Territory Phosphate Pty Ltd
Project: Ammaroo

COMMODITY: Phosphate

COMPANY CONTACT DETAILS

Company: Territory Phosphate Pty Ltd (100% owned subsidiary of Aragon Resources Ltd)
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Perth Western Australia 6892
Head Office: Level 1, 168 Adelaide Tce East Perth Western Australia 6892
Market Capitalisation: $6,000,000
Number of Shares: 67,529,755
ASX Code: AAG

PROJECT DETAILS

Project Name: Ammaroo Phosphate
Location: Southern Georgina Basin, Ammaroo, Northern Territory (230km north east of Alice Springs and 70km east of the Darwin – Alice rail line)

<table>
<thead>
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<th>Tenement</th>
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<th>Grant Date</th>
<th>Expiry Date</th>
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<tbody>
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<td>EL25183</td>
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<td>19/04/2007</td>
<td>18/04/2013</td>
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<tr>
<td>EL25184</td>
<td>1,202 sqkm</td>
<td>19/04/2007</td>
<td>18/04/2013</td>
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<tr>
<td>EL25185</td>
<td>1,263 sqkm</td>
<td>19/04/2007</td>
<td>18/04/2013</td>
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HISTORY OF PROJECT AREA

The area was previously explored for phosphate by VAM Ltd in 1968 when nine RAB holes were drilled within the Arthur Creek Formation just 5km north of the current tenement boundary. The Arthur Creek Formation is proven to host phosphate mineralisation and extends into large areas of the Territory Phosphate granted tenements. Several of these holes encountered economic grades of phosphorite within close proximity of the surface making them suitable for open pit extraction methods. VAM recommended further exploration within the Arthur Creek Formation however no follow up appears to have been conducted at the time.

In 2004 Northern Territory Geological Survey geologists conducted a systematic sampling program of hundreds of water bore holes within the Daly, Wiso and Georgina Basins. Testing of rock chips from the water bore drilling was conducted using ammonium molybdate solution. Positive reactions from such chip where then quantitatively analysed for phosphate. Significantly water bore RM13015 located within tenement EL25185 returned an assay result of 45m @ 6.7% P₂O₅ from 30m (including 12m @ 12.79% from 42m). The maximum value of 16.9% was at 45 to 48 m depth. These are excellent results considering that thirty samples of waterbore cuttings from six holes directly overlying Australia’s largest JORC compliant resource at Wonarah (461Mt @ 18.8% P₂O₅) where sampled for comparison. These results over Wonarah range from 0.22 to 9.47% and therefore compare well with those at Ammaroo.
A stratigraphic diamond hole located approx 20km to the west of RN13015 has returned assays of 4m @ 9.16% \( P_2O_5 \). This interval is within a 24m thick anomalous zone averaging 2.98% \( P_2O_5 \). The occurrence of such anomalous phosphate in separate holes spaced 20km apart over a significant thickness is extremely encouraging.

**CURRENT PROJECT STATUS**

The three tenements that make up the Ammaroo Phosphate Prospect are in good standing and in their third year of a six year term. Due to various factors including the acquisition an exemption on the second year expenditure commitment has been applied for with the Northern Territory Department of Mines. The evaluation of the Ammaroo Phosphate Project is at an early stage and Aragon only completed the acquisition of Territory Phosphate P/L in late 2008. Apart from the sampling of two existing drill holes for phosphate by Government Geologist no detailed exploration and evaluation has occurred. Territory is currently conducting a series of wide spaced reconnaissance drilling programs over large areas where the target cambrian shallow marine beds are interpreted to be closet to the surface. This area stretches across the entire northern portion of each of the three tenements providing large areas that have the potential to contain significant economic phosphate concentrations. Potential target deposit size similar to that at Wonarah (461Mt @ 18.8% \( P_2O_5 \)).

**PROPOSED FUTURE ACTIVITIES**

Territory has three phosphate prospects. The Ammaroo Phosphate Prospect (granted tenements) 230km north east of Alice Springs (approx 70km to the Darwin – Adelaide rail line), the Barkley Phosphate Prospect (tenement application) 195km east of Tennant Creek and the Lady Judith Phosphate Prospect (tenement application) 255km east of the rail line. It is intended to progress these applications to grant and then commence on ground exploration that may include geochemical sampling and reconnaissance drilling over prospective areas. Ammaroo drilling is expected to commence in April 2009. This first pass reconnaissance drilling will be conducted initially on a wide spacing (1km) and then dependant on favourable results will continue on a progressively closer spacing so to achieve a reportable resource. Initially the drilling will be aircore and then will progress to reverse circulation and diamond to gain the required sample quality. The first phase of wide spaced drilling is expected to be completed in 2009 with further more detailed and sophisticated drilling programs in the following years.

**BUSINESS DEVELOPMENT PLAN**

**Business Overview**

Aragon Resources Ltd (100% owner of Territory Phosphate Ltd) was formed to acquire, explore and develop mining tenements. Aragon has a significant holding of exploration tenements in Western Australia, prospective for gold, uranium and nickel and in the Northern Territory prospective for phosphate. The Company listed onto the Australian Stock Exchange in August 2007 where it raised $8.7 million dollars for the purpose of mineral exploration. In August 2008 Aragon acquired 100% of Territory Phosphate Pty Ltd to enable it to expand into the fertiliser sector.

Due to the commodities price cycle and recent financial situation like most metals the key commodities of gold, nickel, uranium and phosphate have experienced significant price fluctuations during recent times however they do provide excellent upside potential over the medium and longer term. While phosphate prices have declined from the recent highs in late 2008 many factors point to future recovery. The demand for phosphate rock tracks demand for phosphate fertilisers as well as demand for industrial and animal feed phosphates. The need for reliable food supply around the world is essential. The increasing rate of population is a constant and the available arable land is diminishing. Data from the United Nations indicates that the world population growth is currently around 1.1% per annum (from a historical average of 1.5% per annum growth). At the same time there has been per capita income growth (using real GDP per capita as a proxy) with
current income growth at over 2% per annum. Nations require national security of adequate food supply and the means to grow crops from more than one supplier of key inputs. Developing nations will provide upward pressure on demand due to developing industries and better structured agriculture. Added demand for protein has a multiplier effect on grain demand, since grains are a primary feed for livestock. Depending on the type of animals involved, the production system and location, between 2 kilograms of grain (low case for poultry) and as much as 11 kilograms of grain (high case for beef) is required to produce 1 kilogram of meat. There has also been an increased demand for milk and eggs, which requires intensive feeding of the animals. The global willingness to address carbon emissions and to reduce reliance on oil provides a sustained shift to bio-fuels. Grain consumption for bio-fuels processing is approaching 5% of global grain production.

All prospect areas are within Australia which is well endowed with a broad range of world class deposits and a politically stable environment that promotes the exploration and development of mineral deposits. In regards to phosphate exploration in the Northern Territory the local Government has been proactive in promoting business development and exploration activity within its boarders particularly in the commodity of phosphate. The Northern Territory has proven potential to contain large phosphate deposits however remains largely underexplored. A major north south rail line stretches from Adelaide in South Australia to Darwin in the Northern Territory and provide valuable establish infrastructure for future projects to utilise. The Port of Darwin is an excellent departure point for exporting product to the Asian markets in the region. Ammaroo Phosphate Prospect is located just 70km east of the rail line providing a competitive edge in regards to transportation cost compared with many other projects.

Australia’s largest deposits are found in Middle Cambrian phosphorites of the Georgina Basin, Northern Territory and Queensland, where the Phosphate Hill and Ardmore deposits, with estimated resources of 1400 Mt grading 17.5% P₂O₅, are being developed in Queensland and the Wonarah deposit with estimates of 461Mt @ 18.8% P₂O₅ is being developed in the Northern Territory. In August 1999, the Duchess Mine in northwest Queensland was commissioned; proven resources are >100 Mt.

Sales and Marketing

It is expected that the Asian markets are the key customers of the product. Aragon is happy to consider investors or JV partners to join with it by funding exploration and development costs for Ammaroo

Risk Factors

A significant risk as a resource exploration and development company is that there can be no assurance that the Company’s activities will result in the delineation or discovery of a significant mineral resource. Even if a significant mineral resource is identified, there is no guarantee that it can be economically exploited. A number of the tenements held by the Company are applications. The grant of such applications is subject to satisfying various conditions including addressing native title issues in a number of cases. There is no guarantee that the applications will be granted. A further significant risk is uncertainty as to future levels of phosphate prices.

Executive Summary

An extensive investigation into the phosphate prospectivity of the Georgina Basin was carried out over 2004 – 2005 by the Northern Territory Geological Survey. Cuttings from 214 water bores within the basin were logged and tested for phosphate. The results of this comprehensive study are reported in the “Phosphate testing of waterbores and diamond drillcore in the Georgina, Wiso and Daly Basins, Northern Territory” report. Among these tested water bores several holes returned assays over 2% P₂O₅. The top two holes RN020989 and RN013989 are
located within applications and granted tenements held by Territory Phosphate Ltd (100% owned subsidiary of Aragon resources Ltd).

**Lady Judith (ELA24994) and Barkly Phosphate Prospects (ELA27082)** - Work continues on meeting all statutory obligations to progress these to grant. Dependant on successful outcomes of this process, field reconnaissance and drill programs will be implemented based on previous exploration and open file data. Significant phosphate has been identified at Lady Judith where 3m @ 28.2% P$_2$O$_5$ from 15m in water bore RN020989. At Barkly, within the tenement boundary significant areas of Middle Cambrian Wonarah Beds have been mapped by Government Geologist. There is a lack of drilling within the tenement and with significant phosphate occurrences nearby at Alroy (4.6m @ 15.5% P$_2$O$_5$ from 17.4m) and Buchanann Creek (6m @ 25% P$_2$O$_5$ from 12m) the area is highly prospective.

**Ammaroo Phosphate Prospect (EL25183, EL25184 and EL25185)** – A reconnaissance field mapping program was completed recently. Identifiable rock exposures are limited to areas adjacent of topographic highs where silicified chert breccia overlies calcarenite and dolarenite interbeds. These interbeds contain abundant fossiliferous material and overlie the target phosphatic beds. It is also evident that the basin deepens to the south and generally shallows toward the north west of the tenement area. The phosphatic target is interpreted to extend across the entire northern portion of the tenements.

The first phase of wide spaced scout drilling due to commence in late April is aimed to better define the depth to the target phosphatic unit over a large area of the tenements and to focus on extending the previously identified phosphate occurrence at water bore hole RN13015. Testing of rock chips from this water bore was conducted using ammonium molybdate solution during an extensive sampling program by the Northern Territory Geological Survey during 2004 - 2005. Positive reactions from such chips were then quantitatively analysed for phosphate. Significantly water bore RM13015 returned an assay result of 45m @ 6.7% P$_2$O$_5$ from 30m (including 12m @ 12.79% from 42m). The maximum value of 16.9% was at 45 to 48 m depth. These are excellent results considering that thirty samples of waterbore cuttings from six holes directly overlying Australia’s largest JORC compliant resource at Wonarah (461Mt @ 18.8% P$_2$O$_5$) where sampled for comparison. These results over Wonarah range from 0.22 to 9.47% and therefore compare well with those at Ammaroo.

While the Company has enough cash to fund the proposed exploration a risk sharing partner is being sought to provide additional funding to allow for an expanded exploration effort that an area of such great potential requires.

**Financials**

| Total Shares on Issue: | 67,529,755 |
| Total Listed Options on Issue: | 24,970,285 |
| Net Cash: | $5 million (as at 28th Feb 2009) |

**Major Shareholders:**
- Westgold Resources NL 25,000,000 (37.02%)
- Metals X Limited 7,661,858 (11.35%) (relevant interest 54.4%)
- Top 20 Shareholders 78.28% of issued capital
Territory Uranium Company Ltd
Project: Tennant Creek Phosphate

COMMODITY: Phosphate (P – P₂O₅)

COMPANY CONTACT DETAILS

Company: Territory Uranium Company Limited (TUC),
ABN#:94 115 770 226

Contact Officer: Ian Bamborough
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Fax: +61 8 8947 5217
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Web: www.territoryuranium.com.au
PO Address: PO Box 36874, Winnellie, NT 0821, Australia
Head Office: Unit 2/59 Winnellie Road, Winnellie, NT 0820, Australia
Market Capitalisation: A$4.1M (21/10/08)
Number of Shares: 58.4M
ASX Code: TUC
PROJECT DETAILS

Project Name: Tennant Creek; Phosphate
Location: Tennant Creek, Helen Springs, Renner Springs, Northern Territory
Project Tenements: Tennant Creek Project (2,566km²-ELs 24967 & ELAs 24963, 24968, 24976); Helen Springs Project (3,257km²-ELs 25060, 25071, and 25082)

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<td>6 Years from Grant</td>
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<td>EL25071</td>
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</tr>
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<tr>
<td>ELA24976</td>
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<td>Application</td>
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HISTORY OF PROJECT AREA

Figure 1, adapted from a recent Northern Territory Geological Survey (NTGS) phosphate study, illustrates 'promising drill assays' located in and proximal to TUC's Helen Springs and Tennant Creek tenements within the phosphate prospective Georgina and Wiso sedimentary basins. One promising assay of 3m @ 2.69% is noted in Territory Uranium Tenement ELA24693.

Figure 1 also shows the location of the Wonarah phosphate deposit and the Alroy deposit. Favorable geological analogies exist between Territory Uranium ground and the geological settings of these known phosphate deposits.

Recent phases of phosphate exploration in the Georgina and Wiso Basin areas of the NT have not focused on Territory Uranium's expansive land holdings leaving the ground relatively underexplored.

Figure 1   NTGS identified 'promising assays' located in and proximal to TUC’s Helen Springs and Tennant Creek Projects
Figure 1 also highlights the scarcity of drill based testing for phosphate within the Company’s large tenement package.

CURRENT PROJECT STATUS

The results of 84 surface geochemical samples (XRF analysis and ICPMOES) taken across the Tennant Creek and Helen Springs areas in mid 2008 showed elevated phosphate with a spatial association to areas of outcropping and sub-cropping phosphate prospective rocks including the Anthony Lagoon, Gum Ridge and Montejinni rock sequences (areas shown in pink on Figure 2 and Figure 4). Field observation suggested that the rocks in these locations were of a more bio-siliceous nature further upgrading the potential to host phosphate.

Figure 2 May 2008 reconnaissance exploration results, phosphate prospectivity, Northern Territory Geological Survey (NTGS) phosphate study results, and TUC tenement /land access status.

Figure 3 Histogram of phosphate grade in geochemical samples (float) taken at TUC Tennant Creek tenements in May 2008.
Field testing of crushed geochemical sample with ammonium molybdate solution (yellow colour of the fluid indicates the presence of phosphate but does not give an indication of grade).

Mineral potential for a number of commodities was highlighted by reconnaissance work at Helen Springs. Significant geochemical sample results including vanadium (2,160ppm V or vanadium oxide equivalent of 0.39%), magnesium oxide (37.9% MgO after loss on ignition) and iron (34%) were noted. Elevated values of both vanadium (578ppm) and uranium (20ppm) were returned from a single sample at a radiometric anomaly in EL25060. These elevated results may be more closely associated with potential phosphate enrichment.

Figure 4 Significant reconnaissance exploration results, basic geology and transparent uranium/thorium radiometric image

**Land Access**

Traditional Owners, via the CLC, consented to negotiate with TUC on access to ELA24968 and ELA24963 (locations shown in red in Figure 1) in a meeting held in late May 2008.
An initial ‘on country meeting’ for application tenement ELA24976 (location shown in blue in Figure 2) is planned for April 2009. Assay results published in the October 2007 NTGS phosphate study (Figure 1) show this tenement to be highly prospective. This tenement is also one of the most favourable in terms of proximity to existing infrastructure including the gas pipe line and railway.

OTHER SUPPORTING INFORMATION

Favorable infrastructure (rail, road and gas pipe line shown in Figure 1) in and around TUC’s ground position would most likely make the economics of any discoveries more positive in terms of capital, fuel/power and transport costs. A recent announcement by the Northern Territory Government has been made indicating that a proposal to construct a ‘Common User Bulk Mineral Distribution Facility’ at Tennant Creek has received ‘Major Project Status’.

References

PROPOSED FUTURE ACTIVITIES

- Initial RAB and RC drill testing of EL24967 and EL25082, EL25060 & EL25071 is planned for 2009.
- Continue land access negotiations with traditional owners.

BUSINESS DEVELOPMENT PLAN

Seek Joint Venture Funding or Farm in for reconnaissance RAB/AC/ & RC drilling program.
Minemakers Ltd
Project: Wonarah Phosphate

COMMODITY: Rock Phosphate

COMPANY CONTACT DETAILS

Company: Minemakers Limited
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Market Capitalisation: A$58M
Number of Shares: 98,532,653
ASX Code: MAK

PROJECT DETAILS

Project Name: Wonarah Phosphate Project
Location: Approx 270km east of Tennant Creek, on the Barkly Highway
Project Tenements: SEL26452, SEL26451, EL26589, EL9979, EL26185, ELA24607

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<td>EL26589</td>
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<td>EL9979</td>
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<td>30/01/08</td>
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<td>ELA24607</td>
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HISTORY OF PROJECT AREA

Regional scout drilling to define the extent and development of phosphate mineralisation in Cambrian sediments at the base of the Georgina Basin succession was conducted by several companies in the late 1960s. Drilling in the Wonarah area was undertaken by United States industrial minerals and chemicals company IMC Development Corp. (Australia) from 1967 to 1970. In 1970 it identified bodies of mineralisation and carried out metallurgical studies.

Between 1976 and 1979 the ICI Joint Venture between ICI Australia Ltd (“ICI”) and Australian Fertilizers Ltd mounted exploration programmes over ground lying to the north of the Barkly Highway.

The area to the south of latitude 20° 02’ S was taken up by CRAE in May 1983. A broad spaced (1,000m) airborne magnetic survey was conducted in December 1983 with the main objective of determining depth to basement which generally correlates with depth to phosphate horizon in the better mineralised areas. Access tracks and a drilling grid were established. The project was abandoned in April 1985 without any drilling having been undertaken.
In September 1997 Rare Earths and Minerals Pty Ltd and Pilbara Chemical Corporation NL (REM/PCC) applied for four Exploration Licences covering the Wonarah phosphate deposit and adjoining areas including the former CRAE ground.

In January 1998 Australian Kimberley Diamonds NL (AKD) whose name was later changed to Indo Mines Ltd ("Indo") entered into an exclusive option over the Wonarah project with REM/PCC to acquire the project.

In February 1998 the largest of the applications was granted and Indo carried out a technical review of geological and metallurgical data on the project while at the same time REM/PCC undertook a scoping study of infrastructure and markets. These studies confirmed the technical data and indicated that the building of the railway to Darwin and availability of natural gas would greatly improve the viability of the project. Indo therefore approached a number of mining houses seeking a joint venture partner.

Rio Tinto Exploration Pty Ltd (RTE) (80%) entered into a joint venture agreement with Indo (20%) and from March 1999 to December 2002 carried out a comprehensive exploration programme including the drilling of 136 holes for 7,248m. Most of these holes were south of latitude 20° 00’ S in an area not drilled by IMC. This work allowed RTE to make a full assessment of the project and resulted in the estimation of a JORC compliant resource of 72Mt @ 23% P₂O₅. However, using the diammonium phosphate ("DAP") fertiliser prices at that time, RTE determined that the project had a negative NPV and withdrew from the joint venture in November 2002.

Indo became 100% owner of the project after the withdrawal of RTE and reviewed the work that had been carried out during 2003 before seeking a new joint venture partner. In February 2006 Indo agreed to sell the project to Minemakers subject to a 10% clawback provision.

In June 2008, Minemakers settled the clawback by payment of A$2M and 3M fully paid shares to Indo and now owns 100% of the project.

**CURRENT PROJECT STATUS**

The resource position has now been well established to underpin a long term operation.

Coffey Mining Pty Ltd has estimated JORC Inferred Mineral Resources at 15% P₂O₅ lower grade cut-off as follows:

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<th>Main Zone Deposit</th>
<th>Tonnage (Mt)</th>
<th>P₂O₅ Grade (%)</th>
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<tr>
<td>Lithological Subdivision</td>
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<tr>
<td>Mudstone Phosphorite</td>
<td>221</td>
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<tr>
<td>Chert Breccia Phosphorite</td>
<td>91</td>
<td>17.2</td>
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<tr>
<td>Transitional Phosphorite</td>
<td>18</td>
<td>25.3</td>
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<td><strong>TOTAL</strong></td>
<td><strong>330</strong></td>
<td><strong>18.9</strong></td>
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<th>Arruwurra Deposit</th>
<th>Tonnage (Mt)</th>
<th>P₂O₅ Grade (%)</th>
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<tr>
<td>Arruwurra Deposit</td>
<td>131</td>
<td>18.6</td>
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<tr>
<td><strong>PROJECT TOTAL</strong></td>
<td><strong>461</strong></td>
<td><strong>18.8</strong></td>
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Drilling has not closed off mineralisation at either Deposit and significant increases in resources can reasonably be expected when the Deposits are finally drilled out.
Minemakers has directed initial production efforts at Direct Shipping Ore (DSO), with beneficiated material after the construction of a processing facility. Minemakers aims to fund a proposed plant via cashflow generated from the DSO operation.

The Company aims that all of its work be brought to Definitive or Bankable Feasibility Study (BFS) for finalisation of planning, approvals and financing in the third quarter of 2009. It has recently appointed AMC to act as lead consultant for sign-off.

The elements of it which are appropriate to a DSO mining operation, such as hydrological and environmental studies and the drilling, are now being carried out under direct Minemakers’ supervision. The Company will also complete all of the planned metallurgical testwork on all ore types at both the Main Zone and Arruwurra and do all process plant and site design in a feasibility study that will enable a fast-track beneficiation plant construction as soon as circumstances require it.

The Notice of Intent (NOI) for mining was submitted for assessment on 11 March 2009. The NOI is an appraisal of potential environmental and social impacts attendant upon a mining operation.

Production is targeted to commence in the first half of 2010, with initial production at 1Mtpa with production increasing to 3Mtpa by 2011.

Product will be trucked from Wonarah to a multi user hub to be built by Global Port Solutions at Tennant Creek. From there it will be loaded onto trains and railed to the Port of Darwin for loading for delivery to buyers’ ports of discharge.

The Wonarah Phosphate Project, the Tennant Creek Multi User Hub and the Port of Darwin expansion have all been granted Major Project Status by the Northern Territory Government, which will facilitate expeditious processing of the various government consents necessary for project implementation.

Minemakers welcomes the continuing support and enthusiasm for the Project development being shown by the Traditional Owners, the CLC, the Northern Territory Government and
relevant parties in Tennant Creek, and wishes to acknowledge with gratitude the ongoing efforts by those stakeholders.

The Company expects the project to be in production by mid 2010. Our discussions with Government, suppliers and potential contractors have confirmed that they believe that from their respective perspectives, this is an achievable target.

Current work programme plans are as charted below:

**PROPOSED FUTURE ACTIVITIES**

- Completion of Drilling (May 2009)
- Upgrade resources and delineation of DSO Deposits (April – June 2009)
- Appointment of production management (May 2009)
- Completion of Definitive Feasibility Study (DFS) (Third Quarter 2009)
- First Production (First Quarter 2010)

**BUSINESS DEVELOPMENT PLAN**

The company currently has cash reserves of approximately $11M as of the end of March 2009. However, on-going work of the DFS and placement of orders for long lead items of equipment will require additional funds during 2009. To this end, the company is currently investigating a number of financing options.

Minemakers aims to be entering into strategic marketing partnerships or off-take agreements during 2009.

Production capacity may be considerably enlarged in the future, subject to buyer demand, and would require the upgrading of transport infrastructure. The joint study by Minemakers and Australian Transport and Energy Corridor Pty Ltd (“ATEC”) was advanced. The aim is to examine the financial feasibility of constructing a standard gauge spur line from near Tennant Creek to the minesite. A rail connection would substantially lower freight costs and would remove a production ceiling of about 3Mtpa which is determined by practical road haulage limits on the Barkly Highway. Current work is directed towards route selection and the Office of the Chief Minister and the CLC has been invited to provide appropriate input.