



# UCL Resources Limited

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Friday, March 02, 2012

ASX Market Announcements

Australian Securities Exchange

## UCL RESOURCES' LARGEST SHAREHOLDER REJECTS MINEMAKERS' UNSOLICITED OFFER

The board of UCL Resources Limited (UCL) welcomes confirmation from its largest shareholder, Twynam Agricultural Group Pty Limited and fourth largest shareholder, Donwillow Pty Limited, that they will not accept the unsolicited takeover offer for UCL by Minemakers Limited (MAK).

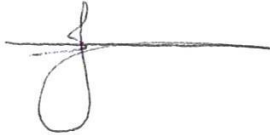
Twynam and Donwillow between them currently hold 25,606,782 shares in UCL, representing approximately 31.69% of UCL's share capital.

The board believes that Twynam's and Donwillow's rejection of MAK's offer is a resounding endorsement of UCL's ability to realise value from the Sandpiper Marine Phosphate Project and indicates their reluctance to accept dilution of their interest in the project.

The board continues to unanimously recommend that UCL shareholders **REJECT** MAK's offer on the basis that:

- MAK's offer does not reflect the potential value of UCL's 42.5% stake in the Sandpiper Marine Phosphate Project which is currently believed to be the world's largest individual marine phosphate resource.
- MAK's offer will dilute to approximately 20% UCL shareholders' interest in the Sandpiper Marine Phosphate Project which the board considers to be significantly superior to MAK's other assets.
- MAK is offering MAK shares, with no fixed cash alternative. The future performance of UCL shareholders' investment will depend therefore on the performance of MAK shares.
- MAK has missed several target milestones for its flagship Wonarah phosphate project in the Northern Territory. Mining operations were initially planned to begin in mid-2010, as stated in its bidder's statement for Bonaparte Diamond Mines NL, but a bankable feasibility study is yet to be produced and development of the Wonarah Project is currently estimated to be more than three years away.

UCL shareholders will receive a formal response shortly from the UCL board detailing its reasons for recommending rejection of MAK's offer. To reject MAK's offer, UCL shareholders should simply **take no action**.



**Chris Jordinson**  
**Managing Director**

*The information in this report that relates to Mineral Resources is based on information compiled by Roger Daniel, 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 deemed 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 Daniel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

**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.

**For further information, please contact:**

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1 March 2012

Mr Ian W Ross  
Chairman  
UCL Resources Limited  
Level 2, 300 George Street  
SYDNEY NSW 2000

Dear Ian

**Rejection of takeover by Minemakers Limited**

We note the receipt by UCL Resources Limited ("UCL" or the "Company") of a hostile takeover offer to acquire all of the shares in UCL by way of an off-market takeover from Minemakers Limited ("Minemakers") announced on 13 February 2012. Under the offer, shareholders in UCL are to receive 9 Minemakers shares for each 10 shares they hold (the "Offer").

In the view of Twynam Agricultural Group Pty Limited ("Twynam"), the Offer is significantly below the underlying value of the Company given the quality of UCL's resources and in particular the outlook for the Sandpiper Marine Phosphate Project. Critically, the Minemakers Offer would result in significant dilution of Twynam's share in the Sandpiper Marine Phosphate Project, which we believe to be world class. To that end, Twynam advises that it will not accept the Offer for any of its shares in UCL. Twynam currently holds 20,355,439 shares in UCL equivalent to approximately 25.19% of UCL's share capital.

We confirm that we are happy for our position to be made public to the market and included in the Company's Target Statement to be lodged with ASIC and sent to shareholders in UCL.

Yours sincerely



**Johnny Kahlbetzer**  
Director

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**Donwillow Pty Limited**

A.C.N. 002 928 421 A.B.N. 32 002 928 421

1 March 2012

Mr Ian W Ross  
Chairman  
UCL Resources Limited  
Level 2, 300 George Street  
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In the view of Donwillow Pty Limited ("Donwillow"), the Offer is significantly below the underlying value of the Company given the quality of UCL's resources and in particular the outlook for the Sandpiper Marine Phosphate Project. Critically, the Minemakers Offer would result in significant dilution of Donwillow's share in the Sandpiper Marine Phosphate Project, which we believe to be world class. To that end, Donwillow advises that it will not accept the Offer for any of its shares in UCL. Donwillow currently holds 5,251,343 shares in UCL equivalent to approximately 6.50% of UCL's share capital and a Convertible Note Deed, which if converted equates to a further 3,333,334 shares in UCL equivalent to approximately 3.96% of UCL's share capital.

We confirm that we are happy for our position to be made public to the market and included in the Company's Target Statement to be lodged with ASIC and sent to shareholders in UCL.

Yours sincerely



**Johnny Kahlbetzer**  
Director