
DECEMBER 2012 QUARTERLY ACTIVITIES REPORT

31 January 2013

HIGHLIGHTS

PHOSPHATE, AUSTRALIA

Wonarah Project (Minemakers 100%)

- Metallurgical testwork for IHP nearing completion.
- Resource position increased and classification improved.
- A new Notice of Intent lodged with the Northern Territory Government.
- Further discussions held with potential, strategic partners.
- JDCPhosphates' demonstration plant in Florida nears completion of construction.

PHOSPHATE, NAMIBIA

Sale of Namibian Assets

- Sale of the Company's 42.5% interest in the Sandpiper Phosphate Project and 70% interest in the Rocky Point Project in Namibia to Mawarid Mining LLC for approximately A\$25 million was completed.

CORPORATE

- On 4 December 2012, Mr Dennis Wilkins resigned as a Director of the Company.
- On 20 December 2012, Mr Ian McCubbing was appointed to the Board as a Non-Executive Director.
- On 31 December 2012, Mr Andrew Drummond moved from Executive Chairman to Non-Executive Chairman. Mr Drummond will continue to provide business development services to the Company due to his deep and unique experience in the phosphate sector.
- Minemakers has free cash of \$27.3 million and approximately \$2.4 million in tradeable shares of ASX listed companies.

MINEMAKERS LIMITED

ABN 48 116 296 541
Level 2, 34 Colin Street
West Perth, Western Australia 6005
(PO Box 1704 West Perth WA 6872)
Phone: +61 8 9264 7000
Facsimile: +61 8 9264 7099
Web: www.minemakers.com.au
ASX/TSX Code: MAK
NSX Code: MMS

For further information:

Mr Cliff Lawrenson
Managing Director and CEO
Minemakers Limited

WONARAH ROCK PHOSPHATE PROJECT, NORTHERN TERRITORY (100% Equity)

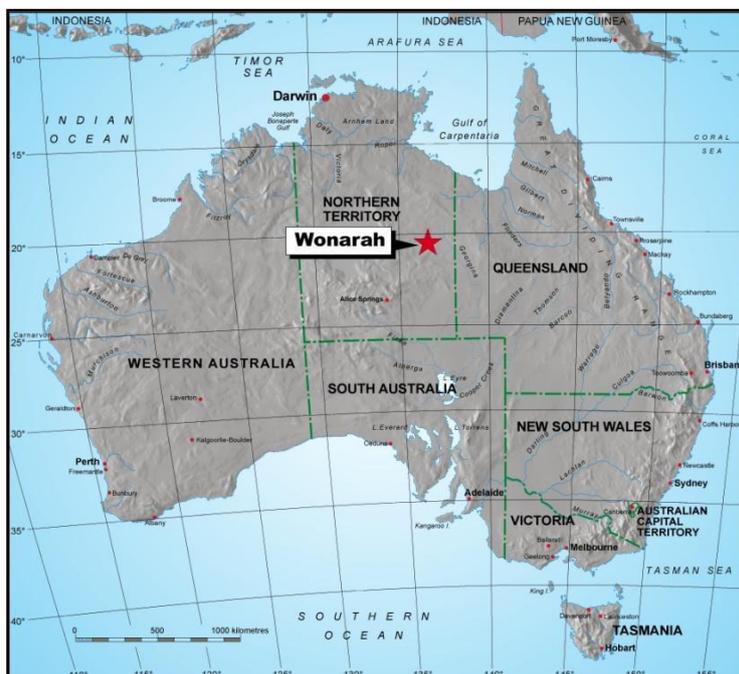


Figure 1: Wonarah Locality Map

INTRODUCTION

The Wonarah rock phosphate deposit is a world class asset, as can be seen by comparison between the project and the published resources of other important production centres, as follows.

Ma'Aden (Saudi Arabia)	± 532Mt @ 19.3% P ₂ O ₅
Bayovar (Peru)	± 230Mt @ 17.2% P ₂ O ₅
Wonarah	± 842Mt @ 18.1% P ₂ O ₅

Source: Ma'aden Annual Report 2011
Vale Form 20-F Dec 2011

Minemakers aims to take advantage of Wonarah's favourable infrastructure position and political stability to develop a major centre for the production of beneficiated rock and downstream phosphatic fertilisers and/or intermediate products. Wonarah's advantages, apart from its size and grade, include:

- Bitumen highway access.
- Proximity to a standard gauge railway with spare freight capacity.
- Proximity to a natural gas supply, the pipeline for which closely follows the railway line.
- Access to an established bulk commodity port at Darwin.
- Situated in a stable political jurisdiction.
- Situated on land owned by the Traditional Owners, with whom a life of mine Mining Agreement has been signed which covers mining, processing and fertiliser production.
- Proximity to ample groundwater.
- Proximity to a regional population centre at Tennant Creek.

FEASIBILITY STUDY

A Bankable Feasibility Study ("BFS") is underway, which considers two technical options for Wonarah's development; the traditional wet acid process ("WAP") and the IHP kiln based patented technology ("IHP"), owned by JDCPhosphate Inc. ("JDCP") of Florida. The study represents an extension of the work that was undertaken for the Direct Shipping Ore ("DSO") feasibility study in 2010.

The BFS will update, extend and/or validate the earlier studies and initiate new studies for aspects of the project that were not required in earlier evaluations, such as tailings storage. Investigations will cover the full range required for preparation of a BFS, the major elements of which will include:

- Approvals
- Environmental and Social
- Geology and Resources
- Mining and Reserves
- Beneficiation
- IHP
- Tailings Storage Facility
- Project Logistics
- Surface Hydrology
- Hydrogeology, Water Supply and Water Balance
- Marketing
- Financial Analysis

A technical decision on the development route for the project will be taken in mid-2013.

1. *Wet Acid Process*

The production of high-analysis granular phosphate fertilisers, such as DAP and MAP, near the township and regional centre of Tennant Creek, which provides natural gas, rail and highway connections, and its social infrastructure. The process entails:

- Mining
- Beneficiation to 30% P_2O_5 on site
- Slurry pipeline transport of beneficiated rock to Tennant Creek
- Reaction with sulphuric acid to produce phosacid
- Filtration to remove gypsum
- Concentration of acid through condenser to MGA (54% P_2O_5)
- Ammoniation of phosacid and granulation, introduced to produce DAP/MAP – high nutrient value products

2. *Improved Hard Process*

The production of high-value superphosphoric acid (“SPA”) on site utilising the IHP. Minemakers owns 3.2% (post recent dilution) of JDCP, and additional news on JDCP is presented below under the header, “*JDCPhosphate Inc. – Florida Demonstration Plant*”. Through its investment in JDCP, Minemakers has exclusive rights to the IHP in Australia until 2019. The IHP entails:

- Mining
- Beneficiation to 15-20% P_2O_5
- Grinding with petroleum coke and silica
- Pelletisation
- Roasting in a ported rotary kiln
- Delivery of a phosphorus rich gas
- Hydration process
- Superphosphoric acid production at a contained 70% P_2O_5 – a very high nutrient product

Both alternatives will likely require some beneficiation of the mined phosphate rock. Diamond drilling to obtain samples for testwork was completed during the June 2012 Quarter, and samples were freighted to Adelaide where they have been crushed, assayed and composited in preparation for various tests.

The testwork programme relating to the IHP has been largely completed with testwork results indicating that a satisfactory feed product for the IHP plant can be produced using simple crushing and attrition, which removes unwanted clays from the ore.

Confirmatory testing using the optimised conditions will be undertaken early in the March 2013 Quarter together with screening testwork on the silica sand which overlies the deposit and which will be required as one of the inputs into the IHP feed.

It is anticipated that all testwork in relation to the IHP will be complete early in the March 2013 Quarter.

INCREASED AND IMPROVED RESOURCE POSITION

Previous resource estimates released in November 2011 resulted from exploration targeting higher grade areas suitable for DSO phosphate rock production. Delineation of high grade bodies requires relatively close spaced drilling for resource estimation at even the Indicated confidence level.

As the development plan for Wonarah is now for a larger downstream fertiliser operation rather than a DSO operation, Minemakers has recently been focussed upon broader areas of mineralisation, which could be mined at a lower grade as this will be feed to a beneficiation plant. Additionally, should the IHP be adopted, a lower P₂O₅ ore grade with a higher silica content will be required.

Minemakers' independent geostatistical consultants, MPR Geological Consultants Pty Ltd ("MPR"), were requested to analyse Minemakers' extensive drill data base to re-estimate resources, based on the requirement to feed a beneficiation plant.

The new resource estimates, at a 10% cut-off are as follows:

	Measured		Indicated		Measured + Indicated		Inferred	
	Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %
Arruwurra	25.7	18.7	27.7	17.8	53.4	18.2	82	16
Main Zone	52.6	21.8	194	17.4	247	18.3	460	18
Total	78.3	20.8	222	17.5	300	18.3	542	18

The Measured and Indicated Resource categories can be used in due course as the basis for determination of Proven and Probable Reserve estimates as part of the ongoing BFS.

Although it is not certain that future drilling will be successful, infill drilling has the potential to convert a significant portion of the Inferred Resources to higher confidence categories.

As feed to an IHP kiln is likely to be at a lesser grade, resources combined for the two deposits estimated at a 5% cut-off are as follows, and they indicate the very large size of the Wonarah deposit:

Measured		Indicated		Measured + Indicated		Inferred	
Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %	Mt	P ₂ O ₅ %
82.3	20.2	391	13.2	473	14.4	933	13

The extent to which mining, metallurgical, infrastructure, permitting, marketing and other financial factors may affect the Mineral Resource Estimates has not yet been established. Mineral Resources that are not Mineral Reserves do not have demonstrated economic validity.

The following table compares the 2012 estimated resources to the previous 2010 estimate. As that latter estimate did not include Measured Resources, the 2012 Measured and Indicated categories were combined for comparative purposes.

MAIN ZONE			ARRUWURRA		
	Mt	P ₂ O ₅ %		Mt	P ₂ O ₅ %
November 2011			November 2011		
Indicated	252	18.2	Indicated	51	18.3
Inferred	395	18	Inferred	84	16
Current			Current		
Indicated	247	18.3	Indicated	53.4	18.2
Inferred	460	18	Inferred	82	16
Differences			Differences		
Indicated	-2%	1%	Indicated	5%	0%
Inferred	16%	0%	Inferred	-2%	0%

The 2012 Inferred estimates represent an increase in estimated resource tonnages of 16% for Main Zone, and 13% for the combined project.

MPR estimated that, in addition to the Mineral Resources described above, broadly spaced drill holes at Main Zone suggest the presence of further mineralisation with exploration potential of approximately 150Mt to 250Mt at an average P₂O₅ grade of approximately 15% to 20%. This potential mineralisation is based on broadly spaced drilling and has had insufficient exploration to define a Mineral Resource, and the estimates of tonnage are conceptual in nature. It is uncertain that further drilling will convert any of the exploration potential to a Mineral Resource.



Figure 2: Wonerah Locality and Infrastructure

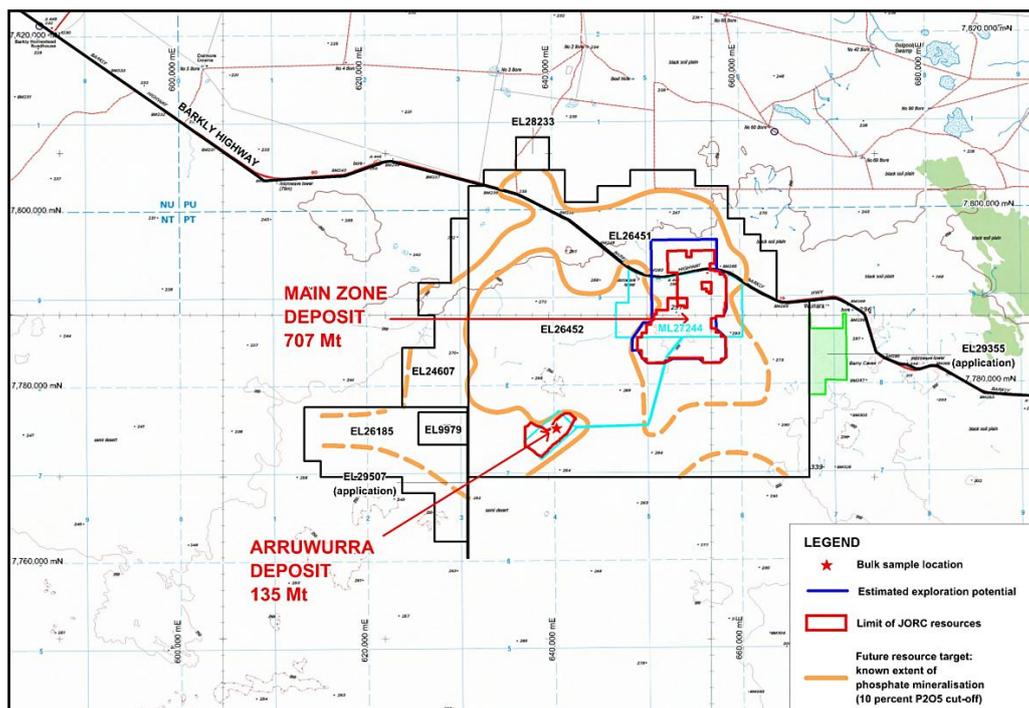


Figure 3: Wonarah Deposit

EXPLORATION DRILLING

An RC drilling programme commenced on 8 September 2012 drilling through to 24 September 2012 when crew break and rig maintenance interrupted the programme. The programme was completed in early October 2012. This programme was targeting high grade and relatively shallow phosphate intersections to the north of Main Zone and close to the Barkly Highway, as well as broadly spaced testing to the northwest of Main Zone and in the western target area to determine their overall prospectivity and to confirm areas that need to be retained for potential future production. A total of 2,945m was drilled during the Quarter.

NOTICE OF INTENT (NOI)

On 20 December 2012, the Company's environmental consultants, Coffey Environments, submitted on behalf of Minemakers, a new Notice of Intent to the Northern Territory government, thereby triggering the Territory's environmental assessment process.

The submission of the NOI was preceded by a company briefing session with the various government agencies involved in the assessment process.

The Company expects to be advised of the level of assessment required and will be issued with a set of guidelines during the first Quarter of 2013. It should be noted that the NOI, and subsequent assessment document, will be restricted to addressing the differences between the previously approved DSO project and the project now proposed. This will significantly reduce the time and cost of the environmental part of the BFS.

STRATEGIC PARTNERSHIP PROCESS

Minemakers continues to engage actively with potential project partners for the Wonarah project. The key criteria remain technical input, support in financing and off-take of product.

Our increasing understanding of the IHP, especially as it relates to timing and extent of capital expenditure coupled with the cash received from the sale of our Namibian assets, allows us more flexibility as it relates to partner selection. It is possible, should the IHP technology be selected as the preferred technical route, that Minemakers proceeds to the first 200,000tpa module without a partner or with a minority equity off-take partner, albeit our preference remains to secure a JV partner at this stage.

As a consequence of the above, we are able to be more selective in our partner choice and ensure that the ensuing business combination is sustainable and value enhancing.

JDCPHOSPHATE INC. – FLORIDA DEMONSTRATION PLANT

Minemakers owns 3.2% of JDCP which in turn owns the patented process to produce SPA by the IHP.

JDCP successfully concluded the first tranche of funding for its demonstration plant in late 2011 and in August 2012 announced that a second tranche had been concluded. Notable amongst the investors in the second tranche were Mitsui & Co (USA) Inc. and Vulcan Phosphates LLC (a special purpose entity formed by the owners of Agrifos Fertilisers LLC). The participation of these two companies provides strong encouragement as to the prospects of commercialising this technology.

In the March 2012 Quarter, JDCP commenced construction of a demonstration plant at its site in Fort Meade, Florida. Commissioning is anticipated in the first half of 2013. The plant will have a capacity of 12,000tpa of high quality and high concentration SPA.

It is expected that each commercial IHP production train will produce 200,000t of contained P_2O_5 . Were Wonarah to be developed using the IHP it would enable the option of a staged approach to be taken, which would minimise the initial capital outlay to enter production and spread total capital expenditure over several years.



Figure 4: JDCP Demonstration Plant under construction, ported kiln now in place, January 2013

Construction of the JDCP IHP demonstration plant is nearing completion at Fort Meade in Florida. As of 25 January 2013, it was approximately 90% complete with on-site assembly of the kiln in progress together with electrical and instrumentation cabling and piping being run. Operational personnel are being recruited and include a number who have undergone specialised training at a local college. They will take up their roles progressively over the next few weeks in order to familiarise themselves with the plant prior to start-up.

Members of Minemakers management team visited the Fort Meade site in January 2013 to coordinate JDCP's technical support for Minemakers BFS to ensure complete integration of the IHP into the overall study. The JDCP study team will comprise members of the engineering team who have just designed and built the demonstration plant. Our project will benefit enormously from the insights that they gained during that process.

SALE OF NAMIBIAN ASSETS

In December 2012 Minemakers announced it had completed the sale of its 42.5% interest in the Sandpiper Phosphate Project and 70% interest in the Rocky Point Project in Namibia to Mawarid Mining LLC for approximately A\$25 million. Cash payment was received on 12 December 2012.

The sale was conditional upon Minemakers shareholder approval and upon Namibia Competition Commission approval, both of which were obtained during the Quarter.

Minemakers will not have cash tax payable on the proceeds from the sale due to existing group tax losses.

As a condition of the sale Minemakers has agreed to not engage in any activities that compete directly with the Sandpiper Project in Namibia for a period of five years except as it relates to JDCP or its dry kiln technology.

Completion of the sale of the Company's Namibian phosphate assets signifies the end of various unsuccessful attempts to consolidate the ownership of the Sandpiper Project. Realising an attractive and certain cash value for those assets in the current economic climate provides Minemakers with significant flexibility in pursuing the development of Wonarah, including partner selection, as well as the opportunity to pursue other growth initiatives.

Minemakers retains an indirect interest in the Sandpiper Project through its 13.81% shareholding in UCL Resources Limited providing Minemakers shareholders with exposure to the value upside from the project.

INVESTMENTS

1. JDCPHOSPHATE INC.

Refer to earlier in this report.

2. UCL RESOURCES LIMITED (ASX:UCL)

Minemakers holds 13.81% equity in UCL Resources Limited, worth approximately \$2 million at the end of the Quarter.

3. AUSTRALIA MINERALS & MINING GROUP LIMITED (ASX:AKA)

Minemakers holds 4.65% of Australia Minerals & Mining Group Ltd worth approximately \$0.4 million.

4. TNT MINES LIMITED (19% equity)

Minemakers was not supportive of TNT Mines' recent desire to consolidate its shares and is encouraging TNT Mines to seek a corporate solution to ensure its ongoing viability. Minemakers does not believe a potential ASX listing via IPO is realistic in the foreseeable future.

CORPORATE

BOARD AND MANAGEMENT CHANGES

During the December Quarter 2012 Minemakers announced that Mr Andrew Drummond would retire as Executive Chairman and become Non-Executive Chairman of the Company effective 31 December 2012.

Founding Director, Mr Dennis Wilkins retired from the Board of the Company on 4 December 2012 and Mr Ian McCubbing joined the Board as Non-Executive Director on 21 December 2012.

CASH POSITION

At the end of the December 2012 Quarter Minemakers had cash of A\$27.3 million. Refer to the December 2012 Quarterly Cashflow Report of today's date.

Cliff Lawrenson
Managing Director

Competent Persons' Statement

The qualified person in relation to this press release is Andrew Drummond, who is Chairman of the Company and a Fellow of the Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists, and who has reviewed and approved the information in this press release. Mr Drummond has sufficient experience deemed relevant to the style of mineralization 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.

Information in this report related to the current Mineral Resource estimates reflects information compiled by Jonathon Abbott who is a full time employee of MPR Geological Consultants Pty Ltd. Mr Abbott, a Member of the Australian Institute of Geoscientists, has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is reporting 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 Abbott consents to the inclusion in the report of the matters based on the information compiled by them, 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.

For further information on Wonarah, please refer to Minemakers' NI43-101 compliant technical report entitled "Technical Report Preliminary Economic Assessment for Wonarah Phosphate Project, Northern Territory, Australia", dated January 2012 and available on SEDAR at www.sedar.com. An updated Mineral Resource estimate is being prepared for SEDAR.

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.