

Form 603
Corporations Act 2001
Section 671B

Notice of initial substantial holder

To Company Name/Scheme Minemakers Limited

ACN/ARSN 116 296 541

1. Details of substantial holder (1)

Name Vulcan Phosphates LLC, Timothy Cotton, Anthony Flouty and Driss Chaouni, Saad Chaouni and Timothy Cotton as joint trustees of the Chaouni Family Trust (collectively, **Vulcan Group**)

ACN/ARSN (if applicable) N/A

The holder became a substantial holder on 08/04/2013

2. Details of voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Ordinary shares	14,000,000	14,000,000	5.66%

3. Details of relevant interests

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Vulcan Phosphates LLC	Registered holder of the securities pursuant to a Placement Agreement dated 2 April 2013, a copy of which is annexed to this notice and marked Annexure A.	14,000,000 ordinary shares
Timothy Cotton	A relevant interest pursuant to section 608(3)(a) of the Corporations Act 2001 (Cth) (Corporations Act).	14,000,000 ordinary shares
Anthony Flouty	A relevant interest pursuant to section 608(3)(a) of the Corporations Act.	14,000,000 ordinary shares
Driss Chaouni, Saad Chaouni and Timothy Cotton as joint trustees of the Chaouni Family Trust	A relevant interest pursuant to section 608(3)(a) of the Corporations Act.	14,000,000 ordinary shares

4. Details of present registered holders

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Vulcan Group	Vulcan Phosphates LLC	Vulcan Phosphates LLC	14,000,000 ordinary shares

5. Consideration

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
Vulcan Group	08/04/2013	\$2,520,000	Nil	14,000,000 ordinary shares

6. Associates

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

7. Addresses

The addresses of persons named in this form are as follows:

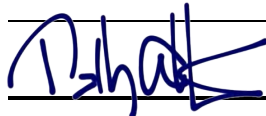
Name	Address
Vulcan Phosphates LLC	871 Traditions Drive, Chattanooga, Tennessee 37415, United States of America
Timothy Cotton	871 Traditions Drive, Chattanooga, Tennessee 37415, United States of America
Anthony Flouty	871 Traditions Drive, Chattanooga, Tennessee 37415, United States of America
Driss Chaouni, Saad Chaouni and Timothy Cotton as joint trustees of the Chaouni Family Trust	871 Traditions Drive, Chattanooga, Tennessee 37415, United States of America

Signature

print name Timothy Cotton

capacity Vice Chairman

sign here



date 10/04/2013

DIRECTIONS

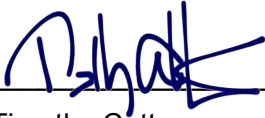
- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
 - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown."
- (9) Details of the consideration must include any and all benefits, moneys and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

Annexure A

Placement Agreement

This is Annexure A referred to in Form 603 (Notice of Initial Substantial Holder).

I, Timothy Cotton, certify that the attached agreement is a true copy of the placement agreement between Minemakers Limited and Vulcan Phosphates LLC dated 2 April 2013.



Timothy Cotton
Vice Chairman
Vulcan Phosphates LLC

Date: 10 April 2013

Execution version
2 April 2013

Minemakers Limited

Vulcan Phosphates LLC

Placement Agreement

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Date 2 April 2013

Parties

Minemakers Limited ACN 116 296 541 of Level 2, 34 Colin Street, West Perth, Western Australia 6005 (**Company**)

Vulcan Phosphates LLC, a Delaware limited liability company US EIN 90-0776344 of 871 Traditions Drive, Chattanooga, Tennessee 37415, United States of America (**Subscriber**)

Background

The Subscriber wishes to subscribe for, and the Company wishes to issue, the Placement Shares and Options on the terms contained in this document.

Agreed terms

1 Definitions

In this document these terms have the following meanings:

Accredited Investor	An "accredited investor" as defined in Rule 501(a) promulgated under the U.S. Securities Act.
Adviser	In relation to an entity, a financier, financial adviser, corporate adviser, legal adviser or technical or other expert adviser or consultant who provides advisory services in a professional capacity to the market in general and who has been engaged by that entity.
Affiliate	Has the meaning given in Rule 405 of the US Securities Act.
Anti-Dilution Exercise Notice	Has the meaning given to that term in clause 5.4(a) .
Anti-Dilution Right	Has the meaning given to that term in clause 5.2(a) .
ASIC	Australian Securities and Investments Commission.
Associate	Has the meaning given to that term in the Corporations

	Act.
ASX	ASX Limited ACN 008 624 691 or the securities exchange operated by it (as the context requires).
Business Day	A day which is not a Saturday, Sunday or bank or public holiday in Perth, Western Australia.
Cleansing Notice	Has the meaning to that term in clause 2.2(c) .
Constitution	Constituent documents of the Company in force from time to time.
Corporations Act	<i>Corporations Act</i> 2001 (Cth).
Equity Security	Has the meaning given to that term in the Listing Rules.
Insolvency Event	Any of the following: <ul style="list-style-type: none">(a) an order is made, or a resolution is passed for the winding up, dissolution or administration of a Party or one of its Related Bodies Corporate;(b) a Party institutes any proceedings or arrangements for the liquidation of, or a receiver is appointed to, the Party or one of its Related Bodies Corporate;(c) a receiver, a receiver and manager, administrator or similar officer is appointed over or a distress or execution is levied over the assets of a Party or one of its Related Bodies Corporate;(d) a Party, or one of its Related Bodies Corporate, suspends payment of its debts or is unable to pay its debts as and when they fall due;(e) a Party, or one of its Related Bodies Corporate, makes or offers to make an arrangement with its creditors or a class of them; or(f) any analogous event occurs under the law of another country.
Issue Notice	Has the meaning given to that term in clause 5.3 .
Listing Rules	Official listing rules of the ASX.
New Issue	An issue by the Company of new Shares or other Equity Securities in the Company.
Option	Has the meaning given to that term in clause 3.1(a) .
Option Consideration	The number of Options specified in the Option Exercise Notice multiplied by the Option Exercise Price.
Option Exercise Notice	Has the meaning given to that term in clause 3.2(c) .

Option Exercise Price	\$0.30 per Option.
Option Shares	Shares issued on exercise of Options.
Option Term	The period ending 4 years from the Placement Date.
Ownership Percentage	The Subscriber's percentage Voting Power in the Company immediately prior to the relevant New Issue.
Party	The Company or the Subscriber (as the context requires).
Placement Consideration	\$2,520,000, being equal to the number of Placement Shares multiplied by the Placement Price.
Placement Date	The date that is 3 Business Days after the date of this document or such other date as the Parties may otherwise agree in writing.
Placement Price	\$0.18 for each Placement Share.
Placement Shares	14,000,000 Shares.
Prescribed Percentage	Has the meaning given to that term in clause 6(a) .
Related Bodies Corporate	Has the meaning given to it in the Corporations Act.
Representative	In relation to a Party or any of its Related Bodies Corporate, each of that Party's or the Related Bodies Corporate: (a) officers and employees; and (b) Advisers and the Advisers' Related Bodies Corporate.
Securities	Collectively refers to the Shares, the Options and the Option Shares.
Shares	Fully paid ordinary shares in the capital of the Company.
US Securities Act	The U.S. Securities Act of 1933, as amended.
Voting Power	Has the meaning given to it in the Corporations Act.
Waiver	A waiver from Listing Rule 6.18 granted by the ASX in respect of the grant of the Anti-Dilution Right to the Subscriber under this document.

1.1 Interpretation

In this document:

- (a) unless the context otherwise requires, a reference:

- (i) to the singular includes the plural and vice versa;
- (ii) to a gender includes all genders;
- (iii) to a document (including this document) is a reference to that document (including any Schedules and Annexures) as amended, consolidated, supplemented, novated or replaced;
- (iv) to an agreement includes any agreement, agreement or legally enforceable arrangement or understanding whether written or not;
- (v) to a person (including any Party) includes a reference to an individual, company, body corporate, association, partnership, firm, joint venture, trust or government agency as the case requires, and the person's successors, permitted assigns, executors and administrators;
- (vi) to a law or a rule:
 - (A) includes a reference to any constitutional provision, subordinate legislation, treaty, decree, convention, statute, regulation, rule, ordinance, proclamation, by-law, judgment, rule of common law or equity or rule of any applicable stock exchange;
 - (B) is a reference to that law or rule as amended, consolidated, supplemented or replaced; and
 - (C) is a reference to any regulation, rule, ordinance, proclamation, by-law or judgment made under that law;
- (vii) to \$ or dollars is a reference to the lawful currency of Australia; and
- (viii) to a time is a reference to Perth, Australia time;
- (b) headings are for convenience only and are ignored in interpreting this document;
- (c) if a payment or other act must (but for this clause) be made or done on a day which is not a Business Day, then it must be made or done on the next Business Day;
- (d) the words "including" or "includes" mean "including but not limited to" or "including without limitation";
- (e) where a word or phrase is defined, its other grammatical forms have a corresponding meaning; and
- (f) this document must not be construed adversely to a Party solely because that Party or its legal counsel were responsible for preparing it.

2 Placement Shares

2.1 Placement Consideration

On or before the Placement Date, the Subscriber must provide the Company with the Placement Consideration in immediately available funds by way of electronic transfer to an account nominated by the Company in writing not less than 2 Business Days before the Placement Date.

2.2 Company Obligations

Subject only to the Company receiving the Placement Consideration on or before the Placement Date, the Company must:

- (a) as soon as practicable, but in any event not more than 1 Business Day after the Placement Date, allot and issue the Placement Shares and deliver an irrevocable direction to the Company's share registry to promptly enter the Subscriber's name in the Company's register of members as the holder of the Placement Shares;
- (b) as soon as practicable, but in any event within 2 Business Days after the Placement Date, apply for quotation for the Placement Shares on the ASX and do all things reasonably necessary to ensure that the Placement Shares are quoted as soon as practicable on such terms and conditions as are usual for quotation of securities;
- (c) as soon as practicable, and in any event within 5 Business Days after the Placement Date, issue a notice which complies with section 708A(6) of the Corporations Act (**Cleansing Notice**) in relation to the Placement Shares; and
- (d) within 3 Business Days of the issue of the Placement Shares, take all steps to procure the delivery to the Subscriber of a holding statement evidencing that the Placement Shares have been issued and allotted to the Subscriber with effect from the Placement Date.

2.3 Bound by Constitution

The Subscriber will be deemed to be bound by the Constitution immediately on and from the date of issue of the Placement Shares to the Subscriber.

2.4 Use of Placement Consideration

The Company acknowledges and agrees that it may only use the Placement Consideration:

- (a) to pursue the exploration, development and production of phosphate and fertilizer projects;
- (b) at the Company's election, to conduct a minimum holding buy-back of unmarketable parcels of Shares in an amount not exceeding A\$500,000; and
- (c) as otherwise may be agreed from time to time between the Company and the Subscriber.

3 Options

3.1 Issue of Options

- (a) On the Placement Date, and subject only to receiving the Placement Consideration, the Company will grant the Subscriber 14,000,000 options to subscribe for Shares (each an **Option**), with each Option being exercisable during the Option Term in accordance with **clause 3.2** into one Share at the Option Exercise Price (subject to any adjustment under **clause 3.4(c)** or **3.4(d)**).
- (b) The Options will not be listed on ASX, but may be transferred in accordance with **clause 3.3** below.

3.2 Exercise of Options

- (a) The Subscriber may exercise some or all of the Options at any time during the Option Term at the sole discretion of the Subscriber by paying the Company the Option Consideration in immediately available funds by way of electronic transfer to an account previously nominated by the Company in writing or, failing nomination within 3 Business Days after issue of the Option Exercise Notice, to the account nominated by the Company for payment of the Placement Consideration.
- (b) If the Subscriber exercises some but not all of the Options during the Option Term, the Options not exercised remain valid and exercisable by the Subscriber in accordance with this **clause 3.2**.
- (c) The Subscriber must provide the Company with not less than 10 Business Days' written notice (**Option Exercise Notice**) of its intention to exercise Options, specifying the number of Options to be exercised at the Option Exercise Price. Once given, the Option Exercise Notice is only able to be withdrawn in circumstances where the Company notifies the Subscriber that it is unable to issue the Cleansing Notice referred to in **clause 3.2(e)(iii)** below.
- (d) The Company must, within 2 Business Days after receipt of the Option Exercise Notice, notify the Subscriber if it is unable to issue the Cleansing Notice referred to in **clause 3.2(e)(iii)** below. The Subscriber may withdraw its Option Exercise Notice at any time prior to the date that is 3 Business Days after notification of the Company's inability to issue the Cleansing Notice is given to the Subscriber. If the Option Exercise Notice is not withdrawn during this time, the Option Exercise Notice will become incapable of being withdrawn without the prior written consent of the Company.
- (e) Subject to receipt of the Option Consideration and the Option Exercise Notice not otherwise being withdrawn, the Company must not later than 10 Business Days after receipt of the Option Exercise Notice:
 - (i) allot and issue the Option Shares to which the Option Exercise Notice refers, and deliver an irrevocable direction to the

Company's share registry to promptly enter the Subscriber's name in the Company's register of members as the holder of those Option Shares;

- (ii) apply for quotation of the Option Shares on the ASX and do all things reasonably necessary to ensure that the Option Shares are quoted as soon as practicable on such terms and conditions as are usual for quotation of securities;
 - (iii) subject always to the Company being able to issue a Cleansing Notice without disclosing any of the excluded information referred to in section 708A(6)(e) of the Corporations Act, issue such a Cleansing Notice in relation to the Option Shares; and
 - (iv) procure the delivery to the Subscriber of a holding statement evidencing that the Option Shares have been issued and allotted to the Subscriber.
- (f) If the Company is unable to issue a Cleansing Notice at the time of issue of the Option Shares and the Subscriber has not otherwise exercised its rights to withdraw the Option Exercise Notice, the Company must issue a Corporations Act compliant prospectus in relation to the Option Shares the subject of the Option Exercise Notice as soon as practicable, but in any event within 30 Business Days of the date of receipt of the Option Exercise Notice, so as to enable the Option Shares to become freely tradable from the date of the prospectus.

3.3 Transfer of Options

For a period of 12 months following the issue of the Options, the Subscriber must not transfer any Options to another Party except where:

- (a) the transferee is a Related Body Corporate of the Subscriber that has agreed in favour of the Company to be bound by the same transfer restrictions set out in this clause, and to re-assign the Options to the Subscriber in the event that it ceases to be a Related Body Corporate of the Subscriber; or
- (b) the prior written consent of the Company has been obtained to the proposed transfer of the Options.

3.4 Rights to participate in dividends, bonus issues etc

- (a) The Options will not entitle the holder to any dividends (or Shares or rights in lieu of dividends) declared or issued by the Company in respect of the Options held at the relevant time.
- (b) If Shares are issued pro rata to the Company's shareholders generally by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment) involving capitalisation of reserves or distributable profits, the Subscriber is entitled, upon exercise of the Options held at the time such pro rata issue is made, to receive, in addition to the Option Shares in respect of which the Options are

exercised and without the payment of any further consideration, an allotment of as many additional Shares as would have been issued to the Subscriber if, on the date for determining entitlements under the bonus issue, the Subscriber had held Shares equal in number to the Option Shares in respect of which the Options are exercised.

- (c) If Shares are offered pro rata for subscription by the Company's shareholders generally by way of a rights issue whilst the Options are capable of being exercised, the Exercise Price of each Option which remains unexercised at the time that such rights issue is made will be adjusted in the manner provided for in the Listing Rules.
- (d) In the event of any reorganisation (including consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options to which the holder is entitled or the Option Exercise Price, or both as appropriate, will be adjusted in the manner provided for in the Listing Rules.
- (e) Subject to this **clause 3.4**, during the Option Term, the Subscriber is not entitled to participate in any new issue of Equity Securities of the Company in relation to the Options held at the relevant time that a new issue is made.

4 Director nomination right

4.1 Nomination of a director to the board of the Company

- (a) Subject to **clause 4.1(b)**, the Subscriber has the right, but not the obligation, at any time after it first acquires Voting Power of more than 10% of the Company and for so long as it continues to hold at all times more than 10% of the Company's Voting Power, to require the Company to appoint a nominee (being a person that is reasonably acceptable to the Company) as a non-executive director of the Company, provided always that the Subscriber first provides the written consent of the nominee to become a director of the Company. For these purposes, the Company acknowledges and agrees that, without limiting the Subscriber's discretion to nominate another person as its nominee director, Mr Farouk Chaouni and Mr Timothy Cotton, who are Representatives of the Subscriber, are persons reasonably acceptable to the Company.
- (b) If the Subscriber has appointed a director under **clause 4.1(a)** and subsequently ceases to hold in excess of 10% of the Company's Voting Power other than in the circumstances set out in **4.1(c)** below, the Subscriber must procure that its nominated director promptly resigns from the board of directors of the Company with immediate effect, and this **clause 4** will cease to have any further operation.

- (c) If the Subscriber's Voting Power in the Company has been diluted as a result of:
- (i) the exercise of Equity Securities convertible into Shares that are:
 - (A) already on issue as at the date of this document; or
 - (B) are issued after the date of this document under an issue which is not subject to the Subscriber's Anti-Dilution Right; or
 - (ii) the issue of Shares under an issue that is not subject to the Subscriber's Anti-Dilution Right,

then the Subscriber will have a period of 2 months to acquire further Shares to increase its Voting Power in the Company to at least 10% to maintain its right to nominate a director to the Company's board of directors **clause 4.1(a)**, failing which the Subscriber must procure that its nominated director promptly resigns from the board of directors of the Company with immediate effect, and this **clause 4** will cease to have any further operation.

- (d) If the person nominated by the Subscriber to be a director of the Company under **clause 4.1(a)** is removed from the board of directors of the Company at any general meeting of shareholders of the Company following their appointment, subject always to the Subscriber having the right to appoint a nominee as a director of the Company under **clause 4.1(a)**, the Subscriber has the right, but not the obligation, to nominate a different person (being a person that is reasonably acceptable to the Company) to be a director of the Company.
- (e) The Subscriber acknowledges that the Company will seek to put in place appropriate protocols to ensure that any conflict of interest or other concerns which might arise between the Parties are appropriately managed so as to ensure that:
- (i) the Subscriber's nominee on the Company's board of directors discharges their fiduciary duties to the Company; and
 - (ii) the confidentiality of the Company's information is maintained.
- (f) If the Subscriber has appointed a director under **clause 4.1** and the Subscriber or any its Related Bodies Corporate suffer an Insolvency Event, the Subscriber must procure that the nominated director promptly resigns from the board of directors of the Company with immediate effect, and this **clause 4** will cease to have any further operation.
- (g) The Company must, in respect of any director appointed by the Subscriber under this **clause 4**:
- (i) remunerate that director on substantially identical terms to other non-executive directors of the Company; and
 - (ii) enter into a deed of indemnity, insurance and access for the benefit of that director on substantially identical terms to other non-

executive directors of the Company or otherwise on terms reasonably acceptable to the director.

5 Anti-Dilution Right

5.1 Condition precedent to Anti-Dilution Right

- (a) As soon as practicable following the issue of the Placement Shares, the Company will apply to the ASX for a waiver of Listing Rule 6.18 to permit the Company to grant the Anti-Dilution Right set out in this **clause 5** to the Subscriber. The Company must consult with the Subscriber as to the form of the application to ASX under this **clause 5.1(a)**.
- (b) The Subscriber must provide the Company any information about the Subscriber as may reasonably be requested by the ASX.
- (c) If the ASX does not grant a waiver of Listing Rule 6.18 referred to in **clause 5.1(a)**, then this **clause 5** will have no further application.

5.2 Anti-Dilution Right

- (a) Subject always to:
 - (i) the grant of the waiver referred to in **clause 5.1**;
 - (ii) the Subscriber having Voting Power of not less than 10% of the Company at the relevant time; and
 - (iii) the Subscriber being in compliance with **clause 6**,the Subscriber will have the right, but not the obligation, during the period ending 2 years after the issue of the Placement Shares, to participate in any New Issue on the same terms as other participants in the New Issue, up to such additional number of Equity Securities as would be sufficient to enable the Subscriber to maintain its Ownership Percentage (**Anti-Dilution Right**).
- (b) Where a New Issue is an issue of Equity Securities convertible into Shares, the number of Equity Securities for which the Subscriber is entitled to subscribe is the number required for the Subscriber to maintain its Ownership Percentage if all Equity Securities issued under the New Issue were converted into Shares.
- (c) The Parties acknowledge and agree that the Anti-Dilution Right:
 - (i) has been granted to the Subscriber to reflect the strategic relationship arising as a result of the Subscriber acquiring a significant shareholding in the Company;
 - (ii) shall not apply to:
 - (A) issues of Shares through pro-rata share issues, Shares issued on the exercise of any Equity Securities convertible into Shares, dividend reinvestment plans, share purchase

- plans, asset acquisition or pursuant to a takeover or scheme of arrangement; or
- (B) issues of any Shares, options or performance rights under an employee incentive scheme;
- (iii) will immediately terminate in the event that the Subscriber or any its Related Bodies Corporate suffer an Insolvency Event;
- (iv) may only be exercised in cash;
- (v) is non-transferrable other than to a Related Body Corporate;
- (vi) may be exercised in respect of each New Issue made during the term of **clause 5.2(a)**; and
- (vii) is otherwise subject to the terms and conditions of any waiver granted pursuant to **clause 5.1**.

5.3 Issue Notice

Whilst the Anti-Dilution Right applies, the Company must notify the Subscriber in writing of any proposed New Issue (**Issue Notice**). The Issue Notice shall specify:

- (a) the total number of Equity Securities proposed to be issued;
- (b) the maximum number of Equity Securities that the Subscriber may subscribe for under the Anti-Dilution Right (calculated in accordance with **clause 5.2(a)** and, where applicable, **clause 5.2(b)**) and offer the Subscriber the opportunity to subscribe for some or all of such Equity Securities;
- (c) the subscription price per Equity Security, which shall be the same price per Equity Security as the price at which the Equity Securities will be issued by the Company under the New Issue; and
- (d) in respect of any Equity Securities convertible into Shares, the terms and conditions of those Equity Securities, which shall be the same terms and conditions as the terms and conditions attaching to the Equity Securities which will be issued by the Company under the New Issue.

5.4 Anti-Dilution Exercise Notice

- (a) The Subscriber may, within 3 Business Days of the receipt of an Issue Notice elect to:
 - (i) exercise some or all of the outstanding Options by paying the Company the Option Consideration in accordance with **clause 3.2**, in which case such Option Shares shall form part of the Subscriber's aggregate holding of Equity Securities for the purposes of calculating the maximum number of Equity Securities that the Subscriber may subscribe for under the Anti-Dilution Right and the Issue Notice shall be amended accordingly; and

- (ii) exercise the Anti-Dilution Right by delivering to the Company a written notice (**Anti-Dilution Exercise Notice**) setting out the number of Equity Securities offered to it in the Issue Notice that the Subscriber wishes to subscribe for and any additional number of Equity Securities as a result of the exercise of any of the outstanding Options by the Subscriber. The Subscriber may elect to subscribe for some or all of the number of Equity Securities offered to it in the Issue Notice and any additional number of Equity Securities to which it may be entitled as a result of the exercise of some or all of the Options.
- (b) If the Subscriber does not deliver an Anti-Dilution Exercise Notice to the Company within the time provided for in **clause 5.4(a)**, then the Subscriber shall be deemed to have elected not to exercise its Anti-Dilution Right and the Anti-Dilution Right in relation to that New Issue shall lapse.
- (c) If the Subscriber delivers a valid Anti-Dilution Exercise Notice to the Company, the Company shall:
 - (i) promptly apply for and use its reasonable endeavours to obtain all regulatory and shareholder approvals required (if any) to issue the Equity Securities identified in the Anti-Dilution Exercise Notice to the Subscriber and make all necessary disclosures;
 - (ii) complete the issue of new Equity Securities to the Subscriber in accordance with the terms of the New Issue.

6 Standstill

- (a) Subject to **clause 6(b)** and **clause 6(d)** below, and other than in relation to subscribing for the Placement Shares or Shares under any applicable Anti-Dilution Right, the Subscriber must not, and must ensure that its Associates do not, for the period ending 24 months after the issue of the Placement Shares, in any manner:
 - (i) acquire, subscribe for, purchase or agree to acquire or purchase any Equity Securities (or direct or indirect rights, warrants or options to acquire any securities) of the Company;
 - (ii) acquire any other economic interest equivalent or similar to ownership in Equity Securities of the Company (whether by way of entering into any swap, derivative or otherwise);
 - (iii) solicit proxies from shareholders of the Company;
 - (iv) announce an intention to make a takeover bid (however structured, whether off-market, on-market or otherwise) or make such a takeover bid, for any or all Equity Securities in the Company or any class of Equity Securities in the Company; or

- (v) aid, abet, counsel, induce or act in concert with any other person in doing any of the things mentioned in paragraphs (a) to (d) above, which would cause the Subscriber's Voting Power in the Company to exceed:
 - (vi) 15% in the first 12 months after the issue of the Placement Shares; and
 - (vii) 19.9% in the second 12 months after the issue of the Placement Shares,(the **Prescribed Percentage**) without the prior written consent of the Company.
- (b) The restrictions in **clause 6(a)** do not apply to prohibit the Subscriber from acquiring Shares as a result of the Subscriber exercising its entitlement to participate in an offer of Equity Securities to all holders of Shares in the Company on a pro rata basis (including its entitlement to participate in any shortfall facility in respect of such an offer).
- (c) If the Voting Power of the Subscriber increases to more than the relevant Prescribed Percentage (other than with the prior written consent of the Company under **clause 6(a)** or in the circumstances contemplated in **clause 6(b)**) while the standstill set out in this clause is effective, the Subscriber must:
 - (i) sell the number of Shares required to reduce its Voting Power in the Company to the relevant Prescribed Percentage or less within one month (or such longer period as approved by the Company) after the date on which its Voting Power increased above the relevant Prescribed Percentage; and
 - (ii) not exercise voting rights over the number of shares held by the Subscriber which represents the number of shares by which its Voting Power exceeds the relevant Prescribed Percentage.
- (d) The standstill set out in **clause 6(a)** will immediately cease to apply if:
 - (i) the Subscriber or any of its Associates makes, or announces its intention to make, a change of control proposal which is recommended by the board of directors of the Company; or
 - (ii) any third party makes, or announces its intention to make, a bona fide takeover bid or offer or other change of control proposal in respect of the Company.

7 Warranties

7.1 Mutual warranties

Each Party warrants to each other Party that each of the following statements is true, correct and not misleading on the date of this document:

- (a) it has full and lawful authority to execute and deliver this document and to perform or cause to be performed its obligations under this document;
- (b) this document constitutes a full and binding legal obligation upon it;
- (c) this document does not conflict with or result in the breach of or default under any provision of its constituent documents or any material term or provision of any agreement, deed, writ, order, injunction, rule, judgment, law or regulation to which it is a Party or is subject or by which it is bound;
- (d) it has obtained all authorisations and approvals necessary for it lawfully to enter into and perform its obligations under this document;
- (e) it is not subject to any Insolvency Event; and
- (f) the execution, delivery and performance of this document:
 - (i) complies with its constitution or other constituent documents (as applicable); and
 - (ii) does not constitute a breach of any law or obligation, or cause or result in a default under any agreement, or encumbrance, by which it is bound that would prevent it from entering into and performing its obligations under this document.

7.2 Company warranties and representations

- (a) The Company warrants to the Subscriber that each of the following statements is true, correct and not misleading on the date of this document:
 - (i) it is a corporation duly incorporated and existing under Australian law;
 - (ii) on their allotment and issue, the Placement Shares and Option Shares will be fully paid ordinary shares in the capital of the Company, will rank equally in all respects with the then existing issued Shares and will be free from all competing rights (including pre-emptive rights or rights of first refusal), encumbrances and other third party rights;
 - (iii) the issue of the Placement Shares and Options will not breach Listing Rule 7.1, or any other Listing Rule;
 - (iv) all the relevant requirements of section 708A of the Corporations Act (including section 708A(5)(e)) are fulfilled so as to enable an offer for sale of Placement Shares without disclosure to investors within 12 months of the date of issue of the Placement Shares;
 - (v) upon issue of the notice referred to in **clause 2.2(c)**, the Placement Shares will be freely tradeable and transferable;

- (vi) upon issue of a notice referred to in **clause 3.2(e)(iii)** or a prospectus referred to in **clause 3.2(f)**, the Option Shares will be freely tradeable and transferable;
 - (vii) there are no material actions, suits, arbitrations, legal or administrative proceedings pending or, so far as the Company is aware, threatened against the Company; and
 - (viii) the Company has fully complied with its obligations under Listing Rule 3.1 and there is no information to which Listing Rule 3.1A applies, other than market disclosures to be made by the Company contemporaneously with execution of this document, drafts of which were provided to the Subscriber prior to execution of this document.
- (b) The Company and the Subscriber each acknowledge and agree that:
- (i) as at the date of issue of the Placement Shares and Options, the Company is not issuing the Placement Shares and Options with the purpose of the Subscriber selling or transferring, or otherwise issuing or transferring interests in or options over, those Placement Shares and Options; and
 - (ii) as at each date of issue of Option Shares (if any), the Company is not issuing those Option Shares with the purpose of the Subscriber selling or transferring, or otherwise issuing or transferring interests in or options over, those Option Shares.

7.3 Subscriber warranties

The Subscriber warrants to the Company and agrees, as at the date of issue of the Placement Shares and Options, that:

- (a) it is a limited liability company duly formed and existing under Delaware law;
- (b) it is subscribing for the Placement Shares and the Options for its own account and not with a view to the distribution of such Placement Shares and Options, as the case may be;
- (c) it is a person to whom an offer and issue of the Placement Shares and Options can be made without disclosure as a result of sections 708(8) – (12) of the Corporations Act;
- (d) it is an Accredited Investor and has the knowledge and experience to evaluate an investment in the Securities and has the financial resources to allow it to make the investment in the Securities and to tolerate any losses therefrom;
- (e) it has made and relied upon its own due diligence assessment of an investment in the Company;
- (f) it has not relied on any forecasts, projections, opinions of future performance or other statements relating to the Company;

- (g) it has not relied upon any representation made by the Company or any of its Representatives, except the warranties set out in **clause 7.1** and **7.2(a)**;
- (h) it will be bound by the Constitution; and
- (i) that upon its exercise of any Options, its warranties and agreements set forth in paragraph **(b)** and **(d) – (g)** of this **clause 7.3** shall be deemed repeated and renewed with respect to the Option Shares issued as a result thereof.

7.4 Acknowledgements

- (a) The Parties acknowledge that each Party has entered into this document in reliance on the warranties given by the other Party.
- (b) The Subscriber acknowledges the representations made by the Company under **clause 7.2(b)** as at the date of each representation.
- (c) The Subscriber acknowledges and agrees that:
 - (i) no disclosure document will be lodged with ASIC in connection with the offer or issue of the Placement Shares to the Subscriber;
 - (ii) that the financial statements of the Company have been prepared in accordance with generally accepted accounting principles of Australia, which differ in some respects from generally accepted accounting principles of the United States, and therefore may not be comparable to financial statements of United States companies;
 - (iii) neither this document nor any offer to subscribe for the Placement Shares or Options made by the Company constitutes financial product advice and that the Company has not had regard to the Subscriber's particular objectives, financial situation and needs;
 - (iv) an investment in the Securities involves a degree of risk and that the Placement Shares and any Option Shares are, therefore, a speculative investment;
 - (v) except for any liability which cannot by law be excluded, none of the Representatives of the Company accept any responsibility in relation to the issue of the Placement Shares or the Options;
 - (vi) the Placement Shares and Options have not been, and the Option Shares will not be registered under the U.S. Securities Act or any applicable securities laws of any state of the United States of America, and that the sale contemplated hereby is being made to it in a transaction not involving a public offering, exempt from registration under the US Securities Act pursuant to the exemption from registration provided by Section 4(2) of the U.S. Securities Act;
 - (vii) the Securities will constitute "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

- (viii) that if, in the future, it decides to reoffer, sell or otherwise transfer any of the Securities, the Subscriber will not offer, sell or otherwise transfer any of such Securities directly or indirectly, unless:
 - (A) the sale is made outside the United States in a transaction meeting the requirements of Rule 903 or, if at the time of such sale it is not then an Affiliate of the Company and such Rule is otherwise available, Rule 904 of Regulation S (or, in either case, such successor rule or regulation then in effect), if applicable, and in compliance with applicable securities laws of the states of the United States of America;
 - (B) the sale is made pursuant to an exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 of the U.S. Securities Act and it has prior to such sale furnished to the Company an opinion of counsel to that effect, in a form reasonably satisfactory to the Company; or
 - (C) the Placement Shares and/or Option Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable securities laws of the states of the United States of America, and it has prior to such sale furnished to the Company an opinion of counsel to that effect, in a form reasonably satisfactory to the Company;
- (ix) that it has not purchased the Placement Shares or Options as a result of any form of general solicitation or general advertising (as those terms are used in Regulation D under the U.S. Securities Act), including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, or television, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (x) that the Company may make a notation on its records or giving instructions to its share registry or any transfer agent of the Company in order to implement the restrictions on transfer imposed under the applicable requirements of the U.S. Securities Act or applicable securities laws of the states of the United States of America;
- (xi) that the Company (i) is not obligated to remain a "foreign issuer" (as that term is defined in Rule 405 of the U.S. Securities Act), (ii) may not, at the time the Placement Shares, Options or Option Shares are resold by you or at any other time, be a "foreign issuer", and (iii) may engage in one or more transactions that could cause the Company not to be a "foreign issuer", and that the loss of the Company's foreign issuer status would impede your ability to transfer the Placement Shares, Options or Option Shares in connection with a resale outside the United-States;

- (xii) you understand that the Company is not obligated to file and has no present intention of filing with the U.S. Securities and Exchange Commission or with any securities administrator of any states in the United States of America any registration statement in respect of resales of the Placement Shares, Options or Option Shares in the United States; and
- (xiii) that upon its exercise of any Options, its acknowledgements and agreements set forth in paragraphs (vi) through (xii) of this **clause 7.4(c)** shall be deemed repeated and renewed with respect to the Option Shares issued as a result thereof.

7.5 Qualifications

- (a) Each warranty is to be qualified by any information fairly disclosed to the Subscriber by or on behalf of the Company on or prior to the date of this document (including all ASX announcements made before the date of this document) and all information which the Subscriber should have been aware had it conducted searches on the Business Day prior to execution of this document of the records open to inspection maintained by ASIC.
- (b) The Company does not make any representations or warranties that any estimates, projections, forecasts or other forward looking information, if any, provided to the Subscriber is accurate or complete or will be achieved.

8 Confidentiality and Announcements

8.1 Public announcements

- (a) The Parties agree that immediately after signing this document, the Company will make an announcement to the ASX that is substantially in the form agreed by the Parties before executing this document.
- (b) Subject to **clauses 8.1(a)** and **8.2**, neither Party may make an announcement or disclose information relating to the subject matter of this document other than to its own Representatives unless the announcement or disclosure has the prior approval of the other Party, provided that in no event will any announcement be made in or into the United States and provided, further, that all announcements relating to the transaction contemplated in this Agreement which are made pursuant to this **clause 8.1** shall be issued only outside the United States and shall bear a legend across the top thereof to the following effect: "Not for distribution into the United States".

8.2 Public announcements required by law

Clause 8.1(b) does not apply to a public announcement or disclosure required by law or a regulation of a stock exchange or any government agency, if the

Party required to make it has to the extent reasonably practicable in the circumstances:

- (a) provided the other Party with as much notice as reasonably possible to enable it to seek a protective order or other remedy;
- (b) provided all assistance and cooperation that the other Party considers necessary to minimise that disclosure; and
- (c) consulted with the other Party and its legal advisers.

9 Notices

9.1 Requirements

All notices must be:

- (a) in legible writing and in English;
- (b) addressed to the recipient at the postal address, facsimile number or e-mail address set out below or to such other address, facsimile number or e-mail address as that Party may notify to the other Parties:

to the Company:

Address: Level 2, 34 Colin Street, West Perth, Western Australia
6005

Attention: Cliff Lawrenson

Facsimile no: +61 8 9264 7099

Email address: clawrenson@minemakers.com.au

to the Subscriber:

Address: 871 Traditions Drive, Chattanooga, Tennessee 37415,
United States of America

Attention: Margaret Smith

Facsimile no: +1.832.201.8490

Email address: msmith@agrifos.com

- (c) signed by the Party or where the sender is a company by an officer of that company; and
- (d) sent to the recipient by registered courier, e-mail or facsimile.

9.2 Receipt

Without limiting any other means by which a Party may be able to prove that a notice has been received by another Party, a notice will be deemed to be duly received:

- (a) if sent by courier, at the time of delivery;

- (b) if sent by facsimile, upon receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the whole facsimile was sent to the recipient's facsimile number; or
- (c) if sent by e-mail, upon receipt by the sender of an acknowledgement of receipt from the recipient,

but if a notice is served on a day which is not a Business Day, or after 5.00pm on a Business Day, recipient's local time the notice is deemed to be duly received by the recipient at 9.00am on the first Business Day after that day.

10 General provisions

10.1 Entire agreement

- (a) This document, and any documents referred to in this document, is the entire agreement of the Parties about the subject matter of this agreement and supersedes all other representations, negotiations, arrangements, understandings or agreements and all other communications.
- (b) No Party has entered into this document relying on any representations made by or on behalf of the other, other than those expressly made in this document.

10.2 Further assistance

Each Party must, at its own expense, whenever reasonably requested by the other Party, promptly do or arrange for others to do, everything reasonably necessary to give full effect to this document and the transactions contemplated by this document.

10.3 No merger

The warranties, other representations and covenants by each Party in this document are continuing and will not merge or be extinguished on the Placement Date.

10.4 Costs

Each Party must pay its own costs in relation to the preparation, negotiation and execution of this document and the documents and transactions contemplated by this document.

10.5 Assignment

Unless otherwise expressly permitted by this document, a Party must not assign, create an interest in, specify any other restrictions or deal in any other way with any of its rights under this document without the prior written consent of the other Party.

10.6 Invalid or unenforceable provisions

If a provision of this document is invalid or unenforceable in a jurisdiction:

- (a) it is to be read down or severed in that jurisdiction to the extent of the invalidity or unenforceability; and
- (b) that fact does not affect the validity or enforceability of:
 - (i) that provision in another jurisdiction; or
 - (ii) the remaining provisions.

10.7 Waiver and exercise of rights

- (a) A waiver of a provision of or of a right under this document is binding on the Party granting the waiver only if it is given in writing and is signed by the Party or an authorised officer of the Party granting the waiver;
- (b) A waiver is effective only in the specific instance and for the specific purpose for which it is given.
- (c) A single or partial exercise of a right by a Party does not preclude another exercise or attempted exercise of that right or the exercise of another right.
- (d) Failure by a Party to exercise or delay in exercising a right does not prevent its exercise or operate as a waiver.

10.8 Amendment

This document may be amended only by a document signed by all Parties.

10.9 Counterparts

This document may be signed in counterparts, one or more of which may be delivered electronically, and all counterparts taken together constitute one document.

10.10 Governing law

- (a) This document is governed by the laws of the State of Western Australia.
- (b) Each Party irrevocably and unconditionally:
 - (i) submits to the non-exclusive jurisdiction of the courts of the State of Western Australia; and
 - (ii) waives, without limitation, any claim or objection based on absence of jurisdiction or inconvenient forum.

Execution

Executed as an agreement.

Executed by Minemakers Limited)
ACN 116 296 541 in accordance with)
section 127(1) of the *Corporations Act*
2001 (Cth)


.....
Company Secretary/Director

JOHN RIBBONS
.....
Name of Company Secretary/Director
(print)


.....
Director

Cliff Lawrenson
.....
Name of Director (print)

Executed by Vulcan Phosphates LLC by its duly authorised representative:

.....
Signature

.....
Name (print)

.....
Position (print)

Execution

Executed as an agreement.

Executed by Minemakers Limited)
ACN 116 296 541 in accordance with)
section 127(1) of the *Corporations Act*
2001 (Cth)

.....
Company Secretary/Director

.....
Director

.....
Name of Company Secretary/Director
(print)

.....
Name of Director (print)

Executed by Vulcan Phosphates LLC by its duly authorised representative:


.....
Signature

.....
Timothy Cotton
Name (print)

.....
Vice Chairman
Position (print)