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EXCHANGE RELEASE

Market Update

Progress on Wonarah Project and with JDCPhosphate, Inc.

3 June 2013

Minemakers Limited (ASX/TSX:MAK) ("Minemakers" or "Company") advises that it continues to make positive technical and commercial progress on the Wonarah Project and with JDCPhosphate Inc. ("JDCP"), as their demonstration plant at Fort Meade, Florida nears mechanical completion.

The following matters have been recently completed or advanced:

- **Execution of improved Licence Agreement to use IHP technology**

It was deemed advantageous to update and deepen the original 2010 Licence Agreement between JDCP and Minemakers to improve and extend terms with a view to materially enhancing the Company's right to employ the Improved Hard Process ("IHP") technology and Minemakers' ability to secure finance for the Wonarah Project. The following key provisions now apply:

- The term of Minemakers' exclusive Australian licence to construct a commercial scale IHP facility at Wonarah has been extended to September 2023, subject to Minemakers continuing to make reasonable commercial progress to successfully commission such a facility throughout that period and making royalty payments when due. It is currently anticipated that such a facility could be commissioned by the second half of 2015 or early 2016.
- A 5 year right of first negotiation for any new IHP licence in Australia beyond the expiry of Minemakers' above exclusivity rights provided Minemakers has commissioned a kiln and achieved successful startup at Wonarah.
- Establishing a framework for proceeding with an Engineering Procurement and Construction ("EPC") contract and other potential arrangements relevant to the construction and financing of a commercial scale IHP facility, addressing issues such as: financial terms, guarantees, warranties and representations and indemnities in relation to the IHP technology, as well as JDCP's ongoing role in providing design and technical consulting services in relation to such activities.

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- JDCP board observer status has been secured. Board observer status is equivalent to non-voting participation at board and related meetings and considered important as the Minemakers and JDCP relationship evolves. Dick Block, Minemakers non-executive Chairman, will be Minemakers' primary representative and observer on the JDCP board.
- Minemakers also has an exclusive license to make, use and sell phosphoric acid using the IHP technology in respect of rock phosphate sourced primarily from Namibia until 2019.

- **Further investment in JDCPhosphate Inc.**

In consideration of the improved licence terms and to support JDCP's ongoing funding needs as it continues its important IHP technology validation and full-size Wonarah commercial plant technical specification work, Minemakers has made an additional equity investment of approximately US\$1.0M in JDCP, taking Minemakers' shareholding in JDCP from 3.3% to 5.8%. Through this investment and other consideration, Minemakers has secured the ability to advance its interests in the Wonarah Project through the production of a feasibility study on an efficient time basis.

- **Progress on Wonarah feasibility study**

In order to advance the Wonarah Bankable Feasibility Study ("BFS"), Minemakers has been engaged in a technical study with JDCP and other parties whose aims are to define the Wonarah IHP circuit at a preliminary feasibility study level, prior to validation of the IHP demonstration plant, and then at a bankable feasibility study level, post validation of the IHP. This work is being managed by JDCP in the USA, with oversight by Minemakers and with the participation of, among others, the same engineering firms that designed the JDCP demonstration plant as well as key equipment providers.

The product of this work will comprise the portion of the complete BFS covering the upgrading of mined, beneficiated phosphate rock to superphosphoric acid production, utilising the IHP technology.

Metallurgy test work and mine and logistical planning continues to the extent required to support the IHP portion of the study and to provide feasibility level design and costing information to support the timeframes indicated. Required tenement activities continue as does ongoing liaison with traditional owners. Environment approval to produce acid remains underway with the Northern Territory authorities with all indications being this will not be a critical path activity for the project.

- **Update on timing of the IHP validation process**

JDCP has recently advised that while significant progress has been and is being made on the demonstration plant in Florida and its pre-startup activities, the process of validating IHP technology will be somewhat delayed because of construction related issues.

- ***Mechanical completion is now expected to occur in July 2013***

Piping modifications to accommodate better work platform design and other reasons as well as delivery delays for ancillary parts of the kiln were causal to this delay.

- **Acid production is now expected in Q3, 2013**

It was previously anticipated that acid production would commence in Q2, 2013 but this is now delayed as a direct consequence of the delay of mechanical completion. The JDCP team has advised that the next steps in achieving acid production and then IHP validation will be:

- Producing dried and ground raw material for use in the feed agglomerate circuit (balling drum)
- Production of on-specification kiln feed agglomerates (through the balling drum and agglomerate dryer)
- Finalisation of kiln readiness for feed and hydrator readiness for gas processing and acid production
- Commencement of feed to the kiln and gas processing in the hydrator
- Ramp up phosphorus content in feed agglomerates to achieve design throughput and yield

JDCP continues to set itself tight timeframes for mechanical completion and acid production. Minemakers considers there could be some additional slippage in meeting current timeframes.

- **Consequences of timing changes to Minemakers**

1. Minemakers will slow feasibility study work outside the IHP battery limits, such that progress and spend on the Wonarah BFS will better synchronise with anticipated IHP validation.
2. The completion of the Wonarah BFS will most likely be delayed from Q1, 2014 to later in 2014.

Tip Fowler, CEO of JDCPhosphate commented, *“We look forward to commencing startup operations in the third quarter in a safe, well conceived and successful manner that will reward Minemakers and our other investors with validation of this important technology and the opportunity to project it on a full commercial scale.”*

Cliff Lawrenson, Minemakers Managing Director, added, *“We remain committed to JDCP and their IHP technology as the optimal technical means to extract maximum value from the Wonarah Project. In the past few months we have made excellent progress both commercially and technically and while this delay is unfortunate, we will adjust our planning to absorb the consequences. We remain excited about the upcoming demonstration plant startup and operations and the completion of our feasibility studies. Minemakers has the financial resources in hand to advance Wonarah to a final commercial decision. We will keep our shareholders informed of material developments as we move forward to this end.”*

Cliff Lawrenson
Managing Director