



# UCL Resources Limited

A.B.N. 40 002 118 872

Tel: +61 2 9279 1760  
Fax: +61 2 9279 1761

Suite 502, Level 5, 285 George Street  
Sydney NSW 2000  
Australia

Postal Address:  
GPO Box 1494  
Sydney NSW 2001  
Australia

24 April 2013

Australian Securities Exchange/ Media release

## **INDEPENDENT DIRECTORS RECOMMEND ACCEPTANCE OF MAWARID TAKEOVER BID IN THE ABSENCE OF A SUPERIOR PROPOSAL**

As announced yesterday, Mawarid Mining LLC (**Mawarid**) has made an on-market takeover bid (**Mawarid Offer** or **Offer**) for all the Shares in UCL Resources Limited (ASX: **UCL**).

Mawarid has subsequently informed UCL that it now holds a relevant interest in more than 50% of UCL shares and that UCL's major shareholder, Twynam Agricultural Group Pty Ltd, which held 28.59% of UCL's shares has accepted the Mawarid Offer by selling its shares on-market.

Given these developments, and notwithstanding that the independent expert report is yet to be received, the Independent Directors recommend that in the absence of a superior proposal shareholders accept the Mawarid Offer.

The Independent Directors note:

- (a) control of UCL has now passed to Mawarid;
- (b) the Offer is unconditional, in cash and at a substantial premium to UCL's closing share price prior to the Offer;
- (c) the Offer provides certainty to shareholders at a time when:
  - (i) UCL's proportion of the equity required to fund the Sandpiper project's capital expenditure needs are likely to be several times its own market capitalisation;
  - (ii) raising capital in equity markets is very difficult, especially for small and medium sized companies; and
  - (iii) Mawarid now has substantive control of the Sandpiper project, and it may not be in the interests of remaining UCL shareholders to continue to hold their shares as a minority at both company and project level.

It is the Independent Directors' view that in the absence of a superior proposal, the Mawarid Offer is in the best interests of shareholders when compared to currently available alternatives.

The Mawarid Offer will remain open until 7 June 2013 and shareholders who wish to accept the Offer should do so before this date.

If you have any questions about the Mawarid Offer, please call the UCL shareholder information line on +61 2 9279 1760 on weekdays between 9.00am and 5.00pm.

A handwritten signature in black ink that reads "Ian W Ross". The signature is written in a cursive style and is positioned above a solid horizontal line.

Ian W Ross  
**Chairman**