



UCL Resources Limited

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21 March 2012

ASX/ Media release

Independent Expert concludes offer not fair and not reasonable to UCL shareholders

- **UCL shares valued at 43.1 – 46.3 cents by Independent Expert**
- **Directors recommend that Shareholders reject Minemakers' takeover offer**

UCL Resources Limited ("UCL" or "the Company") has today mailed its Target's Statement ("the Document") to UCL shareholders. The Directors unanimously recommend that UCL shareholders reject the unsolicited and conditional Offer for the Company's shares by Minemakers Limited (ASX & TSX: "MAK"; NSX: "MMS").

An Independent Expert's Report ("IER") by Grant Thornton Corporate Finance Pty Limited ("Grant Thornton") values UCL shares in the range 43.1 – 46.3 cents and concludes that MAK's offer is not fair and not reasonable to UCL shareholders.

"The IER validates the UCL Board's decision to unanimously recommend that Shareholders reject MAK's hostile and opportunistic takeover bid," said Ian Ross, UCL Non-Executive Chairman. "To reject the bid, Shareholders should ignore all acceptance forms they receive from MAK."

Mr Ross continued, "MAK has previously been willing to pay more for UCL shares - in March 2011 it paid 36 cents per UCL share in UCL's rights issue, which is over 45% higher than the current value of its offer calculated based on the MAK share price as at 20 March 2012 and after adjusting for the recent UCL share consolidation."

At present UCL shareholders benefit from a direct, undiluted interest in the world-class Sandpiper Marine Phosphate Project ("Sandpiper"), with the inherent prospective cash flow from a readily identifiable project in late stage development.

MAK's offer, if successful, would dilute UCL shareholders' interest in Sandpiper from 42.5% to 21.7%. In return, UCL Shareholders would receive an interest in MAK's Wonarah Phosphate Project – where production is estimated to be more than three years away, where several target milestones have been missed, and significant infrastructure expenditure will be required.

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

known individual marine phosphate resource and UCL, as a manager of the project, has developed a detailed plan to begin production in the fourth quarter of 2013. Sandpiper will use a proven, conventional process to dredge the phosphate, which will be delivered to Walvis Bay.

Sandpiper is expected to be a competitive-cost producer supplying a growing market, and the project is now at the stage when we expect to start to unlock the value of the resource. A Definitive Feasibility Study is due to be published later this month and encouraging meetings have already been held with financiers.

UCL's largest shareholder, Twynam Agricultural Group Pty Ltd, and its associate and fourth largest shareholder, Donwillow Pty Ltd, which together hold 32.92% of UCL's issued capital, which would equate to 36.88% of UCL's share capital upon conversion of Donwillow's \$500,000 convertible note, have both announced that they will not accept MAK's offer or any revised or superior scrip offer from MAK.

About UCL Resources

UCL Resources Limited (ASX: UCL) is developing, and has a 42.5% interest in, the Sandpiper Marine Phosphate Project off the coast of Namibia. Sandpiper is believed to be the world's largest individual marine phosphate resource, with sufficient resources to support a 20-year mine life. A definitive feasibility study is expected to be completed by the end of March 2012 and production is expected to begin in the fourth quarter of 2013. UCL also has an interest in the Mehdiabad Zinc Project in Iran.

Advisers

UCL has appointed Pottinger as financial adviser and Eakin McCaffery Cox as legal adviser.

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The information in this announcement that relates to Mineral Resources for the Sandpiper Marine Phosphate 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 announcement of the matters based on his information in the form and context in which it appears.