



# UCL Resources Limited

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Market Announcements Platform  
Australian Securities Exchange

## ***UCL RESOURCES SUPPLEMENTARY TARGET'S STATEMENT RELEASED***

Directors advise shareholders to **REJECT** Minemakers' Offer

**UCL Resources Limited (ASX:UCL) ("UCL" or the "Company")** today released a Supplementary Target's Statement in response to the unsolicited takeover Offer by Minemakers Limited ("**Minemakers**" or "**MAK**")

The Supplementary Target's Statement identifies and corrects a minor and non-material inaccuracy in the Technical Expert's Report prepared by Snowden Mining Industry Consultants Pty Ltd which consequently flows into the Independent Expert's Report prepared by Grant Thornton Corporate Finance Pty Ltd and UCL's Target's Statement. This inaccuracy relates to the valuation of the Wonarah Project and arose from reliance on incorrect information contained in Minemakers' 2011 Annual Report. Additionally, a number of other statements of a minor nature are clarified.

The Technical Expert's Report and Independent Expert's Report both accompany UCL's Target's Statement.

The Independent Expert, Grant Thornton Corporate Finance Pty Ltd, also maintains its conclusion that Minemakers' Offer is **NOT FAIR AND NOT REASONABLE**.

The Directors of UCL continue to unanimously recommend that you **REJECT** Minemakers' Offer.

A full copy of the Supplementary Target's Statement is annexed to this announcement.

Please direct enquiries or requests for further information to:

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**UCL RESOURCES LIMITED  
SUPPLEMENTARY TARGET'S STATEMENT**

This is a supplementary target's statement under section 644 of the Corporations Act 2001 (Cth) (**Supplementary Target's Statement**) issued by UCL Resources Limited ABN 40 002 118 872 (**UCL** or **Company**) in relation to an off-market takeover bid made by Minemakers Limited ACN 116 296 541 (**Minemakers** or **MAK**), pursuant to which Minemakers proposes to acquire all shares it does not already own in UCL.

The Directors of UCL continue to unanimously recommend that you **REJECT** Minemakers' Offer. The Independent Expert, Grant Thornton Corporate Finance Pty Ltd, also maintains its conclusion that Minemakers' Offer is **NOT FAIR AND NOT REASONABLE**.

This Supplementary Target's Statement supplements, and should be read together with, the Target's Statement. Unless the context otherwise requires, terms defined in the Target's Statement have the same meaning where used in this Supplementary Target's Statement.

This Supplementary Target's Statement is dated 3 April 2012, being the date on which this Supplementary Target's Statement was lodged with ASIC.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR  
IMMEDIATE ATTENTION

If you are in doubt as to its contents, please consult your professional adviser without delay.

**Pottinger**

Financial Adviser



Legal Adviser

# Supplementary Target's Statement

## 1. Correction of errors in the Technical Expert's Report, the Independent Expert's Report and the Target's Statement

It has come to the attention of UCL that the Independent Expert's Report prepared by Grant Thornton Corporate Finance Pty Ltd (**GT**) accompanying the Target's Statement, the Technical Expert's Report (**TER**) prepared by Snowden Mining Industry Consultants Pty Ltd (**Snowden**) accompanying the Target's Statement as Appendix G to the Independent Expert's Report (**IER**) and the Target's Statement, contain a non-material inaccuracy which is identified and corrected below. Additionally, some statements of a minor nature made in the IER are clarified below.

GT has confirmed that the opinion formed and conclusion reached in its report remain unchanged as a result of the correction of these errors.

On this basis, the Directors' unanimous recommendation that UCL Shareholders **REJECT** Minemakers' Offer and the reasons for this recommendation as set out in the Target's Statement remain unchanged.

## 2. Correction to Technical Expert's Report

The TER is corrected as follows:

### Valuation of Minemakers' mineral assets

Snowden has been made aware of the factual error that appears in Minemakers 2011 Annual Report that was used for the valuation contained in the TER. In the "Review of Operations" of the annual report (page 7) the Wonarah 2011 Resource Estimates at 10% P<sub>2</sub>O<sub>5</sub> Cut-off were reported for the Main Zone Inferred category as 295 Mt at 18% P<sub>2</sub>O<sub>5</sub>. This information was used by Snowden to prepare the initial mineral asset valuation of the phosphate resources at Wonarah.

It has become apparent that this resource statement by Minemakers was incorrect and that the correct Main Zone Inferred Resource should have been reported as 395 Mt at 18% P<sub>2</sub>O<sub>5</sub>. This effectively has increased the total resources from 682 Mt to 782 Mt, an increase of 14.7%.

Snowden has revalued the mineral resources at Wonarah based on the correct estimates. The revised value range for Wonarah is between A\$29.27 million and A\$58.54 million with a preferred value of A\$43.91 million. This represents an increase of 10% in the value of the phosphate resources (allowing for discounts to the Inferred Resource classification).

The table below shows the revised summary market valuation of Minemakers' minerals assets and this **replaces** Table 11.2 of the TER. It shows a range from A\$54.03 million to a high of A\$110.18 million with a preferred value of A\$81.75 million. The revised valuation by Snowden represents an increase of 5% of the previous valuation of Minemakers' mineral assets, excluding Port Keats, Fraser Iron and Minemakers' shares in UCL.

Table 11.2 Revised Summary of Minemakers market mineral asset valuation (A\$)

Project	Location	Holding	Low (A\$M)	High (A\$M)	Preferred (A\$M)
Sandpiper phosphate resource	Namibia	42.5%	22.72	45.43	34.07
Wonarah phosphate resource	Northern Territory	100%	29.27	58.54	43.91
Wonarah phosphate exploration	Northern Territory	100%	0.48	1.91	0.84
Rocky Point phosphate exploration	Namibia	70%	0.56	2.80	1.68
TNT Mines	Tasmania	19%	1.00	1.50	1.25
Port Keats rock salt	Northern Territory	100%	na*	na*	na*
Fraser iron	Western Australia	80%	na**	na**	na**
<b>Total</b>			<b>54.03</b>	<b>110.18</b>	<b>81.75</b>

\*na not appropriate, Refer to Section 10.6

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

### 3. Corrections to Independent Expert's Report

The IER is corrected as follows:

#### Valuation of the Wonarah Project

GT has relied on Snowden's assessment of the mineral assets of MAK and UCL in forming its opinion in relation to the Offer. Accordingly, Snowden's recent updated valuation of the Wonarah Project, as noted above, has an impact on GT's assessment of the Offer. In particular, the increase in the value of the Wonarah Project increases the value of the consideration offered by MAK to UCL Shareholders.

The following table **replaces** the "Fairness Assessment" table set out on page 3 of the IER and summarises GT's fairness assessment based on the revised value of the Wonarah Project assessed by Snowden.

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 Combined Share (minority basis)	0.314	0.382	0.318	0.387
Share exchange ratio	0.9	0.9	0.9	0.9
Fair value of consideration offered on a minority basis	0.283	0.344	0.286	0.349
Premium (Discount)	(0.148)	(0.120)	(0.145)	(0.114)
Premium (Discount) %	(34%)	(26%)	(34%)	(25%)

Source: GT calculations

The previous discount calculation incorporated in the IER for the '50% acquisition scenario' was in the range of 28% and 37%, whereas the discount for the '100% acquisition scenario' was in the range of 27% and 36%. The impact of the correction is, in GT's opinion, not material and does not alter GT's conclusions set out in the IER.

It is to be noted that due to the revised valuation of the Wonarah Project, the tables in Section 9.1 (Valuation summary – MAK), Section 9.1.2 (Wonarah Project), Section 9.2.1 (Cross-check), Section 10.1 (Valuation summary – Combined Group) and Appendix B (Sensitivities) of the IER will change. Given that the change is not material, these tables have not been reproduced.

#### Integration of Page 7 of the Independent Expert's Report under the heading 'Tax implications-rollover relief'

The following qualification should be added:

CGT would be payable by those UCL Shareholders who hold their shares on capital account and who have a cost base below the Offer price. UCL Shareholders should be aware that the applicability of CGT will depend on individual circumstances of each UCL Shareholder. If UCL Shareholders are in doubt about the tax consequences, they should seek their own professional tax advice.

#### Other Clarifications – definition

The term "Proposed Offer" has been used in the IER to define Minemakers' proposed acquisition of UCL via an off-market takeover offer. This term should be replaced with the "Offer".

#### Other Clarifications – MAK's other assets

GT states on page 6 of the IER that "*MAK's other assets are either early stage exploration assets or minority interests in early stage listed and unlisted companies.*" This statement is made in relation to MAK's other mineral assets.

# Supplementary Target's Statement

## Other Clarifications – Management

GT states on page 9 of the IER under the heading “*Management*” that “*UCL’s management team has been the key driver of the development of the Sandpiper Project.*” This statement is based on UCL management’s view as discussed in the Target’s Statement. However, GT notes that NMP is managed by way of a joint management committee structure and board.

## 4. Correction to Target’s Statement

The Target’s Statement is corrected as follows:

In Reason 1 under the heading “Reasons to reject the Offer”, the information included in the table found there on page 2 in row “Fair value of consideration on a minority basis” of the Target’s Statement should be **replaced** by the information included in row “Fair value of consideration offered on a minority basis” included above in the table in point 3 of this Supplementary Target’s Statement.

## 5. Consent of GT and Snowden

GT and Snowden have each given, and have not, before the time of lodgement of this Supplementary Target’s Statement with ASIC, withdrawn their written consent to the inclusion of the statements made by them in the form and context in which they appear in this Supplementary Target’s Statement.

## 6. Further information

UCL Shareholders requiring additional information should call the UCL Shareholder Information Line on +61 2 9233 4750 or should consult their stockbroker or other professional adviser.

Announcements relating to UCL and the Minemakers Offer can be obtained from UCL’s website at [www.uclresources.com.au](http://www.uclresources.com.au) and the ASX website at [www.asx.com.au](http://www.asx.com.au).

## 7. Approval of Supplementary Target’s Statement

This Supplementary Target’s Statement is dated 3 April 2012 (being the date on which this Supplementary Target’s Statement was lodged with ASIC) and has been approved by a resolution passed by all Directors.

A copy of this Supplementary Target’s Statement has been lodged with ASIC. Neither ASIC nor any of its officers takes any responsibility for the content of this Supplementary Target’s Statement.

Signed for and on behalf of  
UCL Resources Limited



**Ian Ross**  
**Chairman**  
**UCL Resources Ltd**

Dated 3 April 2012