



SEPTEMBER 2014 QUARTERLY ACTIVITIES REPORT

16 October 2014

JDCPHOSPHATE, INC. (JDCP)

(Minemakers Ltd approx. 8.0% equity)

- JDCP has confirmed that it has successfully demonstrated the essential features of the IHP technology
- JDCP is now progressing to the next phase of commercialisation with plans to modify and run the Fort Meade demonstration plant for longer operating intervals collecting definitive data required to complete full-scale plant design
- Minemakers expects JDCP commercialisation efforts to continue into the new calendar year
- JDCP will commence raising further funding for commercialisation

WONARAH PHOSPHATE PROJECT

(Minemakers Ltd 100% equity)

- Minemakers remains firmly of the view that Wonarah will be a significant and valued phosphate-based asset
- Minemakers believes that IHP, as an enabling technology, still presents the most commercially viable means to unlock value from phosphate resources in the Georgina Basin
- Delays in commercial validation and the ongoing work by JDCP to complete full-scale plant design has inevitably delayed short-term plans to develop the Wonarah project
- Minemakers has reduced the associated costs to a basic level necessary to maintain ownership, preserve integrity and protect the capital invested to date
- As the only licensee of the IHP technology, with exclusivity within Australia, Minemakers is well positioned to progress the feasibility study to final investment decision upon commercial validation of the IHP technology

CORPORATE

- In light of Minemakers positive cash balance and the delayed commercial validation of IHP, shorter term value-accretive opportunities continue to be reviewed. The company has continued work on an early stage phosphate opportunity and on a bulk commodity opportunity
- Cost base further reduced and offset whilst JDCP advance commercial validation of the IHP technology
- Cash balance at 30 September 2014 was A\$20.7m

Cliff Lawrenson, Managing Director of Minemakers commented *"We are pleased that JDCP has confirmed that it has now successfully demonstrated the essential features of the IHP technology and that JDCP has now entered the next stage of the commercialisation process. During this next stage, we anticipate receiving updated IHP capital and operational estimate numbers from JDCP which will feed into our Wonarah feasibility program. These positive steps will bring us closer to establishing the feasibility of the IHP technology as the enabling technology for our Wonarah project. We will continue to work closely with JDCP to progress IHP and we will keep the market informed of further developments."*

We continue to explore shorter term opportunities within the phosphate and resources sector that are capable of providing nearer term value accretion to Minemakers. In addition, we continue to contract out our in-house management and technical capabilities as a means to offset our cost base. It is possible that this contracting out could lead to a value-accretive opportunity."

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1. JDCPHOSPHATE, INC.

1.1 FLORIDA DEMONSTRATION PLANT PROGRESS

Minemakers Limited (Minemakers or the Company) owns approximately 8.0% of JDCP and has an exclusive licence to utilise the Improved Hard Process (IHP) technology in Australia. JDCP has constructed a demonstration plant in Fort Meade, Florida. This 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.

Minemakers is pleased to advise that JDCP has reported that it has successfully demonstrated the essential features of the IHP technology. JDCP is now focussed on the next stage of commercialisation of the IHP technology. In particular, JDCP has now confirmed that:

- Control methodology implemented at the Fort Meade demonstration plant has been effective at controlling the temperature profile along the length of the kiln
- It has demonstrated a new, proprietary process for significantly strengthening feedstock agglomerates in preparation for high temperature processing
- High phosphorus yields have been achieved in the demonstration plant

JDCP has advised that the next steps in commercialisation of the IHP technology include modifying and operating the Fort Meade demonstration plant over longer operating runs to continue to collect definitive data on phosphorus yields and to complete the full-scale plant design (including for different phosphate raw material feed-stock). JDCP has also advised that further funding will be sought to finance activities proposed to be conducted during this next stage of commercialisation.

Tip Fowler, CEO of JDCP commented *"The company has made good progress in finalising engineering and identifying equipment required to achieve higher production scaling at its demonstration plant in support of its longer term commercialisation efforts."*

Minemakers has been supportive of prior JDCP financings, however, at this stage, Minemakers does not need to provide any additional funding or elect to participate in any future round of JDCP financing.

2. WONARAH PHOSPHATE PROJECT, NORTHERN TERRITORY

2.1 INTRODUCTION

Minemakers 100% owned Wonarah phosphate project (Wonarah) hosts one of the largest contained P₂O₅ resources of any known phosphate deposit in Australia. To date, only a small part of the area of phosphate mineralisation, based on wide-spaced drilling, has been sufficiently drill tested to enable a Mineral Resource to be estimated in accordance with JORC requirements.

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

2.2 WONARAH FEASIBILITY STUDY

As previously detailed, Minemakers embarked on a feasibility study in 2012, with the intention of conducting a detailed investigation for the development of Wonarah based on the patented JDCP IHP technology.

Given the challenges experienced during commissioning the JDCP demonstration plant at Fort Meade in Florida, study work has been largely suspended in order to limit expenditure in this area until the technology is commercially validated. Work on the feasibility study will resume following successful commercial validation of the IHP technology.

2.2.1 Improved Hard Process

Minemakers is focused on the downstream production of high-value SPA at Wonarah utilising the IHP technology. In summary, IHP entails utilising conventionally mined and simply beneficiated phosphate ore as feed for:

- Grinding with green 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 68-70% P_2O_5 (a high strength product with thermal acid properties with both agricultural and industrial applications)
- By-product is low environmental impact and usable inert spent pellets (J-Rox). J-Rox can be used as an aggregate, as backfill for mine pits and as fill material for infrastructure works needed as part of the rehabilitation process

2.2.2 Strategic Partnership Process

Minemakers continues to engage 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.

2.3 MINEMAKERS GEORGINA BASIN RESOURCE EXPLORATION STRATEGY

The Georgina Basin, which extends from Western Queensland into the central Northern Territory, contains several very large rock phosphate deposits. These deposits, which include Minemakers Wonarah deposits, are globally significant in terms of contained P_2O_5 . Within any large deposit there are typically higher grade or better quality areas that have the potential to be exploited economically as well as areas of lower grade that are unlikely to ever be mined. In that regard, any estimation of tonnes and grade for a rock phosphate deposit needs to be made in light of the likelihood of success of any given development option. Minemakers current resource estimates (see Table 1) use the appropriate cut-off grades of 10% and 15% to generate estimates that approximately span the potential rock phosphate feed grades, 15-20%, for an IHP operation.

Table 1. Resource estimates for the Wonarah phosphate deposit (JORC 2012). Figures are rounded.

Cut off P ₂ O ₅	Category	Tonnes Mt	P ₂ O ₅ %	Al ₂ O ₃ %	CaO %	Fe ₂ O ₃ %	K ₂ O %	MgO %	MnO %	Na ₂ O %	SiO ₂ %	TiO ₂ %
10%	Measured	78.3	20.8	4.85	28.0	1.11	0.43	0.25	0.04	0.10	39.7	0.21
	Indicated	222	17.5	4.75	23.2	1.49	0.47	0.20	0.04	0.09	48.3	0.22
	M+I	300	18.3	4.77	24.4	1.40	0.46	0.21	0.04	0.09	46.1	0.22
	Inferred	542	18	4.8	24	2.1	0.5	0.2	0.08	0.05	46	0.2
15%	Measured	64.9	22.4	4.47	30.0	1.10	0.37	0.19	0.04	0.09	37.0	0.19
	Indicated	133	21.1	4.77	28.0	1.53	0.47	0.21	0.04	0.09	39.7	0.22
	M+I	198	21.5	4.67	28.7	1.39	0.44	0.20	0.04	0.09	38.8	0.21
	Inferred	352	21	4.6	28	2.1	0.5	0.2	0.10	0.06	39	0.2

Minemakers commenced exploration at Wonarah in 2008 and for the first few years pursued an exploration drilling strategy to define a resource with high grade areas that might be amenable to supplying a direct shipping ore (DSO) or minimal beneficiation operation with a phosphate grade of greater than 30% P₂O₅. This operation would then help fund a larger scale beneficiated rock export operation. The bulk of the resource definition drilling was completed in 2008 and 2009 and a small high grade resource was defined within the larger resource, sufficient to underpin a five year DSO operation. With falling rock phosphate prices and difficulties relating to logistics and the nature of Georgina Basin rock phosphate, Minemakers changed direction in 2010 to fund, and partner with, JDCP and pursue the IHP method of treatment for phosphate rock.

IHP requires a lower feed grade and the resource drilling already undertaken was sufficient to define a significant resource for an IHP operation. Although the optimal feed grade has not been finalised, at around the upper limit supplied to Minemakers by JDCP of 20% P₂O₅, there is, within the Measured and Indicated Resource categories alone, sufficient supply of feed for an operation that could potentially produce up to 1Mt of P₂O₅ in the form of superphosphoric acid per annum for several decades. This estimate takes into account metallurgical recoveries determined by Minemakers ongoing feasibility study and kiln recovery factors supplied by JDCP.

On the basis that the Company believes there to be sufficient inventory in the Measured and Indicated Resource categories to supply an operation for the foreseeable future, it would not be prudent use of funds to engage, at this time, in further resource exploration drilling to add tonnes to the current inventory or to upgrade any of the current resource to a higher category.

3. BUSINESS DEVELOPMENT AND DUE DILIGENCE ACTIVITIES

In our commitment to deliver near-term shareholder value, we have continued to actively source, examine and pursue other shorter term value-accretive opportunities. During the quarter we continued our contracting out arrangements on an early phosphate play that could lead to an earn-in type arrangement, dependent upon progress, and we continued review work on opportunities outside the phosphate sector including work on a bulk commodity opportunity.

Our focus remains to generate near-term shareholder value, but we have not, as yet, secured any compelling potentials within the resources sector that we believe to be value-accretive to shareholders. This is likely a function of the overall state of mining markets, flat commodity outlooks and, perhaps, speculative investment in the last mining cycle. Our development capability and cash backing place us in a position to take advantage of opportunities should general investor sentiment weaken further. If a compelling near-term possibility materialises that satisfies our technical and economic criteria, we will seek support from our shareholders to progress this materially prior to the development of the Wonarah project.

As part of our ongoing cost reduction program we have continued to contract out our in-house management and technical capability where appropriate as a means to offset our cost base. This provides Minemakers the ability to retain talent with an in depth knowledge of the phosphate sector, Wonarah project and IHP technology in preparation for commercial validation of IHP and subsequent acceleration of the Wonarah feasibility study to a final investment decision. During the quarter, Minemakers commenced outsourcing its geological capability to a second phosphate explorer.

We remind shareholders that IHP is a potentially disruptive technology in the broad phosphate industry. As such, patents and other confidentiality protections are in place to prevent inappropriate disclosure of methodology and related information. The shareholders of JDCP include private individuals, specialist funds and large conglomerates, all with different reporting requirements. For these reasons, our own reporting is correctly limited to our obligations under continuous disclosure regulations. As it relates to other Minemakers activities, serious due diligence activity invariably includes confidentiality agreements which we respect. We are committed to keeping our shareholders fully informed and believe that making announcements prematurely or for the sake of generating news does little to enhance Minemakers reputation or objectives.

4. CORPORATE AND INVESTMENTS

4.1 NIUMINCO GROUP (ASX:NIU)

Minemakers holds a 2.27% equity interest in Niuminco Group.

4.2 JDCPHOSPHATE, INC.

Minemakers holds approximately 8.0% equity interest in JDCPhosphate, Inc.

4.3 MATAYO TRADING 7 (PTY) LTD

Minemakers holds a historic 74% equity interest in Matayo Trading 7 (Pty) Ltd, the owner of the Matayo diamond project located in South Africa.

4.4 SHARE BUY-BACK

As part of Minemakers ongoing capital management strategy the Company will initiate an on-market share buy-back of up to 10% of the Company's total share capital over the next twelve months in accordance with the ASX listing rules and subject to approval of the Toronto Stock Exchange. Minemakers recognises that the Company has had a share buy-back facility in the past. Nevertheless, the ability to buy back shares remains a viable capital management option and it is prudent to have this in place.

JM Financial Group Limited will be appointed to assist with the buy-back.

4.5 CASH POSITION

At the end of the September 2014 Quarter, Minemakers had cash of \$20.7 million.

Breakdown of cash spend for the quarter:

Tenement cost and maintenance	(\$0.28m)
Wonarah Project and JDCP	(\$0.32m)
Net Admin and Corporate	(\$0.80m)

The Company has continued to reduce costs wherever possible as is reflected in the attached Quarterly Cashflow Report (Appendix 5B).

Cliff Lawrenson

Managing Director

Competent Person's and Qualified Person's Statement

The information in this document is based on, and fairly represents, information and supporting documentation prepared by Russell Fulton, who is the Geological Manager of the Company and a Member of the Australian Institute of Geoscientists. 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 2012 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 this document of the matters based on all information in the form and context in which it appears.

The Mineral Resource estimates were first set out in Minemakers' market announcement dated 5 October 2012. On 30 April 2014, the estimates were again reported to the market, unchanged, and in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Minemakers is not aware of any new information or data that materially affects the information included in these market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in these market announcements continue to apply and have not materially changed.

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 and to Minemakers' market announcement dated 30 April 2014 which can be viewed at www.minemakers.com.au

Cautionary Statement Regarding Forward-Looking Information

All statements, trend analysis and other information contained in this document 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.

Schedule of Minemakers Limited tenements as at 30 September 2014

Location	Tenement Name	Tenement	Nature of Company's Interest %
Northern Territory	Wakaya	EL24607	100
Northern Territory	Arruwurra	EL29840	100
Northern Territory	Wonarah	EL29841	100
Northern Territory	Dalmore	EL29849	100
Northern Territory	West Wonarah	EL23767	100
Northern Territory	Wonarah Mineral Lease	ML27244	100
Northern Territory	Dorcherty Island	EL24728	Application
Northern Territory	Tree Point	EL25555	Application
Northern Territory	Wadeye North	EL29050	Application
South Africa	Matayo (formerly Savanna)	ML25/2003	74