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**SEPTEMBER 2008 QUARTERLY REPORT**

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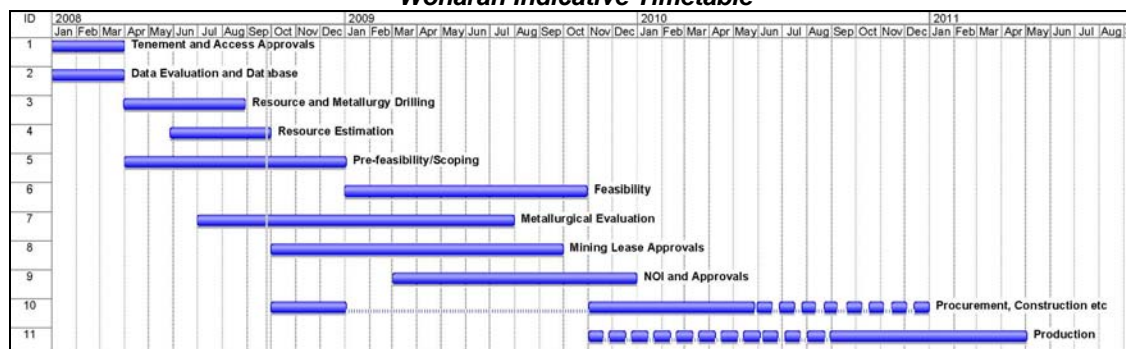
**28 October 2008**

**HIGHLIGHTS**

**WONARAH ROCK PHOSPHATE PROJECT**

- Drilling completed and it delineates widespread mineralisation which has not been closed off: significant resource estimate increases anticipated.
- The Arruwurra Prospect is now the focus of the independent Scoping Study, which is due for completion in the December 2008 quarter.
- Major Project Status has been awarded by the Northern Territory Government.
- Project management personnel have been appointed and the project is scheduled for 2010 production.
- Reversion of the Australian dollar exchange rate to more traditional levels may have a major positive impact on cashflow.

**Wonarah Indicative Timetable**



**FRASER IRON**

- The recent \$1 billion corporate deal involving Grange Resources and its Southdown Magnetite Project exemplifies the value of Minemakers' adjacent West Southdown deposits.
- Aiming to deal on the Project.

**MOINA**

- Encouraging results lead to the decision to drill to obtain core for a full metallurgical test programme involving all the components of this major fluorspar and multi-commodity deposit.

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**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](http://www.minemakers.com.au)  
ASX Code: MAK

**CONTACTS**

**Mr Andrew Drummond**  
Managing Director  
Minemakers Limited

**Mr Ian Howarth**  
General Manager (Vic)  
Farrington Corporate Services Pty Limited  
401 Collins Street  
Melbourne VIC 3000  
Phone: 0407 822 319

**PROJECTS**

- Wonarah Phosphate, Northern Territory
- Fraser Iron, Western Australia
- NE Tasmania Tin and Tungsten
- Moina Fluorite–Magnetite–Zinc, Tasmania
- Port Keats Salt, Northern Territory
- Uranium, Tasmania and Western Australia

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## **PLANNED WORK PROGRAMMES FOR THE DECEMBER 2008 QUARTER**

### ➤ **WONARAH ROCK PHOSPHATE**

- Resource estimation, Arruwurra.
- Completion of Stage I metallurgical studies.
- Airborne EM survey to identify groundwater targets.
- Completion of drill assaying.
- Arruwurra Scoping Study.
- Direct shipping ore potential to be assessed.

### ➤ **MOINA FLUORSPAR – TUNGSTEN – TIN – BASE METALS AND MAGNETITE**

- Drilling to obtain core for metallurgical testwork.

### ➤ **TASMANIAN TIN AND TUNGSTEN**

- RC drilling at Aberfoyle.
- Check diamond drilling at Storey's Creek.

### ➤ **FRASER IRON**

- Aiming to deal on the project.

## **1.0 WONARAH ROCK PHOSPHATE, NORTHERN TERRITORY**

*100% OWNED*

During the Quarter, the Company has continued to focus its efforts on Wonarah.

### **1.1 RESOURCE DRILLING AND ESTIMATION**

A 192 hole RC drilling programme was completed over the Main Zone and Arruwurra. The aims were to determine the general extent, continuity and grade of mineralisation, as well as thickness and closeness to surface.

Assays from Arruwurra have been received and are currently being incorporated in the resource model. We anticipate receiving the resource estimate during November 2008.

The drilling did not close off the phosphate mineralisation at either target area, as is exemplified by Figures 2 and 3.

The programme was terminated due to reaching the objective of delineating sufficient mineralisation to support a long term mining operation and/or reaching the lateral limits set by the current Exploration Agreement under which Minemakers has been working.

### **1.2 SCOPING STUDY AND FEASIBILITY STUDY**

This Scoping Study on mining and processing Arruwurra mineralisation is expected to be completed in the December 2008 quarter. Initial economics seem more favourable there, compared to the Main Zone, as the mineralisation is much closer to the surface. This leads to the potential to make substantial savings on start up capital costs.

A full appraisal of the relative economic merits of development of Arruwurra versus the Main Zone will be made early in 2009 when all drill data and a resource estimate will be available for the latter. It is currently envisaged that this will be part of a full feasibility study which should immediately follow the Scoping Study.

During the quarter the Scoping Study has otherwise focussed on metallurgical, environmental and hydrological matters and progress has been satisfactory, as is indicated in the following Table 1.

**Table 1 – Wonarah Work Completed and in Progress**

Item	Completed	In Progress	Expected Completion
<b>1. Resource Drilling</b>			
1.1 Arruwurra Stages 1 & 2	X		
Arruwurra Extension	X		
1.2 Main Zone	X		
Infill and Extension	X		
<b>2. Assaying</b>			
2.1 Routine		X	November – December 2008
2.2 Chemical characterisation		X	October 2008
<b>3. Metallurgy</b>			
3.1 Drilling	X		
3.2 Logging, Photography and Sample Selection	X		
3.3 Testwork Design – Stage I Study It includes bulk determinations, communiton, grinding and size analysis studies, assaying, diagnostic mineralogy, QEM scan, abrasion and grinding indices determination, flotation testwork, site water analysis.	X		
3.4 Testwork		X	4 <sup>th</sup> Quarter 2008
<b>4. Direct Shipping Ore Study</b>			
Part of Scoping Study		X	4 <sup>th</sup> Quarter 2008
<b>5. Resource Estimation</b>			
Assay and database validation, geological logging and validation, duplicate assaying, umpire assaying etc. are all in progress.		X	4 <sup>th</sup> Quarter 2008
<b>6. Hydrological Investigations</b>			
6.1 Consultants report and recommendations for seeking and establishing a borefield	X		
6.2 Planning for airborne EM survey	X		
6.3 Flying of survey		X	
6.4 Drilling			Late 2008, 1 <sup>st</sup> Quarter 2009
<b>7. Environmental Studies</b>			
7.1 Literature and desk top studies	X		

Item	Completed	In Progress	Expected Completion
7.2 Field investigations, Stage I	X		4 <sup>th</sup> Quarter 2008
7.3 Reporting		X	
7.4 Stage II (may not be necessary)			
<b>8. Freight Studies</b>			
8.1 Draft proposal for third party freight of mine product to ships in Darwin	X		
8.2 Port expansion studies		X	TBA
<b>9. Permitting and Land Access</b>			
9.1 Liaison with CLC re 2008 and 2009 programmes and Exploration and Mining Agreements	X		
9.2 <ul style="list-style-type: none"> <li>• Exploration Agreement</li> <li>• Approval of plans for 2009 field programme including hydrological and borefield drilling establishment, infill drilling for ore resource definition and pit planning, camp construction, testing for road and footings construction materials.</li> <li>• Requests for allowances for borefield, camp, village, optional mine sites, waste and tailings sites, access and haul roads.</li> </ul>	X	X X	October 2008
<b>10. Scoping Study</b>			
Results from 1 – 8 to be incorporated firstly into a Scoping Study. The general aims of the study are to determine: overall project viability, optimal treatment route, first-pass mill design and capital item requirements, resources, optimal initial (years 1-10) mining locations, preferred sites for processing plant, village, services, potential for direct shipping ore, etc.		X	4 <sup>th</sup> Quarter 2008
<b>11. Definitive Feasibility Study</b>			
Many of the items from 1 – 8 and 10 will become input for the final feasibility and will be supplemented as identified in the Scoping Study.			2009

**Figure 1 - Main Zone and Arruwurra Prospect**

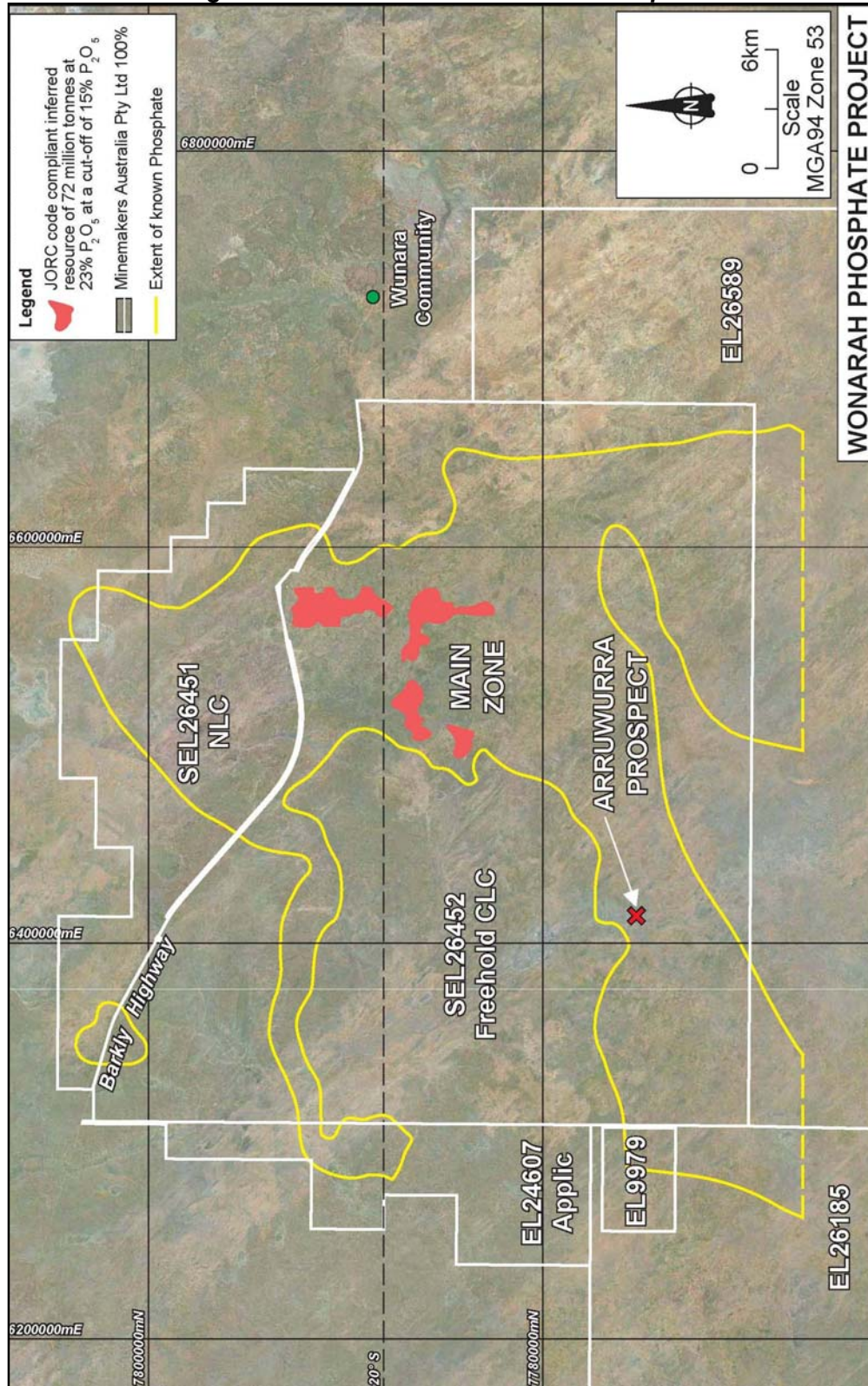


Figure 2 – Arruwurra Interim Grade by Thickness

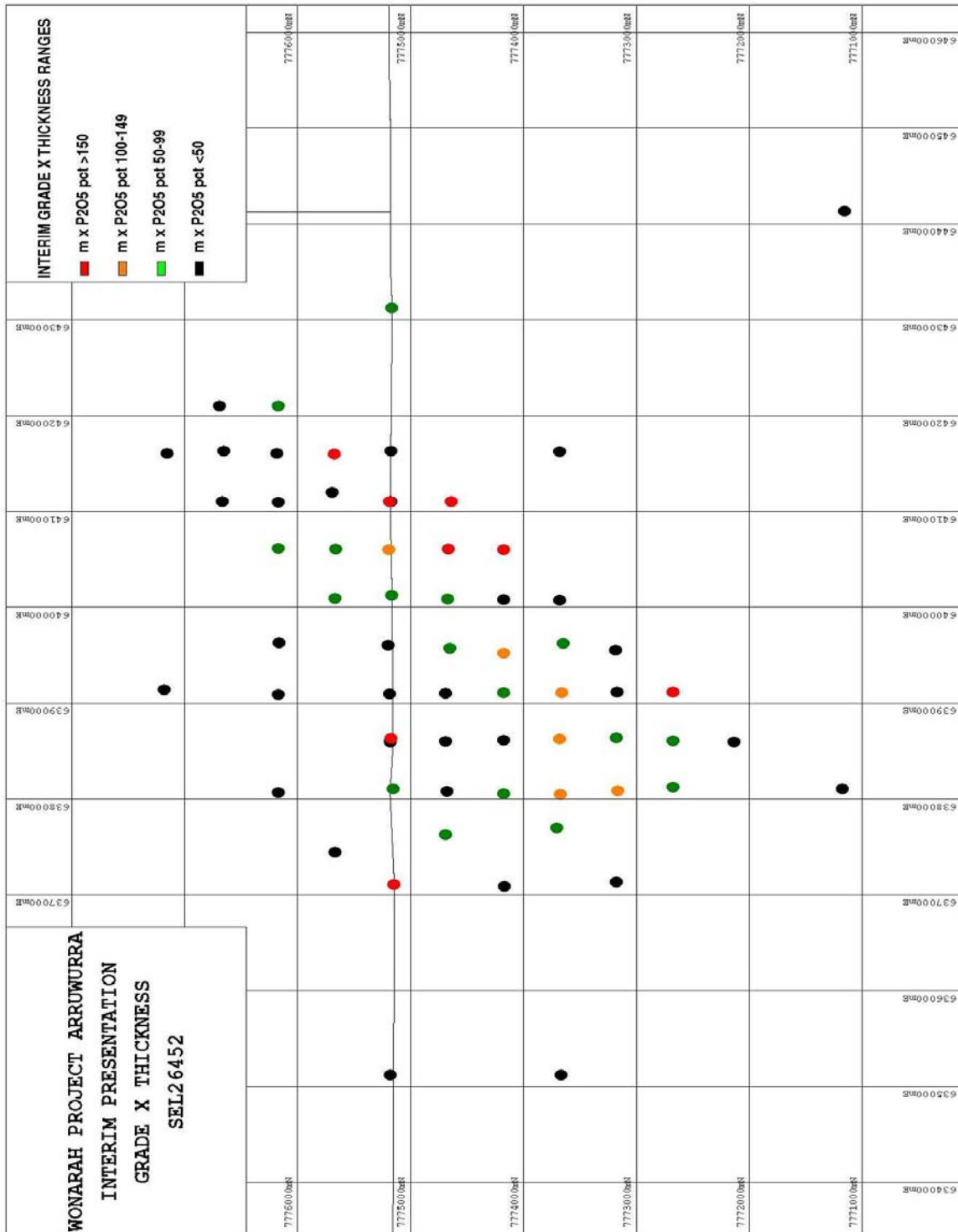
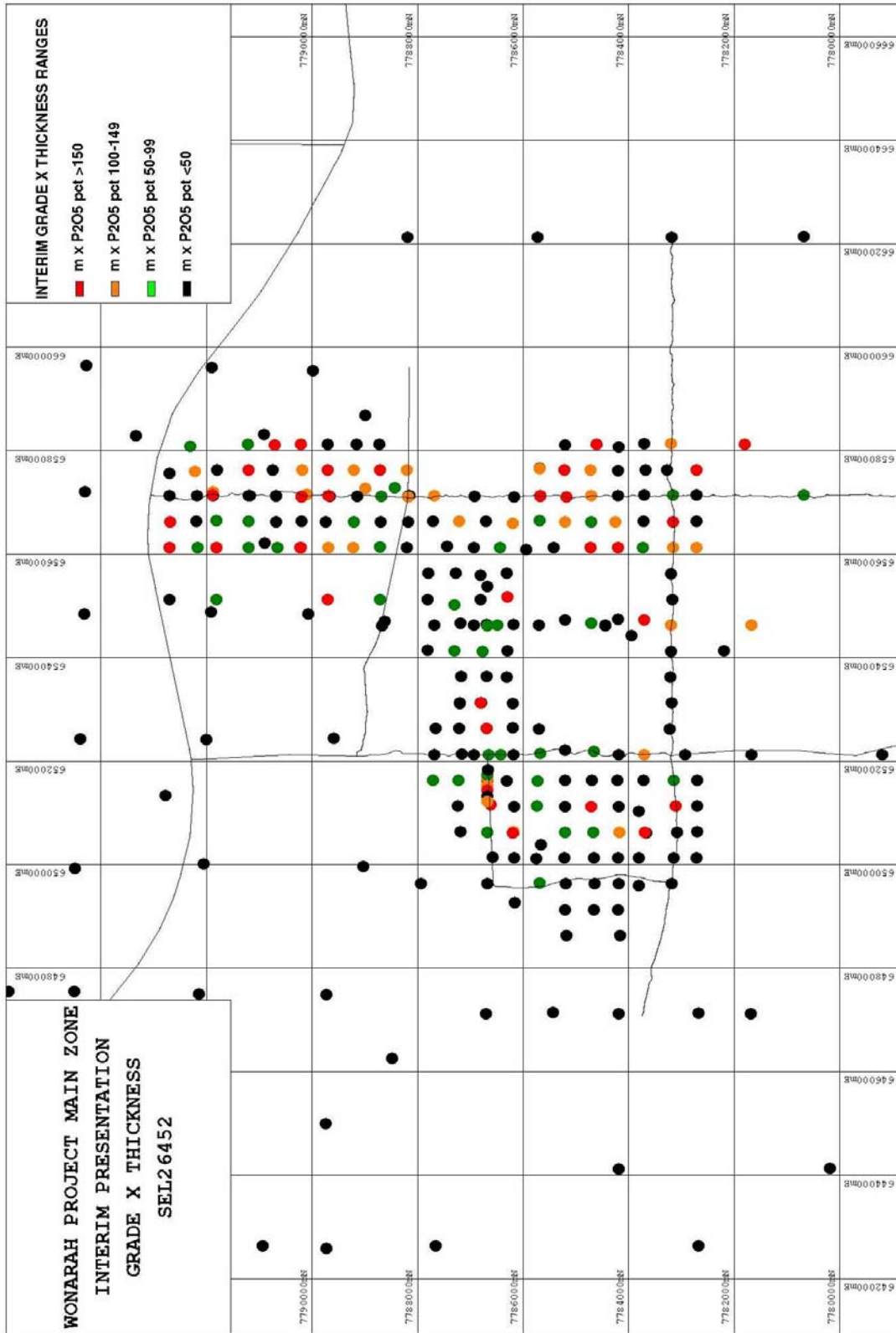


Figure 3 – Main Zone Interim Grade by Thickness



### **1.3 FREIGHT AND EXPORT CONSIDERATIONS**

Considerable effort has been expended during the quarter on advancing the issues associated with moving product from Wonarah to ships in the East Arm port in Darwin.

They have involved numerous meetings with:

- The appropriate Northern Territory Government departments and Ministers.
- Freightlink, the rail carrier.
- The Port of Darwin concerning expansion of its export and loading facilities.
- A road freight company.
- The proponents of a bulk commodity re-handling facility at Tennant Creek.
- An Aboriginal mining contractor company.

The Northern Territory Government has awarded Wonarah, the Tennant Creek bulk handling hub and the upgrade of the Port of Darwin Major Project Status. The aim is to allow Minemakers to export 3Mtpa of product from late 2010.

This essentially entails the Department of the Chief Minister co-ordinating and expediting all of the government inputs into the development of the approvals process.

### **1.4 MANAGEMENT PERSONNEL**

Minemakers has succeeded in attracting Mr Neville Bergin to the position of General Manager, Projects Development and Mr Barrie Hancock to that of Metallurgical Manager. This completes recruitment of the project management team.

### **1.5 ABORIGINAL MATTERS**

A very positive meeting was held with members of the Arruwurra Aboriginal Corporation at the start of September. It was organised and co-ordinated by the Central Land Council ("CLC") and resolutions from the meeting are due in the near future.

The meeting considered the matter of a new Exploration Agreement, which would incorporate a right to mine and clearances for all of the work programmes planned for 2009.

The Aboriginal land owners and the CLC are very supportive of the development.

### **1.6 DIRECT SHIPPING ORE**

In the current adverse world financial scene, the financial advantage of being able to produce Direct Shipping Ore ("DSO") without the need to build and then operate a processing plant is obvious and this aspect is being addressed in the Scoping Study.

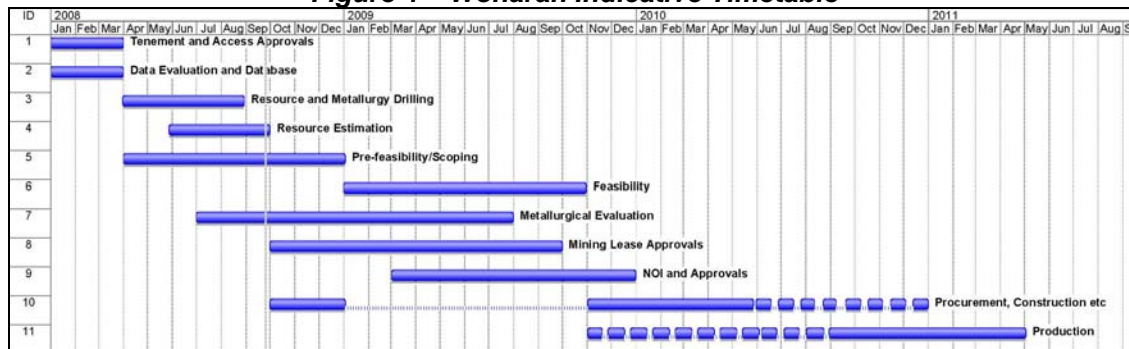
To date, there have been numerous drill intersections which attain the required grade. However, the current assay and metallurgical testwork will help determine whether the other characteristics of the ore will be acceptable for a DSO product.

**1.7 TIMELINE**

An updated timeline chart is presented as Figure 4. Minemakers aims to be in production during 2010 and to date has not identified any issue that cannot be concluded or resolved in that time frame.

Delays experienced during the drilling programmes and the assaying have caused some flow-on slowing of the metallurgical testwork and estimation of resources, which are essential components of the economic studies. Other areas are on or ahead of schedule.

**Figure 4 – Wonarah Indicative Timetable**



**1.8 ROCK PHOSPHATE PRICING AND THE EXCHANGE RATE**

While prices of DAP, the usual phosphate fertiliser, have softened recently, this is understood to be a function of lower gas prices and some easing of demand. As far as Minemakers is aware, rock phosphate prices have remained stable at US\$450-500/tonne fob Morocco.

In late September and early October, there has been a very large adjustment to the US/Australian dollar exchange rate. At the time of writing, one Australian dollar was buying 70 cents American, or less. This is a reversion to the exchange rate levels of much of the 2000s and, if sustained, will have a very significant impact on the economics of Wonarah.

World rock phosphate is now trading at about AU\$650 - \$700 per tonne. This Australian dollar increase in value of the product apparently exceeds the range of likely operating costs of production.

**2.0 MOINA FLUORSPAR AND POLYMETALLICS DEPOSIT, TASMANIA**

*OPTION TO ACQUIRE AN INITIAL 80% EQUITY*

The very large Moina skarn deposit in Tasmania has the potential to be a world significant producer of fluorspar, tungsten and bismuth as well as having tin, magnetite and other base metal credits.

During the quarter, first stage metallurgical processing was completed on drill core in a European fluorspar company's laboratory. The results indicated that the task of producing a saleable fluorspar concentrate would be challenging.

Minemakers has decided that it will now proceed to a full metallurgical evaluation of Moina as a potential multi-commodity producer. Drilling will be required to obtain the appropriate quantities of new test material from several localities within the mineralisation. It is planned to be undertaken in the December 2008 quarter.

It would be used for further testwork on fluorspar, in addition to the other commodities.

Davis Tube assaying for magnetite content is currently being undertaken as that information on this large magnetite body situated in a favourable infrastructure position has not previously been determined.

### **3.0 TASMANIAN TUNGSTEN AND TIN**

#### *MINEMAKERS 100% EQUITY*

Tin price has decreased during the quarter due to the World financial crisis. Nonetheless, the fundamentals are sound based on supply and demand factors and London Metals Exchange stocks have decreased by over 50% during the calendar year.

Assessment work has been resumed with emphasis during the quarter on portable XRF assaying of old drill core held at Minerals and Resources Tasmania ("MRT"). In the light of the weaker tin price, initiation of a pre-feasibility study at Anchor has been deferred.

#### **3.1 ABERFOYLE**

Planning and permitting is under way for an RC drilling programme which will test the strike extension of the mineralised system directly beyond the extent of the old underground workings. Drilling is scheduled for the December 2008 quarter.

#### **3.2 STOREY'S CREEK**

It is considered that there is potential that the 2007 RC drilling programme understated tungsten grades, in particular.

The Company now intends to twin the best two mineralised RC holes with HQ diameter diamond drilling so as to check that possibility. Drilling should take place in the December 2008 quarter.

#### **4.0 FRASER IRON**

##### *OPTION TO ACQUIRE AN INITIAL 80% EQUITY*

At West Southdown the potential of Minemakers' magnetite deposits has been illustrated by a \$1 billion corporate deal involving Grange Resources, the majority owner of the adjacent Southdown deposit, and Chinese iron interests.

Minemakers is targeting 300-500Mt of magnetite mineralisation. As previously announced, it has appointed an iron consultancy firm to superintend a deal on West Southdown and also the possibly larger Frankland target area some 150kms westwards.

#### **5.0 TAY MUNGLINUP, WESTERN AUSTRALIA**

##### *MINEMAKERS HAS A FREE-CARRIED 20% EQUITY WITHIN AN OPTION ARRANGEMENT*

Operator, Jutt Holdings Limited, undertook an auger drilling and assaying programme during the quarter, with mild encouragement. Jutt advised that it has withdrawn from the joint venture on 29 September 2008.

In view of its commitment to its other projects, Minemakers has determined that it would not exercise its option and therefore withdrew from the project effective 10 October 2008.

#### **6.0 PORT KEATS SALT, NORTHERN TERRITORY**

##### *100% EQUITY*

No work this quarter.

#### **7.0 TASMANIAN URANIUM**

A suitably experienced uranium geologist has assessed and interpreted the airborne radiometric data acquired by MRT over all of the Company's north east Tasmanian tenements and also by Minemakers over the Castle Carey target area.

Numerous anomalies worthy of field checking have been identified and this will be undertaken in the December 2008 quarter.

## **MINEMAKERS' BACKGROUND**

Minemakers has acquired and aims to be a developer of mineral projects. The Company has a portfolio comprising several projects with identified resources and large databases and others with highly prospective mineral targets. There are currently five distinct groups of project areas in the portfolio covering iron ore, tin and tungsten, salt, phosphate, fluorspar and polymetallics. The tin/tungsten project areas are also considered prospective for uranium mineralisation.

The most advanced opportunity is the Wonarah rock phosphate project (NT). Others are for tin and tungsten, centred on the historic Aberfoyle and Storey's Creek mines in the northeast of Tasmania, as well as several other tin or tin/tungsten deposits. The Moina (Tas) fluorspar and polymetallics project is also under assessment.

The Company has identified a unique opportunity to position itself with non-mainstream minerals commodities. Rising demand has increased prices for many mineral commodities. In several of the commodities for which Minemakers holds large deposits or targets, restricted Chinese mineral exports have decreased available supply.

Minemakers' projects are all in Australia, with its low sovereign risk and generally contain deposits with open cut mining potential.

*The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Andrew Drummond, a Fellow of The Australian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr Drummond 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'. 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.*

*Since the adoption of the JORC Code, there has been insufficient work conducted on the named projects to be able to determine the grades and tonnages of the deposits with greater accuracy. Any tonnages or grades reported are conceptual in nature and insufficient exploration has been conducted to define Mineral Resources. It is uncertain if further exploration will result in the determination of Mineral Resources.*

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

**Minemakers Limited**

ABN

48 116 296 541

Quarter ended ("current quarter")

30 September 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,937)	(1,937)
(b) development	-	-
(c) production	-	-
(d) administration	(399)	(399)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	107	107
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(2,229)</b>	<b>(2,229)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(55)	(55)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	3	3
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	5	5
• Security deposits	5	5
<b>Net investing cash flows</b>	<b>(47)</b>	<b>(47)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(2,276)</b>	<b>(2,276)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(2,276)	(2,276)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	552	552
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
<b>Net financing cash flows</b>		552	552
<b>Net increase (decrease) in cash held</b>		(1,724)	(1,724)
1.20	Cash at beginning of quarter/year to date	11,905	11,905
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	10,181	10,181

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	161
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees, consulting fees and superannuation.

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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+ See chapter 19 for defined terms.

**Financing facilities available**

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

**Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	500
4.2 Development	-
<b>Total</b>	<b>500</b>

**Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	409	405
5.2 Deposits at call	9,772	11,500
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>10,181</b>	<b>11,905</b>

**Changes in interests in mining tenements**

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased	EL26588	Mineral exploration	Nil	100%

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

**Issued and quoted securities at end of current quarter**

*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	82,731,355	60,978,475		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,841,049	1,841,049		
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	14,439,254	14,439,254	<i>Exercise price</i> 30 cents	<i>Expiry date</i> 31 December 2008
	1,000,000	Nil	30 cents	30 June 2009
	200,000	Nil	30 cents	30 June 2010
	12,500,000	Nil	50 cents	31 December 2010
	300,000	Nil	\$1.80	31 March 2011
	500,000	Nil	\$2.00	31 December 2012
	1,000,000	Nil	\$2.50	21 August 2013
7.8 Issued during quarter	500,000	Nil	\$2.00	31 December 2012
	1,000,000	Nil	\$2.50	21 August 2013
7.9 Exercised during quarter	1,841,049	1,841,049	30 cents	31 December 2008
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

+ See chapter 19 for defined terms.

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does ~~not~~\* (delete one) give a true and fair view of the matters disclosed.



Sign here:

(Company secretary)

Date: 28 October 2008

Print name: **John Ribbons**

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.