MINEMAKERS LIMITED

ABN 48 116 296 541

2 June 2010

Dear Shareholder

POSITIVE WONARAH DSO FEASIBILITY STUDY RESULTS

- The Feasibility Study into production and export of Direct Shipping Ore ("DSO") from Minemakers' 100% owned Wonarah Rock Phosphate Project has been completed with positive results.

- The Base Case for the Feasibility Study concerns commencement of production at 0.5Mtpa and ramp up to 3Mtpa, with 9.4Mt of DSO to be mined in an initial 5 year operation.

- The proposed Resources Super Profits Tax ("RSPT") has been modelled should it apply to phosphate, but estimates must be treated as indicative only at this stage.

- Financial highlights of the Wonarah DSO Feasibility Study are summarised in Table 1.

Table 1: *Wonarah DSO Feasibility Study Base Case Results*

	Feasibility Study Base Case
Mine Life	5 years
Net Revenue	$1,662M
Operating Costs, FOB Darwin	$122/tonne
Capital Costs	$215M
Capital Costs per tonne	$23/tonne
Net Cash Flow, pre – Traditional Owner Royalty	$313M
NPV, Pre Royalties and Tax	$187M
NPV, Post Royalties and Tax	$99M
Discount Rate	8%
Internal Rate of Return, Pre Royalties and Tax	46%
Internal Rate of Return, Post Royalties and Tax	31%
Royalties Payable	$88M
Proposed Super Tax (includes NT Govt Royalty)	$82M
Total Taxation (Royalties, RSPT & Co. Tax)	$132M
Total Taxation and Royalty Take	42%

All dollar figures in this letter are in Australian dollars unless expressly indicated otherwise.

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- The 2010 drilling programme will start this month and aims for further conversion of some of the extensive high grade Indicated and Inferred resources into additional reserves so as to drive a longer term operation. The conceptual financials for a ten year operation have also been modelled by Minemakers and lead to more favourable economic projections - subject to the success of the drilling programme – as shown in Table 2.

Table 2: *Wonarah DSO Conceptual Ten Year Operation Results*

	Ten Year Operation Model
Mine Life	10 years
Net Revenue	$4,565M
Operating Costs, FOB Darwin	$121/tonne
Capital Costs	$215M
Capital Costs per tonne	$8/tonne
Net Cash Flow, pre – Traditional Owner Royalty	$1277M
NPV, Pre Royalties and Tax	$748M
NPV, Post Royalties and Tax	$314M
Discount Rate	8%
Internal Rate of Return, Pre Royalties and Tax	67%
Internal Rate of Return, Post Royalties and Tax	39%
Royalties Payable	$315M
Proposed Super Tax (includes NT Govt Royalty)	$432M
Total Taxation (Royalties, RSPT & Co. Tax)	$641M
Total Taxation and Royalty Take	50%

MINEMAKERS' COMMENTARY

1. Base Case Economic Parameters

- Rock Phosphate Price US$150/tonne FOB Darwin
- AU/US$ Exchange Rate 0.85
- Oil Price, Singapore US$85/bbl

2. Study Participants

The study was coordinated by AMC Consultants Pty Ltd and incorporates investigations by 13 independent consulting companies. Financial modelling was undertaken by Optimum Capital. Minemakers assumes responsibility for the Ten Year Model.

3. Ore Reserves

The Indicated Mineral Resource of 15Mt @ 30.1% P_2O_5 is based on close based drilling and after considering all modifying factors, yield and Ore Reserves of 9Mt @ 30% P_2O_5. A further 28Mt @ 30% P_2O_5 of Inferred Mineral Resource category exists in areas with a wider drill hole spacing. Minemakers will be increasing and extending its drilling coverage and infill density over the forthcoming months as previously advised, to provide a greater proportion of mineral resources in the Indicate category and hence potentially to extend the DSO mine life.

In accordance with JORC Code provisions, it is emphasised that, at this time, the potential quantity and grade of these targeted additional and/or improved resources are conceptual in nature. The target is for a further 16Mt or more of material at P_2O_5 grades of 30% or better. The exploration will be concentrated within areas for which resources at better than 27% P_2O_5 have already been estimated, or adjacent to them, and will aim to increase the data density to sufficient levels for an increase in resource category confidence such that additional DSO reserves can be estimated.

Success in this regard has been modelled in the 10 year DSO case, which is emphasised to be conceptual in nature at this time.

Project economics improve with mining of shallower DSO, such as has been found at Arruwurra. As previously announced, Minemakers' 2010 drilling campaign will also target a search for further shallow DSO deposits on the western part of our leases and to the north of the Barkly Highway.

4. Capital Costs

The estimated capital costs are presented in Table 3. There are no significant changes to extend from the Five Year Base Case to the Ten Year Model.

Table 3: *Capital Expenditure*

Item	$M
Mine Site Infrastructure	72.5
Tennant Creek Transport Hub	41.2
Port of Darwin	39.9
Borefield	0.4
Owners' Costs	1.4
EPCM	21.9
Contingency	23.3
Design Growth	15.0
Total	**215.5**

5. Capital Expenditure and Staged Development

The Company previously considered that capital requirements would be less than shown in Table 3: it now finds that almost 40% of the capital requirements are to be spent at the Port of Darwin and the Tennant Creek Transport Hub. The initial development plans for the Project included provision that the Darwin Port infrastructure be provided by the Darwin Port Corporation and for the transport hub to be funded and built by a third party. In each case, rather than incurring capital expenditure by Minemakers, there would have been a per tonnage usage charge to Minemakers over the eventual life of mine which would have included a profit margin. Despite the Company having to bear an increase in its capital requirements, over the long term envisaged for Wonarah, the Company will ultimately be in a superior financial position.

The Project will be developed in two stages. The first is targeted for 2011, subject to attaining necessary finance and off-takes.

The 0.5Mtpa Stage I development requires a capital expenditure of $71M and the ramp up to 3Mtpa production in Stage II in 2012 requires a further $144M.

At the phosphate prices used in the study, the ability to be able to commit to Stage II and the export of 3Mtpa through Darwin is the key to the economic viability of the DSO project. The Port expansion is a commitment by the NT Government.

Should customers want an earlier delivery in 2010, the Company should be able to supply from an expansion of the Arruwurra bulk sample pit once it has received all its approvals, as anticipated for the third Quarter, although the ore would be relatively expensive to mine and transport.

6. 1.0Mtpa Production Model

Modelling of an alternative development scenario with output maintained at 1.0Mtpa has been undertaken, but the economics are less attractive, and Minemakers regards it as an inefficient way to develop and exploit the very large Wonarah deposit where the better grade resources have been estimated to total 404Mt @ 21% P_2O_5, (297Mt @ 21.6% P_2O_5 Indicated, 207Mt @ 20% P_2O_5 Inferred).

7. Sensitivity Analysis

The Wonarah project is, of course, very sensitive to the price of rock phosphate. For example, in the Base Case a 10% variation increases or decreases pre-tax NPV by 72%, and in the Ten Year Minelife Conceptual Model it changes by 42%.

Broadly similar results occur if the exchange rate falls to 0.75 or rises to 0.95, respectively.

Realistically, in order to attract the necessary capital for mine start up, the project will need to see attainment and maintenance of that target US$150/tonne price to ensure sufficiently attractive margins for investment. Minemakers is encouraged by the steady rise of the rock phosphate price through 2010, which now stands at about US$135/tonne FOB Morocco for product comparable to our DSO grade material.

In view of the sea freight advantage enjoyed by Wonarah to our target markets, relative to conventional and more distant Middle Eastern and North African suppliers, that target price of US$150/tonne FOB Darwin can now generally be regarded as having been attained at this time.

The project has been determined to be less sensitive to other variables such as increased pre-production capital costs and operating costs.

8. Freight Logistics

Required margins can also be attained by way of a reduction in operating costs. The freight logistics from mine site to ship's hold is by far the biggest operating cost component. While the further programmed drilling is being carried out and the approvals processes are being completed, the Company will be reviewing all reasonable alternatives with a view to decreasing the costs for each of the logistics components.

A saving of around US$25/tonne has been estimated on a preliminary basis by Minemakers if road haulage to Tennant Creek could be replaced by rail, and there will also be a significant capital saving in not having to build the transport hub there. On the Base Case production model alone, these savings will go a long way towards funding the cost of constructing that railway. Discussions with several parties on this are in progress.

9. Darwin Railway

The Receivers and Managers for FreightLink Pty Ltd (Receivers & Managers Appointed) have been unable to sell the Tarcoola to Darwin railway over an extended period of nearly two years. This has caused considerable problems to Minemakers and the Feasibility Study team in developing the economic and financial models. The Study incorporates provision for leasing of trains and rolling stock by Minemakers rather than simply paying a contract haulage rate to a provider of rail freight services, as was originally envisaged. Additionally, upgrades to rail freight capacity were originally intended to be provided by the owner of the railway but Minemakers has made provision in the Feasibility Study for capital expenditure of some $12.6M to enable the planned 3Mtpa haulage capacity.

10. Impact of the RSPT

Modelling of the impact of the recently announced RSPT has been undertaken by Optimum Capital which advises that its estimates are indicative at this stage due to uncertainty as to the final structure of the tax regime. The impact on Project returns is severe, as shown in Tables 1 and 2 at the beginning of this letter. Minemakers has begun consultations with Federal Treasury on the matter and is cautiously optimistic, as has been reported in the press, that extracted minerals and phosphate will be excluded from the RSPT because of the potential to fuel domestic inflation.

In the event that the RSPT does apply to Wonarah, the total tax and royalty takes from the Base Case and Ten Year mine life operations would be 42% and 50%, respectively, of net cash flows.

This total level of taxation will:

- Hinder capital raising for start up of the operation.
- Decrease returns to our shareholders who have borne all costs and risks on this project to date.
- Result in a reduced capacity to fund future construction of railways, beneficiation plants and fertiliser factories from after tax surplus funds.

11. Next Steps

Feasibility Study projects generally include both risks and opportunities. Risk factors have been considered in all aspects of the Study and are noted in the forward looking statement below. However, Minemakers considers that opportunities remain potentially to enhance the Wonarah Project which include:

- The current drilling programme to enhance the total Ore Reserves.
- Further examination of freight logistics costs.
- Detailed discussions with potential off-take parties now that financial and economic modelling has been tested.

12. Acknowledgements

Lastly, I take the opportunity to record the appreciation of the Minemakers Board to the management and staff of the Company and the multitude of consultants and contractors who have worked on the Wonarah Project and this Feasibility Study. The Project has been taken from first drill hole to end of feasibility in only 26 months and is a credit to all involved.

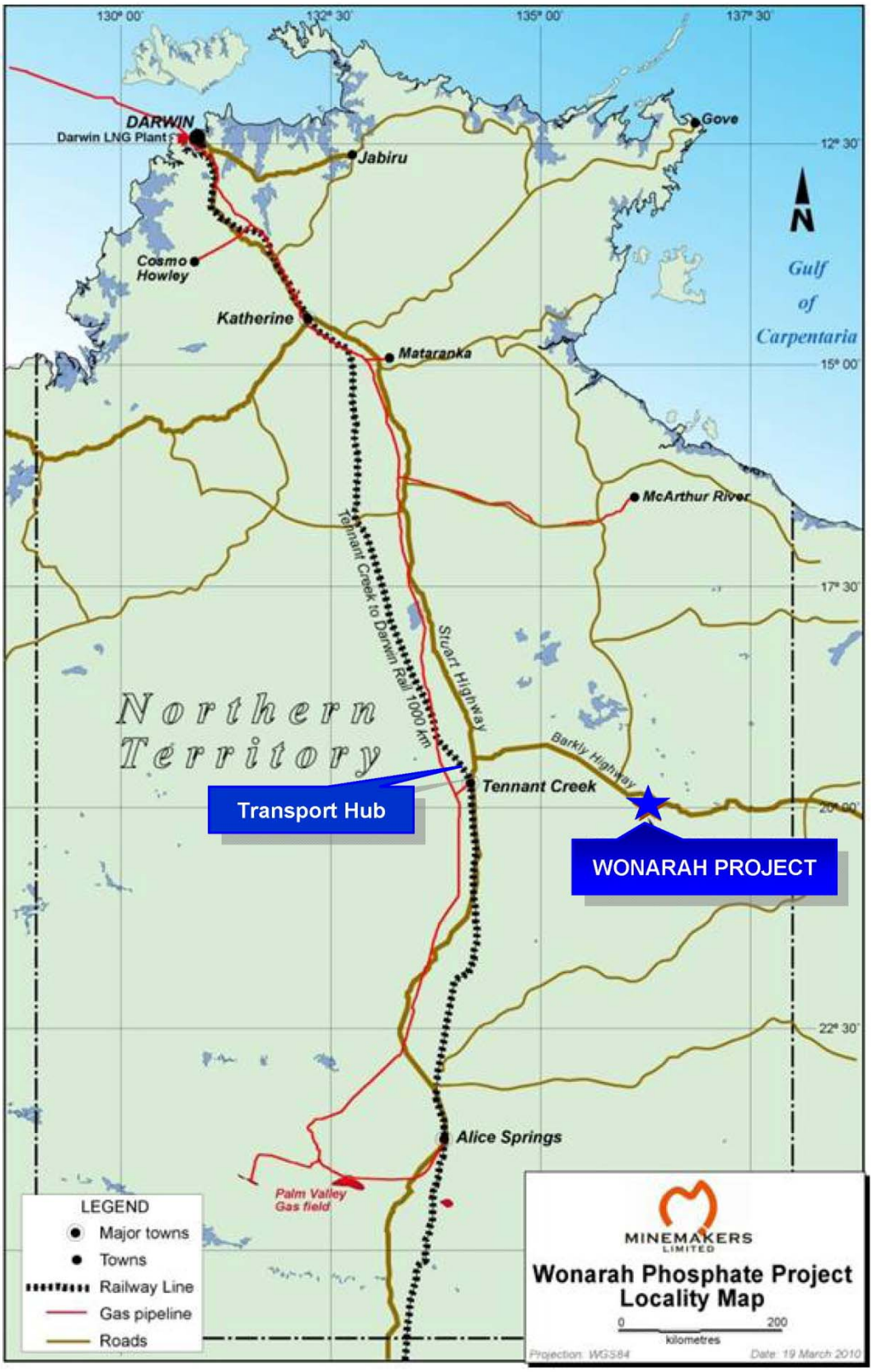
Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this letter 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.

Kind regards

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, 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'. 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.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Katherine
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Gulf of Carpentaria
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Northern Territory
Tennant Creek to Darwin Rail 1000 km
Stuart Highway
Barkly Highway
Tennant Creek
Transport Hub
WONARAH PROJECT
Alice Springs
Palm Valley Gas field
LEGEND
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Towns
Railway Line
Gas pipeline
Roads
MINEMAKERS LIMITED
Wonarah Phosphate Project
Locality Map
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Projection: WGS84
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