



ABN 48 116 296 541

EXCHANGE RELEASE

DEMERGER TAX COST BASE APPORTIONMENT

9 August 2011

Minemakers Limited ("Minemakers") confirms the demerger of TNT Mines Limited ("TNT Mines") was completed on 19 July 2011, as previously announced. Minemakers Shareholders on the Record Date of 14 July 2011 received one TNT Mines share for every 4.54 Minemakers shares held.

The purpose of this announcement is to advise Minemakers Shareholders of a reasonable apportionment of the cost base in their Minemakers shares between their existing Minemakers shares and their newly acquired shares in TNT Mines.

As noted in the Minemakers' Explanatory Statement of 3 May 2011 in relation to the TNT Mines demerger and in-specie distribution of 50M TNT Mines shares, being 80% of the issued capital of TNT Mines, Minemakers is seeking a Class Ruling from the Australian Taxation Office ("ATO") to confirm the taxation implications to shareholders in respect of the demerger. This application for a Class Ruling is currently under consideration by the ATO. Assuming the ATO confirms the availability of demerger relief for the TNT Mines demerger, the tax cost base implications for Minemakers Shareholders can be noted as follows:

Subsections 125-80(2) and (3) of the Income Tax Assessment Act, 1997 require Minemakers to reasonably apportion the cost base of their Minemakers shares between their newly acquired shares in TNT Mines and their existing shares in Minemakers, having regard to the market value of both the Minemakers share and the TNT Mines share just after the demerger.

An independent valuation of TNT Mines immediately after the demerger on 19 July 2011 has valued TNT Mines at a preferred value of \$9,043,204. The volume weighted average price of Minemakers shares traded on the ASX over the five days post-demerger was \$0.4354 equating to a market valuation of \$98,838,495. Having regard to the above information, a reasonable apportionment of the shareholders' existing cost base is 93.18% to Minemakers shares and 6.82% to TNT Mines shares. The table below summaries this:

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	Market Value \$	%
Minemakers Ltd	\$98,838,495	93.18%
TNT Mines Ltd	**\$7,234,563	6.82%
Total	\$106,073,058	100%

For example, a shareholder who purchase 5,000 shares in Minemakers Ltd for \$0.50 each prior to the demerger would apportion their cost base as follows:

	Pre Demerger Cost Base \$	Apportionment %	Cost Base apportionment	Share Held	Cost Base per share
Minemakers Ltd	\$2,500.00	93.18%	\$2,329.49	5,000	\$0.47
TNT Mines Ltd	-	6.82%	\$170.51	1,101*	\$0.15
Total	\$2,500.00	100.00%	\$2,500.00	N/A	N/A

**Based on the in specie distribution ratio of 4.54 Minemakers shares for every 1 TNT share.*

***80% of the value of TNT Mines Ltd just after the demerger.*

Andrew Drummond
Managing Director