MINEMAKERS LIMITED

ABN 48 116 296 541

EXCHANGE RELEASE

THIRD SUPPLEMENTARY BIDDER'S STATEMENT

11 April 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 third supplementary bidder's statement dated 11 April 2012 ("Third Supplementary Bidder's Statement") in accordance with section 647(3)(b) of the *Corporation Act 2001* (Cth) is attached.

The Third Supplementary Bidder's Statement outlines Minemakers' comments on the UCL target's statement ("Target's Statement") including:

- **The inadequate disclosure in the Target's Statement of key risks currently facing UCL** including of UCL's current cash position, funding strategy for its share of the Sandpiper Project and the potential dilution risk faced by UCL shareholders if the Offer does not proceed. If the Offer does not proceed, UCL has low cash reserves, relatively illiquid shares and the Sandpiper Project ownership structure remains unnecessarily complicated;
- **The Target's Statement wrongly infers that UCL manages the Sandpiper Project** and that management will change if the Offer proceeds. The correct position is that Minemakers and UCL currently jointly manage the Sandpiper Project through the Namibian Marine Phosphate (Pty) Ltd ("NMP") board and joint management committee. Minemakers intends to retain current management of NMP if the Offer proceeds;
- **UCL has prematurely outlined its views on the Sandpiper Project development timetable and economic attractiveness.** Until the Definitive Feasibility Study ("DFS") for the Sandpiper Project is released, which is expected by 16 April 2012, Minemakers believes UCL has no reasonable basis for making these statements; and
- **UCL incorrectly states that it is "wholly focussed on Sandpiper".** UCL is not "wholly focussed on Sandpiper", but rather continues to spend time on attempting to salvage value from its Mehdiabad project in Iran.

Overall, the Target's Statement attempts to convey the impression that UCL shareholders will be much better positioned if the Minemakers bid is not successful. **Minemakers suggests that UCL shareholders should carefully consider the benefits of the Offer relative to the risks of the Offer not proceeding.**

Minemakers also queries the validity of the approach adopted by Grant Thornton in its Independent Expert's Report and therefore its relevance to UCL shareholders. In Minemakers' view:

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Mr Andrew Drummond
Executive Chairman, Minemakers Limited

Mr John Gardner
Magnus Investor Relations & Corporate Communication
Phone: +61 413 355 997

- Grant Thornton has not placed sufficient weight on key information in forming its opinion on the Offer, including the historical market value of UCL shares, the risks to UCL shareholders if the Offer does not proceed, or the benefits of a combined Minemakers and UCL versus the status quo of UCL as a stand-alone entity; and
- Grant Thornton's assessment of value for UCL and the Combined Group is based on a number of subjective assumptions. For example, in Minemakers' view, UCL's interest in NMP should not be valued on a control basis (as UCL does not control NMP) and in its "high case" valuation for UCL, Grant Thornton should not attribute material value to the Mehdiabad project. If these two assumptions alone made by Grant Thornton were changed, their resulting valuation range for UCL would overlap with the resulting implied valuation range of the Offer.

As a result, Minemakers questions the basis for Grant Thornton's opinion and the relevance of its opinion for UCL shareholders. UCL shareholders should consider carefully whether they agree with the approach taken by Grant Thornton.

ASIC relief

Minemakers announced on 10 April 2012 that the Australian Securities & Investments Commission ("ASIC") has granted relief to Minemakers to extend its Offer so that it will now close at 7.00pm (Sydney Time) on 8 May 2012 unless extended or withdrawn, which should allow time for public release of the full DFS results for the Sandpiper Project. Further information about the ASIC relief, including the withdrawal right for UCL shareholders, is contained in the Third Supplementary Bidder's Statement.

The Third Supplementary Bidder's Statement has been lodged with ASIC, sent to UCL and will be sent to UCL shareholders.

Further information on the Offer

Further information on the Offer is available by calling the Offer Information line: within Australia 1300 667 838 or international callers, +61 2 8022 7902, or via the Minemakers website www.minemakers.com.au.

Andrew Drummond
Executive Chairman

Third Supplementary Bidder's Statement

11 April 2012

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

This Third 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 Third Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement, dated 20 February 2012, Minemakers' first supplementary bidder's statement dated 1 March 2012 and Minemakers' second supplementary bidder's statement dated 8 March 2012. This Third 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 Third Supplementary Bidder's Statement.

Minemakers' key concerns with UCL's Disclosure Documents

Minemakers notes the Target's Statement and Investor Presentation lodged with the ASX by UCL on 21 March 2012 and Supplementary Target's Statement on 3 April 2012 (**Disclosure Documents**). Minemakers has concerns with certain important statements made by UCL in the Disclosure Documents.

1. No clarity about funding of the Sandpiper Project on stand-alone basis

Minemakers considers that there is inadequate disclosure in the Target's Statement of key risks currently facing UCL including UCL's funding strategy for its share of the Sandpiper Project and the dilution risk faced by UCL shareholders if the Offer does not proceed. If the Offer does not proceed, UCL will have low cash reserves, relatively illiquid shares and the Sandpiper Project ownership structure remains unnecessarily complicated. The UCL board has not explained how it will address these issues.

This lack of disclosure is inconsistent with previous statements made by the UCL board highlighting these issues, for example the UCL board acknowledges on page 10 of UCL's financial report for the half year ended 31 December 2011, released on 13 March 2012 (**Half Year Financial Report**), that in order to continue to finance its exploration and development commitments on the Sandpiper Project and Mehdiabad, and ongoing operational expenditure and working capital commitments, further capital raisings or alternative fund raising activity such as joint venture arrangements will be necessary.

In contrast, if the Offer proceeds, Minemakers believes this should result in the Combined Group being able to obtain more competitive funding for the Sandpiper Project. The Combined Group would be well capitalised for the near term, with approximately A$15 million of cash reserves with a committed equity facility for a further A$15 million, is likely to have higher liquidity and would have the benefit of a Toronto Stock Exchange listing to support future capital raising efforts.

2. **Incorrectly inferring that UCL manages the Sandpiper Project**

UCL has incorrectly inferred that UCL is the manager of the Sandpiper Project.

The Sandpiper Project is owned by Namibian Marine Phosphate (Pty) Ltd (**NMP**) and Minemakers and UCL have equal shareholdings and equal board representation. As UCL is aware, under the shareholders' agreement for the NMP Joint Venture, NMP is managed by way of a joint management committee structure and board. NMP has its own dedicated staff but Minemakers provides financial management to NMP.

If the Offer does not proceed NMP will continue to be jointly managed.

If the Offer does proceed, Minemakers intends to continue to actively progress the development of the Sandpiper Project and does not intend to make any changes to the management of the Sandpiper Project and its staffing levels.

3. **UCL has prematurely made forward looking statements about the Sandpiper Project when material uncertainty remains surrounding DFS outcomes**

The Definitive Feasibility Study (**DFS**) for the Sandpiper Project has recently been received by NMP and is currently being reviewed. NMP expects that they will provide the joint venture participants information to allow them to make a detailed announcement on 16 April 2012 including setting out the technical and financial outcomes contained in the DFS. Until this time, Minemakers believes UCL has prematurely outlined its views on the Sandpiper Project about matters such as estimated construction costs, funding requirements, future production levels, development timing and estimated investment returns.

Minemakers believes UCL's statements are based upon a historical scoping study. The DFS outcome may be materially different to the results of this study.

4. **Incorrect and potentially misleading statements about the Wonarah project**

In its comments on Minemakers' Wonarah project, UCL has made a number of incorrect and potentially misleading statements. Minemakers re-iterates that a DFS for a direct shipping ore operation is complete, but this aspect of the project remains on hold whilst the company considers a larger development that has the potential to deliver a much higher value for the company. Minemakers remains in discussions with investors (including NMDC Limited) about an investment in the Wonarah project and is confident the project represents a substantial opportunity for Minemakers' shareholders.

5. **UCL is not "wholly focussed" on the Sandpiper Project**

UCL repeatedly states it remains "... wholly focussed on the Sandpiper Project". However, this is not the case as, UCL's management continues to spend time trying to salvage value for the Mehdiabad project in Iran (for example, see page 4 of UCL's Half Year Financial Report and page 18 of the Target's Statement). UCL has also not objected to Grant Thornton ascribing value to Mehdiabad in its Independent Expert's Report. These positions are inconsistent.

Minemakers queries the basis for the Independent Expert's opinion

Grant Thornton Finance Pty Ltd's (**Grant Thornton**) has prepared an Independent Expert's Report supported by Snowden's Technical Expert's Report.

Minemakers queries the validity of the approach adopted in Grant Thornton's Independent Expert's Report for assessing the fairness of the Offer.

Two significant assumptions made by Grant Thornton have a material impact on Grant Thornton's value assessment:

- Grant Thornton has valued UCL's interest in NMP on a control basis. UCL owns 42.5% of NMP and does not control NMP. In Minemakers' view, the same minority discount applied to the value of the Combined Group can justifiably be applied to the value of UCL and Minemakers' ownership of NMP; and
- In its "high case" valuation for UCL, Grant Thornton has attributed material value to the Mehdiabad project. In Minemakers view this seems unlikely, and in any event is inconsistent with UCL's position that it is "wholly focussed" on the Sandpiper Project.

If these two assumptions alone were changed, the resulting Grant Thornton valuation range for UCL would be A$0.31 – 0.36 which would overlap with the updated Grant Thornton implied Offer value of A$0.28 – 0.34.[1]

Details of the calculations supporting these two adjustments to Grant Thornton's assessment of value are contained in Annexure 1.

In addition:

- Grant Thornton has not used an updated cash balance for UCL, which is material to UCL. Grant Thornton (in its last report dated 3 April 2011) instead use a cash balance of A$2.176 million as at 31 December 2011. For every A$500,000 that UCL's cash balance is lower than A$2.176 million Minemakers calculates that Grant Thornton's UCL valuation assessment would fall by A$0.006 per share. In the intervening period the NMP Joint Venture has made cash calls on each of UCL and Minemakers of US$558,000 and UCL would likely have also incurred corporate overhead costs;
- The valuation of the Combined Group does not take into account any of the likely benefits of the Combined Group; and
- Grant Thornton has not placed an appropriate level of importance on the historical market value of UCL shares.

Because of the sensitivity of Grant Thornton's valuation to these (and other) assumptions, the fairness opinion should be viewed with caution by UCL Shareholders. UCL Shareholders could justifiably take a different view to Grant Thornton on these matters, which would likely impact on their view of the merits of the Offer.

Minemakers queries the validity of the approach adopted in Grant Thornton's Independent Expert's Report for assessing the reasonableness of the Offer.

As Grant Thornton's "fairness" opinion is based on a number of highly subjective assumptions, Minemakers believes that "reasonableness" factors are of considerable importance and should be given appropriate weight in assessing the Offer.

In assessing the reasonableness of the Offer, Minemakers considers that Grant Thornton has **not placed sufficient weight** on:

- The significant premium of the Offer to the historical trading prices prior to announcement of the Offer;
- The highly illiquid nature of UCL shares prior to announcement of the Offer;
- UCL's current low cash position, compared with Minemakers' cash position;
- The likely significant dilutionary impact of UCL raising capital required to develop the Sandpiper Project if the DFS is positive;
- The likely market price of UCL shares if the Offer is unsuccessful;
- The likelihood of an alternative offer being made; and
- The prospect of Twynam securing effective control of UCL without paying a premium to other UCL shareholders.

As a result, Minemakers questions the basis for Grant Thornton's overall opinion and the relevance of its opinion for UCL shareholders. UCL shareholders should consider carefully whether they agree with the approach taken by Grant Thornton.

[1] On the 50% acceptance scenario.

MINEMAKERS LIMITED

Variation of Offer to extend closing date

As announced on 10 April 2012, Minemakers has been granted relief by ASIC to effectively extend the closing date of the Offer to 8 May 2012 and to set a new date for giving notice of the status of conditions of the extended Offer. The principal purpose of this extension is to give UCL Shareholders time to consider the results of the Sandpiper Project DFS in assessing the Offer.

In accordance with the conditions of relief granted by ASIC, the terms of the Offer are modified as follows:

(a) the closing date of the Offer is extended to 7.00pm (Sydney Time) on 8 May 2012;

(b) the date by which Minemakers must give notice regarding the status of conditions of the extended Offer is 1 May 2012; and

(c) UCL Shareholders who accept the Offer prior to 11 April 2012 will have the right to withdraw their acceptances by giving notice of withdrawal of their acceptance to Minemakers before 5.00pm (Sydney Time) on 30 April 2012.

Withdrawal of acceptances

UCL Shareholders who accept the Offer prior to 11 April 2012 and who wish to withdraw their acceptance of the Offer may do so by giving written notice of withdrawal of their acceptance so that it is received at the address below before 5.00pm (Sydney Time) on 30 April 2012.

Mailing Address:
Minemakers Limited
C/- Computershare Investor Services Pty Limited
GPO Box 52
MELBOURNE VIC 3001

Further information on the Offer

Further information on the Offer is available by calling the Offer Information line: within Australia 1300 667 838 or international callers, +61 2 8022 7902, or via the Minemakers website www.minemakers.com.au.

Lodgement and authorisation

A copy of this Third Supplementary Bidder's Statement was lodged with ASIC on 11 April 2012. Neither ASIC nor any of its officers take any responsibility for the content of this Third Supplementary Bidder's Statement.

This Third Supplementary Bidder's Statement has been approved by a resolution passed by the directors of Minemakers on 10 April 2012.

Date: 11 April 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

Annexure 1: Selected Minemakers adjustments to Independent Expert's value assessment (50% acquisition scenario)

	Independent Expert Report value assessment		Minemakers' selected adjustments to Independent Expert Report value assessment		Explanation of adjustment
	LOW A$'000	HIGH A$'000	LOW A$'000	HIGH A$'000	
UCL Valuation					
Sandpiper project	34,340	34,340	24,381	28,502	(1)
Mehdiabad project	-	2,565	-	-	(2)
Other assets / liabilities (grouped)	481	517	481	517	
UCL equity value (control basis)	**34,821**	**37,422**	**24,862**	**29,019**	
Number of UCL shares on issue	80,807,074	80,807,074	80,807,074	80,807,074	
Assessed Value per UCL Share (A$) (control basis)	**0.431**	**0.463**	**0.308**	**0.359**	
Combined Group Valuation (50% acquisition scenario)					
Assessed value of UCL (control basis)	17,411	18,711	12,431	14,510	(3)
Assessed value of MAK (control basis)	98,789	102,651	87,905	95,901	(4)
Add back: minority discount applied to UCL / MAK's standalone interests in Sandpiper project	-	-	14,938	8,757	(5)
Adjustment for MAK's existing 13.1% shareholding in UCL	(3,240)	(4,071)	(2,314)	(3,157)	(6)
Assessed value of Combined Group	**112,959**	**117,291**	**112,961**	**116,011**	
No. of MAK shares in Combined Group	255,068,177	255,068,177	255,068,177	255,068,177	
Value of Combined Group / share (control basis)	**0.443**	**0.460**	**0.443**	**0.455**	
Minority discount	29.0%	17.0%	29.0%	17.0%	
Value of Combined Group / share (minority basis) (A$)	**0.314**	**0.382**	**0.314**	**0.378**	
Summary of Fairness Assessment (A$)					
Fair value of UCL share (control basis)	0.431	0.463	0.308	0.359	
Fair value of Combined Group share (minority basis)	0.314	0.382	0.314	0.378	
Share exchange ratio	0.900	0.900	0.900	0.900	
Fair value of offer consideration (minority basis)	**0.283**	**0.344**	**0.283**	**0.340**	
Premium / discount	(0.148)	(0.120)	(0.02)	(0.02)	
Premium / discount (%)	**-34.3%**	**-25.8%**	**-8.0%**	**-5.4%**	

Explanation of adjustments:

(1) Assumes that Grant Thornton's assessed minority discount range of 29% (low case) and 17% (high case) is applied to UCL's interest in the NMP Joint Venture, on the basis that UCL does not control the joint venture.
(2) Nil value assumed for the Mehdiabad Project in Iran in the high case.
(3) UCL equity value (control basis) multiplied by 50% for the 50% acquisition scenario.
(4) Assumes that Grant Thornton's assessed minority discount range of 29% (low case) and 17% (high case) is applied to Minemakers' interest in the NMP Joint Venture, on the basis that Minemakers does not control the joint venture.
(5) In the 50% acquisition scenario, the Sandpiper Project will be controlled by the Combined Group. Therefore the minority discount applied to both UCL and Minemakers' standalone interests in the Sandpiper Project is added back to the valuation of the Sandpiper Project in the Combined Group.
(6) Value of Minemakers' 13.1% shareholding in UCL calculated on a minority basis.