

UCL Resources Limited Investor Presentation



ASX - UCL

**Your Directors unanimously recommend
that you REJECT the offer by Minemakers Limited
to acquire your UCL Shares.**

REJECT
**THE OFFER BY MINEMAKERS LIMITED
TO ACQUIRE YOUR UCL SHARES**

21 March 2012

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- Information in this presentation that relates to the mineral resource estimates for the Sandpiper marine phosphate project is based on information compiled by Roger Daniel who is a member of the Australasian Institute of Mining and Metallurgy. Mr Daniel is a full-time employee of UCL. Mr Daniel has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which is being undertaken to qualify as a Competent Person as defined in the 2004 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves”. Mr Daniel consents to the inclusion in the report of the matters based on his information in the form and context in which it appears
- Information in this presentation that relates to mineral resources estimates for the Mehdiabad Project, including metallurgical recoveries and the appropriateness of the use of a 2% lower Zn cut-off grade (the appropriate lower economic cut-off for zinc resources) and 0.3% Cu cut-off grade (the appropriate lower economic cut-off for copper resources) for reporting of resources, is based on information compiled by Patrick Scott, consultant to UCL Resources Limited, in 2007. Mr Scott is a director of PS Associates Pty Ltd and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Scott has sufficient experience which is 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 Scott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears



UCL corporate snapshot

Corporate structure

Recent changes

- Name change
- Shares consolidated
- Unmarketable parcels sold

Equity structure

- 80.8m shares on issue
- Market capitalisation A\$25.9m
- Top 40 hold ≈82%

Largest shareholders

- Twynam Group¹ – 32.92%
- MAK – 13.11%
- Cash at 31 Dec 11 – \$2.2m

Board

Ian Ross	Non Executive Chairman
Steve Gemell	Non Executive Director
Gida Sekandi	Non Executive Director
Chris Jordinson	Managing Director

Management

Chris Jordinson	Managing Director
Roger Daniel	Chief Operating Officer
John Lemon	Company Secretary

Projects

- Sandpiper marine phosphate
- Mehdiabad Zinc

Source: UCL ASX announcements, IRESS as at 20th March 2012, UCL share register. 1) Including related parties



The UCL Directors recommend that you **REJECT** MAK's takeover offer

Key reasons to reject the offer

- 1 The Independent Expert has concluded that the offer is **not fair** and **not reasonable**
- 2 Sandpiper is a world-class resource, with great potential in a growing market. If the offer is successful, your interest in Sandpiper would fall from 42.5% to 21.7%¹
- 3 UCL is best positioned to unlock Sandpiper's value
- 4 UCL is wholly focused on delivering value from Sandpiper and is close to doing so
- 5 The viability of MAK's Wonarah project, in which you are being offered an interest, is uncertain and the project is a distraction
- 6 The future value of your investment would depend upon the performance of MAK shares
- 7 MAK's offer substantially undervalues UCL



**REJECT
THE
OFFER**

1) On an undiluted basis. Calculation includes MAK's direct interest in UCL. The outcome for MAK as a UCL Shareholder will differ from the outcome for other UCL Shareholders



UCL is well placed to continue the commercialisation of Sandpiper

UCL's strengths

Attractive core asset	Sandpiper resource – approaching DFS completion	✓
Focussed business	One main asset – no distractions	✓
Hands on management	UCL management strongly focused on Sandpiper	✓
Operational track record	Current management has driven significant progress	✓
A clear pathway to production	DFS expected to confirm a timetable to production	✓
Supportive shareholders	Strong support from key shareholders	✓
Financing	Indicative term sheets received for Sandpiper debt financing	✓



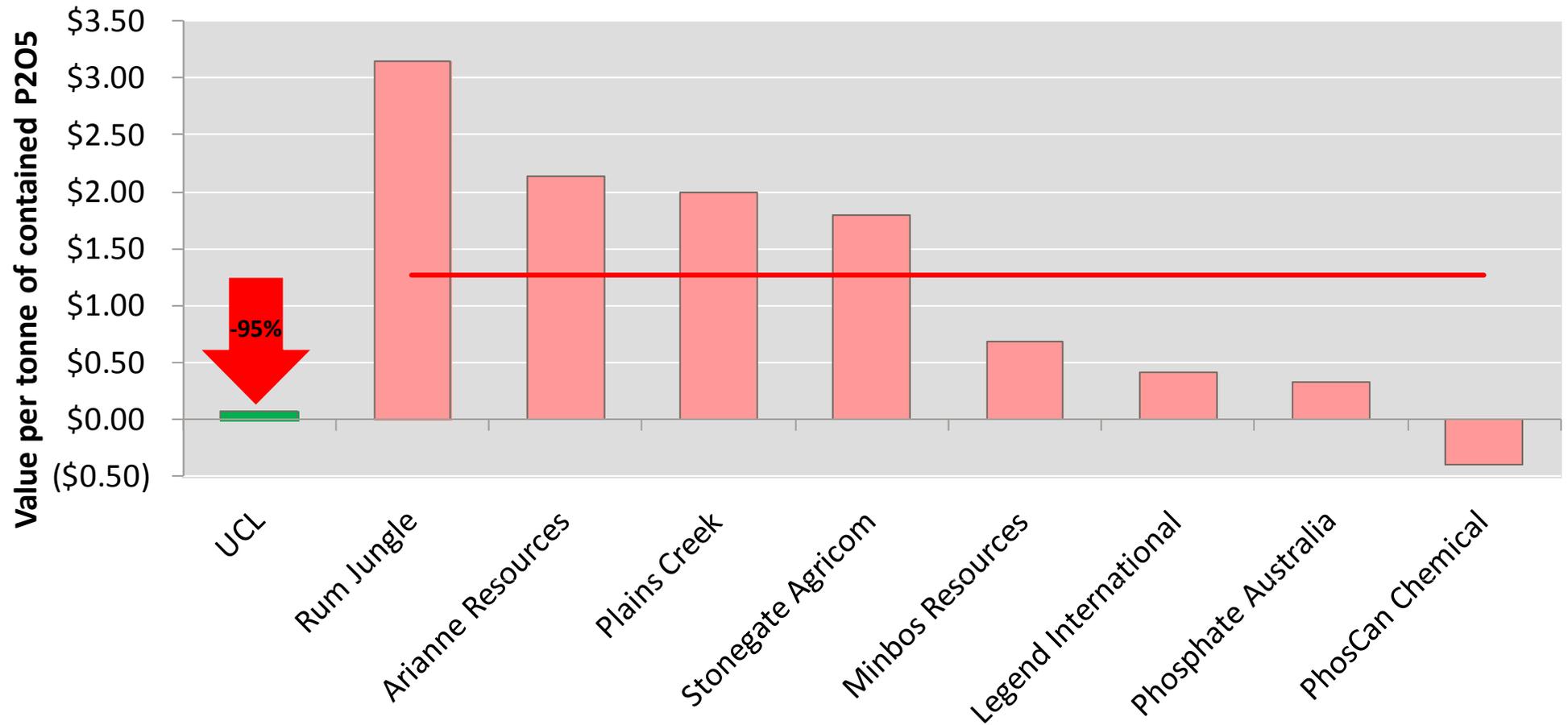
MAK does not have any of these strengths

MAK's weaknesses		
Value in Wonarah unclear	Wonarah is years away from production and has a very high capital cost	x
Value in other assets unclear	Assortment of interests in speculative projects with little value	x
No clear strategy	MAK has had no clear strategic focus to its business over recent years	x
Hands off management	MAK management has been multi-project focused	x
Weak operational track record	MAK's progress with its Wonarah asset has been sporadic	x
Development plans unclear	MAK has no clear timetable for developing its resources	x
Failed financings	MAK has tried and failed to raise equity capital for Wonarah	x



The MAK offer values your company at about 95% less than the average valuation of UCL's peers

Peer valuations

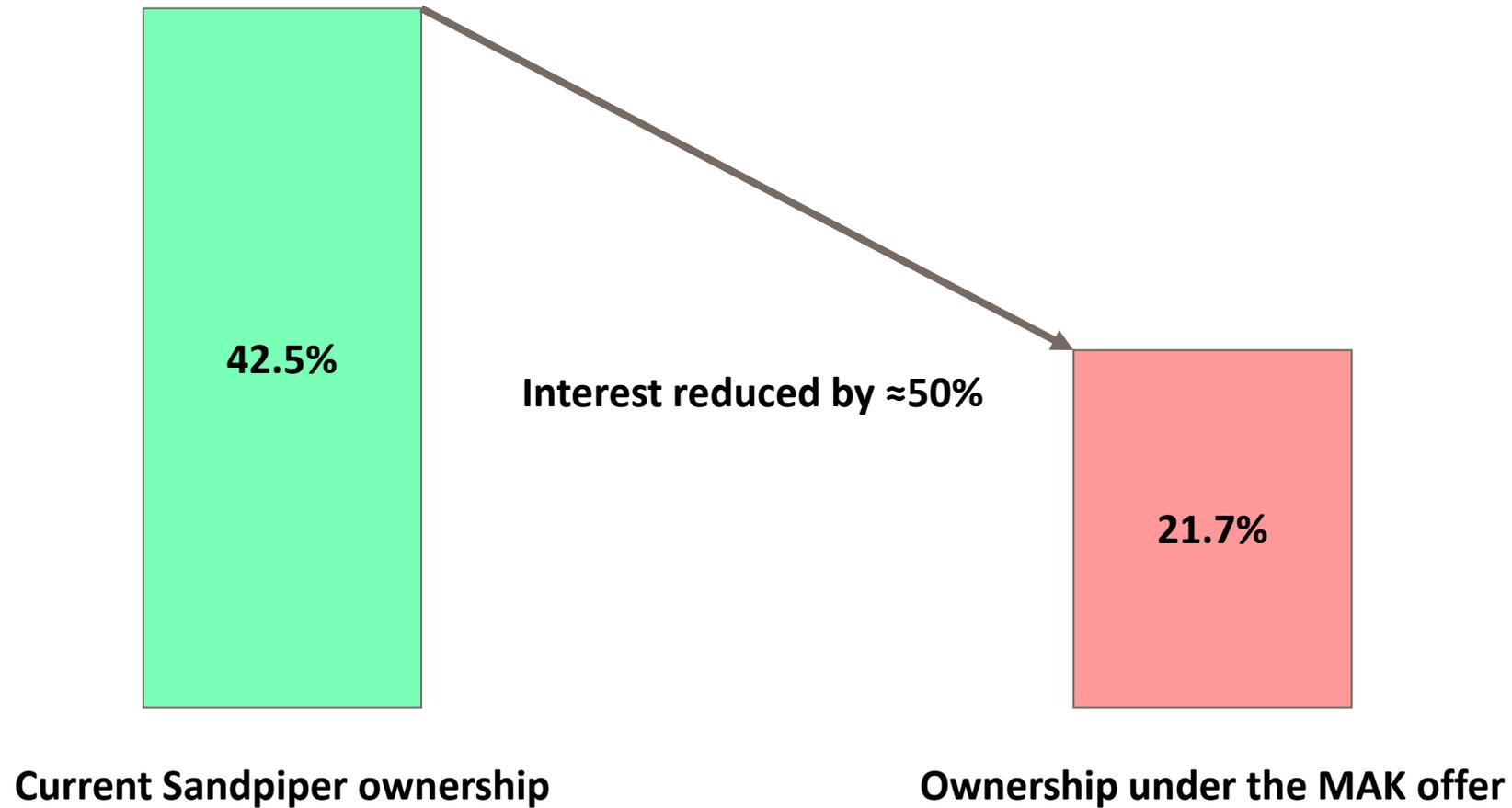


Source: Capital IQ at 10th February 2012, company announcements and company websites. Values given on an enterprise value basis. The UCL value is given as the value stated in the MAK Second Supplementary Bidder's Statement.



MAK's offer would substantially dilute your ownership in Sandpiper

Impact of the MAK offer



Note: These calculations include MAK's interest in UCL and are given on an undiluted basis. The outcome for MAK as a UCL shareholder will be different from the outcome for other UCL shareholders. Non-MAK UCL shareholders currently have a 36.9% interest in Sandpiper, which will reduce to 18.4% (on an undiluted basis) if the offer is successful



The Sandpiper marine phosphate project

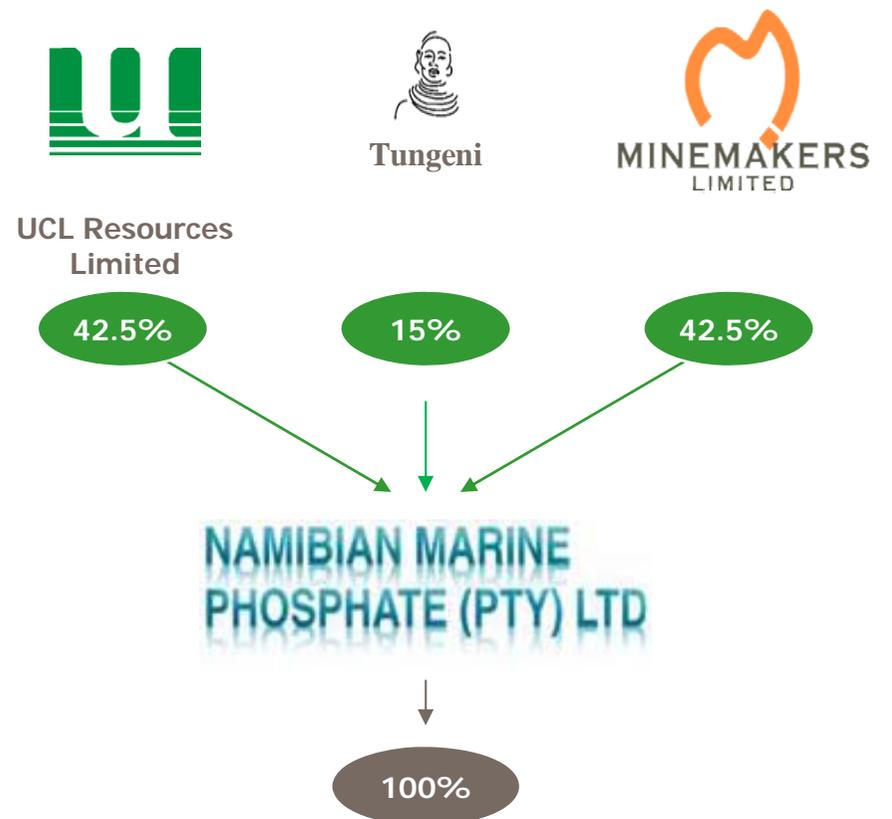
Key attractions

- Politically stable environment
- Enormous resource
- Available infrastructure
- Conventional dredging technology
- Simplified process
- Available workforce
- Excellent location
- World requirement for food sustainability

Location



Structure of the Joint Venture



Excellent progress has been made in developing the resource

Sandpiper development history			
2009	September	Resource upgrade	✓
2010	August	Project JV shareholders' agreement executed	✓
	November	Successful UCL fundraising through convertible note	✓
	November	Scoping study shows positive economics	✓
	November	Mining licence application	✓
2011	March	Successful rights issue – 61.4% of shareholders take up rights	✓
	July	Namibian Government confirms preparedness to grant mining licence	✓
	August	Resource upgrade	✓
	October	Definitive Feasibility Study bulk sample program completed	✓
	November	Successful commissioning of beneficiation pilot plant	✓
2012	January	Positive results from Test work Report – product suitable for direct application	✓
	February	Resource upgrade	✓
	Next	Finalisation of definitive feasibility study	

Source: UCL announcements on ASX

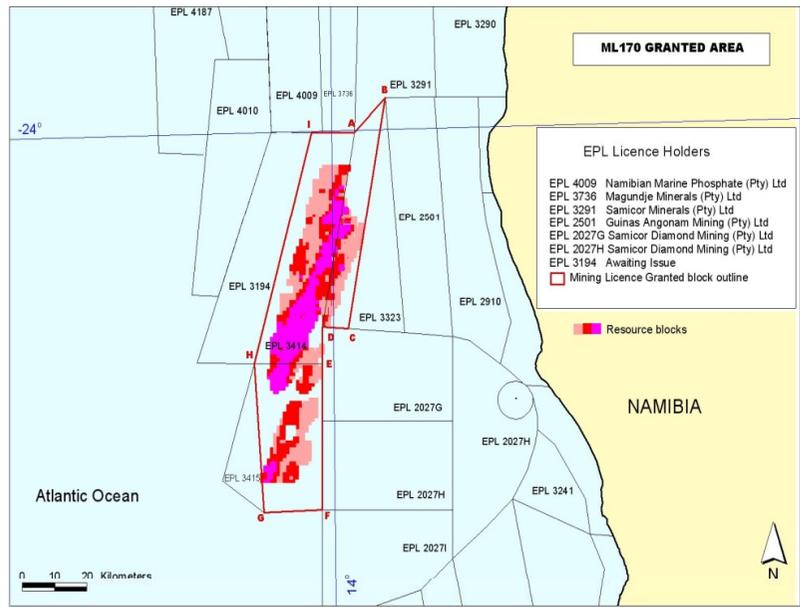


The resource is located close to existing infrastructure at Walvis Bay

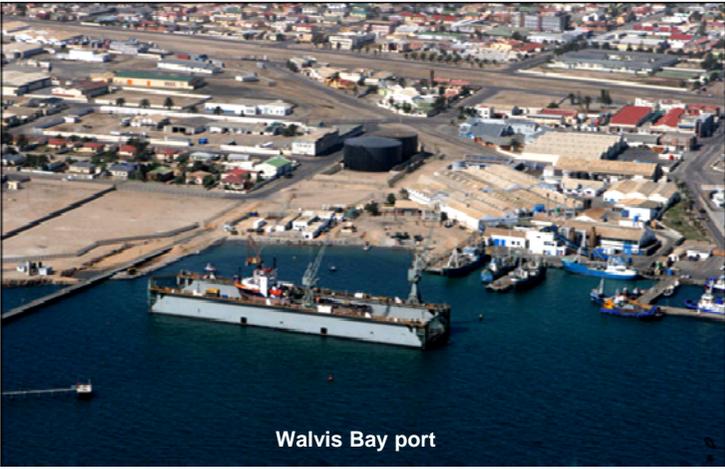
JORC and NI43-101 Resource

Measured: 4.1Mt @ 20.5% P₂O₅
 Indicated: 220.3Mt @ 20.1% P₂O₅
 Inferred: 1,608Mt @ 18.9% P₂O₅
Total: 1,832Mt
(15% Cut-off)

Granted area



Walvis Bay: existing infrastructure



Source: UCL announcements on ASX



Sandpiper marine phosphate project – Scoping Study

Key parameters

Financial Parameters		Operating Parameters	
Scoping Study Base Case Financial Model	25 years	Dredge Depths	<225m
Scoping Study parameters	±30%	Dredge material	5.0Mtpa
Saleable Rock Phosphate per annum	3.0Mtpa	ROM Grade	+60%
FOB Selling price	US\$90/t	Saleable Rock Phosphate per annum	3.0Mtpa
FOB Cash Operating Costs	US\$58/t	Process	
Capital costs (1-3 years)	US\$144M	Screening (remove coarse)	+1mm
Capital costs per tonne	US\$7.7/t	Attrition (reduce deleterious matter)	
NPV @ 10% discount rate	US\$312M	Cyclone (remove fines)	-75µm
NPV @ 15% discount rate	US\$133M	Wash and dry	
IRR	26%	Saleable Product Grade	26-28% P ₂ O ₅

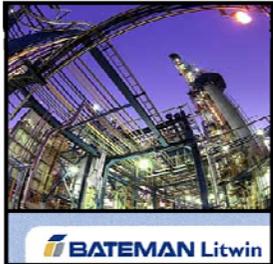
Key conclusions

“The positive results of the Scoping Study show the project’s robust economics and long life production potential indicate that NMP and its shareholders should progress the project rapidly through to completion of feasibility study beginning at the start of 2011.”



Sandpiper marine phosphate project – Definitive Feasibility Study

Major partners



Slurring

Lead consultants and processing



Ponds and Infrastructure



Dredging



Environment

DFS Objectives

- DFS parameters +/- 10%
- Technical parameters confirmed
- Operating parameters identified
- Scale up to a commercial plant
- Required infrastructure
- Financial viability
- CAPEX
- OPEX
- Product markets
- Environmental parameters

Independent Consultant - John Sinden synopsis (Aug 2011):

“There are no identified show stoppers evident at this stage of the DFS and in developing any large ‘industrial mineral’ or ‘phosphate’ project the major driver is related infrastructure and what is evident at Walvis Bay is the project is very well positioned from that perspective.”

Sandpiper marine phosphate project – Forward programme

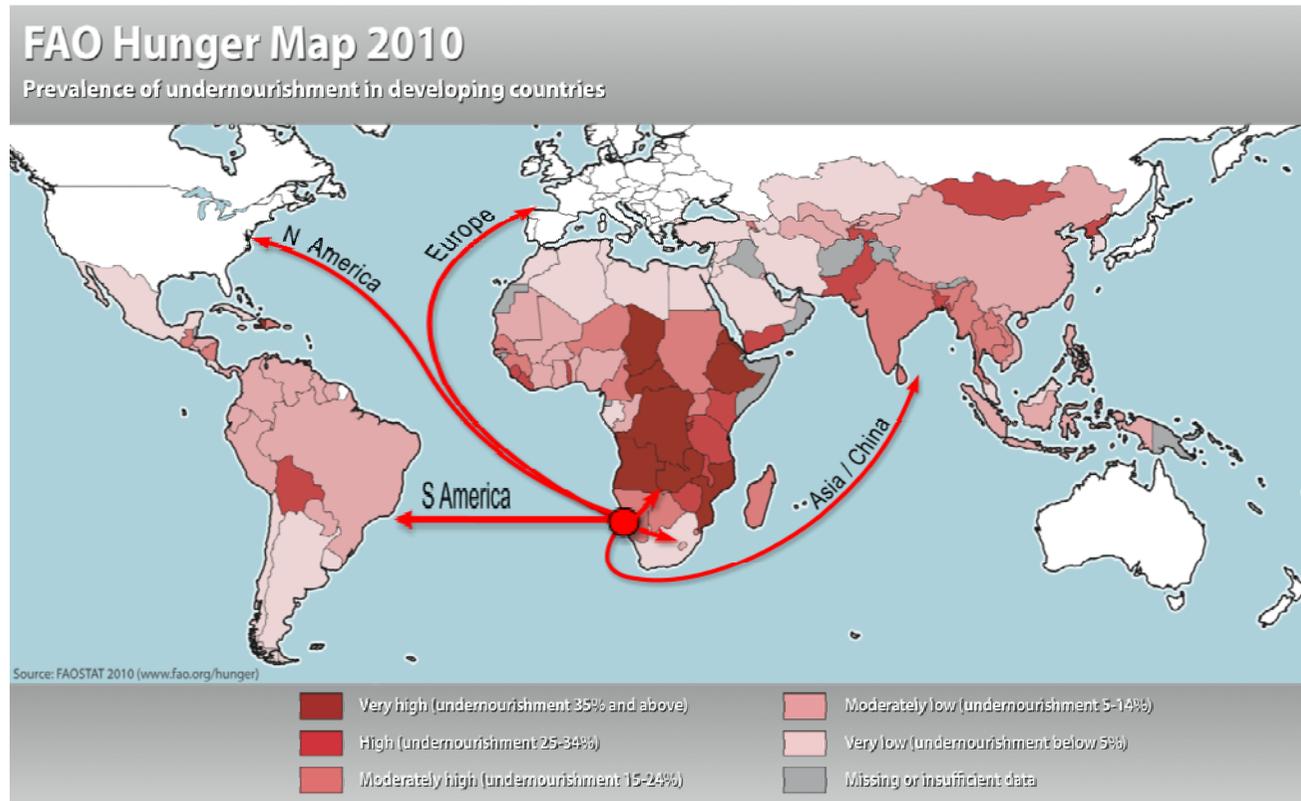
Sandpiper Forward Programme

2012	Q1	Complete pilot plant test work	✓
	Q1	Complete marketing programme	✓
	Q1	Sampling to upgrade resource for DFS	✓
	Q1	Complete Definitive Feasibility Study	March
	Q2	Development decision	
2013	Q1	Construction and commissioning	
	Q1	Campaign dredging commences	
	2H	First commercial shipment	



Sandpiper marine phosphate project – Markets and products

Potential markets



The designations employed and the presentation of material in the map(s) do not imply the expression of any opinion whatsoever on the part of FAO concerning the legal or constitutional status of any country, territory or sea area, or concerning the delimitation of frontiers.

Potential uses

- Direct Application Phosphate Rock (DAPR)
- Single Super Phosphate (SSP)
- Phosphoric Acid
- Fertilizer Products
 - Diammonium Phosphate (DAP)
 - Monoammonium Phosphate (MAP)
 - NPK

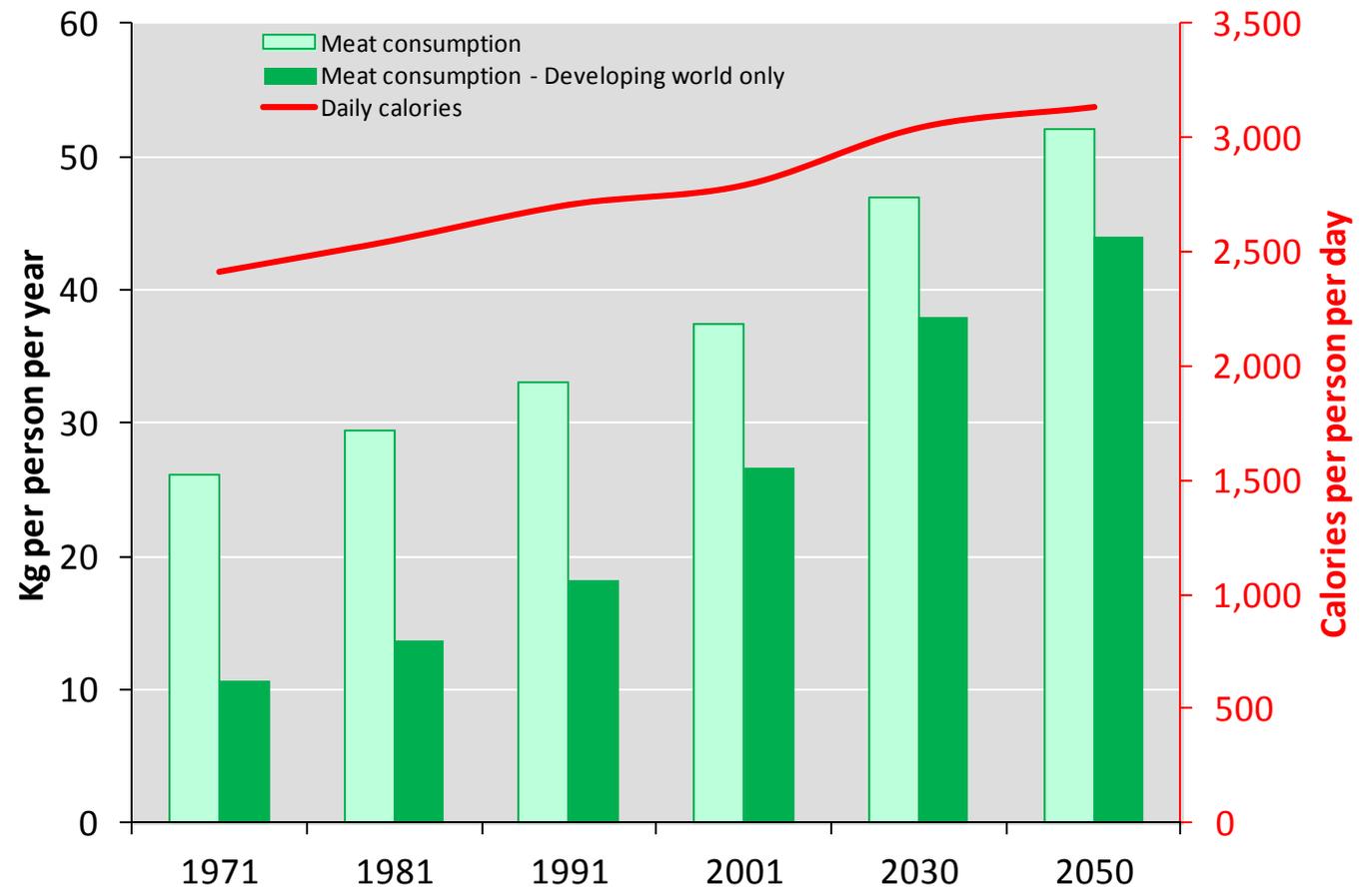
*“One of the first ways to meet the increasing demand for food is to **increase crop yields by using fertilizers**. Rising commodity prices mean that farmers are making better profits and can afford to buy fertilizers. **Demand and prices are expected to grow strongly over the next decade.**”*

Investor Chronicle, May 9, 2011

Phosphate demand is expected to increase significantly over the long term

Food demand from the developing world will increase substantially

- Global food productivity is highly dependent upon phosphate, a key component of fertiliser
- A strongly growing global population will require significant increases in fertiliser production
- Most of the increased food demand will come from developing countries



Source: US Geological Survey, Data Series 140, <http://minerals.usgs.gov/ds/2005/140/#phosphate>; World agriculture: towards 2030/2050, UN Food and Agriculture Organisation, Rome 2006



The Mehdiabad zinc project

Summary

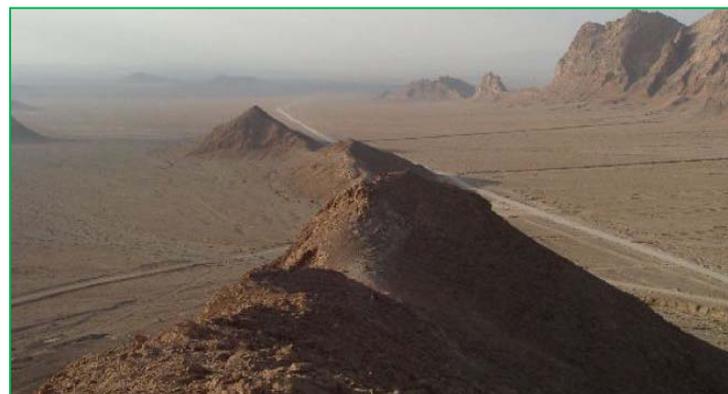
- De-railed by purported termination
- Excellent resource
- Bankable Feasibility Study completed 2006
- Available workforce
- Difficult to operate with the current sanctions
- Owned by Mehdiabad Zinc Company (MZC)
- UCL is the project manager and a shareholder in MZC

Location



Resources (cut off 2% Zn equivalent)

Category	Mt	Zn (%)	Pb (%)	Ag (g/t)
Measured	140	4.1	1.6	34
Indicated	222	4.2	1.6	36
Inferred	32	4.5	1.4	38
Total	394	4.2	1.6	34



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