



UCL Resources Limited

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30 April 2012

ASX: UCL

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

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

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

The Second Supplementary Target's Statement summaries the Definitive Feasibility Study in relation to the Sandpiper Project ("**DFS**").

The Technical Expert and Independent Expert have each now undertaken a high level review of the DFS and each have provided UCL with a letter outlining the outcome of their high level review which are summarised in the Second Supplementary Target's Statement.

Following its high level review of the DFS, the Independent Expert, Grant Thornton Corporate Finance Pty Ltd, 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 Second Supplementary Target's Statement is annexed to this announcement.

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UCL RESOURCES LTD

Supplementary Target's Statement

This is the second supplementary target's statement under section 644 of the *Corporations Act 2001* (Cth) ("**Second 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 ("**Grant Thornton**"), maintains its conclusion that Minemakers' Offer is **NOT FAIR AND NOT REASONABLE**.

This Second Supplementary Target's Statement supplements, and should be read together with, UCL's original Target's Statement dated 21 March 2012 ("**Original Target's Statement**") and UCL's first Supplementary Target's Statement dated 3 April 2012. Unless the context otherwise requires, terms defined in the Original Target's Statement have the same meaning where used in this Second Supplementary Target's Statement. This Second Supplementary Target's Statement prevails to the extent of any inconsistency with the Original Target's Statement (as supplemented)

This Second Supplementary Target's Statement is dated 30 April 2012, being the date on which this Second 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

1. SUMMARY OF DFS

This summary updates information relating to the DFS and is to be read in conjunction with UCL's announcement to the ASX on 18 April 2012 ("**Release**").

INTRODUCTION

UCL Resources Ltd (ASX: UCL) ("**UCL**") is pleased to announce the results of the DFS (accuracy of -5%/+15%) on the Sandpiper marine phosphate project ("**Sandpiper Project**" or "**Project**").

The Sandpiper Project is located offshore from the Namibian coast and is held by the joint venture company, Namibian Marine Phosphate (Pty) Limited ("**NMP**"). NMP is owned by UCL (42.5%), Minemakers Limited (42.5%) and Tungeni Investments c.c. (15%).

The DFS builds on the scoping study undertaken by NMP in October 2010 ("**Scoping Study**"). It confirms that the Sandpiper Project is technically feasible and, subject to certain qualifications set out below, has the potential to be a long life project capable of delivering strong investment returns to shareholders, and that it has the potential to be a long life project capable of delivering strong investment returns for NMP's shareholders.

As a result of the work carried out as part of the DFS, NMP also advises an increase in the estimate for the Measured Resource category from 4.1 Mt at 20.5% P₂O₅ to 60 Mt at 20.8% P₂O₅ (at a 15% P₂O₅ cut-off). Further details are outlined below.

KEY ECONOMIC OUTCOMES

The key economic outcomes in UCL's opinion, using the UCL base case of the DFS for the Sandpiper Project include:

| Item | Units | Value | Qualifications |
|--|-----------------------------|-------------|----------------|
| Mine life | Years | 20 | |
| DFS accuracy | +/- | -5%/+15% | |
| Annual steady-state processing throughput | Mtpa | 5.0 | |
| Annual steady-state concentrate production | Mtpa | 3.0 | |
| Life of mine production | Mt | 57.4 | |
| Pre-production capital costs in DFS | US\$ million | US\$326.3m | |
| Pre-production capital costs, including Desalination Plants estimate | US\$ million | US\$355.0m | |
| Life-of-mine average concentrate sales price ¹ | US\$ / tonne concentrate | US\$105.1/t | (1) |
| Average steady state cash unit operating cost | US\$ / tonne FOB Walvis Bay | US\$59.7/t | |
| Royalty rate | % | 2.0% | |
| Namibian corporate tax rate | % | 36.0% | |
| Discount rate | % post-tax real | 10.0% | |
| Project NPV (geared) | US\$ million | US\$297.1m | (1&2) |
| Project IRR (geared) | % | 23.6% | (1&2) |
| Payback (ungeared following commencement of production) | Years | 3.5 years | (1&2) |

Revaluate Pty Limited ("**Revaluate**") prepared, independently from UCL, the sensitivity models as contained above and on page 3 of the Release.

¹Detailed pricing assumptions are provided below.

² Assuming the requirement for a reverse osmosis desalination plant at a cost of US\$28.7m.

Revaluate provides advisory services in mining valuation for corporate and government agencies. The principal of Revaluate is Victor Rudenno (B.E. Mining, M Comm, PhD) who is a Fellow of the Australasian Institute of Mining & Metallurgy and a Senior Fellow of the Financial Services Institute of Australasia. Dr Rudenno has over 35 years experience in stock broking and investment banking and has undertaken numerous independent expert reports and mining project valuations.

The information contained within each of the scenarios (low, base and high cases) included in the financial modelling has been sourced from the Definitive Feasibility Study ("DFS"). The various inputs for these scenarios were prepared by Bateman Technologies Limited, Jan de Nul, Lithon Engineering, Paterson and Cooke, CRU Strategies and, where applicable, Namibian Marine Phosphate Pty Limited ("NMP"). The model is currently undergoing a full audit.

The figures above are presented in US\$ in real terms assuming a base date of March quarter 2012, unless otherwise stated. The results reflect 100% of the Sandpiper Project and are stated on a geared basis, given the preliminary indications of possible bank funding. UCL notes that the fresh water requirements are now anticipated to be in excess of the capacity of the source previously identified. Accordingly, there is a requirement for the identification of an additional fresh water source for the Sandpiper Project. To this end, NMP is currently evaluating the commissioning of a Reverse Osmosis Desalination Plant which is estimated to cost in the order of US\$28.7m.

In arriving at the figures contained above and in the Release, Revaluate has relied on the following assumptions:

| | |
|--|---|
| Mine life | 20 years ¹ |
| Annual steady state concentrate production | 3.0mt |
| Price (Phosphate Rock) | US\$119 ² (refer to Product Marketing and Pricing below) |
| Royalty rate | 2% |
| Namibian Corporate tax rate | 36% |
| Depreciation straight line | 3 years |
| Debt Equity ratio | 50% |
| Interest rate | 9.5% |
| Debt repayment period | 7 years |
| Capital costs | refer to Capital cost estimate below |
| Opex costs | refer to Operating cost estimate below |
| Process plant recovery factor | 62% |
| Discount rate (real, after tax) | 10% |

1. Note that measured and indicated resources are sufficient for a 30 year mine life
2. Note that CRU have provided price forecast through to 2022, beyond 2022 CRU use a straight line 2.5% for prices beyond their 10 year outlook

The following sensitivity analysis accompanies the above assumptions:

| Change | Price NPV US\$m | Operating Cost NPV US\$m |
|--------|-----------------|--------------------------|
| -30.0% | -148.9 | 531.3 |
| -20.0% | -3.5 | 441.1 |
| -10.0% | 137.0 | 358.5 |
| 0.0% | 275.8 | 275.8 |
| 10.0% | 413.6 | 192.7 |
| 20.0% | 555.6 | 109.0 |
| 30.0% | 703.6 | 24.4 |

The following risks may impact on the above predicted financial models, including

- No estimates of mineral reserves at this stage
- Dredging operation (contract, feasibility, production levels, feed grade)
- Geotechnical and construction (foundation) issues for the process plant given sand base
- Availability of fresh water (Reverse Osmosis plant)
- Availability of suitable port facilities (storage, ship loading, charges)
- Marketing of phosphate including attracting custom and market share
- Product pricing
- Issue of relevant Government permits to commence production

which are in addition to other risks identified in the Original Target's Statement dealing with UCL

In terms of methodology in determining the above estimates, the Sandpiper Project NPV was determined by the generally accepted method of discounting forecast equity cash flows at a discount rate of 10%. Cash flows were calculated on an after tax real basis (no inflation), and geared for the assumed 50% debt equity ratio. The internal rate of return was determined based on the same cash flows as defined in the preceding sentence. The cash flows were based on the assumptions listed above.

BACKGROUND TO THE SANDPIPER PROJECT

The Sandpiper Project comprises an extensive submarine deposit of phosphatic sand, mixed with seashells and mud, lying on the sea bed approximately 60 kilometres off the coast of Namibia.

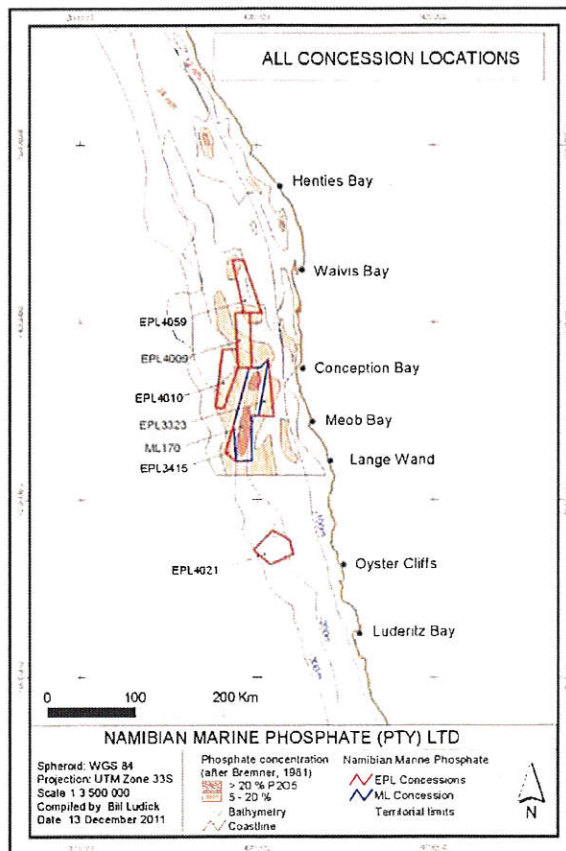


Figure 1: NMP tenements, with ML170 outlined in blue

This deposit has been known for some decades but was not commercially developed due to economic and technical constraints at that time. Over the past four years, changes in the phosphate market as well as advances in dredging technology have enabled NMP's team and consultants to develop the Sandpiper Project based on a relatively simple beneficiation process which allows recovery of a commercially acceptable phosphate concentrate from the phosphate sands. NMP has performed intensive sampling and testing of this beneficiation process, including pilot plant

testing at the Mintek facility in Johannesburg, South Africa to demonstrate the technical and commercial viability of the project.

Initially, it is intended that the phosphate concentrate produced from the Sandpiper Project will be sold to the agricultural industry to be used for direct application on soil and to third party fertiliser manufacturers for input into refined products. Consequently, the DFS has been limited to examining the production of beneficiated phosphate concentrate. However, as Namibia's infrastructure develops, it is intended that NMP will assess the opportunity to develop a downstream processing operation (i.e. fertiliser and phosphoric acid production), which could occur in-country.

RESOURCE UPGRADE

Based on the resource development work undertaken through the DFS, the Mineral Resource estimates for the Sandpiper Project have been prepared by independent geostatistical consultant Dr A. Annels, FIMMM, C.Eng at a 15% P₂O₅ cut off. As a result of recently completed work as of 15 April 2012, the Measured Mineral Resource estimate has been increased significantly to 60 Mt at 20.83% P₂O₅. The current mineral resource estimates for the Sandpiper Project are as follows:

| Category | Tenement | Mt | % P ₂ O ₅ |
|---|---|----------------|---------------------------------|
| Measured Resource (within the Initial Target Recovery Area) | ML170 | 60 | 20.8% |
| Indicated Resource (within the Initial Target Recovery Area) | ML170 | 105 | 19.6% |
| Indicated Resource (outside the Initial Target Recovery Area) | ML170 | 62 | 20.6% |
| Total Measured & Indicated | ML170 | 227 | 19.7% |
| Total Inferred | ML170, EPL 3323, EPL3415 | 1,607.8 | 18.9% |

The Initial Target Recovery Area (approx. 16km x 8km) lies at the northern end of the 2,233 km² ML170 area, at water depths of less than 225 metres.

The production inventory for the assumed initial mine life of 20 years in the DFS is taken from the combined Measured and Indicated Resources defined within the Initial Target Mining area in ML 170.

NMP and its shareholders believe that a sufficient proportion of this production inventory of Measured and Indicated Resource will be converted to Proven and Probable Ore Reserves to support the proposed production rate for a 20 year mine life, for the following reasons:

- The proposed mining area has an estimated Measured and Indicated Mineral Resource base of 165 Mt (compared to DFS mining inventory of 100 Mt);
- Previous conversion of Inferred Resources to Indicated Resources (109.5 Mt to 146.4 Mt), and subsequently to Measured and Indicated Resources (to 165 Mt) in the proposed mining area has occurred at greater than 100% conversion rate;
- Based on the test work done to date, NMP sees no reason why further lateral testing of the Mining Lease in the proposed mining area should not result in further conversion of Mineral Resources from the Indicated to Measured categories; and
- The deposit is broadly homogenous (except for minor variations in grade), flat lying and lies on or close to the sea floor. Furthermore, unlike conventional open-cut mining techniques, the hopper dredging program envisaged for the Sandpiper Project is not expected to have any internal dilution or require recovery beyond the confines of the deposit. Accordingly a pit or mine design that is normally required for the estimation of an Ore Reserve is not required to be made in this case.

Estimation of Ore Reserves based on the current indicated and measured resources is expected to occur in May 2012.

The aim of the Measured Resource upgrade is to satisfy the requirements of potential debt financiers (Banks) by delineating sufficient Measured Resources to support the dredging rate of 5Mtpa required to maintain full production of 3 Mtpa concentrate for at least the initial 10 years.

This has now been achieved.

The Mineral Resource estimates have been prepared in compliance with JORC and NI 43-101 standards. 2D Inverse Distance Weighting ("IDW") methods (to the power 3) were used to interpolate thicknesses, grade, specific gravities and moisture content for 200m N-S x 200m E-W blocks. Extrapolation has been constrained by the search parameters used. The dimension of the search areas were controlled by examination of the distribution and trends of data, the numbers of samples captured and the results of current geostatistical studies.

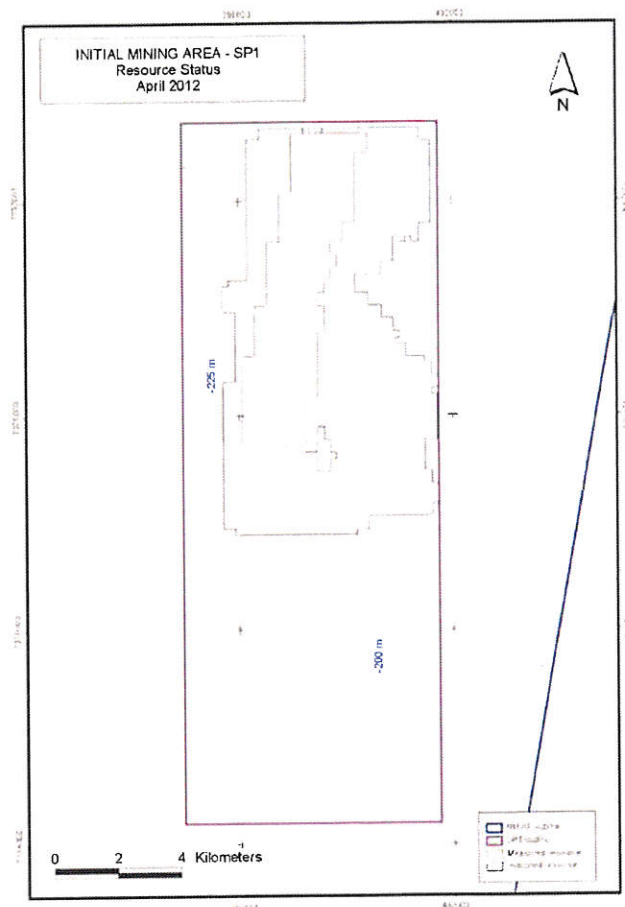


Figure 2 - Initial target Recovery area showing the defined areas of Measured and Indicated Resource to support the DF's production plan

OVERVIEW OF PROPOSED PROCESS FLOW

The production of phosphate concentrate from the Sandpiper Project is expected to occur in the steps outlined below.

Dredging and unloading

The phosphate sediment will initially be dredged from the ocean floor building up over 3 years to a rate of approximately 5.0 Mtpa, using a trailing suction hopper dredge with an extended dredge arm to reach water depths initially to 225 metres. An existing dredge with an operating water depth capacity of 165m will be modified to allow dredging to 225 metres. This modification project represents a technical risk for the project, but NMP believes that it is a low risk. During dredging operations, the hopper dredge when full will steam to a position south of Walvis Bay where it will discharge the material ashore into a buffer pond located to the south of an existing mining licence for a salt production project. The dredge vessel will use a submerged temporary pipeline attached

to an anchored buoy for unloading. The excess sea water pumped ashore will discharge from the buffer pond back to the sea via the same pipeline.

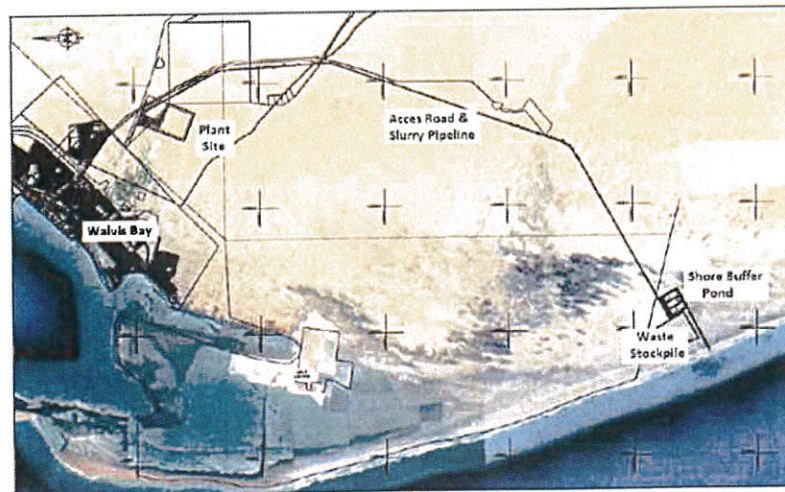


Figure 3: Proposed Walvis Bay project layout

Screening and transport to process plant

The phosphate material will be reclaimed as slurry from the buffer pond again by a dredging system and the plus 1mm coarse fraction shells will be screened out and stockpiled near the buffer pond. The minus 1mm phosphate sands and mud will be slurried and pumped via a 27 kilometre pipeline to the process plant site located approximately 6 kilometres inland to the south east of Walvis Bay.

The coarse screened shell may have commercial value and if a suitable market or business opportunity can be found for this material, it will be exploited. This does not form part of the DFS.

Processing and export

At the planned processing plant site, the slurry will be sized and attritioned (or polished) using sea water to produce phosphate concentrate, during which the fines material (clay, mud and shell grit) will be removed by hydrocyclones and gravity separation and stored as tailings. The tailings will be thickened using a biodegradable polymer flocculant and discharged into a tailings dam at the processing plant site. Design optimisation of the tailings dam is currently being undertaken with a view to reducing the upfront capital costs for the Project.

The resulting phosphate concentrate will then be filtered and washed in fresh water to remove sea salt. Initially Walvis Bay municipal grey water will be used, but a small reverse osmosis desalination plant will be required to be built during the ramp-up phase to achieve the proposed steady-state production rate of 3.0 Mtpa (the estimated cost is US\$28.7 million). The spent wash water will be recycled and finally sent back to the buffer pond with the excess process sea water and re-used if needed, or discharged back into the sea along with any other excess sea water.

Following this, the concentrate will be dried and stockpiled under cover, before being moved to the port at Walvis Bay for export to international and regional markets via bulk carrier.

Excess sea water from the beneficiation process will be pumped back to the buffer pond site.

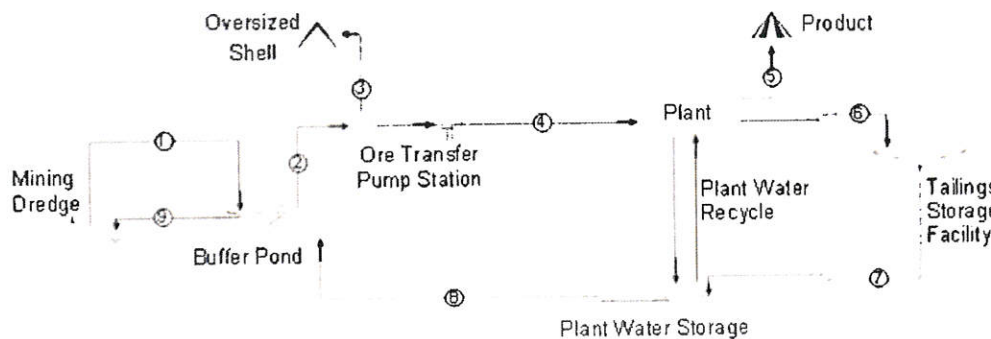


Figure 4: Overview of slurry and water handling system

PRODUCT MARKETING AND PRICING

Demand for phosphate rock is driven primarily by the demand for phosphate fertilisers, which is in turn driven by demand for agricultural products. With rising global population, rapid growth in incomes in developing countries and increased production of biofuels, demand for phosphate fertilisers and therefore phosphate rock is expected to exhibit strong growth.

Global rock phosphate consumption has increased from 145.5 Mt in 2000 to an estimated 186.7 Mt in 2011. An estimated 16.8% of this 2011 consumption (i.e. approximately 33.0 Mt) is satisfied by trade between countries, with the remainder of consumed within the country of production.²

CRU Strategies ("CRU"), an independent market expert, has completed a comprehensive marketing study as part of the DFS. Based on the conclusions of this report, NMP is targeting to produce and sell 3.0 Mtpa of phosphate concentrate grading approximately 27.5% - 28% P₂O₅ from the Sandpiper Project, comprising:

- 1.0 Mtpa into the direct application phosphate rock ("DAPR") market;
- 1.0 Mtpa to manufacturers of single superphosphate ("SSP"); and
- 1.0 Mtpa to manufacturers of phosphoric acid ("PA").

DAPR Market

CRU has confirmed that the proposed concentrate is suited for the DAPR market. Whilst the global traded market for DAPR is approximately 3 Mtpa, some key suppliers of the product are expected to exit the market over the medium term, thereby opening up marketing opportunities for Sandpiper product.

SSP Market

CRU has confirmed that whilst the Sandpiper Project product is slightly lower grade than other competing products in the SSP market, its higher solubility should partially offset this and should lead to demand from countries such as Brazil and India in the SSP market.

PA Market

The global PA market currently trades approximately 25 Mtpa of phosphate rock on an annual basis and therefore represents a sizeable potential market opportunity for Sandpiper product.

Independent testwork has confirmed that Sandpiper product should be suitable as a feedstock for the PA market, particularly as a blended feedstock.

Forecast Prices

CRU's analysis has indicated that the price of rock phosphate produced from Bayovar mine in Peru is the most appropriate benchmark by which to estimate prices for Sandpiper product.³ In estimating future prices for the Sandpiper Project, CRU have determined discounts to the Bayovar price based on comprehensive value-in-use analysis across each of the three target market segments.

² CRU Strategies, March 2012

³ Bayovar commenced production in 2010, and consequently long term historical prices are not available.

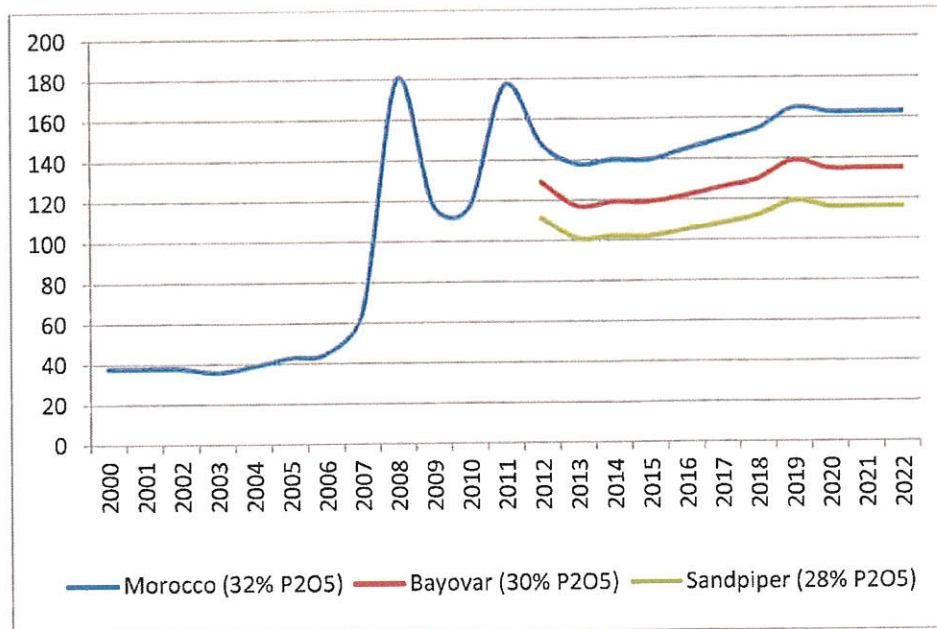


Figure 5: P₂O₅ price comparison

CRU provided a number of prices which UCL has adopted in the 3 financial models:

1. Low case – a 2014 nominal price of US\$119, which after applying inflation rates of 2% from 2012 equated to US\$114
2. Base case – the 2014 nominal price of US\$119, which UCL believes is most likely based on supply and demand
3. High case – the 2012 nominal price of US\$129

In addition CRU recommended that NMP apply the following discounts to the product range, which UCL included in the 3 financial models:

- DAPR – 5%
- SSP – 9.9%
- PA and blend material – 20%

CAPITAL COST ESTIMATE

The DFS capital cost estimate for the Sandpiper Project is US\$326.3 million (in March 2012 prices). This estimate is broken down as follows.

| Construction | US\$ million | Area | US\$ million |
|-------------------------------------|---------------|--------------------------------|---------------|
| Civil and structural | 76.1 | Dredging | 5.3 |
| Mechanical equipment | 75.1 | Buffer ponds | 38.6 |
| Piping, fitting and valves | 32.8 | Reclaim | 5.1 |
| Electrical equipment | 7.8 | Screening | 3.3 |
| Instrumentation / control equipment | 5.8 | Pumps and pipeline | 42.1 |
| Commissioning / spare parts | 1.9 | Process plant | 96.0 |
| Vendor construction costs | 0.6 | Tailings facility | 24.1 |
| Transportation | 7.5 | Power | 15.6 |
| Service facilities | 33.3 | Roads | 13.1 |
| Preliminary & General | 19.6 | Logistics | 17.7 |
| Sub total | 260.8 | Sub total | 260.8 |
| EPCM | 23.5 | EPCM | 23.5 |
| Contingency and ancillary | 42.1 | Contingency and ancillary | 42.1 |
| Total (excl. R/O plant) | 326.3* | Total (excl. R/O plant) | 326.3* |

*As noted above, current fresh water requirements indicate that a small reverse osmosis desalination plant is required to be built during the ramp-up period, for which capital costs have been estimated at US\$28.7m.

Optimisation of this estimate is now in progress and will continue during the detailed front-end engineering and design ("FEED") work, with the aim of identifying savings.

The working capital requirement for the Project base case prior to it generating positive cash flows is estimated to be in the order of US\$86.0m, which includes financing costs and the cost of the first campaign dredge cycle to provide the process stockpile.

There are several areas in which significant capital savings may be identified, and these include the following:

- Undertaking staged construction of tailings storage facilities on an as-needed basis. The DFS costs include a single stage construction to cover the entire 20 years of operation, which is not general industry practice.
- Being able to move the buffer pond closer to the beneficiation plant which should result in reduced capital expenditure due to a shorter pipeline, smaller pump sizes and power requirements.

Comparison to Scoping Study Outcomes

The DFS capital cost estimate is significantly higher than the capital cost estimate presented in the Scoping Study of US\$144 million. The key drivers of this are shown in the table below:

| Item | Impact | Estimated capital cost |
|------|--------|------------------------|
|------|--------|------------------------|

impact (US\$ million)

| | | |
|---|---|-------------------|
| Primary screening relocated from the process plant site to the reclamation area | Additional power, water and civils required to be included in the process design | US\$5.5m |
| Buffer pond moved further south than original location (to accommodate existing salt works) and re-routing of pipeline due to archaeological considerations | Pipeline length increased from 16km to approximately 27km, with consequent additional pumping capacity, extended piping and greater energy requirements | US\$27.8m |
| Lining of dams for environmental and geotechnical purposes | Reclamation and tailings ponds required re-engineering, including the costs of lining | US\$8.3m |
| Final product drying | Commercial dryer installed in DFS design to reduce shipping moisture content to 3% | US\$5.8m |
| Road between the Plant and buffer pond | Required for access and maintenance | US\$15.7m |
| Final product storage at processing plant and port | Covered storage required at processing plant and port of Walvis Bay due to wind | US\$24.4m |
| General civils and infrastructure | Underestimated in Scoping Study largely due to adjustments of processing sites and layouts | US\$78.9m |
| Other | Power Supply | US\$15.6 |
| Total | | US\$182.0m |

OPERATING COST ESTIMATE

Steady-state unit operating costs are estimated at approximately US\$59.67/tonne of concentrate for the life of the mine (at 2012 prices), which is on par with the Scoping Study estimate of approximately US\$58/tonne of concentrate. A detailed breakdown of the DFS unit operating cost estimate is shown in the table below:

| Operating Cost Item | US\$ / tonne (2012 prices) |
|----------------------------|---------------------------------------|
| Labour | 1.44 |
| Flocculant | 0.97 |
| Water | 1.42 |
| Power | 5.84 |
| Fuel (other than Diesel) | 7.95 |
| Diesel | 0.79 |
| Mining | 36.27 |
| Logistics | 2.51 |
| Maintenance | 2.44 |
| Miscellaneous | 0.04 |
| Total | US\$59.67/t |

In addition to the above, NMP expects to pay royalties to the Namibian Government at a rate of 2% per tonne of concentrate.

It is expected that production of concentrate will ramp up progressively from 1.0 Mtpa in Year 1 to full capacity of 3.0 Mtpa in Year 3. As a consequence, unit operating costs for the first two years during the ramp-up phase will be significantly higher than shown above.

ECONOMIC EVALUATION

The economic evaluation of the base case in the DFS was completed using a discounted cash flow analysis on a real basis, using the revenue, operating cost and capital cost assumptions described above, tax assumptions based on the current Namibian corporate tax regime and an after tax discount rate of 10%. This economic evaluation projected the following outcomes on a geared basis:

APPROVALS AND LAND APPLICATIONS

Prior to commencement of production, NMP must obtain Environmental Clearances from the Namibian Ministry of Environment and Tourism ("MET") to allow both offshore marine mining and onshore beneficiation operations.

In relation to the Environmental Clearance for offshore mining, following a period of mandatory public review and feedback, NMP has submitted its final Environmental Impact Assessment ("EIA") and Environmental Management Plan Report ("EMPR"). These documents are currently being considered by the MET. To date, NMP is not aware of any issues arising from this review that it does not consider as being manageable.

In relation to onshore approvals, the final EIA and EMPR are currently being prepared by the DFS consultants and will be submitted to the MET prior to the end of May 2012.

In addition, NMP is also awaiting the grant of land (most likely via long-term lease agreements) for the buffer pond and beneficiation plant areas, as well as for a servitude (ie. easement) for the pipeline route between these two sites. The pipeline route would also be occupied by a road, a power line and a return-water pipeline. Applications for this are currently being processed by the relevant Namibian authorities.

DEBT FUNDING

NMP and its shareholders have commenced discussions with potential financiers in relation to the Project's debt funding requirements and have mandated Wimmer Financial LLP as financial adviser for this process. A number of meetings have already been held with prospective financiers and non-binding, preliminary and indicative term sheets have been received. Follow-up meetings will shortly be held with these parties.

OTHER ONGOING ACTIVITIES

In addition to the above, the following key activities remain ongoing and to be completed in 2012:

- Independent test work on Sandpiper concentrate for phosphoric acid production
- Construction of the extended dredge arm by Jan De Nul
- CAPEX optimisation and final front end engineering design
- Negotiation of contracts for dredging, EPCM, key staff positions
- Continued product marketing to secure off-take agreements; and
- Financing the Project

CONSTRUCTION AND COMMISSIONING TIMETABLE

Once a development decision has been made and financing for the Project has been secured, the project schedule developed as part of the DFS indicates that completion of construction and commissioning of the Project will take a further 24 months to the sale of first product as outlined below:

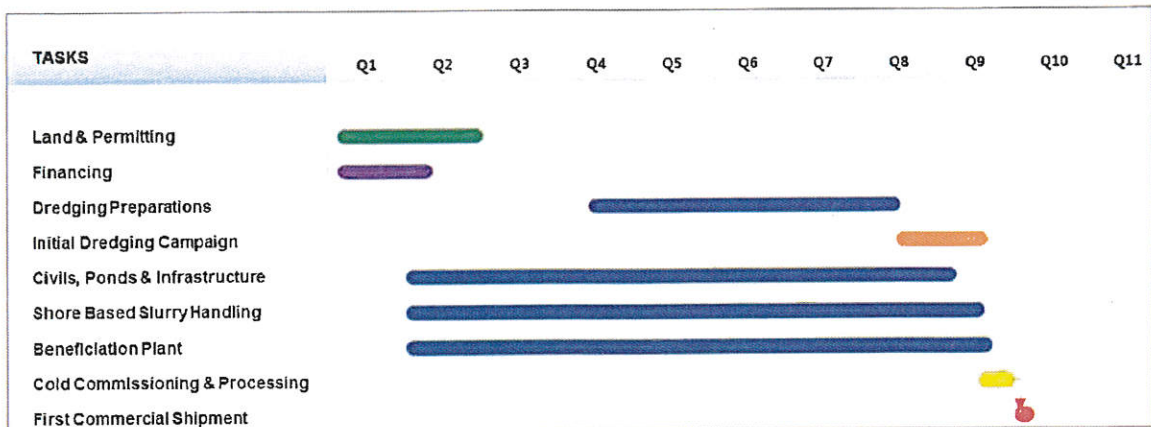


Figure 10: Sandpiper Project development schedule

2. Update of Technical Expert’s Report and Independent Expert’s Report

Grant Thornton has undertaken a high level review of the following information, released to the market by UCL including the Release and MAK, to consider whether or not this information has an impact on Grant Thornton’s opinion in relation to Minemakers’ Offer as included in the Independent Expert’s Report(IER):

- the outcome of the DFS on the Sandpiper Project;
- an increase in estimated mineral resources of the Sandpiper Project in the measured category to 60 million tonnes at 20.8% P₂O₅;
- UCL’s announcement that it intends to conduct a non-renounceable rights issue to raise up to A\$2 million;
- UCL’s announcement that it has entered into a non-binding Memorandum of Understanding (“MOU”) with MB Holding Company (“MB Holding”) to place 15% of the issued capital of the Company post Rights Issue at a price of A\$0.30 per share (“Placement”).

In addition, based on the new information available, Grant Thornton instructed Snowden to undertake the following procedures:

- update valuation of the Sandpiper Project based on the resource upgrade;
- high level review of the DFS and of the key technical and operating assumptions underlying the cash flows of the Sandpiper Project as included in the forecast financial model.

Grant Thornton has concluded the following:

Valuation of the Sandpiper Project based on the resource upgrade

Snowden has assessed the value of UCL’s 42.5% interest in the Sandpiper Project between A\$24.2 million and A\$48.3 million with a preferred value of A\$36.3 million after considering the resource upgrade announced by UCL and MAK. Grant Thornton has compared this updated valuation of the Sandpiper Project with the initial valuation undertaken by Snowden and included in the IER where Snowden assessed the value of UCL’s 42.5% interest in the Sandpiper Project between A\$22.7 million and A\$45.4 million with a preferred value of A\$34.1 million.

Grant Thornton has concluded that the value uplift is not significant as the increase in measured resources is offset by the decrease in the inferred resources. Grant Thornton has therefore concluded that the valuation assessment of the Sandpiper Project included in the TER and IER is reasonable in the light of the additional information provided to the market together with the release of the DFS.

High level review of the DFS and use of the DCF approach in the valuation of the Sandpiper Project

Snowden has undertaken a high level and indicative review of the DFS and key technical and operating assumptions underlying the financial model. Snowden has noted the following in its high level review of the DFS:

- the DFS is comprehensive, well prepared and professionally compiled;
- the financial model appears to be prepared professionally and accurately;
- permitting for the Sandpiper Project has not been obtained yet;
- certain components of the DFS such as the basic engineering study and the infrastructure study are at pre-feasibility (+ 30% - 15%) and scoping study (+ 40%) levels respectively;
- the DFS does not include an estimate of mineral reserves, but UCL has announced that this is due shortly. Furthermore, the estimation of mineral resources has not been prepared or signed-off by a competent person;
- there are a number of matters that are ongoing and unresolved in the DFS including:
 - negotiations with Walvis Bay port authorities in relation to harbour storage, ship loading facilities and port charges.
 - environmental studies in relation to on-shore issues.

Overall, Snowden has concluded that the DFS is not yet at bankable feasibility study level as there are a number of uncertainties and risks that need to be addressed or mitigated.

In addition, Grant Thornton has considered that in accordance with the requirements of ASIC RG111, an expert should specifically take into account funding requirements when using a DCF approach. In relation to potential dilution and theoretical issue price of a future capital raising of UCL to fund its capital contributions to the Sandpiper Project, Grant Thornton notes the following:

- The equity fund raising required by UCL is substantially greater than the current market capitalisation of UCL.
- Large capital raisings are generally priced at a discount to the prevailing share price. The size of the discount depends on the specific circumstances of the proposed issue, market conditions and, in the case of mining companies, commodity prices.
- There is not certainty in relation to the pricing and timing of future capital raisings of UCL.

Based on the issues raised in Snowden's high level review of the DFS and the uncertainty in relation to future funding requirements, Grant Thornton has not undertaken a valuation assessment of the Sandpiper Project based on the DCF approach as it believes there is a material degree of uncertainty in relation to some key project milestones, operating assumptions in the forecast and the potential impact of future capital raisings.

Review of the Placement and Rights Issue

On 18 April 2012, UCL announced the following to the market:

- UCL intends to conduct a non-renounceable rights issue to raise up to A\$2 million;
- UCL had entered into a non-binding MOU with MB Holding to place 15% of the issued capital of the Company post Rights Issue at a price of A\$0.30 per share.

As set out in the IER, Grant Thornton have assessed the fair market value of UCL on a control basis at between A\$0.431 and A\$0.463 which incorporates a premium of between 44% and 54% to the advised Placement price of A\$0.30 on a minority basis.

Whilst, the premium for control implied in Grant Thornton's valuation assessment of UCL compared with the Placement price is above the historical evidence of premiums for control on successful takeovers in Australia (between 20% and 40%), Grant Thornton believes its assessment is reasonable due to the following:

- Grant Thornton has been advised by UCL that the Rights Issue price is likely to be consistent with the Placement price. Grant Thornton has analysed the rights issues undertaken in the Australian market in the last 18 months and have observed a discount compared with the share price prior to the rights issue between 0% and 100% with a median of around 20%;
- Grant Thornton has been advised by UCL that the Placement price was indicatively agreed as part of preliminary discussions between MB Holdings and UCL before the

announcement of the Offer by MAK at a time when UCL's share price was approximately A\$0.19;

- the MOU is a non-binding document and subject to short form due diligence and legal documentations.

Based on the discussions and analysis completed by Grant Thornton and Snowden summarised above, Grant Thornton believes the valuation assessment included in the IER is reasonable in the light of the additional information provided to the market together the release of the DFS.

Grant Thornton reiterates its opinion that the offer is NOT FAIR AND NOT REASONABLE to the UCL Shareholders.

This information should be read in conjunction with the reports produced by Grant Thornton and Snowden annexed to this Second Supplementary Target's Statement, as well as the IER dated 18 March 2012 and the TER dated 16 March 2012.

3. Consent of Grant Thornton, Snowden and Revaluate

Grant Thornton Snowden and Revaluate have given, and has not, before the time of lodgement of this Second Supplementary Target's Statement with ASIC, withdrawn their written consent to the inclusion of the statements made by it in the form and context in which they appear in this Second Supplementary Target's Statement.

4. Further information

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

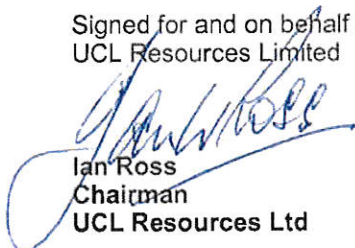
Announcements relating to UCL and the Minemakers Offer can be obtained from UCL's website at www.uclresources.com.au and the ASX website at www.asx.com.au.

5. Approval of Second Supplementary Target's Statement

This Second Supplementary Target's Statement is dated 30 April 2012 (being the date on which this Second Supplementary Target's Statement was lodged with ASIC) and has been approved by a resolution passed by all Directors.

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

Signed for and on behalf of
UCL Resources Limited



Ian Ross
Chairman
UCL Resources Ltd

Dated 30 April 2012

Competent Persons' Statement

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.

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this report relative to markets for UCL's trends in resources, recoveries, production and anticipated expense levels, as well as other statements about anticipated future events or results constitute forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements. Forward-looking statements are based on estimates and opinions of management at the date the statements are made. UCL does not undertake any obligation to update forward-looking statements even if circumstances or management's estimates or opinions should change. Investors should not place undue reliance on forward-looking statements.

About UCL

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 has been completed and production is expected to begin in the fourth quarter of 2013. UCL also has an interest in the Mehdiabad Zinc Project in Iran.

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