MINEMAKERS LIMITED

ABN 48 116 296 541

EXCHANGE RELEASE

TAKEOVER OFFER BY MINEMAKERS LIMITED FOR UCL RESOURCES LIMITED – SECOND SUPPLEMENTARY BIDDER'S STATEMENT

8 March 2012

MINEMAKERS LIMITED (ASX/TSX: MAK; NSX: MMS) ("Minemakers") refers to the off-market takeover bid for all of the ordinary shares in UCL Resources Limited ACN 002 118 872 ("UCL").

A second supplementary bidder's statement dated 8 March 2012 ("Second Supplementary Bidder's Statement") in accordance with section 647(3)(b) of the *Corporation Act 2001* (Cth) is attached.

The Second Supplementary Bidder's Statement makes the following key points:

- The Offer CAN PROCEED WITHOUT THE SUPPORT OF the Twynam Group.
- Although Twynam is a substantial shareholder in UCL, its reasons for not accepting the Offer have not been disclosed and may not align with your individual interests.
- Minemakers believes that, rather than consider the vague concept of "potential value" of UCL's share of the Sandpiper Project, the most appropriate way to assess the Offer is to compare the Offer to the market value of UCL's holding in the Sandpiper Project at the time the Offer was announced. The Offer implies a 65.8% premium to the implied value of UCL's assets prior to the Offer, excluding UCL's net cash.
- UCL Shareholders who accept the Offer will retain exposure to the Sandpiper Project and also gain exposure to Minemakers' other assets at an attractive relative valuation.
- Market conditions and the nature and scope of the Wonarah Project have changed significantly since statements were made in the Bonaparte Diamond Mines bidder's statement concerning project development timing. The reliance by the UCL Board on those statements is therefore inappropriate. Minemakers has achieved a number of major milestones at the Wonarah Project over the past 2½ years.

The Second Supplementary Bidder's Statement has been lodged with the Australian Securities & Investments Commission and sent to UCL.

Andrew Drummond
Executive Chairman

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MINEMAKERS LIMITED
ACN 116 296 541

Second Supplementary Bidder's Statement

8 March 2012

This is the second supplementary bidder's statement under section 643 of the Corporations Act 2001 (Cth) (**Second Supplementary Bidder's Statement**) issued by Minemakers Limited ACN 116 296 541 (**Minemakers**).

This Second Supplementary Bidder's Statement is issued in connection with Minemakers' off-market takeover offer to acquire all the ordinary shares in UCL Resources Limited ACN 002 118 872 (**UCL**), contained in Minemakers' Bidder's Statement dated 20 February 2012 (**Original Bidder's Statement**).

This Second Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement, dated 20 February 2012 and Minemakers' first supplementary bidder's statement dated 1 March 2012. This Second Supplementary Bidder's Statement prevails to the extent of any inconsistency with the Original Bidder's Statement (as supplemented).

Unless the context requires otherwise, terms defined in the Original Bidder's Statement have the same meaning in this Second Supplementary Bidder's Statement.

As announced on 6 March 2012, **the Offer is now open for acceptance by UCL Shareholders.**

Minemakers is offering Eligible UCL Shareholders 9 Minemakers Shares for each 10 UCL Shares held.

KEY POINTS

- **The Offer CAN PROCEED WITHOUT THE SUPPORT OF the Twynam Group.**
  - o *To achieve the 50% minimum acceptance condition, Minemakers requires UCL Shareholders holding approximately 67% of the remaining UCL Shares, excluding the members of the Twynam Group, to accept the Offer.*
- **Although Twynam is the major shareholder in UCL, its reasons for not accepting the Offer have not been disclosed to UCL Shareholders and may not align with your individual interests.**
  - o *For example, Twynam is well resourced and has the ability to influence the nature of future UCL capital raisings and therefore may be less concerned with future dilution risk than you. Twynam may also place less value on Minemakers' significantly greater liquidity than you will.*
- **Minemakers believes that the most appropriate way to assess the Offer is to compare the Offer to the <u>market value</u> of UCL's holding in the Sandpiper Project at the time the Offer was announced.**
  - o *Comparing the Offer to the Sandpiper Project's "potential value" ignores the significant risks to achieve "potential value" inherent in an early-stage mining project - whereas market value incorporates these risks.*
  - o *The Offer implies a 65.8% premium to the market's assessed value of UCL's assets prior to the Offer, excluding cash.*[1]
- **UCL Shareholders who accept the Offer will retain exposure to the Sandpiper Project and also gain exposure to Minemakers' other assets at an attractive relative valuation.**
  - o *By accepting the Offer, you will gain exposure to Minemakers' 100% owned Wonarah Project, the 70% owned Rocky Point Project, a 6.7% interest in JDC and a 19% interest in TNT Mines, for an attractive total implied value of A$34.7 million.*[2]
  - o *These assets are held in Minemakers' latest accounts at a total value of A$40.5million*
  - o *This compares to a total implied value under the Offer of A$47.5 million for Minemakers and UCL's interest in the Sandpiper Project.*
- **Market conditions and the nature and scope of the Wonarah Project have changed significantly since statements were made in early 2009 in the Bonaparte Diamond Mines bidder's statement concerning project development timing. The reliance by the UCL Board on those statements is therefore inappropriate. Minemakers has achieved a number of major milestones at the Wonarah Project over the past 2½ years, including:**
  - o *Overseeing the granting of a 25 year mining lease;*
  - o *The completion of an Environmental Impact Statement (***EIS***) and receiving conditional acceptance of this EIS by the Northern Territory government;*
  - o *The completion of a feasibility study on a 3 Mtpa direct shipping ore (***DSO***) operation (for both a 5 year and 10 year operation); and*
  - o *The completion of an enabling study, at scoping study level, outlining the potential positive economics of a full downstream processing operation to produce either phosphate fertilisers or superphosphoric acid.*

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1 Based on the A$25.4 million implied Offer value for UCL, less net cash at 31 December 2011 of A$1.6 million divided by the pre-offer market value of UCL's assets excluding net cash, as at 10 February 2012. All amounts are calculated on a per share basis, assuming the UCL Convertible Note is converted into UCL Shares, UCL In-the-Money Options are exercised and UCL Performance Rights vest and are exercised.

2 Based on Minemakers' undiluted market capitalisation as at 10 February 2012 (A$76.5 million) less the following assets of Minemakers: 42.5% stake in Sandpiper Project under the Offer (A$23.7 million), Minemakers' 13.1% stake in UCL (A$3.2 million), net cash (A$14.1 million) and Minemakers' expected holding in AMMG (A$0.7 million).

1. THE OFFER CAN PROCEED WITHOUT THE SUPPORT OF THE TWYNAM GROUP AND THEIR REASONS FOR NOT ACCEPTING MAY NOT ALIGN WITH YOUR INTERESTS

On 2 March 2012, UCL released a letter from Twynam Agricultural Group Pty Ltd and Donwillow Pty Ltd (**Twynam Group**), which hold 34.4% of UCL on a fully diluted basis, which stated that Twynam Group did not intend to accept the Offer. UCL has announced that Twynam Group has informed UCL that it will not accept the Offer or any revised or superior scrip offer from Minemakers.

On the basis of these statements and as a result of ASIC's "truth in takeovers" policy, Twynam Group cannot accept the Offer or any revised or superior scrip offer from Minemakers.

Minemakers recommends that you should consider carefully your individual position in assessing the benefits of the Offer. Twynam Group's reasons for not accepting the Offer, which have not been disclosed to you, may not align with your individual interests.

For example, Twynam Group is a substantial shareholder in UCL, and consequently has the ability to exert significant influence over the nature of future UCL capital raisings. Therefore, Twynam Group may have a lower risk of future dilution than you, which may influence its view on whether to accept the Offer. Twynam Group may also place less value on the higher liquidity of Minemakers Shares.

The Offer is only conditional on Minemakers acquiring 50% of UCL Shares. Therefore, the Offer does not rely on Twynam Group accepting in order for it to proceed. To achieve the 50% minimum acceptance condition, Minemakers requires UCL Shareholders holding approximately 67% of the remaining UCL Shares, excluding the members of the Twynam Group, to accept the Offer.

The benefits of the Offer (other than those benefits which rely on Minemakers acquiring 100% of UCL Shares, which is now unlikely to be achieved) are still available to you should you wish to accept the Offer. The benefits which rely on Minemakers acquiring 100% ownership of UCL which would include the UCL Shares held by Twynam Group and which will no longer be available to you include:

- a simplified ownership structure for the Sandpiper Project;
- an expected improved ability to secure development finance for the Sandpiper Project; and
- the ability of UCL Shareholders to choose scrip-for-scrip CGT roll-over relief.

2. RESPONSES TO UCL'S FOUR REASONS TO NOT SUPPORT THE OFFER

In its announcements to date, UCL has provided four reasons for not supporting the Offer. Minemakers' initial response to each of these reasons is outlined below.

UCL has stated: *"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."*

Minemakers believes it is not appropriate to compare the Offer against the "potential value" of UCL's share of the Sandpiper Project. "Potential value" is a vague and subjective concept which does not necessarily take into account the risks of realising this value.

The Sandpiper Project remains an early stage mining project with many of the inherent risks applicable to such projects, including that no offtake agreements are in place, many required approvals are yet to be received and substantial capital will be required for development.

In addition, the Sandpiper Project proposes to use a sub-marine mining technique that has not yet been proven effective at the depth of mineralisation at the Sandpiper Project and the project's relatively complex ownership structure may make the development financing process less efficient and may therefore increase the cost of raising capital.

In Minemakers' view, **a better way to assess the Offer is to compare the Offer to the <u>market value</u> of UCL's holding in the Sandpiper Project at the time the Offer was announced. Market value incorporates both potential value and also risks.**

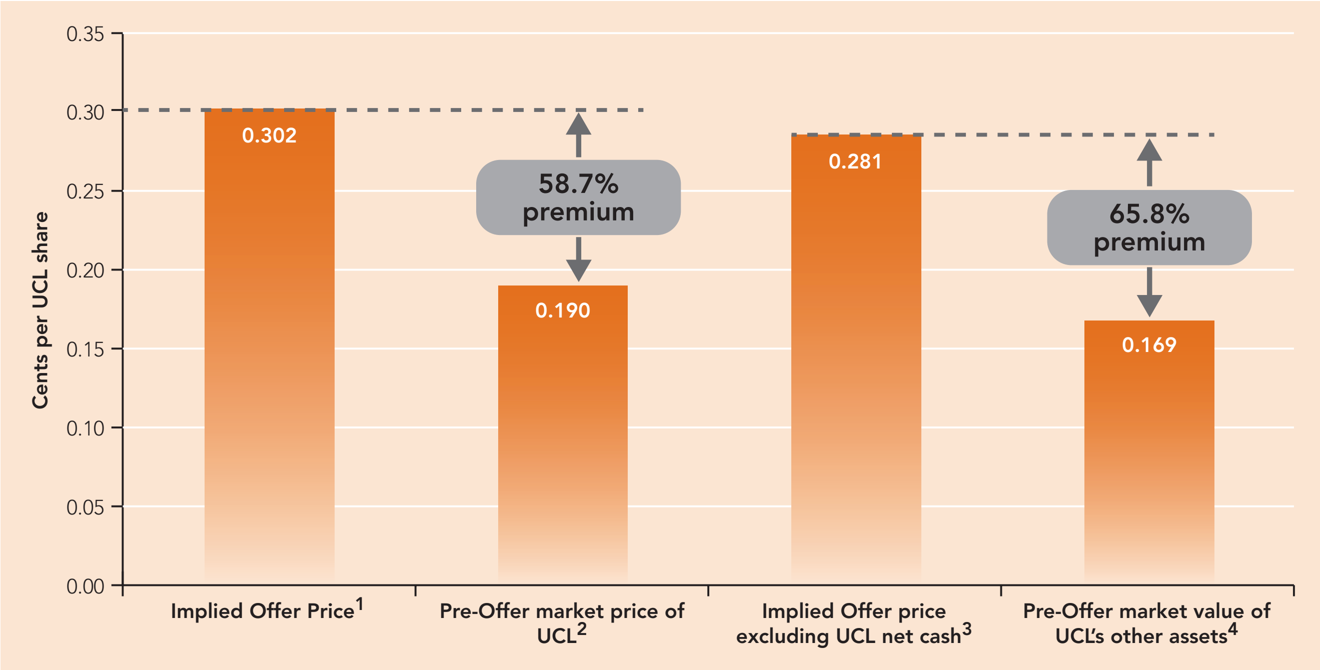
On the last trading day prior to the Announcement Date, UCL closed at A$0.19, implying a market value for UCL's equity of A$15.4 million.[3] On the Announcement Date, the Offer implied a valuation of A$0.302 per UCL Share[4] (a 58.7% premium to UCL's last trading price) and a valuation of A$25.4 million for UCL's equity.[5] Taking into account UCL's cash position, the Offer therefore implied a substantial 65.8% premium to the market's assessed value of UCL's other assets[6] prior to announcement of the Offer. This is illustrated in the chart below.

[3] Bloomberg (10 February 2012), undiluted. Bloomberg has not consented to the use of references to the trading data provided by it.

[4] Based on Minemakers' closing share price of A$0.335 per share on 10 February 2012.

[5] Assuming the UCL Convertible Note is converted into UCL Shares, UCL In-the-Money Options are exercised and UCL Performance Rights vest and are exercised.

[6] Based on the A$25.4 million implied Offer value for UCL, less net cash at 31 December 2011 of A$1.6 million divided by the pre-offer market value of UCL's assets excluding net cash, as at 10 February 2012. All amounts are calculated on a per share basis, assuming the UCL Convertible Note is converted into UCL Shares, UCL In-the-Money Options are exercised and UCL Performance Rights vest and are exercised.



1. Based on Minemakers' closing share price of A$0.335 per share on 10 February 2012.
2. Based on UCL's closing share price of A$0.19 per share on 10 February 2012.
3. Calculated as the implied Offer price per share less UCL's 31 December 2011 net cash per share.
4. Calculated from UCL's closing price of A$0.19 per share on 10 February 2012, less net cash per share.

Source: Bloomberg, 10 February 2012.

Minemakers believes that there is a better prospect of realising the Sandpiper Project's "potential value" if UCL Shareholders accept the Offer than if the status quo prevails, for reasons set out on pages 22 and 23 of the Original Bidder's Statement. UCL Shareholders will be exposed to this value through the Minemakers Shares they will receive upon accepting the Offer.

As noted in the Original Bidder's Statement, the Sandpiper Project is currently estimated to require approximately US$179.0 million of capital and working capital. The final capital expenditure estimates will be presented in the DFS, expected to be released at the end of March 2012, and may be higher than this amount.

In order for UCL to meet its share of the equity funding requirement, it may be required to raise as much as 5.4 times[7] its pre-Offer market capitalisation. Minemakers believes that if UCL remains a standalone entity, there is a risk UCL may either not be able to raise its share of the equity funding requirement, or may only be able to do so at a significant discount to its prevailing share price.

UCL has stated: *"MAK's offer will dilute UCL shareholders' interest in the Sandpiper Marine Phosphate Project which the board considers to be significantly superior to MAK's other assets."*

The Minemakers Board disagrees with UCL's assessment that the Sandpiper Project is "significantly superior" to Minemakers' other assets. UCL has provided no reasons or information about why they consider the Sandpiper Project is significantly superior. The UCL Board has not requested information from Minemakers on the Wonarah Project or any of its other assets, prior to them forming a view on relative values.

The Sandpiper Project and Minemakers' assets are significantly different in their size, structure, risk and scope. Minemakers do not believe there is a valid basis to describe the Sandpiper Project as "significantly superior".

[7] Based on 50% of the upfront total funding requirement of US$179 million converted to A$, divided by the undiluted market capitalisation of UCL as at 10 February 2012.

UCL Shareholders who accept the Offer will retain exposure to the Sandpiper Project, but also gain exposure to the Wonarah Project and Minemakers' other assets, diversifying their investment risk.

The table below compares the relative value of assets implied by the Offer.

Item	Minemakers A$ million	UCL A$ million
42.5% stake in Sandpiper Project under the Offer[8]	23.7	23.7
Minemakers' 13.1% stake in UCL[9]	3.2	-
Net cash[10]	14.1	1.6
Minemakers' expected holding in AMMG[11]	0.7	-
Implied value of Minemakers' other assets including:[12] • 100%-owned Wonarah Project • 70%-owned Rocky Point Project • 6.7% of JDC • 19% of TNT Mines	34.7	
Sum: Market capitalisation (Minemakers at time of Offer and UCL as implied by the Offer)[13]	**76.5**	**25.4**

Note: numbers in table do not add due to rounding.

By accepting the Offer, UCL Shareholders will gain exposure to Minemakers' 100% owned Wonarah Project, the 70% owned Rocky Point Project, a 6.7% interest in JDC and a 19% interest in TNT Mines, for a total value of A$34.7million.

The Minemakers Board views this as an attractive value for UCL Shareholders to receive exposure to these assets and notes that these assets are held in Minemakers' accounts at a total value of A$40.5million.

[8] The implied value of UCL under the Offer, assuming the UCL Convertible Note is converted into UCL Shares, UCL In-the-Money Options are exercised and UCL Performance Rights vest and are exercised. Minemakers' closing share price on 10 February 2012 (A$0.335) was used for this calculation, less UCL's net cash as at 31 December 2011.

[9] Based on the A$0.302 implied Offer value calculated using Minemaker's closing share price of A$0.335 per share on 10 February 2012.

[10] Net cash for Minemakers and UCL as at 17 February 2012 and 31 December 2011, respectively.

[11] Calculated using the last traded price of AMMG of A$0.14 on 29 February 2012.

[12] Minemakers' undiluted market capitalisation on 10 February 2012, less the total value of Minemakers': 42.5% stake in the Sandpiper Project under the Offer, 13.1% stake in UCL, net cash and expected holding in AMMG.

[13] Undiluted market capitalisation of Minemakers using closing share price (A$0.335) on 10 February 2012. UCL market capitalisation was calculated as the implied value of UCL under the Offer, assuming the UCL Convertible Note is converted into UCL Shares, UCL In-the-Money Options are exercised and UCL Performance Rights vest and are exercised. Minemakers' closing share price on 10 February 2012 (A$0.335) was used for this calculation.

UCL has stated: *"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."*

Minemakers has offered Minemakers Shares as this allows Eligible UCL Shareholders the ability to retain exposure to the Sandpiper Project, whilst also giving them exposure to potential upside from Minemakers' portfolio of other assets, including the Wonarah Project. In contrast, a cash offer would lock in the value of UCL Shareholders' interest in the Sandpiper Project now, with no exposure to potential future upside from the Sandpiper Project, or any of Minemakers' other assets.

However, **if UCL Shareholders do want to receive cash, Minemakers is offering Eligible UCL Shareholders the opportunity to participate in a limited Sale Facility** (capped at 15 million Minemakers Shares and subject to scale-back), under which the Minemakers Shares that they are entitled to receive as a result of accepting the Offer will be sold on their behalf at market prices, with no brokerage payable. Part A of the Investment Overview and Annexure B in the Original Bidder's Statement contain further information about the Sale Facility.

If you would prefer cash, but do not wish to utilise the Sale Facility, the higher liquidity of Minemakers Shares should allow you to sell your shares on–market more easily.

UCL has stated: *"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."*

At the time of Minemakers' takeover offer for Bonaparte Diamond Mines NL (**Bonaparte**) (February 2009), Minemakers was focused on developing the Wonarah Project as a production source of beneficiated rock phosphate. The benchmark price of Moroccan rock phosphate at that time was approximately US$450 per tonne which, after taking into account the then AUD:USD exchange rate, equated to an Australian price of over A$600 per tonne.

These market conditions were not sustained (over time rock phosphate prices dropped to as low as US$90 per tonne and the Australian dollar appreciated significantly) and Minemakers consequently re-assessed its development timetable in light of these changed conditions.

In the subsequent period, it has become apparent that an opportunity exists to develop a larger operation at the Wonarah Project with downstream processing capabilities, which has the potential to significantly increase the realised value of the project. This approach has a longer development timetable than the process contemplated at the time of the Bonaparte takeover.

In any event, Minemakers has achieved the following major milestones at the Wonarah Project:

- **December 2009**: A bulk sampling and trial mining programme was completed, involving the mining of over 4,000 tonnes of high grade rock phosphate. The trial resulted in the successful production of single superphosphate;
- **February 2010**: A 25 year mining lease was granted covering 108 km^2 over the primary areas of mineralisation identified to-date;
- **April/May 2010**: An EIS was completed and Minemakers received conditional acceptance of this EIS by the Northern Territory Minister for Natural Resources, Environment and Heritage;
- **June 2010**: A feasibility study on a 3 Mtpa DSO operation (for both a 5 year and 10 year operation) was completed. The feasibility study indicated potentially attractive returns could be achieved at rock phosphate prices of US$150 / tonne FOB Darwin, an AUD:USD exchange rate of 0.85 and oil prices of US$85 / barrel;

- **February 2011**: A mining agreement with the traditional owners of the land hosting the Wonarah Project was executed in February 2011 providing certainty of land access; and
- **November 2011**: An enabling study, at scoping study level, was completed outlining the potential economics of a full downstream processing operation in the Northern Territory to produce either phosphate fertilisers or superphosphoric acid.

In an environment of global population growth and increased fertiliser needs for food, feed and biofuels, the Minemakers Board believes that the Wonarah Project is a strategic asset, and the development strategy it has pursued to-date is vindicated by the interest now being shown in the project by globally significant groups.

3. REASONS WHY YOU SHOULD ACCEPT THE OFFER

- Minemakers is offering a substantial premium for your UCL Shares.
- You will become a shareholder in a significantly larger and more liquid company with ASX, TSX and NSX listings, which should have better access to development capital.
- Minemakers expects you will have a lower risk of dilution of your economic interest in the Sandpiper Project as part of the Combined Group than you would have remaining as a UCL Shareholder.
- You will have ongoing exposure to the Sandpiper Project through your Minemakers Shares. Minemakers intends to continue to actively progress the development of the Sandpiper Project.
- You will benefit from diversification and participation in potential upside from Minemakers' significant Wonarah Project and its portfolio of other assets.
- If the Offer proceeds, there are additional risks in remaining a minority shareholder in UCL.
- If the Offer does not succeed, UCL's share price may fall and liquidity may be reduced.
- Given Minemakers' current 13.1% shareholding in UCL, a competing proposal for UCL is less likely.
- If you do not want to accept Minemakers Shares and would prefer to receive cash, you can elect to participate in the Sale Facility.

  Pages 17 – 27 of the Original Bidder's Statement contain further information about the Reasons why you should ACCEPT the Offer.

FORWARD LOOKING STATEMENTS

This Second Supplementary Bidder's Statement may contain forward-looking statements, which include statements other than statements of historical fact. Such statements are subject to inherent risks and uncertainties in that they may be affected by a variety of known and unknown risks, variables and other factors, many of which are beyond the control of Minemakers. Actual results, values, performance or achievements may differ materially from results, values, performance or achievements expressed or implied in any forward-looking statement. The past performance of Minemakers is no guarantee of future performance.

None of Minemakers, any of its directors, officers or advisers, or any other person named in this Second Supplementary Bidder's Statement with their consent or involved in preparation of this Second Supplementary Bidder's Statement, gives any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this Second Supplementary Bidder's Statement will actually occur. Accordingly, you are cautioned not to place undue reliance on any forward-looking statements.

The forward-looking statements in this Second Supplementary Bidder's Statement only reflect views held as at the date of this Second Supplementary Bidder's Statement.

COMPETENT PERSON STATEMENT

The information in this Second Supplementary Bidder's Statement that relates to Minemakers' exploration results, mineral resources or ore resources is based on information compiled by Mr Andrew Drummond, who is Executive Chairman of Minemakers, a Fellow of the Australian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Mr Drummond 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' and a 'Qualified Person' as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI43-101"). Mr Drummond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

LODGEMENT AND AUTHORISATION

A copy of this Second Supplementary Bidder's Statement was lodged with ASIC on 8 March 2012. Neither ASIC nor any of its officers take any responsibility for the content of this Second Supplementary Bidder's Statement.

This Second Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Minemakers on 7 March 2012.

Date: 8 March 2012

Signed for and on behalf of Minemakers in accordance with section 351 of the Corporations Act.

Richard O'Shannassy
Non-executive Director
Minemakers Limited