



SEPTEMBER 2013 QUARTERLY ACTIVITIES REPORT

30 October 2013

HIGHLIGHTS

WONARAH PHOSPHATE PROJECT, NORTHERN TERRITORY *(Minemakers 100% equity)*

- Work on the Feasibility Study for Wonarah continued with particular emphasis on the IHP aspects
- Metallurgical testwork for feed beneficiation continued

JDCPHOSPHATE, INC. (JDCP) *(Minemakers approx. 6.5% equity)*

- JDCP's Improved Hard Process (IHP) demonstration plant in Florida remains in commissioning phase
- Phosphoric acid production is now planned for November 2013
- JDCP has acid off-take arrangements in place, hence revenue will be generated once product is produced

CORPORATE ACTIVITIES

- Minemakers accepted the Niuminco Limited takeover offer for TNT Mines Limited
- Cash balance at 30 September, 2013 was \$26.6M
- Cost base further reduced and cash burn minimised

Cliff Lawrenson, MD of Minemakers commented "Whilst we have continued to make good progress on the Feasibility Study for Wonarah, we are frustrated by the longer than anticipated commissioning phase of the IHP demonstration plant. However, we are in close communication with JDCP and they remain of the view that first acid production is close as the outstanding front end teething issues are resolved. As we have said before, the overall priority remains for a safe, stable and reliable operating plant and we will keep the market informed of developments."

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1. WONARAH PHOSPHATE PROJECT, NORTHERN TERRITORY (100% Equity)

1.1 INTRODUCTION

Minemakers Limited’s (Minemakers or the Company) 100% owned Wonarah phosphate project (Wonarah) is the largest known phosphate deposit in Australia. To date, only 15% of the known mineralisation has been sufficiently drilled to enable a resource estimate to be defined.

Minemakers aims to take advantage of Australia’s political stability and Wonarah’s favourable installed and available infrastructure to develop a major centre for the production of superphosphoric acid (SPA). Wonarah’s advantages, apart from its size and grade, include:

- Situated in a stable political jurisdiction
- Northern Territory Government support and designation as a Major Project
- A life of mine Mining Agreement in place with Traditional Owners which covers mining, processing and fertiliser production
- Proximity to a regional population centre at Tennant Creek
- Access to an established bulk commodity port at Darwin
- 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
- Proximity to ample groundwater
- Silica available on site and petroleum coke readily available regionally
- Growing importance of technical grade phosphoric acid and fluid fertilisers both globally and locally

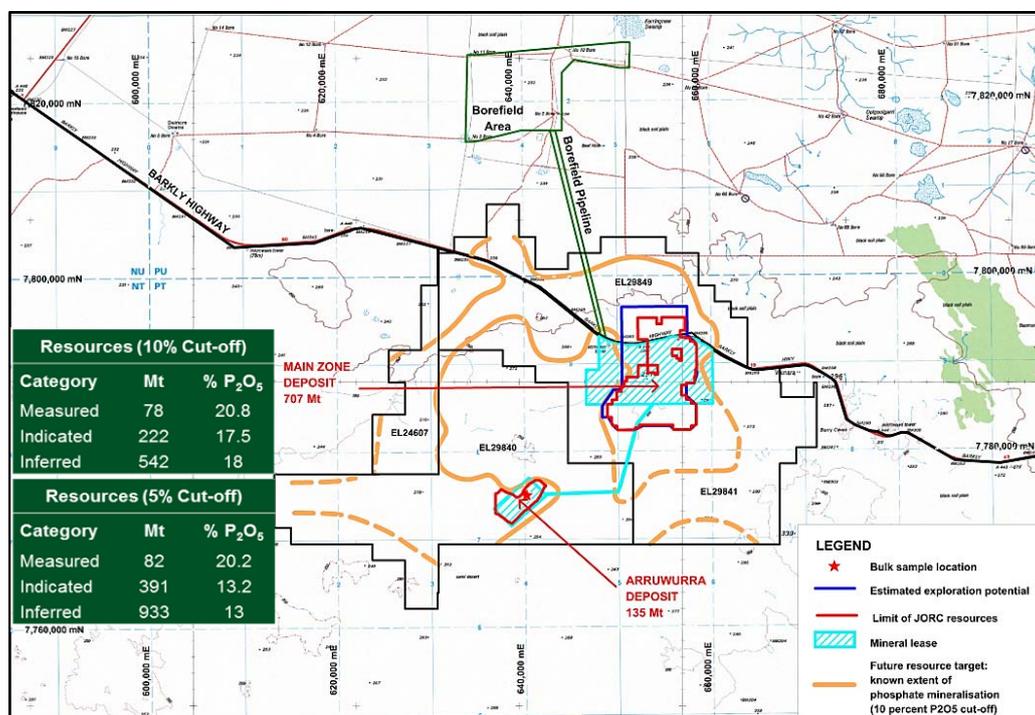


Figure 1: Wonarah Deposit

Note: The current estimated mineral resources are set out in Figure 1. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Inferred resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be classified as mineral reserves. There is no assurance that any part of the Inferred resources will ultimately be converted to mineral reserves.

1.2 JDCPHOSPHATE, INC. – FLORIDA DEMONSTRATION PLANT PROGRESS

Minemakers owns approximately 6.5% of JDCP, the holder of the patents for the IHP technology. JDCP successfully concluded the funding for its demonstration plant in Fort Meade, Florida in August 2012. Construction of the demonstration plant commenced in March 2012 and was substantially complete by September 2013.

The plant is a 1:18 scale of an anticipated full-scale plant, but is nonetheless expected to operate as a commercial plant and over time generate a positive cash flow.

- The plant was mechanically complete in all material respects in late June 2013 with vessel integrity testing, final instrument installation, calibration and commissioning underway;
- The plant was producing dried and ground raw material for use in the feed agglomerate circuit and optimisation of the equipment involved is ongoing;
- Operation of the kiln feed agglomerate circuit has commenced with minor mechanical issues identified and being addressed as they present;
- Finalisation of kiln readiness for feed is underway with Metso carrying out final connection, testing, training and igniting the pilot light;
- The hydrator section activity to ensure its readiness for kiln gas processing and phosphoric acid production is now complete with the focus of testing shifting to the integration of the kiln and acid plant systems;
- Depending on the successful conclusion of the tasks above, commencement of feed to the kiln and gas processing in the hydrator is expected in November 2013;
- First phosphoric acid production is expected in November 2013;
- JDCP has phosphoric acid off-take arrangements in place, hence revenue will be generated; and
- Design throughput and yield will be optimised and any plant improvements indicated will be made on an ongoing basis.



Figure 2: IHP Demonstration Plant October 2013

Members of the Minemakers management team have made regular visits to the Fort Meade site to monitor progress of construction of the demonstration plant and to interface with the JDCP technical team who are leading the Inside-Battery-Limits study for Minemakers. This face-to-face interaction has been supported by regular conference calls to track progress with their study and ensure complete integration of the IHP component into the overall Wonarah Feasibility Study (FS).



Figure 3: View of the feed drier at the JDCP demonstration plant

On 29 October 2013, Tip Fowler, JDCP CEO, commented: *“The IHP Demonstration plant continues to make steady progress as we move through the commissioning phase. Mechanical issues and punch list items are being addressed as they present and we have not encountered any problems that erode our confidence in our ability to execute a safe and successful start-up in the near term. We are focused on improving the reliability of feed preparation processes to ensure that when we fire the kiln and complete the refractory cure we will be in a position to feed the kiln with on spec feed agglomerates at the required rate. While unforeseen difficulties could occur we see November as our revised target date for production of phosphoric acid. We are disappointed by the delay but, on balance, care and prudence in the short-term outweigh speed to complete in this operation. We look forward to advising of concrete results on a timely basis.”*

1.3 WONARAH FEASIBILITY STUDY

Building upon the work undertaken in the 2011 Scoping Study, the Company commenced a FS during 2012.

With the insight derived from the Scoping Study, the FS is to focus solely on the development of Wonarah using the patented JDCP IHP technology.

The logic for this singular process investigation is that whilst the Scoping Study demonstrated that a conventional Wet Acid Process project was technically feasible and produced reasonable financial metrics, the quantum of the capital required to implement such a project, being over \$2 billion, is likely to be beyond the reach of the Company, particularly in the current economic climate. Therefore, this option was set aside as being practically unachievable.

The FS is divided into two separate but interlinked areas of study. The area within the battery-limits of the IHP plant is being studied by the JDCP team, which includes a number of equipment suppliers and members of the team who designed and have constructed the JDCP demonstration plant, in Florida. Minemakers benefits from the expertise and "hands-on" experience of this team. The second area is that outside of the battery-limits of the IHP plant and comprises all of those studies necessary to support an IHP operation. Key amongst those studies is the metallurgical testwork to establish the beneficiation route required for the ore and silica sand.

1.3.1 Improved Hard Process

Minemakers is focused on the downstream production of high-value SPA at Wonarah utilising IHP technology.

In summary, IHP entails:

- Mining
- Simple beneficiation to 15-20% P₂O₅
- Grinding with raw 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 $\pm 70\%$ P₂O₅ (a very high nutrient product)
- Co-product is low environmental impact and usable inert spent pellets (J-Rox)

Minemakers is investigating potential commercial uses of J-Rox as an aggregate. J-Rox can also be used for fill for mine pits and other infrastructure works as part of the rehabilitation process.

1.3.2 Metallurgical Testwork

Diamond drilling during the June 2012 quarter generated sufficient core to undertake an extensive metallurgical testwork programme. This core was delivered to the University of South Australia where the testwork programme was supervised by Dr Kwan Wong, who has supervised all of the metallurgical testwork on Wonarah ore since the commencement of studies in 2008. The testwork programme was designed by KEMWorks Technology, Inc. (KEMWorks) of the United States. KEMWorks has reviewed and analysed the results and made preliminary recommendations for the beneficiation plant flowsheet, although some areas of the comminution circuit are awaiting the outcome of further testwork involving the use of high pressure grinding rolls.

Composite samples were prepared with geological input on sample selection. The resulting samples were then subject to a series of tests to determine a suitable processing flowsheet based on the premise that attritioning should produce a product of suitable quality to be fed to the IHP plant.

The testwork was successful and resulted in a treatment regime where percentage solids content, agitator speed and residence time were optimised. The optimised conditions were defined as those which gave rise to the maximum P₂O₅ recovery and maximum clay rejection.

Further tests explored the effect of pH modification as well as exploring the effect of various water sources, including site water, with no significant variation noted.

Variability testing was undertaken to test the behaviour of the optimised circuit at the extremes of the potential feed to the beneficiation plant. At the time of reporting, the assessment of the results was still awaited, however no unusual outcomes were noted during the trials.

Silica sand obtained from Wonarah was subjected to the same treatment regime as the ore and produced satisfactory result. However, further testing revealed that similar outcomes could be obtained by simply wet screening of the sand and this was selected as the treatment process for the beneficiation plant, thereby minimising capital and operating costs for this section of the beneficiation plant.

Data obtained during the beneficiation testwork has been utilised to create a beneficiation algorithm which is now incorporated into the pit optimisation model being managed by AMC consultants.

As part of the JDCP portion of the FS, they required 30kg samples of each beneficiated ore type and a 50kg sample of beneficiated silica sand to be provided to enable them to undertake balling testwork. In order to meet the physical demands of passage through the kiln, the composition of the primary materials (ore, petroleum coke and silica sand) needs to be modified by the addition of binders. The type of binder and exact blend will differ for each ore type and these can only be determined by testwork. The balance of the samples was sent to Metso Corporation for grinding testwork to determine the power requirements for the grinding circuit.

The generation of the larger samples for JDCP produced sufficient clay residues to enable settling testwork to be undertaken to determine the required thickener size and settling storage requirements.

1.3.3 Mineplan

Some scheduling work was undertaken in order to provide a physical schedule input to assist in structuring an early stage financial model for the project. However, completion of this model will require validation data from operation of the demonstration plant as well as capital and operating cost inputs that will emerge from the work currently being undertaken by JDCP. The model is intended for internal use only to guide the next phase of the FS.

Ground disturbing work such as further resource in-fill drilling, water bore drilling, civil geotechnical investigation and slimes storage facility site investigation will not now occur until after the end of the wet season in the Northern Territory in early 2014.

1.3.4 Engineering, Procurement and Construction (EPC)

Discussions with potential EPC parties, including JDCP partners, were on-going. These discussions have been promising and will continue as we better define Wonarah through the FS work and the demonstration plant performance.

1.4 STRATEGIC PARTNERSHIP PROCESS

Minemakers continues to engage actively with potential partners for Wonarah seeking an appropriate value sharing model. The key attributes for a potential partner remain the ability to add technical input, support in financing and provide off-take for product.

Minemakers will ensure that its choice of strategic partner and any ensuing business combination is value enhancing and sustainable for the Company and its shareholders.

2. INVESTMENTS

2.1 AUSTRALIA MINERALS & MINING GROUP LIMITED (ASX:AKA)

Minemakers holds 4.65% equity interest in Australia Minerals & Mining Group Ltd, valued at approximately \$0.5M at the end of the September 2013 Quarter.

2.2 TNT MINES LIMITED

Minemakers accepted the Niuminco Group Limited takeover offer for its shares in TNT Mines Limited, in the absence of a superior proposal. Please refer our ASX release dated 14 October, 2013.

2.3 JDCPHOSPHATE INC.

Minemakers holds approximately 6.5% equity interest in JDCPhosphate, Inc.

2.4 CASH POSITION

At the end of the September 2013 Quarter, Minemakers had cash of \$26.6 million.

The Company has continued to reduce costs wherever possible as is reflected in the attached Quarterly Cashflow Report (Appendix 5B). It should be noted that there is unavoidable spend associated with maintaining and developing a large project like Wonarah with an advanced feasibility study underway.

Cliff Lawrenson
Managing Director

Competent Persons' Statement

The qualified person in relation to this press release is Russell Fulton, who is the Geological Manager of the Company and a Member of the Australian Institute of Mining and Metallurgy, and who has reviewed and approved the information in this press release. Mr Fulton 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' and a 'Qualified Person' as defined in National Instrument 43-101 – Standards of Disclosure for Mineral Projects. Mr Fulton consents to the inclusion in the report of the matters based on his information 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 Mineral Resource Estimation for the Wonarah Phosphate Project, Northern Territory, Australia", dated March 2013 and available on SEDAR at www.sedar.com.

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.