see section 12.19 of this Target's Statement for further information.
29. Is there a number that I can call if I have further queries in relation to the Offer?	If you have any further queries in relation to the Offer you can call the UCL Shareholder Information Line on 02 9233 4750 or +61 2 9233 4750 (for calls made from outside Australia). Calls to this number may be recorded.

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Your choices as a UCL Shareholder

UCL Shareholders have 3 choices in respect of the Offer:

(a) Choice 1. REJECT the Offer

UCL Shareholders who do not wish to accept the Offer or sell their UCL Shares on market should DO NOTHING. **This is the approach recommended by your Directors.**

You should be aware that there are risks associated with remaining a shareholder in UCL as detailed in section 10 of this Target's Statement.

(b) Choice 2. Sell your UCL Shares on market

During the Offer Period you may sell your UCL Shares on market for cash if you have not already accepted the Offer for your UCL Shares.

UCL Shareholders who sell their UCL Shares on market:

1. will lose their exposure to the future growth potential of UCL and any future returns from UCL;
2. may be liable for CGT or income tax on the sale (see section 11 of this Target's Statement);
3. may incur a brokerage charge; and
4. will not receive the benefits of any potential higher offer from MAK or any potential higher competing offer for their UCL Shares than has been currently made by MAK.

UCL Shareholders who wish to sell their UCL Shares on market should contact their broker or other professional adviser and their tax adviser to determine the tax implications from such a sale.

(c) Choice 3. Accept the Offer

Your Directors unanimously recommend that you **REJECT** the MAK Offer. However, you may choose to accept the Offer. If you accept the Offer and the Offer is successful you will become a holder of MAK Shares, in which case your investment will be subject to the risks associated with holding MAK Shares. For information on some of the risks associated with the Offer see section 10 of this Target's Statement.

UCL Shareholders who accept the Offer:

1. will not receive the Offer Consideration unless and until each of the 39 Conditions of the Offer are either satisfied or waived;
2. will relinquish control of all of their UCL Shares to MAK until either the Offer becomes, or is declared, unconditional and MAK acquires their UCL Shares, or the Offer lapses and MAK returns control of their UCL Shares to them;
3. will not be able to sell their UCL Shares on market or deal with them in any other manner, unless any withdrawal rights apply at the applicable time, or the Offer lapses. The very limited circumstances in which acceptances of the Offer may be withdrawn are set out in section 12.19;
4. will not be able to withdraw their acceptance and sell their UCL Shares meaning that they would not be able to accept a superior offer from a competing bidder if such a bid eventuates, except in certain limited circumstances (see section 12.19 of this Target's Statement); and
5. may be liable to pay CGT or income tax on the disposal of their UCL Shares which may have financial consequences for some UCL Shareholders (see section 11 of this Target's Statement for further details of the tax consequences of the Offer).

UCL Shareholders who wish to accept the Offer should refer to the Bidder's Statement for how do to so.

Information about the Offer

7.1 Summary of Offer

The consideration being offered by MAK under its takeover bid is 9 MAK Shares for every 10 UCL Shares held by you.

If you are an Ineligible Foreign Shareholder you will not be entitled to receive MAK Shares. Instead, the MAK Shares to which you would otherwise be entitled will be sold by a nominee approved by ASIC and the net proceeds paid to you in the manner described in section 10 of annexure A of the Bidder's Statement.

The Offer has been made to each person registered as a holder of UCL Shares as at the Record Date. Any person who is able during the Offer Period to give good title to a parcel of UCL Shares and who has not already accepted the Offer in respect of those UCL Shares may accept the Offer.

The Offer also extends to each person who, during the period from the Record Date until the end of the Offer Period becomes registered as a holder of UCL Shares due to the conversion of, or exercise of rights conferred by UCL Options, UCL Convertible Notes or UCL Performance Rights.

The Offer Consideration will only be provided to you if all of the Conditions of the Offer are either satisfied or waived. Some of these Conditions are summarised in section 5 and 7 of this Target's Statement and are set out in full in Attachment 1 of this document and in the Bidder's Statement.

7.2 Value of the Offer

The consideration offered for UCL Shares under the Offer is comprised entirely of MAK Shares, the value of which is subject to market volatility. Accordingly, the value of the Offer is not fixed.

Based on the closing price of MAK and UCL Shares as at 10 February 2012, the last trading day immediately prior to the date of the announcement of MAK's Offer, the implied value of the Offer was $0.302.

The closing price for MAK's Shares has ranged from $0.365 to $0.235 over the 3 months to 16 March 2012.

Between the date of the Offer and 16 March 2012, the price of MAK Shares has decreased by $0.055 from $0.335 resulting in an implied Offer value of $0.252. The Offer is open until 7:00pm (Sydney time) on 10 April 2012 (unless extended or withdrawn), exposing you to risks associated with fluctuations in the market price of MAK Shares over this period.

7.3 Offer Period

The Offer opened on 5 March 2012 and is scheduled to close at 7:00pm (Sydney time) on 10 April 2012, subject to any extension in accordance with the Corporations Act.

7.4 Effect of accepting the MAK Offer

If you accept the MAK Offer:

(a) You will be unable to accept any higher takeover bid that may be made by a third party or any alternative transaction that may be recommended by your Board;

(b) You will relinquish control of your UCL Shares to MAK; and

(c) You will be unable to sell your UCL Shares on ASX.

7.5 Conditions of the Offer

The Offer is subject to 39 Conditions, which are set out in full in Attachment 1 of this Target's Statement. A summary of the key Conditions of the Offer is included below. A complete list of the Conditions of the Offer is included in Attachment 1 to this Target's Statement:

- ***Minimum Acceptance***: During, or at the end of the Offer Period, MAK has a relevant interest in at least 50% (by number) of all UCL Shares;
- ***Namibian Competition Commission approval***: The Namibian Competition Commission granting, without imposing any terms or conditions, which in turn would have a material adverse effect on the economic value of Sandpiper, its consent to the proposed acquisition of UCL by MAK in accordance with the Offer;
- ***No withdrawal or non-renewal of licences***;
- ***No material acquisitions, disposals etc***;
- ***No prescribed occurrences***;
- ***Conduct of UCL's business***: Certain actions by UCL permitted only with written consent from MAK;
- ***No action by Public Authority adversely affecting the Offer***.

If all of the Conditions of the Offer are not satisfied, or waived by MAK, before the end of the Offer Period, then the Offer will lapse and no Offer Consideration will be received by UCL Shareholders who have accepted the Offer. Furthermore, UCL Shareholders who accept the Offer will, in the meantime, lose the ability to deal with their UCL Shares or accept any potential higher competing offer except in certain limited circumstances prescribed under the Corporations Act.

UCL Shareholders should be aware that there is no certainty whether these Conditions will be satisfied. UCL notes the UCL Announcement to ASX on 2 March 2012, that its largest shareholder, Twynam Agricultural Group Pty Limited and fourth largest shareholder, Donwillow Pty Limited, will not accept the Offer or any revised or superior scrip offer from MAK. UCL notes that it was announced to ASX on 9 March 2012 that Twynam Agricultural Group Pty Limited and Donwillow Pty Limited had increased their shareholdings in UCL. Twynam Agricultural Group Pty Limited and Donwillow Pty Limited now collectively hold a 32.92% shareholding in UCL[9]. In the view of your Directors, this casts doubts on the ability of MAK to fulfil the 50% minimum acceptance condition.

9. Based on substantial shareholder notices received by UCL and lodged with ASX.

8

UCL profile

8.1 Overview of UCL

UCL is an Australian mineral exploration company. The Company is developing, and has a 42.5% interest in, Sandpiper, located off the west coast of Namibia. Sandpiper is believed to be the world's largest individual marine phosphate resource, with sufficient indicated resources to support a 20-year mine life. A DFS is expected to be completed by the end of March 2012 and production is expected to begin in the fourth quarter of 2013. Sandpiper is owned and conducted by an incorporated company, Namibian Marine Phosphate (Pty) Limited ("NMP"), a company registered under the laws of Namibia.

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

UCL is listed on ASX. As at 16 March 2012, UCL had a market capitalisation of $25.9 million.

8.2 Current business activities of UCL

UCL currently has interests in two mining projects, namely:

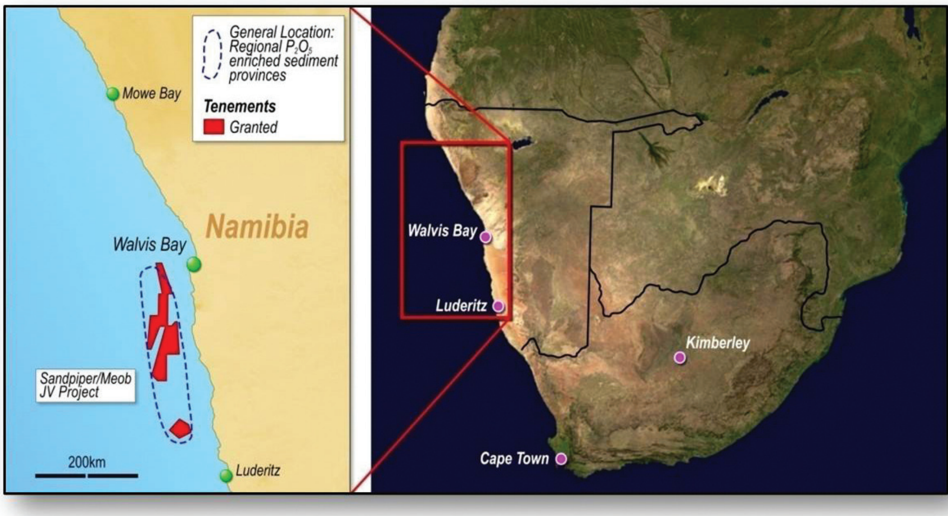
- Sandpiper in Namibia
- Mehdiabad Zinc Project in Iran

8.3 Overview of UCL activities

Sandpiper Marine Phosphate Project, Namibia (42.5% ownership)

Sandpiper involves a process of conventional dredging (using a Trailing Suction Hopper Dredger) of modern free flowing phosphatic sea floor sediments at water depths initially to 225 metres. This is followed by simple chemical-free beneficiation (screening, de-sliming, gravity separation, attrition, washing and drying) to produce a "rock phosphate concentrate" for export to identified markets in Africa, South America and Asia. The Sandpiper resource is situated offshore, approximately 120 kilometres south west of the port of Walvis Bay on the Namibian continental shelf. The deposit is significant consisting of a resource of 1,832 Mt of unconsolidated phosphatic sediments.

Project Location



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

It has been declared as:

Resource category	15% cut off	
	Million tonnes	P_2O_5 grade
Measured	4.1	20.45%
Indicated	220.3	20.13%
Inferred	1,607.8	18.90%
Total	**1,832.2**	

Following a positive scoping study, the results of which were announced in November 2010, NMP embarked on a DFS, which is nearing completion. Your Board expects construction to commence Q3, 2012 and that production from Sandpiper will commence around Q4, 2013.

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

The Mehdiabad Project, Iran (24.5% ownership)

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

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

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

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

Resource category	Million tonnes	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

8.4 UCL Board of Directors

Ian Ross, Chairman and Non-Executive Director

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

Chris Jordinson, Managing Director

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

Gida Nakazibwe-Sekandi, Non-Executive Director

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

Stephen Gemell, Non-Executive Director

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

8.5 UCL Balance Sheet

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

	December 2011	June 2011
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	2,175,610	4,452,797
Trade and other receivables	62,438	68,747
Available for sale financial assets	90,000	150,000
Total current assets	2,328,048	4,671,544
Non current assets		
Other financial assets	6,930	50,583
Investments accounted for using the equity method	5,124,718	3,616,957
Property, plant and equipment	10,533	11,952
Total non current assets	5,142,181	3,679,492
Total assets	7,470,229	8,351,036
Current liabilities		
Trade and other payables	283,892	311,677
Borrowings	500,000	–
Provisions	49,127	27,149
Total current liabilities	833,018	338,826
Non current liabilities		
Borrowings	–	500,000
Total non current liabilities	–	500,000
Total liabilities	833,018	838,826
Net assets	6,637,211	7,512,210
EQUITY		
Contributed equity	101,687,383	101,687,383
Reserves	1,719,402	1,917,781
Accumulated losses	(96,769,574)	(96,092,954)
Total equity	6,637,211	7,512,210

MAK profile

9.1 Disclaimer

Without limiting the statements in the Important Notices section of this document, this overview of MAK contained in this Target's Statement has been prepared by UCL using publicly available information.

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

9.2 Overview of MAK

MAK is an Australian mineral exploration and development company.

MAK is listed on the Australian Securities Exchange, on the Toronto Stock Exchange and on the Namibian Stock Exchange. As at 16 March 2012 MAK had a market capitalisation of approximately $63.9 million. MAK is a public company limited by shares and is incorporated and domiciled in Australia.

9.3 Summary of Operations

MAK's key assets are its interests in two undeveloped sedimentary phosphate deposits, the Wonarah project in the Northern Territory and Sandpiper. MAK also holds a 70.0% interest in a marine phosphate project located north of Sandpiper– Rocky Point, a 6.7% equity interest in JDCPhosphate Inc ("JDC"), a developer of dry kiln technology for the phosphate industry, and a number of other investments including a 19% unlisted interest in tin, tungsten and fluorspar development company TNT Mines Limited and ownership of licences to explore potential rock salt and potash resources in Port Keats, Northern Territory. MAK also holds a 13.1% shareholding in UCL.

Wonarah Project, Australia (100% ownership)

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

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

	10% Cut off		15% Cut off	
Resource Category	**Tonnage (Mt)**	**Grade (%P_2O_5)**	**Tonnage (Mt)**	**Grade (%P_2O_5)**
Indicated	565	12.6%	303	18.2%
Inferred	987	11.4%	479	17.6%
Total	1,552	11.8%	782	17.8%

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

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

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

Sandpiper Marine Phosphate Project, Namibia (42.5% direct, 5.6% indirect ownership)

MAK has a direct shareholding in Sandpiper through its 42.5% shareholding in NMP. MAK also has an indirect shareholding in Sandpiper of 5.6% through its 13.1% shareholding in UCL. Please refer to section 8.3 of this Target's Statement for information about Sandpiper.

Rocky Point Project (70% ownership)

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

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

JDCPhosphate Inc. (6.7% ownership)

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

TNT Mines Limited (19%)

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

AMMG

In October 2011, MAK announced that it had agreed to sell its West South-down iron ore project to Australian Minerals and Mining Group Limited ("AMMG"). Upon confirmation that the tenements comprising the project have been renewed, MAK expects to receive 5.0 million shares and 2.0 million $0.20 exercise price options in AMMG[10].

10. AMMG shares last closed at $0.140 on 16 March 2012.

9.4 Directors of MAK

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

Andrew Drummond, B.Sc.(Hons), FAusIMM, C Man, MAIG, MGSA
(Executive Chairman, member nomination committee)

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

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

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

Mr Drummond has no relevant interest in any UCL Shares.

Denis Wilkins, B.Bus, AICD, ACIS
(Finance Director, member of the remuneration and nomination committees)

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

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

Mr Wilkins has no Relevant Interest in any UCL Shares.

Edward (Ted) J Ellyard, B.Sc (Geology), Grad.Dip, MAusIMM, MAAPG
(Non-Executive Director, Chairman of the Audit, Remuneration and Nomination Committees)

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

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

Mr Ellyard has no Relevant Interest in any UCL Shares.

RICHARD O'SHANNASSY, B.Juris., LL.B. (Hons)
(Non Executive Director, member of the Audit, Remuneration and Nomination Committees)

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

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

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

Mr O'Shannassy has no Relevant Interest in any UCL Shares.

On 1 February 2012, MAK announced that subject to TSX approval, it is proposed to appoint Richard H (Dick) Block to the MAK Board.

Mr Block has a degree in Chemical Engineering and has served on numerous professional and trade boards. Mr Block served as President of IMC-Agrico Company between 1996 and 1998 and from 1993 to 1996 was a member of its governing board.

9.5 Financial performance

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

Statement of financial position

Minemakers Limited Audited Statement of Financial Position as at 30 June

	2010	2011
ASSETS		
Current assets		
Cash and cash equivalents	31,135,611	10,909,315
Trade and other receivables	858,570	9,729,211
Financial assets at fair value through profit or loss	50,667	–
Total current assets	32,044,848	20,638,526
Non current assets		
Trade and other receivables	1,289,500	1,289,500
Available for sale financial assets	1,104,231	3,562,027
Plant and equipment	1,223,046	856,931
Capitalised exploration and evaluation expenditure	34,114,386	37,964,069
Investments accounted for using the equity method	–	678,176
Total non current assets	37,731,163	44,350,703
Total assets	69,776,011	64,989,229
LIABILITIES		
Current liabilities		
Trade and other payables	969,966	1,234,867
Provisions	195,792	279,621
Total current liabilities	1,165,758	1,514,488
Non current liabilities		
Provisions	1,289,500	1,2989,500
Total non current liabilities	1,289,500	1,2989,500
Total liabilities	2,455,258	2,803,988
Net assets	67,320,753	62,185,241
EQUITY		
Issues capital	87,187,241	87,947,116
Reserves	5,814,711	11,996,646
Accumulated losses	(25,666,452)	(37,685,712)
Capital and reserves attributable to member of Minemakers		
	67,335,500	62,258,050
Non-controlling interest	(14,747)	(72,809)
Total equity	67,320,753	62,185,241

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Risk factors

10.1 Risk factors

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

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

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

10.1.1 Industry risks

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

Tenure risks

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

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

Development

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

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

Operational and technical risks

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

Infrastructure

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

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

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

Resource estimates

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

Commodity price fluctuations

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

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

Exchange rate fluctuations

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

Environment risks

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

10.1.2 General investment risks

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

General economic conditions

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

Equity market conditions

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

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

Changes in Australian government policy and legislation

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

General foreign operation risks

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

Other

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

10.1.3 Risks associated with the Offer

10.1.3.1 Risks relating to Sandpiper

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

Ability to raise sufficient capital to fund development

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

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

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

Technical risks associated with extraction of phosphate products

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

Operating in Namibia

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

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

The Namibian government is proposing to introduce changes to taxation laws. These changes may generate tax consequences for upstream acquisitions such as proposed acquisition of all UCL Shares by MAK under the Offer. It is currently uncertain if these proposed laws will be passed and if passed, it is not certain they apply to tax upstream acquisitions at all. However, if these changes come into effect in the form proposed and they are intended to capture upstream acquisitions, MAK may be taxed 10% of the value of UCL Shares it acquires after the date the legislation takes effect. The legislation, if passed, is not expected to take effect until 1 May 2012 at the earliest.

The DFS may not confirm Sandpiper is economically viable

The results of the DFS are due for release at the end of March 2012. The DFS will confirm whether the production of phosphate rock concentrate at Sandpiper can be economically viable. On the current available information management believes the DFS is likely to confirm this.

Environmental approvals are yet to be obtained

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

Product marketing risks

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

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

10.1.3.2 Industry risks for the Combined Group

Joint Venture partners and contractors

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

Competition

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

10.1.3.3 General investment risks for the Combined Group

There is no guarantee your new MAK Shares will be approved for quotation on ASX, TSX or NSX.

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

General economic conditions

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

Changes in Australian government policy and legislation

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

General foreign operation risks

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

10.1.3.4 Specific risks associated with MAK's projects other than Sandpiper

In addition to the industry risks that the Combined Group will be exposed to, the following risks have been identified as being key risks relating to MAK's projects other than Sandpiper. These are risks that UCL Shareholders are not currently exposed to and, by accepting the Offer, will become exposed to.

Capital raising risk

There is a risk that the Combined Group will be unable to negotiate relevant agreements to access capital required for the development of Wonarah.

Product marketing risks

The successful development of Wonarah has the potential to produce a material amount of fertilizer products entering the world market. Until the project is finally designed, it is not clear what proportion of the production will be rock phosphate, SPA, DAP or MAP. The potential to increase world supply of any of these products has the potential to have a negative impact on prices received for the Combined Group's product.

Process technology risk

Different process technologies are being considered for Wonarah. One process being considered, the "improved hard process", is not yet commercially proven at the scale being contemplated and if able to be successfully adopted, could materially impact the design of the project and significantly increase the capital requirements of the project. JDC, the holder of the patent for the improved hard process, must prove its ability to produce at commercial scale.

Infrastructure access arrangements

Wonarah requires significant amounts of input materials to be transported to the project area and finished product to be delivered to domestic and export markets. To ensure this occurs, securing access to infrastructure at commercially reasonable rates, particularly the Adelaide – Darwin railway line, will be important. If this cannot be achieved, there is a risk that the project economics will be materially affected.

Input prices

Depending on the processing route chosen, various levels of input products may be required to be purchased for Wonarah (e.g. sulphur, diesel, energy). Price increases in key inputs have the ability to detrimentally impact Wonarah project economics.

Carbon Tax

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

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

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

Joint ventures with product end-users

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

It is possible that joint venture partners may also be end-users of the expected Wonarah phosphate products. Partnering with a consumer of product gives rise to unique risks.

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

Native title and Aboriginal heritage

It is possible that, in relation to tenements in which MAK has an interest or will in the future acquire such an interest in Australia, there may be areas over which legitimate common law native title rights of Aboriginal Australians exist. If native title rights do exist, the ability of MAK to gain access to tenements (through obtaining consent of any relevant landowner), or to progress from the exploration phase to the development and mining phases of operations may be affected.

The effect of the present laws in respect of native title that apply in Australia is that mining tenement applications and existing tenements may be affected by native title claims or procedures. This may preclude or delay granting of exploration and mining tenements and considerable expenses may be incurred negotiating and resolving issues. For the same reasons, native title claims or procedures may preclude or delay the development of necessary infrastructure, in particular the Wonarah slurry pipeline route connecting the onshore buffer pond and beneficiation plant (which is currently the subject of cultural clearances).

If any known (or currently unknown but later discovered) Aboriginal heritage sites cannot be avoided on tenements held by MAK, by virtue of Aboriginal Heritage legislation, there is a risk that the presence of any Aboriginal heritage sites may limit or preclude exploration or mining activity within the sphere of influence of those sites and delays and expenses may be experienced in obtaining clearances.

10.1.3.5 Risks relating to accepting the Offer

Issue of MAK Shares as consideration

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

Roll-over relief

If MAK does not acquire the number of UCL Shares sufficient to bring its total interest in UCL to at least 80% of the voting shares, scrip-for-scrip CGT roll-over relief will not be available to holders of UCL Shares. Given recent statements by UCL's largest shareholders, it is highly unlikely that CGT roll-over relief will be available.

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

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

Risks related to remaining a minority shareholder in UCL

In the event that MAK acquires a relevant interest in more than 50% of UCL Shares at the end of the Offer Period, subject to the spread remaining in UCL and other factors such as liquidity, MAK intends to apply to ASX to delist UCL from ASX. Accordingly, there is a risk that, by not accepting the Offer, UCL Shareholders may become minority shareholders in an unlisted public company. This may reduce divestment opportunities for UCL Shareholders and may impact the price at which UCL Shareholders may be able to exit their investment at a later date. If UCL is not delisted from ASX it is possible that trading in UCL Shares will be less liquid than prior to the announcement of the Offer.

Triggering change in control provisions

UCL is a party to the Convertible Note Deed with Donwillow ("Deed"). Under this Deed an event of default includes a situation where any person obtains a relevant interest in 50% or more of the UCL Shares (other than Donwillow or an associate of Donwillow), without the prior written approval of Donwillow. Where such default occurs, Donwillow may then or at anytime by notice to UCL declare all money owing under the Deed to be immediately due and payable and UCL must immediately pay that money plus any accrued interest and fees to Donwillow. This situation could have a material adverse effect on the Combined Group.

Operational risk associated with new management

If the MAK Offer is successful, MAK may choose to alter the operational management team at Sandpiper. This team may not manage Sandpiper in an optimal manner which may impact the ability of NMP to meet project milestones and successfully commence production and distribution. MAK has missed several key project milestones in the development of Wonarah.

Funding risk associated with Sandpiper

If the MAK Offer is successful, MAK will hold an 85% interest in Sandpiper and will be responsible for funding this portion of development costs. If MAK is unable to finance these development costs, the development of Sandpiper may be delayed or halted completely. Your Board is confident in its ability to secure competitive financing for the development of Sandpiper in respect of UCL's present interest in Sandpiper (42.5%).

Sale of MAK Shares

Under the Offer, MAK will issue a significant number of new MAK Shares. Some UCL Shareholders may not intend to continue to hold their MAK Shares and may wish to sell them (whether under the Sale Facility or otherwise). There is a risk that increased sales of MAK Shares may adversely impact on the price of and demand for MAK Shares in the short term.

11

Taxation consequences

Introduction

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

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

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

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

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

Foreign resident / Temporary resident shareholders

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

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

Capital Gains Tax

The disposal of UCL Shares pursuant to the Offer will constitute a CGT event for Australian tax purposes, unless CGT roll-over relief is available, or if a UCL Shareholder does not choose to obtain the CGT roll-over:

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

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

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

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

UCL shares acquired before 20 September 1985

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

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

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

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

UCL shares acquired before 21 September 1999

Any UCL Shareholder who acquired their UCL Shares before 11:45am (legal time in the Australian Capital Territory) on 21 September 1999 may index the cost base of their UCL Shares to take into account inflation between the calendar quarter in which the UCL Shares were acquired and the calendar quarter ended 30 September 1999.

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

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

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

Availability of the CGT Discount

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

(a) The UCL Shares were acquired at least 12 months before disposal to MAK;

(b) The UCL Shareholder did not choose to index the cost base of their UCL Shares (see above).

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

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

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

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

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

CGT roll-over relief

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

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

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

As significant UCL Shareholders, controlling greater than 20% of UCL Shares, have already stated that they will not be accepting the Offer or any revised or superior scrip Offer, the requirements for roll-over relief will not be met. On this basis, this relief will not be available to UCL Shareholders who accept the Offer.

A condition of the Offer is that MAK obtain a relevant interest in at least 50% of all of the UCL Shares. If MAK obtains between 50% and 80% of all the UCL Shares, and subject to other conditions of the Offer either being satisfied or waived, the Offer will proceed. However, in this case, scrip-for-scrip roll-over relief will not apply.

The Directors consider this to be a strong reason to reject the Offer.

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

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

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

Disposal of MAK Shares under the Sale Facility

The disposal of MAK Shares under the Sale Facility, as described in the Bidder's Statement, will trigger a CGT event (the "subsequent CGT event") in addition to the CGT consequences of accepting the Offer (discussed above).

If the cost base of the MAK Shares sold under the Sale Facility is less than the proceeds UCL Shareholders receive (after costs) under the Sale Facility, they will realise a capital gain. If the proceeds received are less than the reduced cost base, UCL Shareholders may incur a capital loss.

Unless scrip-for-scrip roll-over relief was available and chosen by the UCL Shareholder on acceptance of the Offer, the cost base, and reduced cost base, of MAK Shares should be equal to their market value as determined on the date they became owner of these shares (i.e. the same amount as would be included as the capital proceeds received on disposal of the UCL shares, discussed above), together with any other incidental costs of acquisition. In relation to this subsequent CGT event, the CGT discount would only be available to reduce a gain arising on the disposal of the MAK Shares if these shares have been held for 12 months (noting that the operation of the Sale Facility seems to make this unlikely).

If a UCL Shareholder validly elected for scrip-for-scrip roll-over relief to apply on acquisition of the MAK Shares, the cost base, and reduced cost base, of the MAK Shares sold under the Sale Facility should be calculated based on the cost base of the original UCL Shares. Furthermore, in this instance, the 12 month holding period to determine eligibility for the CGT discount should be the date at which the UCL Shares were originally acquired.

The timing of the subsequent CGT event should be the date of disposal of the MAK Shares.

If only some of MAK Shares are disposed of under the Sale Facility, it will be necessary to undertake an apportionment calculation to determine the cost base of these shares by allocating the total cost base of the MAK Shares across the number of MAK Shares disposed of, in comparison to the total number of MAK Shares received.

Stamp Duty

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

GST

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

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

Namibian law – tax legislation

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

If the Offer is successful and UCL Shareholders are able to sell their MAK Shares under the Sale Facility, they may be liable to pay income tax under the Income Tax Act, 1981 (Namibia), subject to their individual status and applicable periods of assessment. It is not clear whether the receipt of MAK Shares under the Offer would be caught by Namibian tax legislation.

UCL encourages UCL Shareholders to seek their own tax advice in relation to any implications of the Offer under Namibian tax legislation. Additional information regarding potential implications under Namibian law for UCL Shareholders in accepting the Offer is included in section 12 of this Target's Statement.

12

Additional information

12.1 Directors of UCL

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

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

12.2 Directors' recommendation

After taking into account each of the matters in this Target's Statement and the Bidder's Statement, each of your Directors recommends that you **REJECT** the Offer.

In considering whether to accept the Offer, your Directors encourage you to:

- read the whole of this Target's Statement and the Bidder's Statement;
- have regard to your individual risk profile, investment strategy, tax position and financial circumstances; and
- obtain financial advice from your broker, financial adviser or other professional adviser on the Offer and obtain taxation advice on the effect of accepting the Offer.

12.3 Your Directors' reasons for their recommendation

The reasons for your Directors' recommendations are set out in section 2 of this Target's Statement.

12.4 Interests and dealings in UCL Shares

(a) Interests in UCL Shares and UCL Options

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

Director	UCL Shares	UCL Options
Mr Ian Ross	233,334	Nil
Mr Chris Jordinson	275,667	Nil
Mr Stephen Gemell	Nil	Nil
Ms Gida Nakazibwe-Sekandi	6,667	Nil

(b) Dealings in UCL Shares

Mr Chris Jordinson bought 9,000 UCL Shares on market on the 6 December 2011 (see ASX announcement lodged 13 December 2011). Other than the forgoing acquisition, no Director has acquired or disposed of a relevant interest in any UCL Shares in the 4 month period ending on the date immediately before the date of this Target's Statement.

(c) Intentions of your Directors in relation to the Offer

All Directors having a relevant interest in UCL Shares intend to REJECT the Offer in relation to those UCL Shares held by them.

12.5 Interests and dealing in MAK Shares

(a) Interests in MAK Shares

As at the date immediately before the date of this Target's Statement, neither UCL nor any Director had a relevant interest in any MAK Shares.

(b) Dealings in MAK Shares

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

12.6 Benefits and agreements

(a) Benefits in connection with retirement from office

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

(b) Agreements connected with or conditional on the Offer

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

(c) Benefits from MAK

None of the Directors has agreed to receive, or is entitled to receive, any benefit from MAK which is conditional on, or is related to, the Offer, other than in their capacity as a holder of UCL Shares as outlined in section 12.4(a) of this Target's Statement.

(d) Material interests of Directors in contracts with MAK

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

12.7 Material litigation

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

12.8 Issued capital

As at 16 March 2012, being the last practicable date prior to lodgement of this Target's Statement, UCL's issued capital consisted of 80,807,074 UCL Shares.

12.9 Top 20 shareholders

As at 13 March 2012, being the last practicable date prior to lodgement of this Target's Statement, the following persons are the top 20 shareholders of UCL Shares based on the share register provided by Link Market Services Limited:

UCL Resources Shareholder	Number	Percentage
Twynam Agricultural Group Pty Ltd[11]	21,260,773	26.31
Minemakers Limited	10,590,815	13.11
JP Morgan Nominees Australia Limited	6,846,924	8.47
Donwillow Pty Ltd	5,251,343	6.5
National Nominees Limited	3,693,688	4.57
Keng Tin Enterprises Ltd	3,431,373	4.25
Select Investments Super Pty Ltd	2,381,455	2.95
Mrs Virginia Warnecke	1,760,660	2.18
Austock Nominees Pty Ltd	1,190,682	1.47
Bryan Welch Pty Ltd	1,133,334	1.4
ABN Amro Clearing Sydney Nominees Pty Ltd	1,042,126	1.29
Berne No 132 Nominees Pty Ltd	967,375	1.2
HSBC Custody Nominees (Australia) Limited	755,744	0.94
Weitzenberg Foundation Vaduz	666,667	0.83
Mr Adonis Kiritsopoulos + Ms Jennifer Anne Ford	500,000	0.62
Dr Leon Eugene Pretorius	500,000	0.62
Colbern Fiduciary Nominees Pty	339,040	0.42
Mr Petar Assim	250,000	0.31
Ross Super Fund Pty Ltd	233,334	0.29
Southway Wa Pty Ltd	216,667	0.27
Total	**63,012,000**	**78.00**

12.10 UCL Options

UCL has the following UCL Options on issue:

Options	Exercise price	Expiry date
200,000	60.0 cents	31/03/13
44,445	63.0 cents	31/03/15
44,445	39.0 cents	31/03/15
44,445	15.0 cents	31/03/15

12.11 UCL Convertible Note

On 3 November 2010 UCL entered into a Deed with Donwillow Pty Ltd (ACN 002 928 421) ("Donwillow") under which Donwillow was issued an unsecured convertible note in consideration for the payment of $500,000.00. This UCL Convertible Note attracts an interest rate of 7.5% per annum and such must be redeemed by 3 November 2012.

11. This consolidates two separate shareholdings of 20,355,439 and 905,334 shares, both registered to the same company at the same address.

UCL Shareholders should note that under the Deed, Donwillow may terminate that agreement upon the occurrence of an Event of Default. Clause 14.1(i) of the Deed states that an Event of Default includes a situation where any person obtains a relevant interest in 50% or more of the UCL Shares (other than Donwillow or an associate of Donwillow), without the prior written approval of Donwillow.

This is relevant to the Offer. Where an Event of Default occurs, Donwillow may then or at anytime by notice to UCL declare all money owing under the Deed to be immediately due and payable and UCL must immediately pay that money plus any accrued interest and fees to Donwillow.

As at 16 March 2012, the principal amount owing under the Deed is $500,000. Given Donwillow's rejection of the Offer including any revised or superior scrip offer from MAK, Donwillow may seek to enforce its rights under the Deed in the event MAK achieved a relevant interest in 50% or more of UCL Shares.

No other UCL convertible notes are on issue.

12.12 UCL Performance Rights

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

The following UCL Performance Rights were approved at the meeting:

Director or employee	UCL Performance Rights
Mr Ian Ross	606,668
Mr Chris Jordinson	1,616,668
Ms Gida Nakazibwe-Sekandi	202,000
Mr Roger Daniel	808,334

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

Clause 7.1(a) of the Plan, provides in the event of a takeover bid, such as the Offer, where the bidder and its associates acquire a relevant interest in at least 50% of UCL Shares, any UCL Performance Rights granted (or that UCL is contractually obligated to grant to an eligible executive) will vest, where, in the Board's absolute discretion, pro rata performance is in line with any performance condition applicable to those UCL Performance Rights over the period from the date of grant to the date the bidder acquires the control interest.

This is relevant to the Offer.

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

No other UCL Performance Rights are on issue.

12.13 Implications of the Offer with respect to Namibian law

There may be implications for the Offer and for UCL Shareholders under Namibian law.

With respect to UCL Shareholders, if the Offer is successful and UCL Shareholders are able to sell their MAK Shares under the Sale Facility, they may be liable to pay income tax under the Income Tax Act, 1981 (Namibia), subject to their individual status and applicable periods of assessment. It is not clear whether the receipt of MAK Shares under the Offer would be caught by Namibian tax legislation.

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

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

12.14 Notice of Status of Conditions

The Bidder will give a Notice of Status of Conditions to the ASX and UCL on 2 April 2012, subject to any extension of the Offer Period.

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

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

As at 16 March 2012, the Bidder had not given notice that any of the Conditions had been fulfilled.

12.15 Offer Period

Unless the Offer is extended or withdrawn, it is open for acceptance from 5 March 2012 until 7:00pm (Sydney time) on 10 April 2012.

The circumstances in which the Bidder may extend or withdraw the Offer are set out in section 12.16 and section 12.17 respectively of this Target's Statement.

12.16 Extension of the Offer Period

The Bidder may extend the Offer Period at any time before giving the Notice of Status of Conditions (referred to in section 12.14 in this Target's Statement) while the Offer is subject to conditions. However, if the Offer is unconditional (that is, all the Conditions are fulfilled or freed), the Bidder may extend the Offer Period at any time before the end of the Offer Period.

In addition, there will be an automatic extension of the Offer Period if, within the last 7 days of the Offer Period:

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

If either of these 2 events occurs, the Offer Period is automatically extended so that it ends 14 days after the relevant event occurs.

12.17 Withdrawal of Offer

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

12.18 Effect of acceptance

If you accept the Offer, then, unless withdrawal rights are available (see section 12.19 of this Target's Statement below) and you exercise these rights, you will give up your right to sell UCL Shares on market or to any other person that may make a takeover bid, or deal with them in any manner.

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

In particular, UCL Shareholders should note that on the Offer, or any contract resulting from the acceptance of the Offer, becoming unconditional, MAK will be entitled to attend meetings of UCL and vote on their behalf in respect of their UCL Shares, which could be used, to defeat resolutions relating to competing offers which may adversely affect the success of the Offer.

12.19 Your ability to withdraw your acceptance

You only have limited rights to withdraw your acceptance of the Offer.

If, despite the unanimous recommendation of your Directors to REJECT the Offer, you accept the Offer, you will have a right to withdraw your acceptance in some circumstances.

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

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

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

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

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

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

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

12.21 Effect of an improvement in consideration on UCL Shareholders who have already accepted the Offer

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

12.22 Lapse of Offer

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

12.23 Compulsory acquisition

MAK has indicated in section 5.3 of its Bidder's Statement that if it satisfies the required thresholds it intends to compulsorily acquire any outstanding UCL Shares.

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

If this threshold is met, MAK will have one month after the end of the Offer Period within which to give compulsory acquisition notices to UCL Shareholders who have not accepted the Offer. UCL Shareholders have statutory rights to challenge the compulsory acquisition, but a successful challenge will require the relevant UCL Shareholder to establish to the satisfaction of a court that the terms of the Offer do not represent 'fair value' for their UCL Shares. If compulsory acquisition occurs, UCL Shareholders who have their UCL Shares compulsorily acquired are likely to be issued their consideration approximately 5 to 6 weeks after the compulsory acquisition notices are dispatched to them.

UCL notes the UCL announcement to ASX on 2 March 2012 that its largest shareholder, Twynam Agricultural Group Pty Limited and fourth largest shareholder, Donwillow Pty Limited, will not accept the Offer or any revised or superior scrip offer from MAK. UCL notes that it was announced to ASX on 9 March 2012 that Twynam Agricultural Group Pty Limited and Donwillow Pty Limited had increased their shareholdings in UCL. Twynam Agricultural Group Pty Limited and Donwillow Pty Limited now collectively hold a 32.92% shareholding in UCL[12].

12.24 Consents

In accordance with the Corporations Act:

(a) Pottinger Co Pty Ltd (ABN 52 105 683 118) has consented to being named in this Target's Statement as financial and corporate adviser to UCL in the form and context in which it is named;

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

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

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

(e) Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987) has consented to being named in this Target's Statement as the Independent Expert in the form and context in which it is named; and

(f) Snowden Mining Industry Consultants Pty Ltd (ABN 99 085 319 562) has consented to being named in this Target's Statement as Technical Expert to UCL in the form and context in which it is named.

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

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

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

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

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

Pursuant to this Class Order, the consent of MAK is not required for the inclusion of such statements in this Target's Statement. Any UCL Shareholder who would like to receive a copy of any of those documents may obtain a copy (free of charge) during the Offer Period by contacting the UCL Shareholder Information Line on 02 9233 4750 (for calls made from within Australia) or +61 2 9233 4750 (for calls made from outside Australia). Any telephone calls to these numbers maybe tape recorded, indexed and stored.

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

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

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

12. Based on substantial shareholder notices received by UCL and lodged with ASX.

12.25 UCL as a disclosing entity

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

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

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

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

13/03/2012	Half Yearly Report and Accounts
12/03/2012	Audio Broadcast - Response to MAK t/o offer
09/03/2012	Change in substantial holding
09/03/2012	Change in substantial holding
09/03/2012	Takeover Bid - Letter to Shareholders
05/03/2012	Change in substantial holding from MAK
02/03/2012	Takeover Bid - Major Shareholders Clarification
02/03/2012	UCL largest shareholder rejects MAK`s unsolicited offer
29/02/2012	Sandpiper Marine Phosphate Resources Upgrade
22/02/2012	Takeover Bid - Letter to Shareholders
21/02/2012	Minemakers Takeover Bid - Correction to Earlier Announcement
21/02/2012	UCL Resources Rebuffs Minemakers Takeover Bid
20/02/2012	Takeover Offer by Minemakers Limited-Bidders Statement
15/02/2012	Small Shareholders - Finalisation
13/02/2012	Minemakers Limited - Takeover Proposal
27/01/2012	Audio Broadcast
27/01/2012	Quarterly Cashflow Report
27/01/2012	Quarterly Activities Report
20/01/2012	Sandpiper Final Laboratory Report
13/01/2012	NMP EIA and EMP lodged
16/12/2011	Change of Name
13/12/2011	Share Consolidation - Despatch of Holding Statements
13/12/2011	Change of Director`s Interest Notice
02/12/2011	Final Director`s Interest Notice

12.26 Ineligible Foreign Shareholders

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

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

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

12.27 Competent person statements

The information in this Target's Statement that relates to the Mineral Resource estimates for the Sandpiper Joint Venture Project is based on information compiled by Roger Daniel who is a member of the Australasian Institute of Mining and Metallurgy. Mr Daniel is a full-time employee of the Company. Mr Daniel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Mr Daniel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this Target's Statement that relates to Mineral Resources for the Mehdiabad Project, including metallurgical recoveries and the appropriateness of the use of a 2% lower Zn cut-off grade (the appropriate lower economic cut-off for zinc resources) and 0.3% Cu cut-off grade (the appropriate lower economic cut-off for copper resources) for reporting of Resources, is based on information compiled by Patrick Scott, consultant to UCL Resources Limited. Mr Scott is a director of PS Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Scott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr Scott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

12.28 No other material information

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

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

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

- the information contained in the Bidder's Statement, First Supplementary Bidder's Statement and Second Supplementary Bidder's Statement (to the extent that the information is not inconsistent or superseded by information in this Target's Statement);
- the information contained in UCL's releases to the ASX, and in the documents lodged by UCL with ASIC before the date of this Target's Statement; and
- the information contained in this Target's Statement.

The Directors have assumed, for the purposes of preparing this Target's Statement, that the information in the Bidder's Statement is accurate (unless they have expressly indicated otherwise in this Target's Statement). However, the Directors do not take any responsibility for the contents of the Bidder's Statement, First Supplementary Bidder's Statement or Second Supplementary Bidder's Statement and are not to be taken as endorsing, in any way, any or all statements contained in them. References to MAK information in this Target's Statement have been extracted from the Bidder's Statement, First Supplementary Bidder's Statement and Second Supplementary Bidder's Statement unless otherwise stated.

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

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

13

Glossary and interpretation

13.1 Glossary

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

$, A$ or **AUD**	Australian dollars.
Announcement Date	13 February 2012, being the date of the announcement of the Offer.
ASIC	Australian Securities and Investments Commission.
ASX	ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange, operated by ASX Limited, as the context requires.
ASX Settlement	ASX Settlement Pty Limited (ACN 008 504 532).
ASX Settlement Operating Rules	The operating rules of the settlement facility provided by ASX Settlement.
ATO	Australian Taxation Office.
BFS	Bankable Feasibility Study.
Bidder	MAK.
Bidder's Statement	the bidder's statement of the Bidder dated 20 February 2012.
Board	the Board of Directors of UCL.
Business Day	Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
CGT	capital gains tax.
CHESS Holding	a number of UCL Shares which are registered on UCL's register being a register administered by ASX Settlement Pty Limited and which records uncertificated holdings of UCL Shares.
Combined Group	the combined UCL and MAK entity including MAK and its subsidiaries following the acquisition of all, or the majority of UCL Shares.
Company	UCL Resources Limited (ABN 40 002 118 872).
Condition Period	The period beginning on 13 February 2012 and ending at the end of the Offer Period.
Conditions	the conditions of the Offer as set out in Attachment 1 of this Target's Statement.
Deed	The Convertible Note Deed signed by UCL and Donwillow on 3 November 2010.
Corporations Act	the Corporations Act 2001 (Cth) (as modified or varied by ASIC).or otherwise amended
DAP	diammonium phosphate.
Defeating Conditions Date	2 April 2012 being the date specified in annexure A of the Bidder's Statement for giving notice as to the status of the Conditions set out in Attachment 1 to this Target's Statement as required by subsection 630(1) of the Corporations Act (subject to variation in accordance with section 630(2) of the Corporations Act if the Offer is extended).
DFS	Definitive Feasibility Study.
Director	a director of UCL.

Donwillow	Donwillow Pty Ltd (ACN 002 928 421).
DSO	direct shipping ore.
EBIT	earnings before interest and income tax.
EBITDA	earnings before interest, income tax, depreciation and amortisation.
Financial Adviser	Pottinger Co Pty Ltd (ABN 52 105 683 118).
FOB	free on board.
Grant Thornton	Independent Expert.
Independent Expert	Grant Thornton Corporate Finance Pty Ltd (ABN 59 003 265 987).
Independent Expert's Report	is the report of the Independent Expert accompanying this Target's Statement.
Ineligible Foreign Shareholder	has the meaning given to that term in section 10 of annexure A of the Bidder's Statement.
IPO	initial public offering.
JDC	JDCPhosphate Inc.. a company incorporated in Delaware.
JORC Code	the 2004 Edition of the "Australian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves".
MAK	Minemakers Limited (ACN 116 296 541).
MAK Share	an ordinary share in MAK.
MAK Shareholder	the registered holder of a MAK Share.
MAP	monoammonium phosphate.
Mineral Resource	Has the meaning given to Mineral Resource in the JORC Code.
MoU	Memorandum of understanding.
Mt	Million tonnes
Mtpa	Million tonnes per annum
NMP	Namibian Marine Phosphate (Pty) Ltd
Notice of Status of Conditions	the Bidder's notice disclosing the status of the Conditions to the Offer which is required to be given by section 630(3) of the Corporations Act.
NSX	Namibian Stock Exchange.
Offer	the offer by the Bidder to each UCL Shareholder to acquire all of their UCL Shares on the terms and Conditions set out in annexure A of the Bidder's Statement.
Offer Consideration	the consideration under the Offer for each of all the UCL Shares, to which the offer applies. As at the date of this Target's Statement that consideration is 9 MAK Shares for every 10 UCL Shares.
Offer Period	the period during which the Offer will remain open for acceptance in accordance with section 3 of annexure A of the Bidder's Statement.
Official Quotation	Official quotation on ASX.
Plan	the Performance Rights Plan approved by UCL Shareholders on 29 November 2011.
Public Authority	any government or representative of government or any governmental, semi governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets, including ASIC and ASX (and any other stock exchange).
Record Date	being 7:00pm (Sydney Time) on 20 February 2012.

Rights	all accretions to and rights attaching to the relevant UCL Shares at or after the Announcement Date (including all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or options declared, paid or issued by UCL).
S&P	Standard and Poor's.
S&P/ASX 200	the S&P/ASX 200 index published by Standard & Poor's.
Sale Facility	the limited sale facility described in annexure B of the Bidder's Statement.
Sandpiper	Sandpiper Marine Phosphate Project conducted in accordance with the Sandpiper Shareholder Agreement.
Sandpiper Shareholder Agreement	the shareholders agreement signed by Sea Phosphates (Namibia) (Pty) Ltd, Tungeni Investments cc, and Minemakers (Namibia) (Pty) Ltd, dated 30 July 2010 relating to NMP
SPA	superphosphoric acid.
Takeovers Panel	the Takeovers Panel continuing in existence under section 261 of the Australian Securities and Investments Commission Act 2001 (Cth) and given various powers under Part 6.10 of the Corporations Act.
Target's Statement	this document (including the attachments), being the statement of UCL under Part 6.5 Division 3 of the Corporations Act.
Technical Expert	Snowden Mining Industry Consultants Pty Ltd (ABN 99 085 319 562).
Technical Expert's Report	is the report of the Technical Expert accompanying this Target's Statement.
TSX	Toronto Stock Exchange
Twynam	Twynam Agricultural Group Pty Ltd (ACN 000 573 213)
UCL	UCL Resources Limited (ABN 40 002 118 872)
UCL Constitution	the constitution of UCL.
UCL Convertible Note	A convertible note issued by UCL under the Deed.
UCL Option	an option issued by UCL to acquire a UCL Share.
UCL Performance Right	a performance right issued under the UCL Performance Rights Plan.
UCL Share	one ordinary share in UCL.
UCL Shareholder	the registered holder of a UCL Share.
VWAP	volume weighted average price.
Wonarah	The Wonarah phosphate project in the Northern Territory comprising each and all tenements granted by, or under application to, the Northern Territory Department of Resources – Minerals and Energy by Minemakers Australia Pty Limited including ML27244, SEL26451, SEL26452, EL26584, EL26586, EL26585, EL26589, EL264607, EL9979, EL26185, EL28233 and EL29355.

13.2 Interpretation

In this Target's Statement:

1. Other words and phrases have the same meaning (if any) given to them in the Corporations Act.
2. Words of any gender include all genders.
3. Words importing the singular include the plural and vice versa.
4. An expression importing a person includes any company, partnership, joint venture, association, corporation or other body corporate and vice versa.
5. A reference to a section, clause, attachment and schedule is a reference to a section of, clause of and an attachment and schedule to this Target's Statement as relevant unless otherwise indicated.
6. A reference to any legislation includes all delegated legislation made under it and amendments, consolidations, replacements or re-enactments of any of them.
7. Headings and bold type are for convenience only and do not affect the interpretation of this Target's Statement.
8. A reference to time is a reference to time in Sydney, Australia.
9. A reference to dollars, $, A$, AUD, cents, C and currency is a reference to the lawful currency of the Commonwealth of Australia.
10. A reference to "short term" means the period one to three years from the date of this Target's Statement.
11. A reference to "medium term" means the period three to five years from the date of this Target's Statement.
12. A reference to "long term" means the period more than five years from the date of this Target's Statement.
13. A reference to "operating cash flow" means operating cash flow as determined by operating asset revenue plus interest earned on UCL's cash balances less operating expenses (including management fees, but excluding performance fees), interest costs paid in relation to financing facilities (other than interest costs relating to capital expenditure projects that are not yet ready for use), maintenance capital expenditure, tax paid and working capital adjustments.

Authorisation

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

Signed for and on behalf of UCL

Date	20 March 2012
Sign here	
Print name	Ian W Ross
Position	Non-Executive Chairman

Attachment 1

UCL Shareholders should note that the below summary of the Conditions of the Offer have been extracted directly from the MAK Bidder's Statement. All references and defined terms relate to those included in the MAK Bidder's Statement dated 20 February 2012.

Conditions of the Offer

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

(ii) **(Minimum acceptance)** During, or at the end of, the Offer Period, Minemakers has relevant interests in at least 50% (by number) of all of the UCL Shares.

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

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

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

(A) UCL or any other member of the UCL Group acquires, offers to acquire or agrees to acquire one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than $250,000 or makes an announcement about such an acquisition;

(B) UCL or any other member of the UCL Group disposes, offers to dispose or agrees to dispose of, or creates, or offers to create an equity interest in one or more companies or assets (or an interest in one or more companies or assets) for an amount in aggregate greater than $250,000 or in Sea Phosphates (Namibia) (Pty) Limited or makes an announcement about such a disposal;

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

(D) UCL or any other member of the UCL Group incurs or commits to, or grants to another person a right the exercise of which would involve UCL or any other member of the UCL Group incurring or committing to any capital expenditure or liability for an amount in aggregate greater than $250,000, or makes an announcement about such a commitment, other than cash calls made by Namibian Marine Phosphate (Pty) Limited in accordance with the shareholders' agreement for the Sandpiper Project.

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

(A) UCL converts all or any of its shares into a larger or smaller number of shares;

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

(C) UCL or any other member of the UCL Group:

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

(D) UCL or any other member of the UCL Group issues shares, or grants an option over its shares or agrees to issue shares or grant such an option, other than the issue of any UCL Shares in connection with:

- the exercise of options held by Dr Frank William Reid and Rt Hon Lord Lamont of Lerwick; or
- the conversion of the convertible note held by Donwillow Pty Ltd;

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

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

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

(H) UCL or any other member of the UCL Group resolves to be wound up;

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

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

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

(L) UCL or any other member of the UCL Group executes a deed of company arrangement; or

(M) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of UCL or any other member of the UCL Group.

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

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

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

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

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

(E) borrows or agrees to borrow any money;

(F) releases, discharges or modifies any material obligation owed to any member of the UCL Group or agrees to do so;

(G) has appointed any additional director to its board of directors whether to fill a casual vacancy or otherwise;

(H) enters or agrees to enter into any contract of service or varies or agrees to vary any existing contract of service with any director or manager, or pays or agrees to pay any retirement benefit or allowance to any director, manager or other employee, or makes or agrees to make any substantial change in the basis or amount of remuneration of any director, manager or other employee (except as required by law or provided under any superannuation, provident or retirement scheme as in effect on the announcement of the Offer);

(I) conducts its business otherwise than in the ordinary course;

(J) has threatened or commenced against it any material claims or proceedings in any court or tribunal (including a petition for winding up or an application for appointment of a receiver or receiver and manager); or

(K) executes a deed of company arrangement or passes any resolution for liquidation, or has appointed or becomes susceptible to the appointment of an administrator, a receiver, a receiver and manager or a liquidator, or becomes subject to investigation under the Australian Securities and Investments Commission Act 2001 (Cth) or any corresponding legislation.

(vii) **(No action by Public Authority adversely affecting the Offer)** During the Condition Period:

(A) there is not in effect any preliminary or final decision, order or decree issued by a Public Authority (other than an Excluded Regulatory Authority);

(B) no action or investigation is instituted, or threatened by any Public Authority with respect to UCL or any other member of the UCL Group (other than an Excluded Regulatory Authority); or

(C) no application is made to any Public Authority (other than an application by Minemakers or any company in the Minemakers Group or an Excluded Regulatory Authority),

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

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

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

(A) acquire, or require UCL or any other member of the UCL Group to dispose of, or offer to dispose of, any material asset of UCL or any other member of the UCL Group;

(B) terminate or vary any material agreement with UCL or any other member of the UCL Group; or

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

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Corporate directory

Directors of UCL

Mr Ian Ross

Mr Chris Jordinson

Mr Stephen Gemell

Ms Gida Nakazibwe-Sekandi

Company secretary

Mr John Lemon

Share registry

Link Market Services Limited

ANZ Building, Level 15, 324 Queen Street

Brisbane QLD 4000

AUSTRALIA

Registered office

Level 2, Watson House

300 George Street

Sydney NSW 2000

AUSTRALIA

Postal address

GPO Box 1494

Sydney NSW 2001

AUSTRALIA

Telephone: (02) 9233 4750

Fax: (02) 9233 4749

Email: info@uclresources.com.au

ABN

40 002 118 872

Website address

www.uclresources.com.au

Auditors

Lawler Partners Audit & Assurance

Level 9, 1 O'Connell Street

Sydney NSW 2000

AUSTRALIA

Financial advisers

Pottinger

Level 35, AMP Centre

50 Bridge Street

Sydney NSW 2000

AUSTRALIA

Legal advisers

Eakin McCaffery Cox

Level 28, BT Tower

1 Market Street

Sydney NSW 2000

AUSTRALIA

Independent expert

Grant Thornton Corporate Finance

Level 17, 383 Kent Street

Sydney NSW 2000

AUSTRALIA

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REJECT

THE OFFER BY MINEMAKERS LIMITED TO ACQUIRE YOUR UCL SHARES

UCL RESOURCES LIMITED