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## JUNE 2009 QUARTERLY ACTIVITIES REPORT

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21 July 2009

### HIGHLIGHTS

#### ROCK PHOSPHATE

Rock phosphate price was negatively impacted during the Quarter, but has recently begun to move up from its lows and phosphate fertiliser sales are rebounding and inventories are reportedly decreasing.

#### *Wonarah, Australia (100% Interest)*

- Resource estimate position increases to:
  - Combined Indicated and Inferred: 1,105,000,000t @ 18% P<sub>2</sub>O<sub>5</sub> (using a 0% P<sub>2</sub>O<sub>5</sub> Cut-off)
  - Of which Indicated: 167,000,000t @ 21.3% P<sub>2</sub>O<sub>5</sub> (using a 15% P<sub>2</sub>O<sub>5</sub> Cut-off)
- Definitive feasibility study on Direct Shipping Ore due at the end of September 2009 Quarter.
- Australia's largest, and most advanced, new phosphate project.

#### *Namibian Marine (42.5% Direct Interest)*

- Joint Venture Inferred resources estimated now at 789,000,000t @ 17.5% P<sub>2</sub>O<sub>5</sub>. A substantial increase is expected shortly.

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## **OTHER COMMODITIES**

- Metallurgical testwork is about to begin on the Moina fluorspar-magnetite-tin-tungsten-base metals and bismuth project in Tasmania.
- RC drilling at this old Aberfoyle tin-tungsten mine returned encouraging tin intersections along strike from the old workings.

## **CORPORATE**

- Minemakers has attained acceptances in respect of 95.98% of Bonaparte's issued shares, and that takeover target was delisted from the ASX on 20 July 2009.
- The Company acquired a 9.64% stake in ASX-listed Union Resources Limited.
- Minemakers is currently raising funds through an SPP, subscriptions for which close on 31 July 2009. Subject to shareholders' approval at General Meeting, up to 100M shares can be issued. At 17 July 2009, funds received under the SPP had reached \$4.6M.

## ROCK PHOSPHATE

***MINEMAKERS IS AIMING TO BE A WORLD-CLASS EXPORTER OF  
ROCK PHOSPHATE***

### THE WONARAH PROJECT, NORTHERN TERRITORY – 100% OWNED

The Project was strongly advanced during the Quarter and the definitive feasibility study is scheduled to be completed at about the end of the September Quarter.

A summary of the principal progress areas during the June Quarter is as follows:

#### 1. Resources

Minemakers' independent consultants provided the following estimates of resources.

Cut-off	Deposit	Category	Mt	% P <sub>2</sub> O <sub>5</sub>
15% P <sub>2</sub> O <sub>5</sub>	Main Zone	Indicated	136	21.6
		Inferred	170	21
		<b>Total</b>	<b>306</b>	<b>21</b>
	Arruwurra	Indicated	31	19.8
		Inferred	62	19
		<b>Total</b>	<b>93</b>	<b>19</b>
	Combined	Indicated	167	21.3
		Inferred	232	20
		<b>Total</b>	<b>399</b>	<b>21</b>
10% P <sub>2</sub> O <sub>5</sub>	Main Zone	Indicated	231	20.9
		Inferred	375	18
		<b>Total</b>	<b>606</b>	<b>19</b>
	Arruwurra	Indicated	44	17.8
		Inferred	86	17
		<b>Total</b>	<b>130</b>	<b>17</b>
	Combined	Indicated	275	20.3
		Inferred	461	18
		<b>Total</b>	<b>736</b>	<b>19</b>
No phosphate grade cut-off within the modelled mineralisation boundaries	Main Zone	Indicated	334	20.8
		Inferred	635	17
		<b>Total</b>	<b>969</b>	<b>19</b>
	Arruwurra	Indicated	48	16.9
		Inferred	88	17
		<b>Total</b>	<b>136</b>	<b>17</b>
	Combined	Indicated	382	20.1
		Inferred	723	17
		<b>Total</b>	<b>1,105</b>	<b>18</b>

## Minemakers' Comments

- i) The above estimates favourably compare with:
  - The Inferred resource estimate for Wonarah prior to Minemakers' acquisition of the Project: 72Mt @ 22-23%  $P_2O_5$ .
  - Minemakers' earlier Inferred resource estimate based on its 2008 widely spaced pattern of 500m x 500m: 461Mt @ 18.8%  $P_2O_5$ , obtained with a 15% cut-off: and 632Mt @ 17%  $P_2O_5$  at a zero cut-off within the modelled mineralisation boundaries.

*To the best of Minemakers' knowledge, the next largest ASX-released Inferred resource estimate for an Australian phosphate deposit is 305Mt @ 15.0%  $P_2O_5$  at D-Tree in Queensland.*

- ii) The drilling to date has tested about 15% of the extent of mineralisation determined by the previous operator (refer Figure 1).
- iii) In general, most of the Indicated resource category mineralisation is a result of the 250m x 250m drilling, while the areas tested to date by a 500m x 500m pattern support the Inferred resource category. Hence, Minemakers can increase the confidence in the current Inferred resource category areas by future closer spaced drilling but, in view of the large amount of Indicated category resources already defined, the time and expense is not currently considered warranted (refer Figure 2).
- iv) The Arruwurra Deposit at shallow depth is effectively closed off by the drilling. The Main Zone mineralisation is open in almost all directions. Assays from the final 250m x 250m programme are due shortly (refer Figure 3).

FIGURE 1

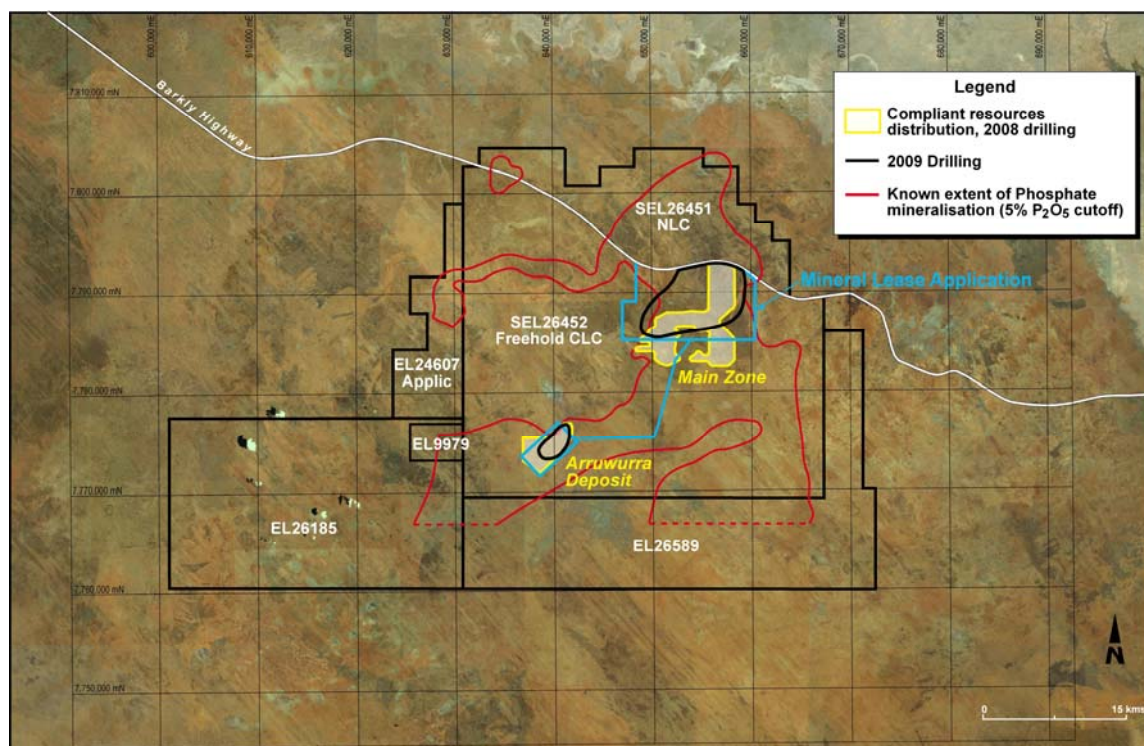


FIGURE 2  
Limits of current Indicated resource and the model extent beyond the 2008 drilling  
Main Zone Deposit

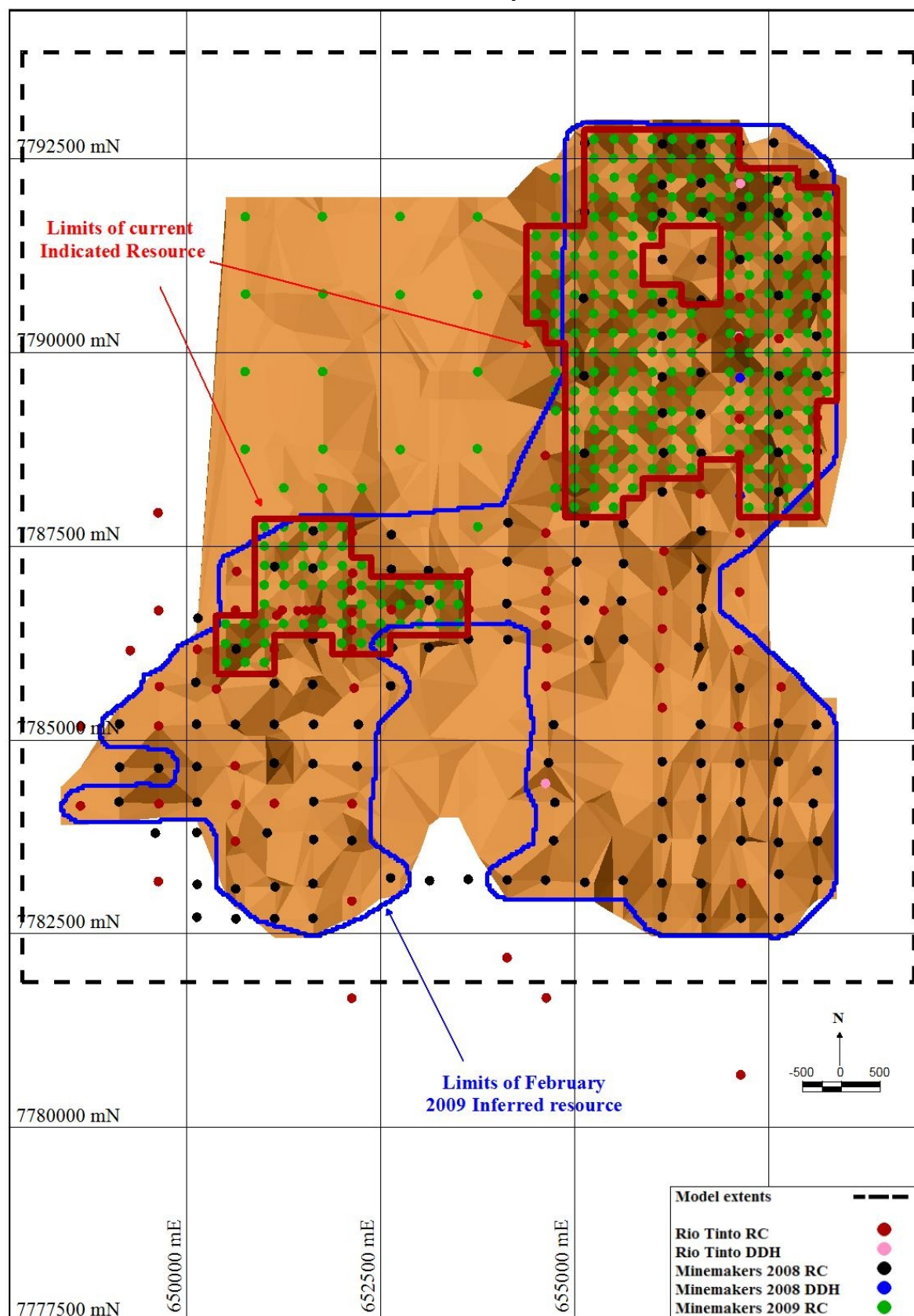
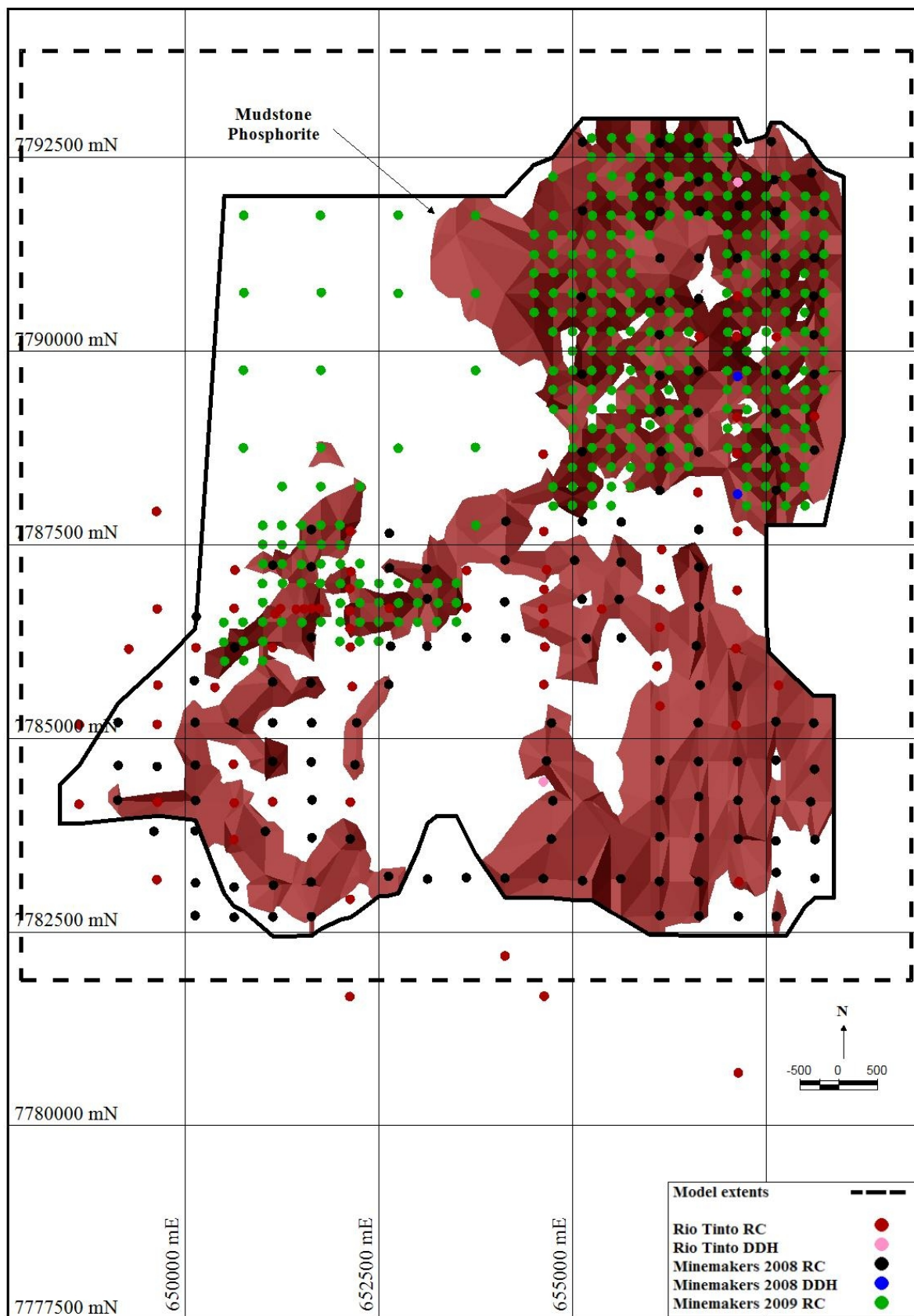




FIGURE 3  
Drill hole collars and the current extent of the principal phosphatic unit of the  
Main Zone Deposit, the Mudstone Phosphorite



## **2. DSO Drilling and Resources**

The potential Direct Shipping Ore (“DSO”) sub-zone of the Arruwurra Deposit has been drilled out at a 125m x 125m grid and all assays should be in hand during July and the DSO resource should be estimated in August.

In the Main Zone Deposit, infill 250m x 250m has indicated several zones potentially amenable to DSO mining, based on a 30% P<sub>2</sub>O<sub>5</sub> cut-off (refer Figure 4). These zones are numerous (250m – 500m wide) and elongate and also require 125m x 125m grid drilling. This should begin at about the end of July when the requisite approvals are in hand. Estimation of potential DSO resources, mineralisation modelling and pit design will follow.

Diamond and RC drilling to date in 2009 for resource delineation, metallurgical and marketing purposes now totals 23,563m.

Shareholders are reminded that Minemakers’ objective with its DSO evaluation programme is to find sufficient material to run a Wonarah mining operation for 6 to 10 years before a beneficiation plant needs to be built should global economics so demand.

## **3. Mine Planning**

Grade-tonnage curves have been generated from the resource models and work has been initiated on mine optimisation and dilution modelling. Preliminary designs are expected shortly.

## **4. Metallurgy and Mineralogy**

Metallurgical testwork has continued, particularly on Arruwurra material. It has included flotation testwork and mineralogical analysis. A diamond drilling programme has recently been completed in the Main Zone to provide the material required for testwork in Adelaide, and that work has begun. The drill core is also being used for mineralisation density confirmation, geochemical investigations and production of further marketing samples.

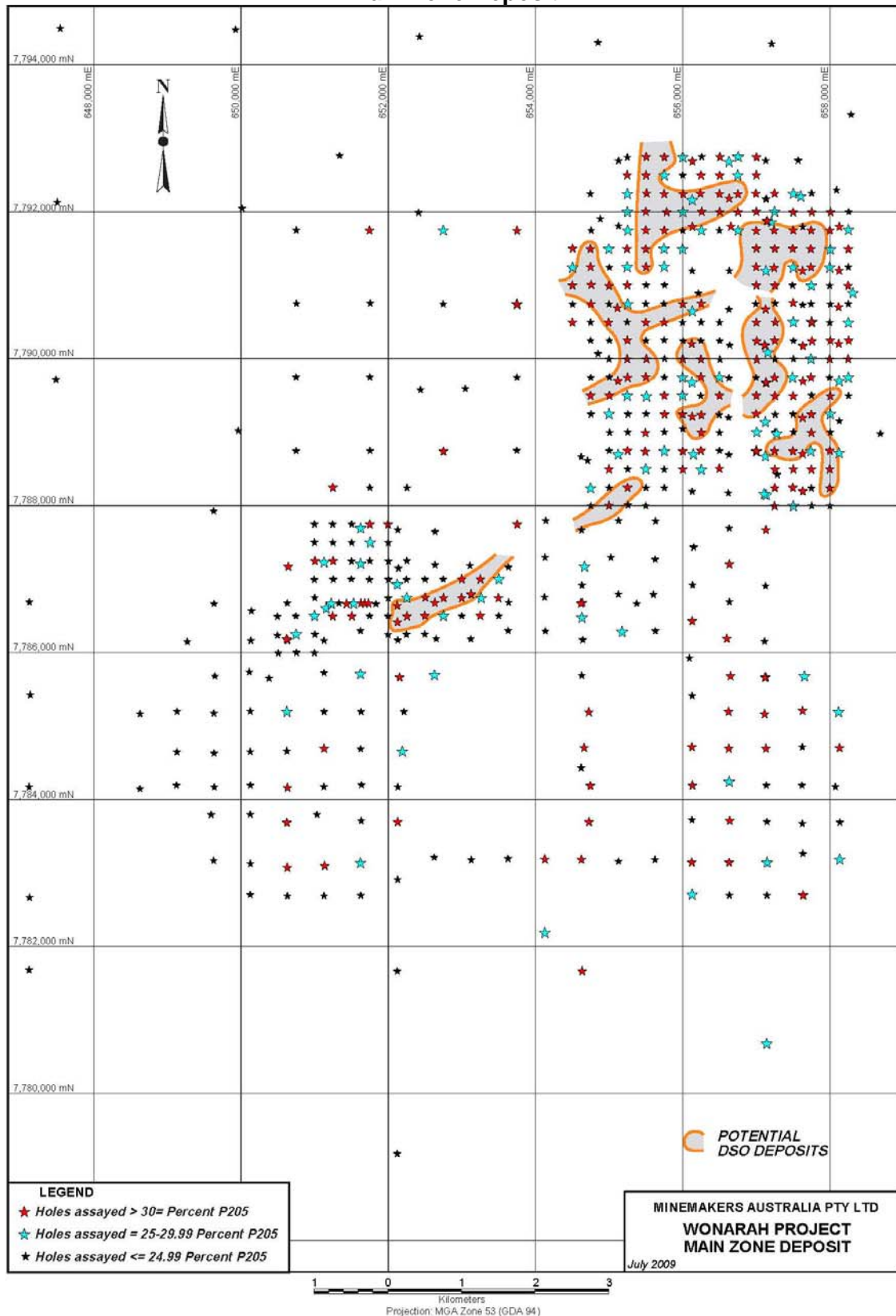
Minemakers aims to complete all testwork required to design the beneficiation plant for Stage II of Wonarah’s development with its current technical team, to be able to move to construction as soon as marketing and financial considerations demand it.

## **5. Hydrological Investigations**

Within our tenements to the south of the Barkly Highway, some 8,999m of water search drilling has been completed, but with overall disappointing results. The volcanic rocks below the phosphate have generally proved to have low permeability below the water table.

The Company now aims to source water from the alluvial areas to the north of the tenements and drilling should begin shortly after the statutory approvals are acquired. Given the number of productive bores used for pastoral purposes north of the highway, Minemakers is confident its hydrological consultants will locate the necessary quantities of water required for a mining operation. The delay in finding sufficient quantities of water is likely to retard the completion of the feasibility study and Environmental Impact Study by about 4-6 weeks.

**FIGURE 4**  
**High Grade Phosphate Intersections and Potential DSO Mineralisation**  
**Main Zone Deposit**





## **6. Off-Site Infrastructure, Freight Logistics and Mining**

Principal areas of advancement include:

- A Heads of Agreement has been signed with the Darwin Port Corporation establishing a framework for intended arrangements regarding the Company's use of port facilities.
- Preliminary design work on the ore off-loading system at Darwin has been completed and also for its re-handling near Tennant Creek.
- A suitable site for ore storage adjacent to the Port and the railway has been identified in consultation with the Land Development Corporation and negotiations on securing it are progressing well.
- The railway operator, FreightLink, and the Darwin Port Corporation are submitting a proposal for the Port and rail system upgrade based on the Commonwealth Government's infrastructure stimulus, and this would benefit the Minemakers proposed operation.
- Discussions were progressed significantly with a freight logistics consortium of road and rail hauliers, ore re-handlers at Tennant Creek and stevedores with the objective of attaining a "one stop shop" for the transport of product to Darwin. An alternative haulage proposal is currently being prepared by another party and a decision on moving forward to a Heads of Agreement will be deferred until receipt of this submission.
- For the earthmoving, site works and mining contracts, preferred candidates have been successfully identified, and a decision is expected shortly.

## **7. Stakeholders and Aboriginal Matters**

Minemakers continues to be encouraged by the positive support for the Project by the Traditional Landowners and the Central Land Council ("CLC"). A meeting was held with them in Tennant Creek: a Development Review Committee has been constituted.

The Company is committed to maximising of opportunities for Aboriginal employment and training, and to use local contractors where possible.

A public meeting was held in Tennant Creek to present the development plans and it met with an enthusiastic response. Meetings have been held with the NT's Chief Minister, Minister of Regional Development and the Minister for Mines, as well as key Opposition Members.

## **8. Permitting**

The Mineral Lease application is progressing well. The statutory advertising period closed without any objections being lodged. Discussions with the Traditional Landowners and the CLC on a Mining Agreement are generally on schedule.

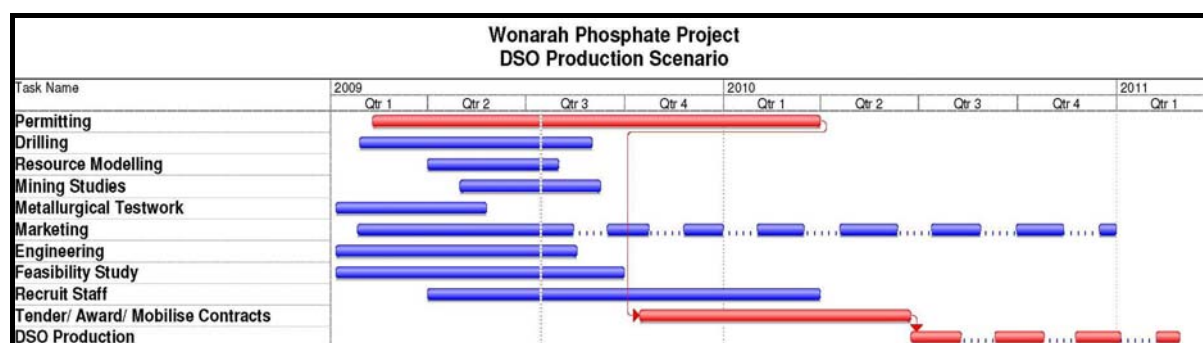
On the environmental assessment side, the news has been mixed. Due to a change in Departmental practices and the large area to be affected by a long-life mining operation, the Minister determined that the Project needed to be assessed by submission of a full Environmental Impact Statement, and this will impact on the completion time. On the other hand, the responsible Federal Department determined that Wonarah is not a 'controlled act' under the Environment Protection and Biodiversity Conservation Act and this has allowed finalisation of draft Environmental Impact Statement Guidelines. These were exhibited for

public comment, which closed on 3 July 2009, with final guidelines to be issued during July 2009.

The non-statutory timeframes for consideration of the various aspects of the approvals processes are proving longer than had been anticipated or earlier advised to the Company and it is now targeting approvals towards the end of the first quarter 2010.

Minemakers is seeking agreement of the Traditional Landowners for pre-approval development of infrastructure to allow siteworks to begin during December 2009 – January 2010. Shareholders will be informed of progress in due course.

Revised programme dates are shown in the chart below.



## 9. Marketing and Price Outlook

The very high fertiliser prices of 2008, coupled with the current global financial crisis, have combined to cause abnormally low fertiliser application levels and purchases during 2009 and, consequently, a fall in rock phosphate prices causing focus on optimisation of Minemakers' anticipated export production cost. Phosphate fertiliser price quotes at the start of July increased again to above our currently anticipated operating cost. This cost is being refined in the feasibility studies under way. Due to fundamental soil content demands for crop production efficiency, the international fertiliser industry is broadly predicting not only a return to normal consumption and growth patterns, but also the need for agricultural producers to restore their depleted nutrient levels to optimum levels. When this occurs, a strong rebound in prices can reasonably be anticipated and manufacturer inventories are now reportedly decreasing. Minemakers aims to be positioned to take advantage of that increase. Reported July sales in traditional importing markets indicate that the recovery is underway.

Marketing of samples to potential customers is proceeding well, with interest in further testwork on larger samples. The countries highlighted in colour in Figure 5 are those which are known to import phosphate rock and they represent potential markets for Wonarah.

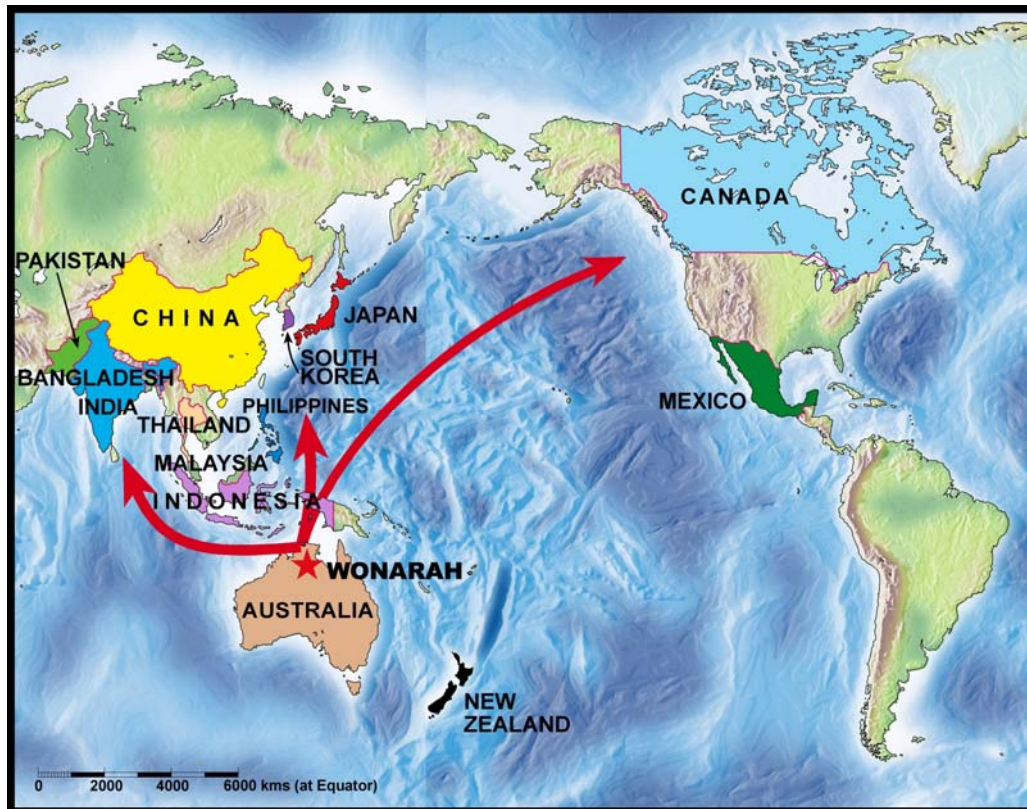
## 10. Bulk Sampling and Trial Mining

The Northern Territory Government has given conditional approval to Minemakers' plans to extract a bulk sample of over 10,000t of rock phosphate from Wonarah.

The principal reason for the bulk sample exercise is to provide large samples for testwork by potential customers. The first confirmed bulk test will be by Ballance Agri-Nutrients Limited of New Zealand. Ballance currently imports about 500,000 tonnes per annum.

The bulk sampling exercise will also provide invaluable mining and grade control data for the proposed full mining operation and is anticipated to be undertaken at about the end of the September Quarter.

FIGURE 5  
Potential Customer Countries



## 11. Future Work

In the forthcoming quarter, the following tasks are expected to be advanced or completed:

- The definitive feasibility study.
- DSO drill-out and resource estimation.
- Modelling and pit design.
- Hydrological drilling.
- Beneficiation metallurgy.
- Permitting and approvals.
- Mining contracts.
- Freight contracts.
- Port contracts.
- Trial mining and/or bulk sampling.

## NAMIBIAN MARINE PHOSPHATE

### *MINEMAKERS 42.5% DIRECT AND 4% INDIRECT EQUITY*

Marine phosphate sediments are extensively deposited off the Namibian coastline and this area is now exhibiting the potential to become one of the world's great phosphate production centres.

Minemakers, through its nearly completed takeover of Bonaparte Diamond Mines NL (refer to the Corporate section), will have a 42.5% direct equity in the Joint Venture which holds the best parts of the known phosphate mineralisation, and has a further 4.2% indirect equity through its shareholding in one of the other Joint Venture partners.

The Project was advanced strongly during the Quarter. Broad-scale sampling resulted in an independent Inferred resource estimate totalling: 789Mt @ 17.5% P<sub>2</sub>O<sub>5</sub> (refer Figure 6). A significant increase can reasonably be anticipated in the near future in the more westerly EPL3415. On limited previous work in that latter tenement, phosphate sediments are thicker, although at greater water depths.

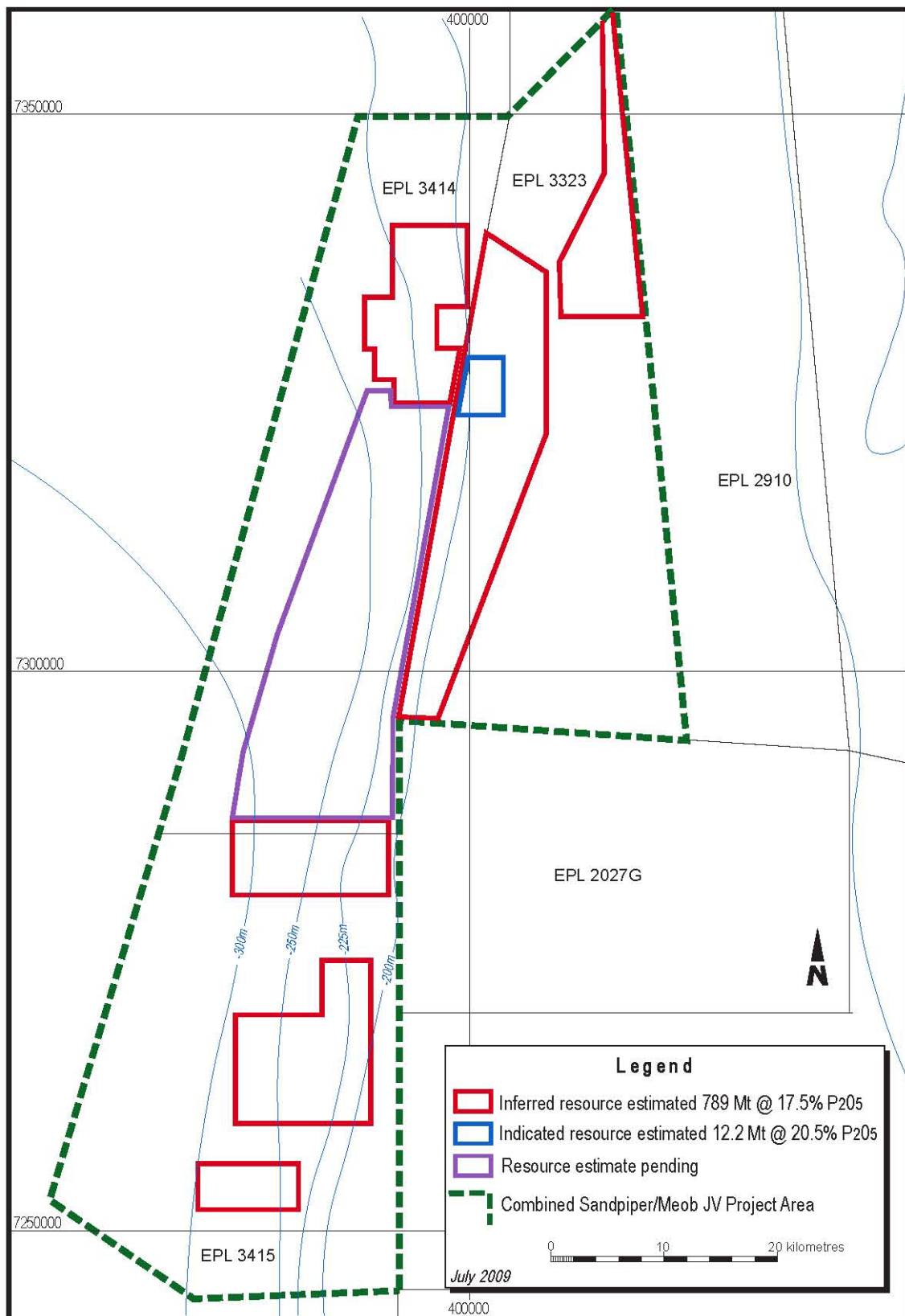
More closely spaced sampling in a 9.6km<sup>2</sup> sub-area confirmed the tonnage aspect of the previously estimated Inferred resource, increased the grade by a factor of 13%, and allowed an increase in resource category to Indicated.

As the sampling techniques are limited to a 2m probe depth, and as the phosphate beds usually continued below the depth of sampling, the above resource estimates can reasonably be assumed to be conservative on the tonnage side. The potential for a long-life mining operation has been strongly confirmed.

The Joint Venture partners are currently finalising a Shareholders' Agreement following which they will determine the work programme and budget necessary for a Scoping Study on development of the Project.



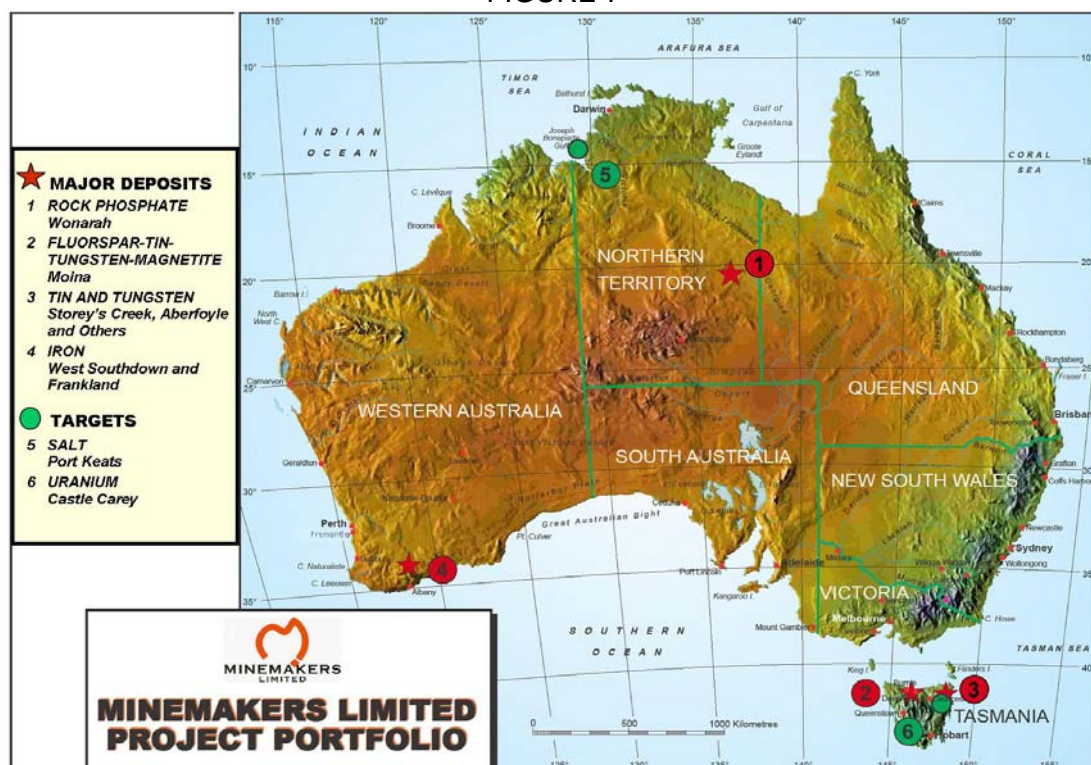
FIGURE 6



## OTHER COMMODITIES

While mineral commodity prices were savaged by the global financial crisis, there has been a partial recovery during the Quarter and the Company continues to advance its non-phosphate projects at an appropriate pace to be able to take advantage of the next price upswing.

FIGURE 7



### 1. MOINA FLUORSPAR-TIN-TUNGSTEN-MAGNETITE PROJECT, TASMANIA (OPTION TO PURCHASE AN INITIAL 80%)

Tungsten and fluorspar prices have remained relatively stable over the year and Moina is easily Australia's largest fluorspar deposit. In the March Quarter, large diameter diamond drilling was completed to provide core for metallurgical testwork and preliminary studies on iron content.

The testwork programme has been designed and, subject to laboratory and staff availability after the primary attention being given to Wonarah, it should be initiated in the September Quarter.

### 2. FRASER IRON PROJECT (80%)

No fieldwork was undertaken this Quarter. The Company notes the 37% increase in resources announced by Grange Resources Ltd for the central and eastern sectors of the Southdown magnetite system to 654.4 Mt @ 36.5% magnetite.

This is encouraging for Minemakers which holds the western part of the mineral system.

In view of the high capital cost to bring a magnetite mine on stream, the Company is looking at a partnering arrangement and has been holding discussions with several foreign

concerns. A limited drilling programme is being planned to test the highly magnetic new targets at West Southdown, Frankland and East Frankland in the latter half of the year.

### 3. TASMANIAN TIN-TUNGSTEN (100%)

#### Aberfoyle Drilling Programme

Minemakers completed a 10 hole first-stage reverse circulation drilling program during the Quarter to test for potentially economic mineralisation along strike from the north-south trending Aberfoyle mine. Recorded historic production at Aberfoyle of 2.1Mt at 0.91% tin (Sn) and 0.28% tungsten oxide (WO<sub>3</sub>) make it one of Australia's largest historic tin and tungsten mines.

The drilling program covered a 300 metre extent northerly and a 400 metre extent southerly from the old workings (refer Figure 8). Northeasterly of Aberfoyle a major mineralisation system had been discovered at the Lutwyche deposit and had been drilled out at depth, accessed and developed by a previous operator. Summary details on that work, including an historic estimate of tin tungsten mineralisation, are presented in Minemakers' IPO Prospectus which can be viewed on the Company's website. The new drilling results, the Lutwyche deposit and another mineralised system known as Kookaburra, which occurs between Aberfoyle and Lutwyche, all attest to the potential of the ground to the north and northeast of the old Aberfoyle workings for economic mineralisation.

Aberfoyle mineralisation is very nuggety and historically has been difficult to assess quantitatively purely from drill holes. Significant quartz, the host of the main mineralisation in the Aberfoyle system, was intersected in four of the five RC holes drilled to the north of the old mine. ABRC 020 was the only hole without significant quartz or assayed tin and may represent the northern limit of the main trend of the Aberfoyle system. The drilling shows continuity of potential mineralised systems for at least 200 metres to the north. Many narrow, 2-3 cm tin-bearing veins were also intercepted and indicate the potential for stringer-style tin mineralisation in addition to the known major veins.

Southerly, ABRC 013 encountered significant quartz and mineralisation.

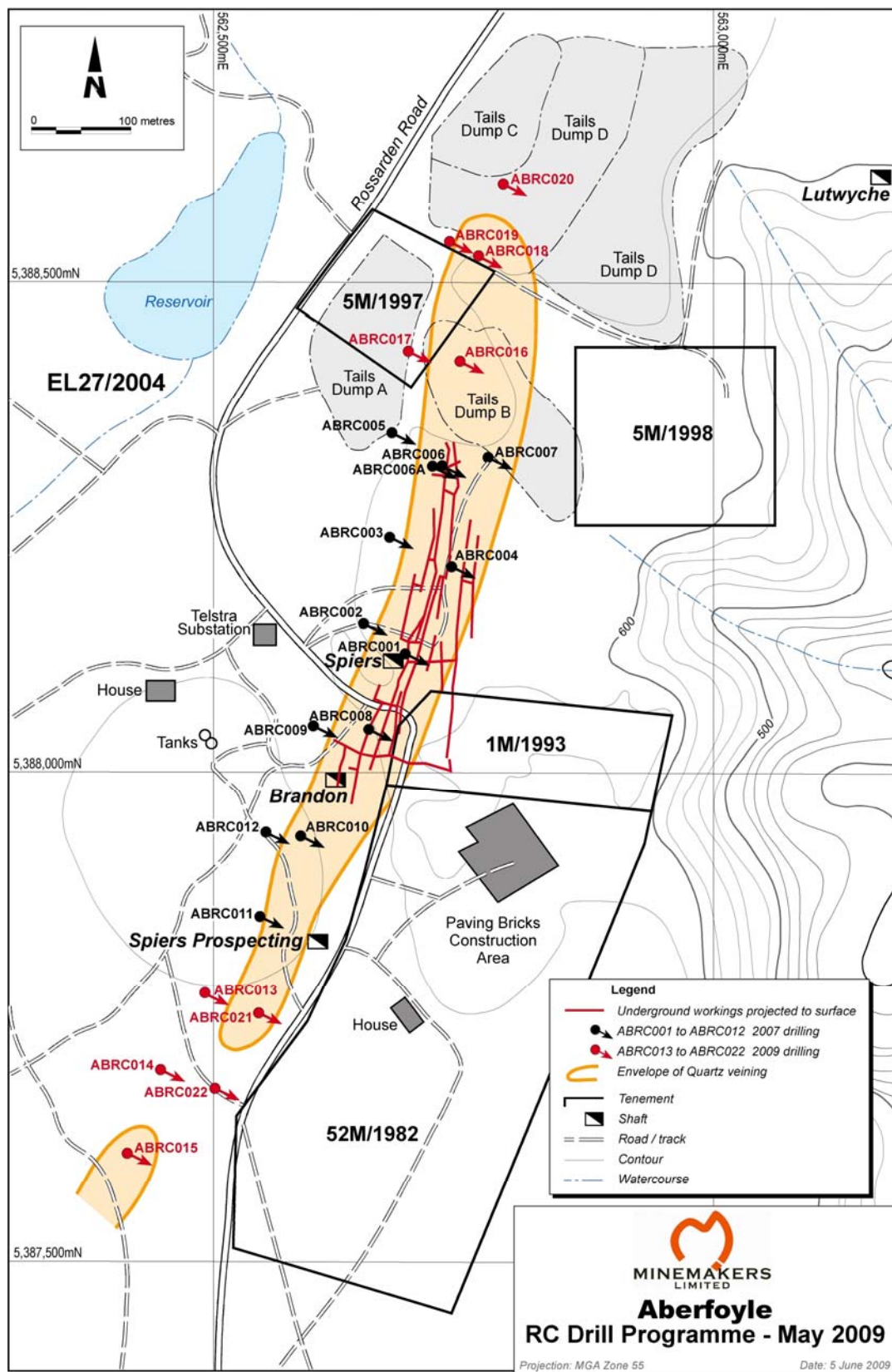
ABRC 014 and ABRC 022 had lower quartz levels and lesser tin. ABRC 015 is the most southerly test, being 300m south of the workings and 100m south of holes ABRC 014 and ABRC 022: quartz contents in it improved encouragingly.

Better assays were:

ABRC 013	29-33m	4m @ 0.29% Sn
	72-73m	1m @ 0.33% Sn
	88-91m	3m @ 0.23% Sn
ABRC 015	69-70m	1m @ 1.12% Sn
ABRC 016	26-27m	1m @ 0.30% Sn
	48-62m	14m @ 0.15% Sn
ABRC 017	88-89m	1m @ 1.1% Sn
ABRC 018	77-78m	1m @ 3.6% Sn
ABRC 019	98-99m	1M @ 1.2% Sn

*(True widths are estimated as averaging about 80% of downhole intersection widths).*

FIGURE 8





Overviewing to the north and north-east of the old Aberfoyle mine, the Minemakers' drill results, in combination with the known Lutwyche and Kookaburra systems, lead to encouragement for mine development in that sector.

Southerly, the ABRC 015 attests to the potential for a recurrence of the Aberfoyle system, under younger cover, in that direction.

The next step in the appraisal of the field will be an integration of the Company's drill results with the recently acquired Mines and Resources Tasmania airborne magnetic data, and also with an historic gravity survey, the results of which have been recently acquired by Minemakers. The aim will be to look for Aberfoyle repetitions sited above altered granitic cupolas developed on the underlying Ben Lomond pluton.

In view of the downturn in tin prices, applications have been made for Retention Licences to be granted over the Great Pyramid and Anchor deposits. It has been recommended to date in the case of the former.

#### **4. PORT KEATS SALT, NORTHERN TERRITORY (100%)**

The Northern Land Council has recommended a solution to the impasse which has resulted in Minemakers thus far not being able to drill test its huge salt dome target. A meeting with the relevant Traditional Owners is now anticipated to be held in the next month or so and it is hoped that this will enable drilling of the target this year.

#### **5. TASMANIAN URANIUM (100%)**

No field work this Quarter.

### **CORPORATE MATTERS**

#### **1. MINE FINANCING**

The global financial crisis has impacted both the Company's share price and the ability and enthusiasm of institutions to invest in mine start-up capital. During the Quarter, the Executive Directors presented extensively to potential financiers and generally met with a cautious but positive response to the project and its economic potential.

It is aimed to raise the start-up capital using the completed feasibility and on the back of the reasonably anticipated future rise in rock phosphate price.

The Company is currently raising funds through a Share Purchase Plan ("SPP"), for which subscriptions close on 31 July 2009. The Company welcomes the market's and shareholders' enthusiasm for the SPP. The aim is to secure adequate funding to complete all facets of the feasibility study and to begin site works ahead of further fund raising for a mining operation.

ASX and ASIC exemptions/waivers have been received in relation to the SPP so that shareholders can apply for up to \$15,000 of shares at 43 cents each, and subject to shareholders' approval at General Meeting to be held on 7 August 2009, to the issue of up to 100,000,000 new shares under the SPP.

## **2. TAKEOVER OF BONAPARTE DIAMOND MINES NL**

As at 17 July 2009, Minemakers had received acceptances in respect of 95.98% of Bonaparte's issued shares and on 20 July 2009 Bonaparte shares were suspended from trading on the ASX.

During the forthcoming Quarter, management and administration of Bonaparte will be integrated with Minemakers to achieve cost savings and efficiencies, and to allow the expanded Minemakers to advance the development of both its key phosphate projects.

## **3. ACQUISITION OF A STAKE IN UNION RESOURCES LTD**

In order to increase its exposure to the Namibian Project, Minemakers acquired a 9.64% shareholding in Union in an off-market transaction.

## **4. FINANCIAL**

On 30 June 2009, Minemakers held cash of \$7.7M, and by 17 July 2009, the funds received under the SPP had reached \$4.6M.

Andrew Drummond  
**Managing Director**

## **MINEMAKERS' BACKGROUND**

Minemakers has acquired and aims to be a developer of mineral projects. The Company has a portfolio comprising several projects with identified resources and large databases and others with highly prospective mineral targets. There are currently five distinct groups of project areas in the portfolio covering phosphate, iron ore, tin and tungsten, salt, fluorspar and polymetallics. The tin/tungsten project areas are also considered prospective for uranium mineralisation.

The most advanced opportunity is the Wonarah rock phosphate project (NT). Others are for tin and tungsten, centred on the historic Aberfoyle and Storey's Creek mines in the northeast of Tasmania, as well as several other tin or tin/tungsten deposits. The Moina (Tas) fluorspar and polymetallics project is also under assessment.

The Company has identified a unique opportunity to position itself with non-mainstream minerals commodities. Rising demand has increased prices for many mineral commodities. In several of the commodities for which Minemakers holds large deposits or targets, restricted Chinese mineral exports have decreased available supply.

*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.*

*Since the adoption of the JORC Code, there has been insufficient work conducted on the named projects other than Wonarah to be able to determine the grades and tonnages of the deposits with greater accuracy. Any tonnages or grades reported for the other projects are conceptual in nature and insufficient exploration has been conducted to define Mineral Resources. It is uncertain if further exploration will result in the determination of Mineral Resources.*