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## MARCH 2011 QUARTERLY ACTIVITIES REPORT

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28 April 2011

### HIGHLIGHTS

#### ***Phosphate, Wonarah (Minemakers 100%)***

- Batch scale testwork for the production of superphosphoric acid from Wonarah ore by USA-based JDCPhosphate Inc's dry kiln process was successfully conducted.
- Continuing discussions towards securing partners and finance for the full development of Wonarah.
- The Traditional Owners Mining Agreement was formally signed, allowing for the development of Wonarah to its fullest potential.
- Field investigations were deferred due to the extraordinarily severe wet season: drilling due to recommence in the June Quarter.
- An independent review of the beneficiation testwork completed to date has commenced via Kemworks in Florida.
- Phosphate and fertiliser prices continued to firm through the Quarter with benchmark Moroccan 32% P<sub>2</sub>O<sub>5</sub> product currently selling at US\$175/tonne FOB, although offset by the strengthening Australian dollar.

#### ***Phosphate, Namibia (Minemakers 48.1% Direct and Indirect Interest)***

- A Feasibility Study has commenced in consequence of the encouraging Scoping Study financial estimates, which have improved in the light of price increases for phosphate rock, fertilisers and phosphoric acid.
- Sampling to 3m depth penetration of the phosphatic sediments is in progress. An increase in the resource base is expected in due course.
- Technical investigation and engineering for the upcoming bulk sample programme to potential customers is well progressed.
- Testwork on production of superphosphoric acid utilising the JDC process is encouraging.

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## **HIGHLIGHTS (cont.)**

### ***Tasmanian Tin, Tungsten and Fluorspar***

- The intended demerger of the Company's Tasmanian assets has progressed with lodgement of the application for a class ruling from the ATO, with IPO and listing now scheduled for mid-2011.
- The large Ringarooma Bay alluvial tin deposit has been secured via tenement applications.
- Moina metallurgical testwork has indicated the required follow-up research routes.

### ***BCD Resources NL Investment***

- At a General Meeting on 14 February 2011, the BCD Resources NL ("BCD") shareholders approved the issue of convertible notes to Minemakers and other lenders. The result is that Minemakers now holds 850,000,000 convertible notes (secured by a first ranking fixed and floating charge over all BCD's assets) that can be converted, at Minemakers' election, at a share price of 1 cent within 12 months from the date of issue (share price on 15 April 2011, 2.3 cents). An interest rate of 20% per annum applies to the convertible notes and will be payable in full on redemption of the convertible notes if they are not converted to shares.
- Access to the higher grade Western Zone resources has taken longer than anticipated, but an increase in tonnage from this area is expected in the June Quarter, with full scale production commencing early in the following Quarter.
- Appointments of Minemakers' personnel to the BCD Board and to management of the Tasmania gold mine were made.

### ***Corporate***

- Cash at the end of the Quarter is A\$14.4M and value of listed investments as at 21 April 2011 is approximately A\$24M, assuming conversion to equity in BCD.

## ROCK PHOSPHATE

### **THE GLOBAL ROCK PHOSPHATE MARKET AND MINEMAKERS' INTENDED POSITION WITHIN IT: STRONG ADVANCES THIS QUARTER**

Phosphate is an essential component in agriculture for which there is no substitute. Minemakers is in the unique position of having two of the world's largest undeveloped phosphate deposits in its portfolio, giving the Company the opportunity to establish itself as a world stature supplier to the global phosphate market and to become involved in downstream processing of higher value phosphate products. The geographic diversity of its intended production centres in the Northern Territory of Australia and in Namibia should enable Minemakers to market and supply to most corners of the agricultural world.

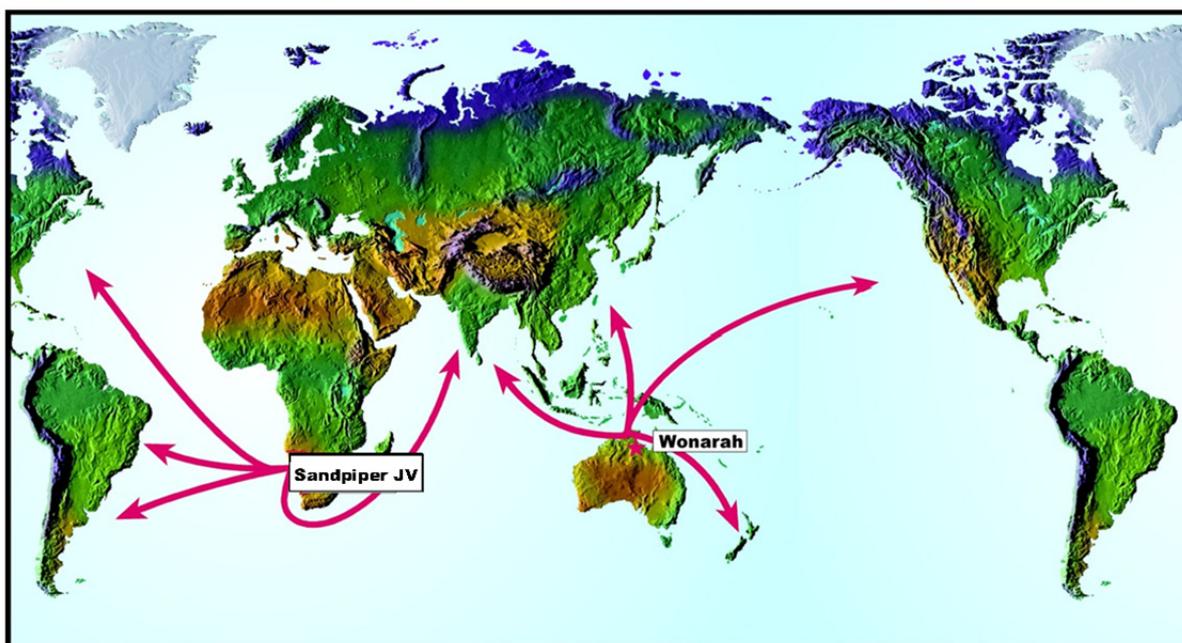


Figure 1: Minemakers' Phosphate Deposits

### **PRICES**

Prices of rock phosphate and phosphate fertilisers have continued to improve during the Quarter and the outlook is very positive, based on supply and demand projections and continuing strength of soft commodity prices. Recent political troubles in many of the world's producing countries provide focus to supply security.

Prices for various phosphate products at 14 April 2011 were as follows:

|                             | US\$        |
|-----------------------------|-------------|
| Rock phosphate, FOB Morocco | 170-180/t   |
| Phosphoric acid, 100% basis | 910-1,075/t |
| DAP fertiliser, FOB Tampa   | 617-620/t   |
| TSP fertiliser, FOB Morocco | 545-555/t   |

(Source: Profercy Phosphates & CPICS, 14 April 2011)

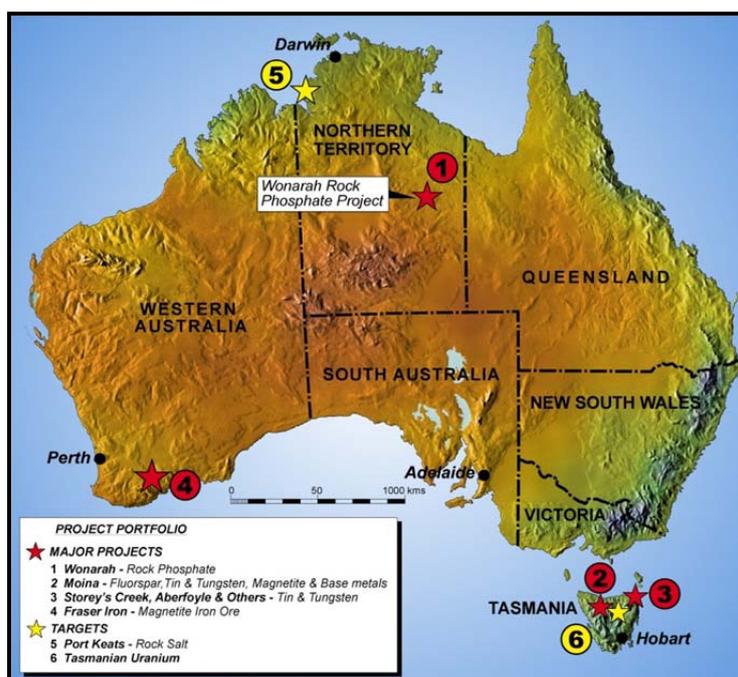


Figure 2: Australian Project Portfolio

## WONARAH ROCK PHOSPHATE PROJECT, NORTHERN TERRITORY

(100% Owned)

### OVERVIEW

Wonarah is the largest rock phosphate deposit in Australia. International benchmark rock phosphate prices have risen during the Quarter, but the Australian dollar has appreciated to well above parity with the US dollar.

*The development emphasis has now changed from a simple Direct Shipping Ore (“DSO”) operation only, to beneficiation, an on-site superphosphoric acid production plant and a full development including phosphate fertiliser and chemical production, rail and energy infrastructure, etc.*

Minemakers has been pursuing three strategies for advancing Wonarah into production, namely:

- Via Asian equity investment and debt funding, being co-ordinated by Verte Group.
- Manufacture of high value superphosphoric acid on site using the JDC dry kiln technique.
- Completion of feasibility and permitting of a full scale development, with fertiliser production, on and off-site, with funding from a mix of debt and equity, or partnerships.

### PROGRESS

The Company is disappointed with progress on the Verte Group front. The anticipated visits by delegations of potential investors have been delayed and the scope of specific investment proposals is still under discussion with Verte Group.

The JDC testwork has been advanced with batch scale tests being successfully completed in March in Pennsylvania. The only remaining testwork on Wonarah material prior to the construction of a demonstration plant by JDC will be on the sandy drift surficial cover which

overlies Wonarah. It is hoped that it can be scrubbed to yield a high quartz sand product which can be fed into the kiln.

As previously announced, the Company successfully completed a Definitive Feasibility Study on DSO material from Wonarah, but the size of the deposit and the improved phosphate rock and fertiliser market outlook now demands that the full potential of the massive Wonarah deposits and potential long life mine should preferentially be realised for the benefit of shareholders.

Work has now been initiated on all required aspects of feasibility and permitting for the mine development, beneficiation on site, superphosphoric acid production on site, and fertiliser production at a range of venues including on-site, near Tennant Creek and near Darwin.

## **MINING AGREEMENT**

The signing of the Mining Agreement by the Arruwurra Aboriginal Corporation, the Chair and Deputy Chair of the Central Land Council and by Minemakers on 25 February 2011 was a major milestone.

The Mining Agreement gives approval to the development of the Wonarah phosphate deposits to their eventual full potential, which includes the mining operation, beneficiation processing operations, production of fertilisers, and of the entire associated infrastructure. The Agreement also provides a clear process for the protection of sacred sites, skills training and preferential job opportunities for local aboriginal people in the mining, processing and freight operations and for financial benefits to the Traditional Owners.

Minemakers acknowledges with gratitude the hard work and the spirit of cooperation and optimism between all sides exhibited over the two years of negotiations of the Mining Agreement. That same spirit has been evident through the full three years of the Company's field investigations at Wonarah which had enabled it to begin its exploration and evaluation activities immediately after the price of phosphate increased at the beginning of 2007.

## **RESOURCES**

Field work was not possible during the March Quarter due to the abnormally wet conditions. Drill testing of a near-surface high grade zone, as a potential early production area with lower operating costs, will occur as soon as ground conditions permit.

As previously reported, at a 10% cut-off, drilled mineralisation extends over a strike length of about 100km, and is open to the west, east and south. At an average width of about 10km, the drilled mineralisation now covers about 1,000km<sup>2</sup>.

Only about 15% has been drilled sufficiently densely as yet to enable resource estimations, but those sub-areas contain an estimated 620Mt @ 18% P<sub>2</sub>O<sub>5</sub> using a 10% cut-off, totalling the Indicated (289Mt @ 18.5% P<sub>2</sub>O<sub>5</sub>) and the Inferred categories (331Mt @ 17% P<sub>2</sub>O<sub>5</sub>) (*refer Figure 3*).

Current resource estimates now also comply with the Canadian NI43-101 code as well as Australia's JORC.

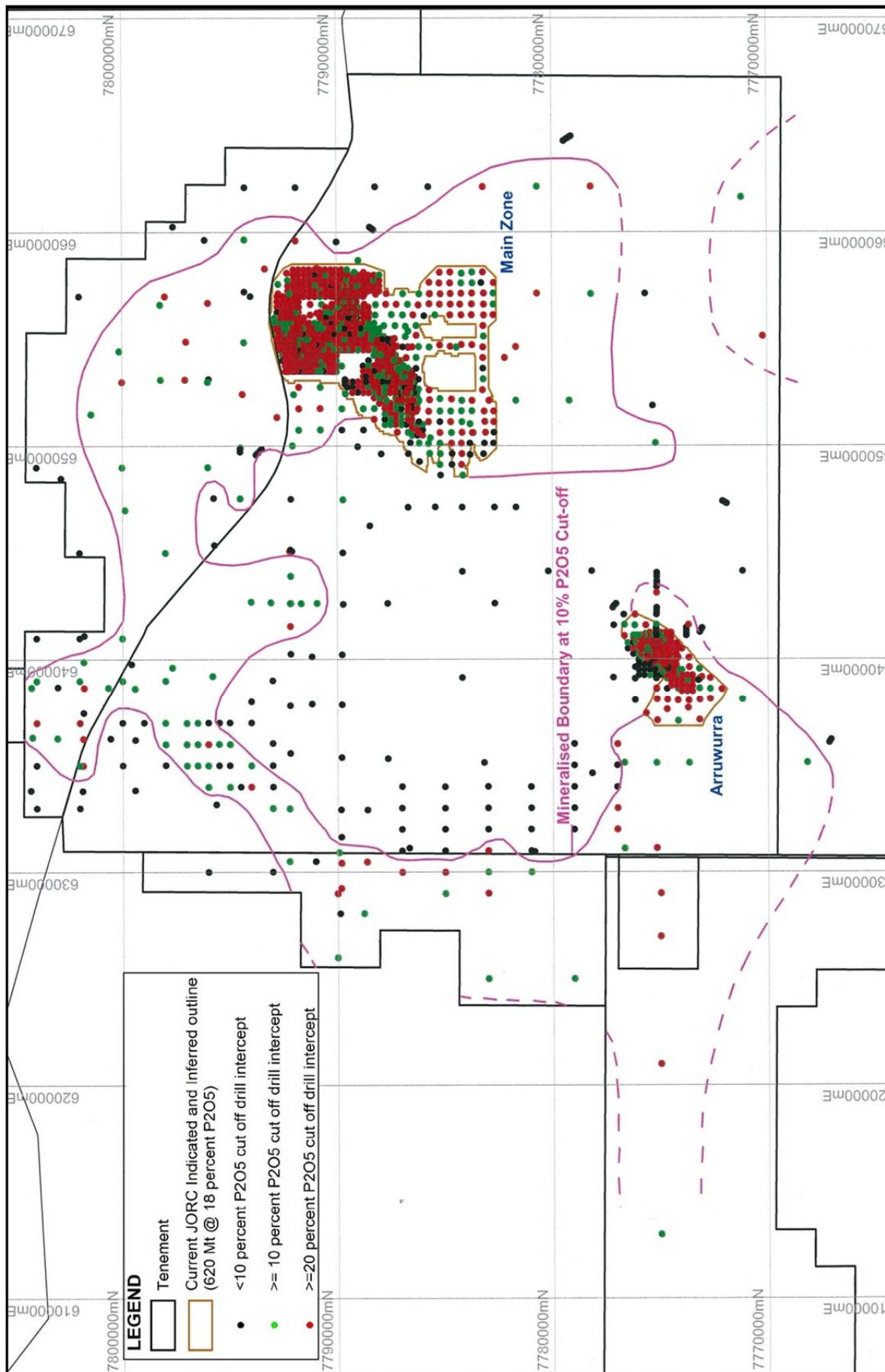


Figure 3: Phosphate Distribution and Key 2010 Drillholes

## SANDPIPER JV MARINE PHOSPHATE PROJECT: OFFSHORE NAMIBIA

(42.5% Direct Equity and a further 5.6% Indirect Equity)

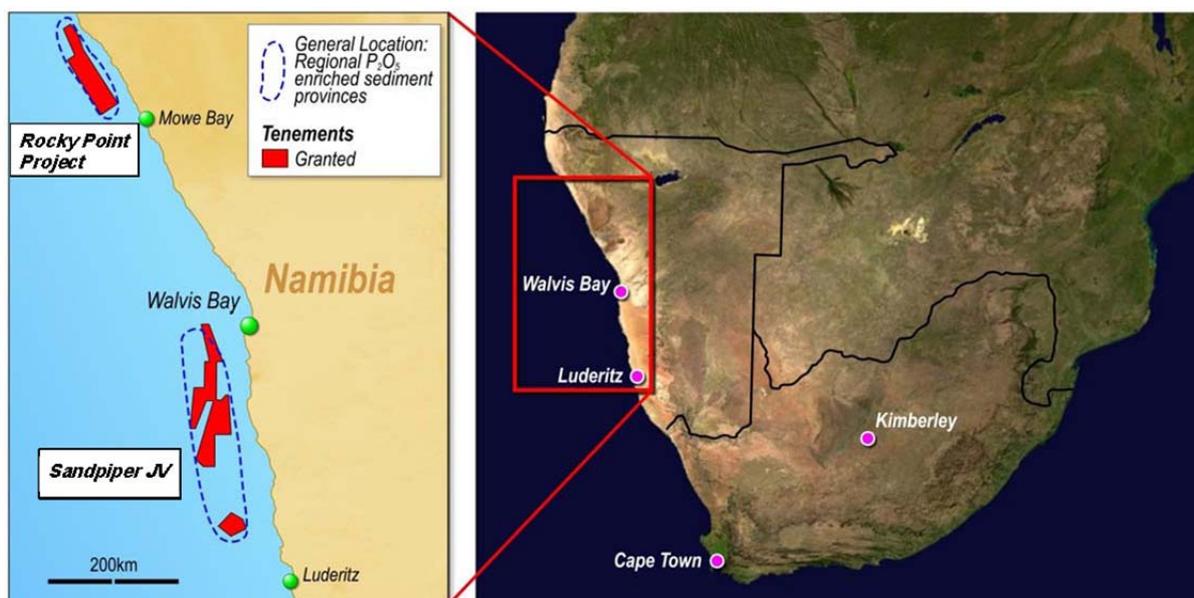


Figure 4: Namibian Marine Phosphate Project Locality

### OVERVIEW

#### THE NAMIBIAN MARINE PHOSPHATE DEPOSITS ARE DEVELOPING WORLD SUPPLY SIGNIFICANCE

The Sandpiper phosphate project tenements lie in waters approximately 60km off the Namibian coast south of Walvis Bay and include a substantial part of the most prospective areas of known phosphate mineralisation in the region as determined by previous explorers. Partners in Namibian Marine Phosphates (Pty) Ltd (“NMP”) which owns the JV tenements are:

|   |       |                  |
|---|-------|------------------|
| Minemakers Limited (through its wholly owned subsidiary Minemakers Namibia (Pty) Ltd) | 42.5% |                  |
| Union Resources Limited   | 42.5% | (MAK 13.11%)     |
| Tungeni Investments cc  | 15%   | Namibian Partner |

The Sandpiper project tenements cover a combined area of approximately 7,000km<sup>2</sup> which includes a major part of the regional phosphate enriched province in water depths of 180–300m. NMP is well placed to rapidly develop this new phosphate province. The deposits occur as unconsolidated sea floor sediments, which lie within the reach and capability of currently available dredging technology.

The market was updated on the Sandpiper project progress on the Definitive Feasibility Study (“DFS”) on 17 March 2011 as follows:

## **Project Management**

NMP is pleased to advise that it has appointed John Sinden as a non-exclusive consultant to assist its DFS project management team. John is an internationally acclaimed process engineer with over 45 years involvement in phosphate processing and is considered a leading phosphate rock to acid specialist.

## **Initial Mining Area Selection and Resource Development**

Deeper penetration sampling is in progress with the aim of confirming the best site for the initial mining operation and of increasing the mineral resource base. The sampling completed to date has penetrated phosphatic sediments to depths of 3m which supports previous information that the phosphatic sediments are thicker than 2m in places. Initial mineral resource estimates based on a maximum of 2m thickness have previously been estimated at 1.58Bt @ 18.8% P<sub>2</sub>O<sub>5</sub> (combined Indicated and Inferred categories: Indicated 74Mt @ 20.6% P<sub>2</sub>O<sub>5</sub>; Inferred 1.51Bt @ 18.7% P<sub>2</sub>O<sub>5</sub>). The above JORC compliant estimate has now also been accepted as complying with the Canadian NI43-101 Code, which has relevance given Minemakers' recent listing on the TSX.

NMP's geological team considers that a further increase in resource in the order of an additional 1.0-2.0Bt in the grade range of 18-21% P<sub>2</sub>O<sub>5</sub> is possible on completion of the regional resource development sampling programme. (This potential quantity and grade is conceptual in nature, there has been insufficient drilling to define an enlarged Mineral Resource, and it is uncertain if further exploration will result in the determination of an enlarged Mineral Resource).

## **Sampling for DFS and Market Development**

NMP has completed its technical investigation and determined the most cost effective way to acquire large samples required for follow-up metallurgical testwork for the DFS so as to define the requirements for the production of various fertiliser products, and for producing initial concentrate samples for testing by potential end user customers.

NMP has appointed specialist marine engineers, Triton Naval Architects, to complete conceptual and detailed engineering for the final sampling system design and fabrication. The design work should be completed within the next 3-4 weeks and will be followed by award of the fabrication contracts. A suitable vessel for the sampling programme has been identified. It should be mobilised for the job in the June Quarter after completion of the fabrication work.

## **Land-Based Processing Studies**

After a significant amount of investigation the site required for the land-based process facilities has been identified. NMP is now making the necessary applications and is working with the various authorities to progress the acquisition of the land package at this preferred site.

The Walvis Bay Municipality has notified NMP of the allocation of up to 3,000m<sup>3</sup> per day of retreated, non-potable fresh water for the project's processing requirements. This water will be used for final washing (salt removal) in the beneficiation process.

## **Environmental Studies**

The marine based environmental work in support of the Mining Licence application is continuing and Namibian environmental consultants, Enviro Dynamics, have been appointed to carry out the necessary scoping and consultation processes for finalisation of the environmental management programme report.

In addition, with the identification of the preferred sites for the land based buffer pond and processing plant works, the environmental assessment process for these areas can now be initiated and progressed in parallel with other components of the DFS.

### **Project Liaison**

NMP continues to liaise positively with the relevant Namibian Government Ministries as well as regional and local stakeholders at all levels to promote a clear understanding of the Sandpiper project development goals and to ensure full compliance with all of the regulatory aspects of the Mining Licence application process. The DFS is anticipated to be completed in late 2011, or early 2012.

### **Permitting**

The Mining Licence application is being processed by the Namibian authorities.

### **Dry Kiln Superphosphoric Acid**

Testwork on the production of superphosphoric acid by JDC using its dry kiln process has been encouraging. Beneficiation of the local desert sands as a feedstock to the kiln is now being investigated.

### **Mining Licence Application**

NMP has lodged the Mining Licence Application ("MLA") which covers the Exclusive Exploration Licences 3414, 3415 and 3323. The MLA was lodged with the Namibian Department of Mines and Energy and is registered as MLA 170.

## GOLD – THE INVESTMENT IN BCD RESOURCES NL

BCD owns the Tasmania mine at Beaconsfield, Tasmania. This mine is producing at about 50,000 ounces per year, and has a reported resource base of 500,000 ounces, of which almost 300,000 ounces are in reserves.

Beaconsfield also has very promising gold and copper deposits in Western Victoria, which are at pre-development stage, and which may be separately listed as Eagle Copper Limited.



Figure 5: Five Year Gold Price Chart (Source: Kitco)

To date the financial turn-around of the operation has taken longer to achieve than had been anticipated for a variety of reasons. However higher grade ore is now being attained.

For more detail on the mine performance, shareholders are referred to the March Quarterly Report by BCD which is due for release shortly.

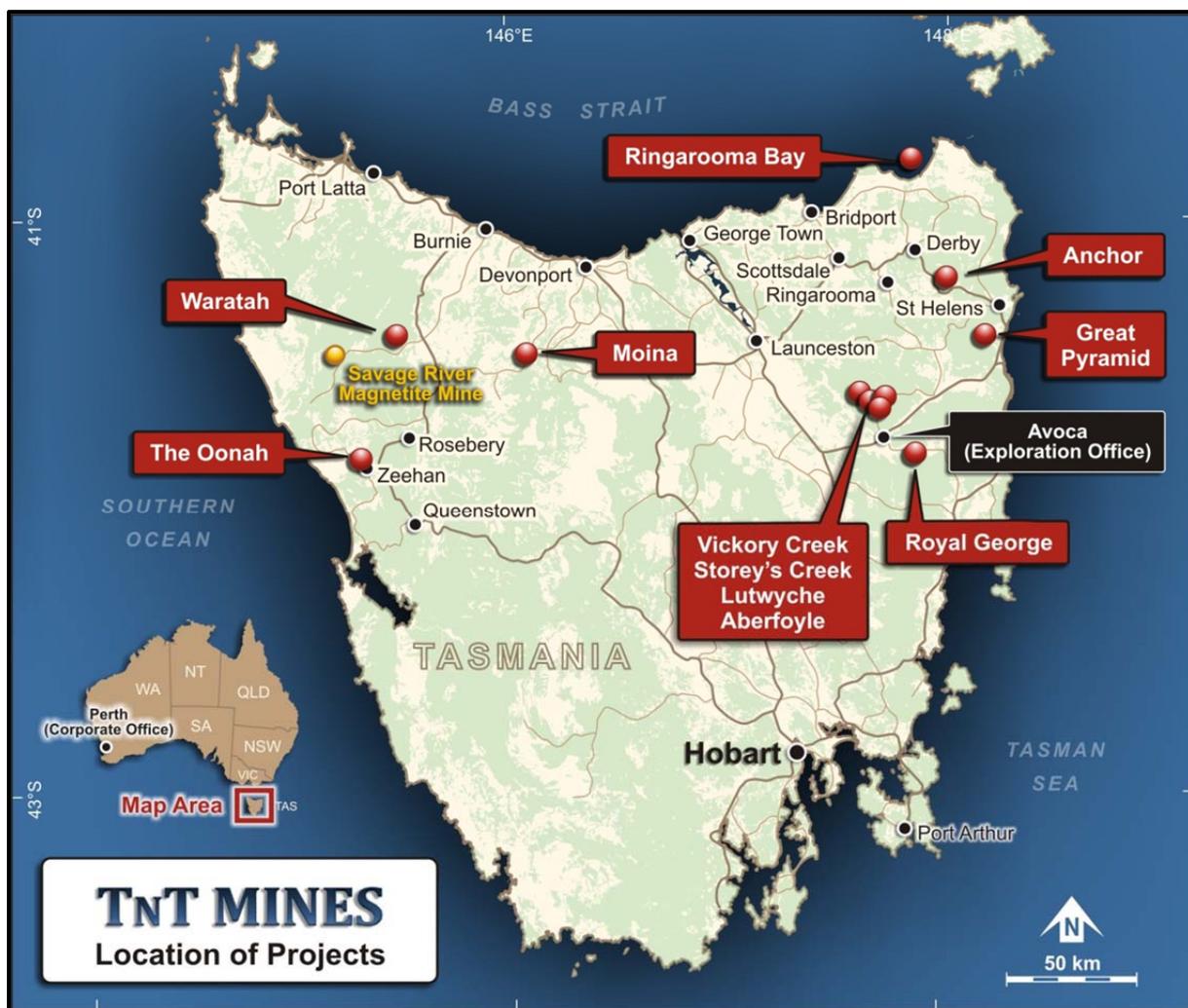
## TIN, TUNGSTEN & FLUORSPAR – THE INTENDED TNT MINES IPO

During the Quarter, the intended partial demerger of Minemakers’ various tin, tungsten and fluorspar assets in Tasmania held by its wholly-owned subsidiary, TNT Mines Limited, has been progressing strongly.

Key developments include the following:

### Appointment of Managing Director

Mr Michael Hannington has been appointed, as announced on 18 March 2011. He is a qualified geophysicist and lawyer and brings a range of skills and experience that will enable him to fully utilise and complement those available to TNT from Minemakers’ management and personnel under a Transitional Services Agreement.



### Acquisition of Ringarooma Bay Alluvial Tin Deposit

Priority applications were made for a Tasmanian Exploration Licence and two Commonwealth Licences covering the large marine alluvial Ringarooma Bay tin deposit, and its potential northerly extensions.

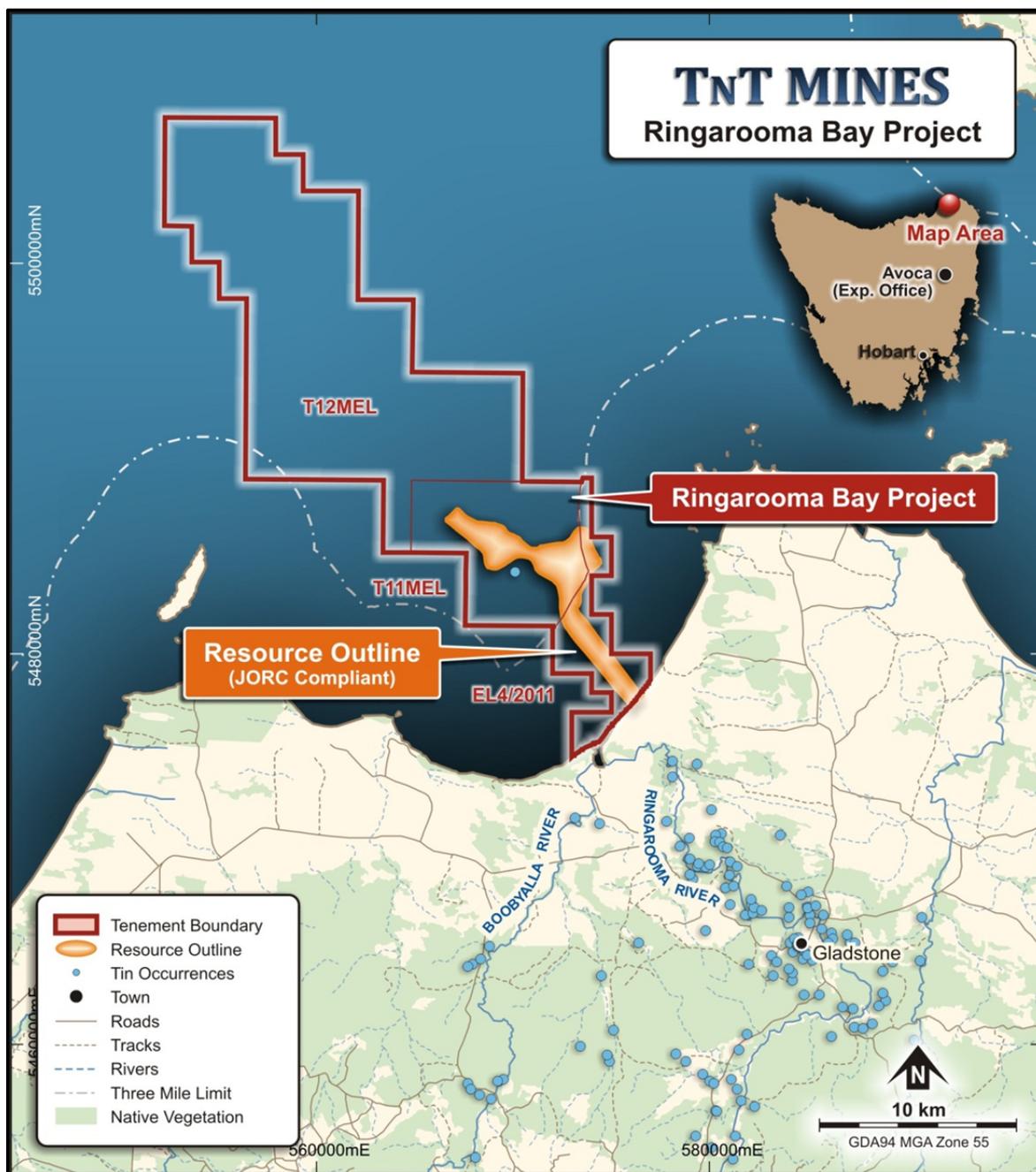


Figure 6

Extensive offshore drilling between 1967 and 1968 located the Ringarooma River palaeo channel under the waters of the bay and resource estimates have been previously made using that data.

Previous explorers have estimated JORC compliant resources as follows:

- Inferred:** 194 million cubic metres at 150-250g per cubic metre of cassiterite; including
- Indicated:** 16 million cubic metres at 227g per cubic metre of cassiterite

*That Inferred resource contains about 40,000 tonnes of cassiterite or 26,000 tonnes of tin metal.*

Average test drill hole depths which provided the data on which the resource estimate was compiled was about 7m. As the onshore workings usually have about 15m of lower grade material above the richer basal wash gravels, it can reasonably be inferred that deeper offshore drilling by TNT Mines Limited should result in an increase in volume of the palaeo channel resource and an overall increase in grade. The Indicated resource was estimated using a 75g per cubic metre cut-off: cut-off for the Inferred category was not recorded.

### **Taxation Implications**

In the proposed demerger it is important that neither Minemakers nor its shareholders, who receive TNT shares by way of an in-specie distribution, should be subjected to any capital gains tax liability. A considerable effort was expended during the Quarter in compilation and submission of an application to the Australian Taxation Office for a favourable class ruling which would eliminate any potential capital gains liability. The dispatch of the class ruling submission clears the way for finalisation of the prospectus for the IPO and proposed ASX listing.

### **Listing Matters**

The preparation of independent expert reports and attendance upon required administration matters with respect to the IPO prospectus and ASX listing are proceeding according to schedule. Listing on ASX is anticipated in mid-2011.

## COMMODITY PRICE TRENDS

US dollar denominated prices of the principal TNT Mines commodities have continued to rise during the Quarter, although somewhat offset by the very strong Australian dollar.

Nonetheless, outlooks for tin, tungsten and fluorspar based on fundamental supply and demand considerations seem very good.

Tin and tungsten price trends are shown in the following graphs:

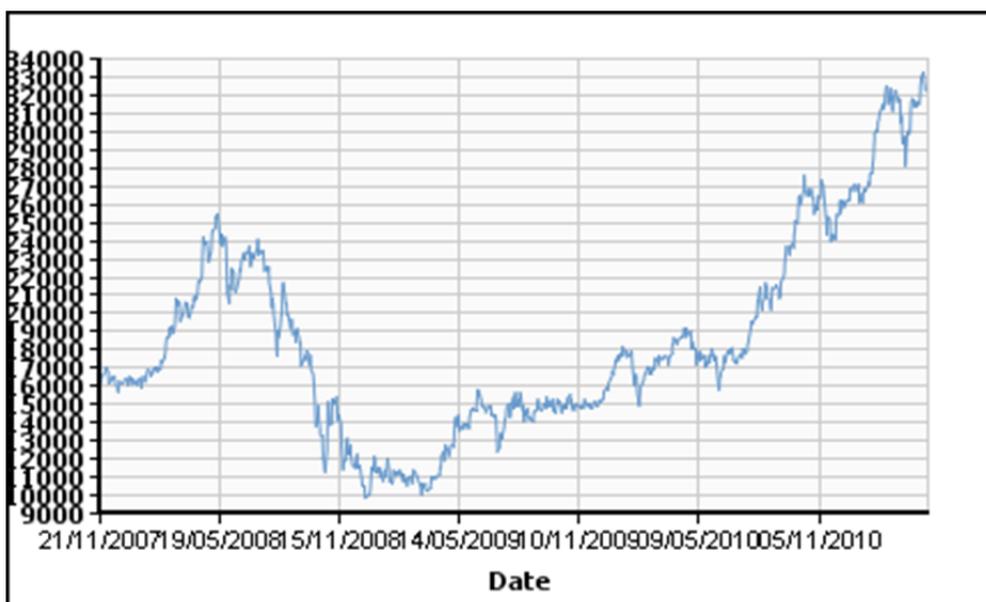


Figure 7: Tin Price to 18 April 2011 (US\$/tonne): (Source: LME)

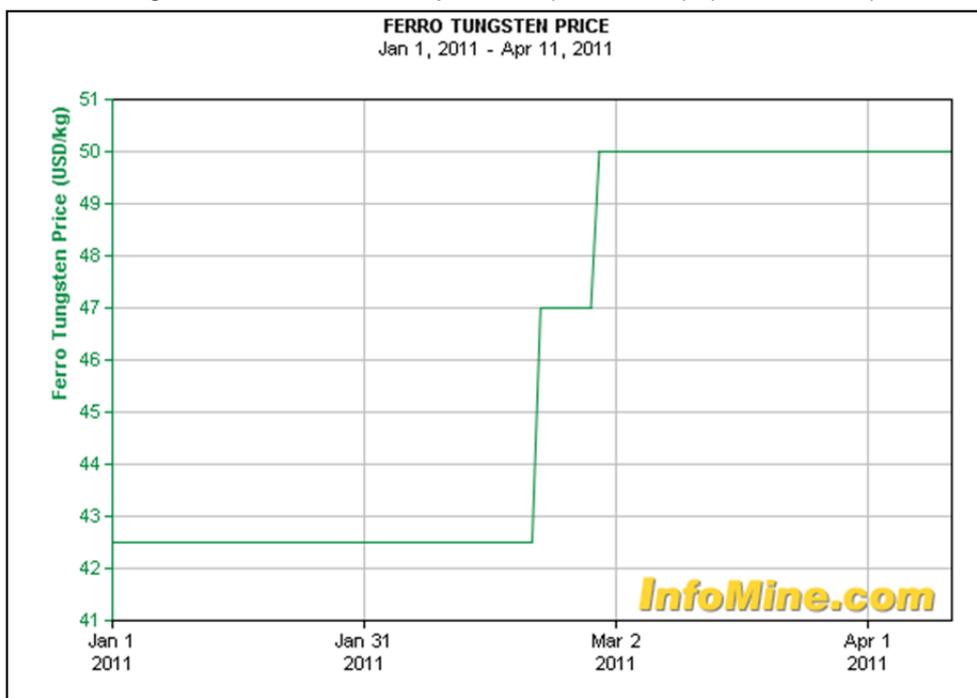


Figure 8: Tungsten Price (Source: InfoMine)

## CORPORATE

At an EGM on 25 February 2011, Minemakers' shareholders approved a share placement facility.

A roadshow to North America and European investors in March 2011 met with an encouraging response.

A \$0.5M investment was made in Namibian joint venture partner Union Resources NL, through its recently completed rights issue. This represents an affirmation of Minemakers' enthusiasm for the project and the JV.

## CASH POSITION

At the end of the quarter, the cash position is A\$14.4M.

The value of investments in listed companies (assuming BCD notes are converted to equity) and Union Resources on 16 March 2011 was approximately A\$24M.

### Andrew Drummond Managing Director

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Drummond, who is Managing Director of the Company and 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. 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.*

*With respect to the JORC, Clause 18, and in respect of some targets the potential quantity and grade of them are conceptual in nature, and there may have been insufficient exploration to date to define a Mineral Resource and is uncertainty if further exploration would result in the determination of a Mineral Resource.*

### COMPETENT PERSON STATEMENTS

*With respect to Namibia, the technical information in this release was compiled and reviewed by Mike Woodborne M.Sc (Geology), MAusIMM, MAIG General Manager African Operations of Minemakers Limited, who is a Member of The Australian Institute of Mining and Metallurgy. Mr Woodborne 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'. Mr Woodborne consents to the inclusion in the report 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 Minemakers' 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. Minemakers 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.*