

Quarterly Report For The Period Ended 30 June 2008

MINTAILS
LIMITED



About Mintails

- Mintails owns substantial gold, uranium and sulphur bearing tailing materials located in South Africa's historic Witwatersrand Basin.
- Through its ownership of extensive plant, equipment and infrastructure Mintails is in the process of becoming a significant producer of gold and potentially uranium and sulphuric acid with processing facilities being constructed on both its West and East Rand locations.

Issued Capital : 695.2m shares
: 820.9m shares
(fully diluted)

Major Shareholders

: Kintara	11.5%
: JP Morgan	9.4%
: Merrill Lynch	8.4%
: Henderson Global	6.2%

Directors

: Bryan J. Frost, Executive Chairman
: Dick van der Walt, CEO
: Lloyd Birrell, Special Projects Director
: Basie Maree, Executive Director
: Richard Revelins, Executive Director
: Bernard Swanepoel, Non-executive Director
: Dick Potts, Non-executive Director
: Peter Chapman, Non-executive Director

Website: www.mintails.com.au

This report includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with estimation of uranium and gold resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Mintails accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

Highlights

- ERGO Mines Joint Venture [East Rand 50% MLI / BEE] on time and well below budget remains on track for commissioning in October 2008.
- WERGO Gold Plant [West Rand 100% MLI / BEE] commissioning to be brought forward from April 2009 to end January 2009.
- Refurbishment of 3 mills at Mogale Gold Plant [West Rand] continuing. 2 mills now refurbished. Optimisation of production capacity has resulted in Mogale Gold plant to continue operating after commissioning of WERGO at a planned capacity of 2,520,000 tonnes per annum.
- North Section of West Wits Pit permitted to allow for gold tailings deposition [West Rand].
- Additional confirmatory drilling and evaluation work continuing to increase and upgrade JORC Resources.

Overview

Over the last quarter the company took significant steps forward in all aspects of its operations. The ERGO Mining Joint Venture [East Rand], under the guidance of Lloyd Birrell continued to achieve its ambitious construction and commissioning targets. The refurbishment of Stage 1 of the Brakpan Gold Production facility is nearing completion and management remain confident that commissioning will occur on schedule in October this year. The efficiency of the construction team has not only enabled significant cost savings to be achieved but has also allowed ERGO Mining to affect a number of initiatives that were previously only contemplated for the Stage 2 expansion phase. As a result the budgets and timelines for the expanded Phase 2 of the ERGO Joint Venture will be favourably influenced by the additional progress and savings achieved to date. Even factoring in these additional expansion items and increases in certain input materials and costs, Phase 1 of ERGO is still expected to be achieved well below original estimates.

As described in the March Quarterly the redeployment of certain assets earmarked for the construction of WERGO to the ERGO Mines joint Venture precipitated a delay in the commissioning of Phase 1 of the WERGO Gold Plant [West Rand]. It was indicated that this delay would in all likelihood be to April – May 2009. The West Rand activities including construction of the WERGO Plant are now under the direct control of Mr Basie Maree who joined the Mintails Board earlier this year after a long and distinguished career at AngloGold Ashanti.

Commissioning of WERGO has now been brought forward from April – May 2009 to January 2009 due to the efforts of Mr Maree and the team at WERGO. Also during the quarter 2 of the 3 mills at the Mogale Gold Plant were refurbished with the 3rd mill expected to complete refurbishment during the September 2008 quarter. The original plan was for the Mogale Gold Plant to cease production in April / May 2008 to then be integrated into the new WERGO Gold Plant. As a consequence of the continuing strength of the price of gold and reassessment of production capacity the company embarked upon a programme of refurbishment to optimise plant fitness of the Mogale gold Plant to continue to run sands and slimes circuits at a capacity of 2,520,000 tonnes per annum with tailings placement into the West Wits Pit [North Section].

The Company also took the decision to delay the construction of the WERGO Concentrating and Uranium Circuits to match the commissioning of the Witfontein Tailing Deposition Site scheduled to be commissioned in April 2011.

Mintails is also pursuing an ongoing exploration and drilling campaign designed to increase and upgrade its JORC gold and uranium resources on both the East and West Rand. Camden Geoserve has been commissioned to provide an independent competent persons report in respect of the gold and uranium content of the slimes and sands dump comprising the WERGO Project. The report by Camden Geoserve is anticipated to be available during August 2008. Mintails has also appointed Coffey Mining / RSG to independently verify JORC and SAMREC Compliant Resources on a significant portion of the surface tailings on the East Rand. This work commenced in February and is expected to be progressively released during August, September and October representing approximately 1,378,000 million tonnes or 81% of the total 1.7 billion tonnes of surface tailings materials available to the ERGO Mines Joint Venture.

EAST RAND OPERATIONS

Mintails' East Rand Operations comprise:

- 1) ERGO – Gold and Potential Uranium Joint Venture

ERGO Mines Joint Venture – Gold and Potential Uranium

On 7 June 2007 Mintails and DRD Gold announced the formation of a 50/50 Joint Venture (JV) to process significant gold bearing tailings materials on the East Rand. At the date of formation of the JV the partners believed, based on historical production, that these tailings may host uranium mineralisation. However the initial ERGO Mines Joint Venture was positioned to extract gold only from the Elsburg Tailings Complex and was therefore limited to a resource of approximately 195 million tonnes.

On 26 November 2007 Mintails announced an expansion of the ERGO Mines JV from 195m tonnes to approximately 1.7 billion tonnes. Not only did this expansion include a significant increase in the volume of tailings materials, but the scope of the ERGO Mines JV was extended to include the potential uranium and sulphur mineralisation of these dumps. The Elsburg Complex, which was initially introduced to the ERGO Mines JV by DRD Gold, now only represents approximately 10% of the total 1.7 billion tonnes of tailing materials forming the JV. The ongoing programme of resource evaluation and upgrade, resulted in a JORC measured resource of 1.67 million ounces of gold from for the Elsburg Complex being announced on 17 December 2007. At this stage no evaluation of uranium or sulphur content has been undertaken.

The expansion of the JV significantly extends the amount of refurbishment being undertaken from only one CIL circuit at the Brakpan Plant initially, to all infrastructure at Brakpan over the next 36 months. This refurbishment will further increase the capacity at the plant, for processing of tailings for the increased recovery of gold, and if found feasible, uranium and sulphuric acid.

Through this expansion the JV partners have endorsed the strategy to consolidate their available and unexploited surface uranium and gold assets on the Central and East Rand.

This expanded focus follows:

- The acquisition by the ERGO Mines JV of additional tailings properties and the Withok deposition complex from AngloGold Ashanti for a payment of ZAR 45 million (approx. AUD \$7.6m) and assumption of rehabilitation obligations.
- Acquisition by Mintails of an option to acquire tailings properties (the "Grootvlei Properties") (comprising some 105 million tonnes) from Pamodzi Gold Limited. These properties will form part of Mintails' contribution to the expanded JV.

Following the contribution made by DRDGold of additional tailings materials to the ERGO Mines JV and the potential for those materials to contain uranium and sulphuric acid, Mintails maintained its 50% JV status by contributing the remaining parts of the Brakpan Plant facility, which were originally excluded from the JV announced on 7 June 2007.

The expanded JV will undertake feasibility studies to refurbish and reopen the entire Brakpan plant which was acquired by Mintails in 2006. Over its 25-year history, the Brakpan Plant (Ergo Mines JV), and the East Dagga Plant (refurbished and relocated to WERGO), while operated by AngloGold Ashanti, processed more than 890 mt of tailings material and produced approximately 8.3 million ounces of gold and 5.5 million pounds of uranium.

The acquisition of the Withok deposition site from AngloGold Ashanti will provide the expanded JV with extensive additional deposition capacity commensurate with the substantial increases in tailings material and processing capacity.

Phase 1 of the JV will still involve the refurbishment of one CIL circuit at the Brakpan Plant with the capacity to treat an estimated 15 mt of tailings per annum, for the recovery of some 75,000 ounces of gold per annum. Phase 1 will be executed in two stages and will commence with 7.2 mt per annum scheduled for commissioning in October of 2008. The completion of Stage 2 will increase production capacity to 1.24 mt per month (i.e. 15mt per annum) and is scheduled for commissioning in 2009.

Phase 2 of the ERGO Mines JV, now under investigation, will involve the expansion of the gold plant by refurbishing the second CIL circuit and the development of uranium and acid plants. On commissioning of the second CIL circuit it is envisaged that the plant will have a design capacity to produce an estimated 150,000 ounces of gold per annum from a throughput of 30mt of tailings.

The parties intend to commission a feasibility study prior to full implementation of Phase 2 of the JV. The uranium and sulphuric acid capacity of Phase 2 will be determined by the detailed feasibility study. The arrangements between the JV partners have been structured to provide for the contribution of assets to the JV operation on a 50:50 basis. Further capex contributions for full implementation of both Phase 1 and Phase 2 of the JV are likely, and the quantification of those amounts will be part of the commissioned feasibility process.

The JV is subject to regulatory review, completion of definitive agreements and other approvals. In the normal course of business the envisaged timelines to commissioning are dependent on completion of the regulatory approval process which is well underway.

Background

Phase 1 of the J.V. with DRD Gold SA will see the treatment of tailings for gold. The refurbishment of one stream of the CIL plant at Brakpan is on time and on budget.

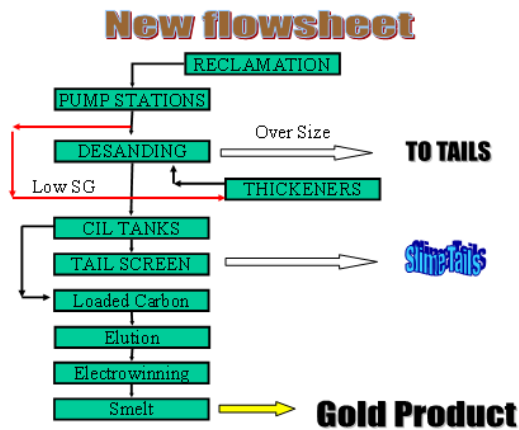
1 Operating Philosophy

The Mining reclamation, thickening, CIL, elution and tailings disposal for Phase 1 has been designed at 1,375,000 tpm to ensure that the monthly target of 1,200,000 tpm is achieved. This allows for a plant availability of 90 percent. This facility may be expanded in future years by refurbishing and incorporating the second CIL stream.

A detailed drilling, exploration programme and feasibility study into the possible production of Uranium and Acid by RSG, Bateman and Autotec has commenced.

2 Plant Description

The diagram below indicates the planned flow.



The total budget for Phase 1 has been split into the different sections, Mintails is responsible for 100 % of the plant refurbishment budget which amounts to R62 million. The remainder is split equally between the JV partners.

Ergo contains the following divisions:

- Slime Reclamation
- Plant Reception/De-sanding
- Thickening
- Leach/CIL
- Acid/Elution/Regeneration
- Gold Room
- Carbon Screening/Tailings
- Reagents
- Tailings Dam

2.1 Slime Reclamation

In the initial stages slime will be reclaimed from two sources, namely the Elsburg and Benoni Sands complexes. The mode of reclamation will be in the form of high pressure water monitoring using six inch water canons. High pressure water will be pumped from the Brakpan return water dams inside the plant which are filled from the tailings return water dams and later to Elsburg from the ERPM water treatment plant. The monitored slurry at both sites will then report to pump stations which consist of primary in line finger screens to remove grass and trash and then secondary vibrating screens which remove the plus 2 mm size fraction. Screened slurry will report to a pump box whereafter it will be mechanically moved to the Brakpan plant using D frame Envirotech pumps along the existing servitudes.

Progress to date is:

- Acquisition of the right to mine the Benoni dam;
- Completion of the design for the Benoni pump station;
- Purchase and planning of the slurry line;
- Delivery and stockpiling of pipes in the pipe yard at Brakpan plant
- Installation of the first slurry line has commenced, the majority of the slurry and water pipelines have been installed to Benoni, road crossings still need to be completed.
- The installation of the second line and the pipelines out to the tailings dam have commenced.
- The civil work at the Benoni pump station are nearing completion. All mechanical equipment including screens, pumps, silo's and sumps are available for installation

The part of the project is on schedule to commence mining in the last quarter of 2008.



2.2 Plant Reception Area /De-sanding

Material from the sites will be pumped directly to the tertiary screen reception area, termed de-sanding screens on the ERGO process flow diagrams. Slime will arrive from the sites and be split via the distribution box to 25 m² linear screens. (one screen required for Phase 1.1, two for Phase 1.2 and 1.3, and four screens for Phase 2 which would double the tonnage to 2.5 million tons per month). The product under size measured at 650 micron will report to D frame pumps which will move the material to the absorption tanks distribution tanks. The tramp over size material will be discharged off the screen cloth and then get pumped directly to tailings. If the slurry reporting to the plant is low in density due to low water pressure at the face or heavy rainfall, bypass valves situated in close proximity to thickener 4 will be remotely opened to allow the low density slurry to report to the thickener feed launders for further density control. In this area lime will be added directly to the screen boxes for ph control via a lime ring main system.

Progress to date is:

- 98 % complete;
- Introduction of double suctions, shear reactors, Z configuration pump bases;
- A decision was taken to replace all the steel structures supporting the screens which meant 4 screens have been re-built as opposed to the 2 that are required for this phase. Installation of these extra screens and pump boxes will allow for flexibility.
- To date R4.6 million against a budget of R4.5 has been spent on the refurbishing of 4 screens and associated equipment. Over expenditure is due to the installation of one extra screen and all the associated steel and mechanical structures.



2.3 Thickening

The concrete thickeners which are 138 meters in diameter, peripheral driven with plastic lined floors will only be used in the case of low density or in the case of an emergency, such as complete plant power failure. Thickener underflow will be pumped to the reception plant area for screening, or with the option of putting the thickener on recirculation until required. Clarified thickener overflow will flow by gravity along launders into the process water tanks situated adjacent to the existing thickener pump house.

Progress to date:

- Number 2 and 4 thickeners have been commissioned and the peripheral rakes allowed to run to ensure their reliability;

- Thickeners 2 and 4 have been filled with water to test for leaks, this water will be used for commissioning and start up;
- The underflow pumps at number 4 and in the flotation tailings pump house have been replaced;
- The gland service reticulation pumps and pipelines have been replaced and re-designed.
- 98 % complete, the outstanding work comprises unblocking delivery pipes to the de-sanding section and re installing repaired overflow launders;

This section has spent R 1.9 m against a budget of R 3.4 m and will be under spent



2.4 New Leach / CIL Circuit

Screened slurry will be pumped to the absorption distribution box and will report to the north side stream for pre-conditioning and leaching. The leach feed slurry will pass through shear reactors on the way to the leach.

Cyanide solution will be added from a ring main to a header tank and from there to the first leach tank, with the facility to add cyanide to the next two subsequent tanks, should it be required. Cyanide control will be via a TAC 2000 cyanide controller supplied by Process Automation. Oxygen will be injected into the bottom of the leach tanks, to ensure sufficient oxygen for the cyanidation reaction.

Each CIL tank will be equipped with an inter-stage screen mechanism. The screen is a Kemix MPS 1700, with a cylindrical stainless steel wedge-wire screen surface. The purpose of the screen is to retain the loaded carbon in each tank reactor.

Tower cranes cover the CIL section for maintenance purposes.

Progress to date:

- Cutlaw construction has completed replacing the top of the CIL tanks.
- Afromix has been given the order for the gear boxes and agitators; they are on schedule to commence delivery the end of July
- Cutlaw Construction has commenced with the manufacturing of the MPS screen support structures.
- The new screen maintenance building to maintain the MPS screens is complete.
- Eighteen MPS screens have arrived from Kemix.
- Modification of pipe supports, by pass boxes on top of the tanks has commenced.
- Sandblasting of the steel structure have commenced, tank 11 was completed end June 2008
- 50 % complete.

To date R 10.2 m has been spent against a budget of R 16.6 m. This section is expected to run over budget due to the replacement of the gearboxes and agitators. The budget allowed for a repair of the original units at a cost of R 3.85 mil, while the purchase of new units and electrical panels will cost in the region of R 9 mil.



2.5 Acid, Elution, Regeneration

Loaded carbon from CIL will be received in the loaded carbon measuring vessel. Once a batch has been accumulated it is dropped into the acid wash column where it will be washed with dilute hydrochloric acid to remove scale prior to elution. Once complete, the acid washed carbon will be neutralised and transferred into the elution column. The elution section will use a pressurised AARL system. The elution circuit heater will be a gas fired thermal fluid system (Thermopac) with the thermal fluid being circulated round the heater and the primary heat exchanger. These heaters are situated opposite the elution building in a redundant thickener for safety reasons. On completion of the elution, within a 7-8 hour period, the eluted carbon will be transferred hydraulically from the elution column to the eluted carbon tank for regeneration.

Carbon will be withdrawn from the eluted carbon tank by screw feeder, which discharges the carbon to an electric fired rotary kiln for thermal regeneration. Regenerated carbon will be quenched in the quench pan and passed over a screen to remove fines, before discharging into the regenerated quenched carbon tank. To date all the old kilns have been removed and sold for scrap in preparation for the new kilns and gold room. Kemix has been given the order for the kiln which arrived at the end of May. MAED has designed the structure which will house the new kiln.

Progress to date is:

- Removal of all the old gas fired kilns from the building
- Remove the two carbon spillage tanks from the system
- Replace structural steel and install new steel where the kilns used to stand.
- Re-furbish all the loaded carbon vibrating screens
- Service the overhead cranes
- Reposition the heat exchanger expansion tank.
- Construction of a new steel structure to house the kiln is 90 % complete
- Two new eluant tanks have been installed.
- Sandblasting of the existing steel work is substantially complete.

This section will be on time and under budget.

To date R 4.1 mil has been spent against a budget of R 8.8 mil

2.6 Gold Room

Eluate will be pumped from the eluate storage tanks to the electro-winning cells which will be fed in parallel. Gold will be removed from the stainless steel cathodes in a wash tank using a high pressure water gun. The sludge will be collected in a storage tank from which excess water will be drained by pumping through a filter press. The settled sludge will be placed into calcining trays for calcining and smelting.

The calcine will be smelted with fluxes into gold doré bullion in an electric-fired furnace or induction furnace. The molten furnace charge will be poured into moulds and air cooled. Provision will be made for storage of fluxes in the gold room before mixing with the furnace charge.

A vault will hold bullion bars awaiting dispatch, bullion samples and other high value items. Bullion bars will be cleaned, weighed, stamped, sampled and then stored in a bullion safe while awaiting dispatch.

Progress to date:

- The old Duval building has been cleared of redundant equipment to make way for the new gold room;
- Construction of the gold room building has commenced and the first floor is complete;
- Equipment for the gold room has been ordered; the calciners have arrived on site and the induction furnace has been commissioned at LH Power premises
- Construction of two new eluate tanks is almost complete;
- 50 % complete.

This section is expected to be under budget even with the construction of numerous steel floor levels which were not in the budget.



2.7 Tailings Circuit

Tailings slurry from the last CIL tank will gravitate to tailings linear screens via a distribution box for carbon recovery, in the event of damage, wear or incorrect installation CIL inter stage screens. Carbon recovered on the screen will be delivered to the screen tower and then to a bulk bag for re-use.

CIL tails and trash from the de sanding building will be pumped to the tailings dam. Three lines of 6 D frame pumps will pump the slurry to the Brakpan tailings site. At the tailings site a booster station will be available to pump the slurry at pressure to the top of the dam.

Progress to date:

- The building which houses the pumps has been demolished and backfilled to remove all the underground sumps;
- All the required pumps have been re-furbished and reinstalled;
- The above ground handling system has been designed;
- Construction commenced in July 2008;
- One linear screen required for 600 000 ton is complete; two new screens need to be ordered.
- The new gland service pumps are on site;
- The MCC has been stripped of all redundant cable and prepared for the installation of new electrical and instrumentation cable
- Progress 50%.

2.8 Reagent Circuit

- Bulk storage of cyanide, caustic soda and hydrochloric acid will be in a secure area away but adjacent to the main process plant. Oxygen generation and bulk storage will also be available.

Progress to date:

- Fast Launching Bridges has commenced construction of 10 new reagent tanks;
- 90 % complete.

- Decision has been taken to install Lime silos at the mining site and in the plant. Fast Launching Bridges has been given the order to construct these silos. Construction has commenced.



2.9 Tailings Dam

Ergo has two tailings/deposition sites.

The Daggafontein dam is under care and maintenance. KLT has replaced WRPH as the preferred contractor to rock clad the outer wall of the dam. Storm water control drains have been installed and surrounding trenches and paddocks have been cleared and repaired to contain spillages and run off.

The Brakpan dam which is now the preferred deposition site, is out on enquiry for the selection of a new contractor to clad the side walls.

Progress to date:

- Repairs to the return water dam pump stations done;
- Refurbishment of the carbon columns for water treatment complete;
- Installation of pipe lines up to the booster station complete;
- Fraser Alexander commenced with re-commissioning of tailings facility;
- 40% complete.



3 Schedule/Costs

The project commenced in August 2007 and is ahead of schedule..

The plant refurbishment is well within budget with R31 million spent, R18 committed against a budget of R63 million.

Start up for Phase 1 is planned for October 2008.

WEST RAND OPERATIONS (100% Mintails / BEE)

Mintails' West Rand operations comprise:

- 1) Existing Operations
 - Mogale Plant – Gold in production from tailings
 - Interim deposition site
 - Water Treatment Plant
- 2) WERGO
 - Gold and Uranium Operations (Under Construction)
 - Witfontein Tailings Deposition Facility
 - Resources
- 3) West Wits Mining Limited (West Wits) – Gold and Uranium Underground Exploration Joint Venture with DRDGold
- 4) HVH Rock Reclamation Operation – East Rand – Gold production

Mogale Plant

The plant processed 478 496 tons during the quarter recovering 4916 ozs of gold. Refurbishment of the 3 sand's mills continued during the quarter resulting in 2 mills being available for production. The mill refurbishment will continue into the next quarter but will ensure improved mill availability.

Metallurgical performance of the plant remains in line with expectations with an overall metallurgical recovery of 61.24%. The operation is still providing the project team with invaluable information (proof of principle) towards the design of the new WERGO circuit.

Interim Deposition Site

Work continued during the quarter preparing for the tailings deposition "switch" to the West Wits Pit (North Section). This required construction of pumping, water decanting and cyanide destruction facilities. This infrastructure was completed by quarter end ready to be commissioned. Tailings will henceforth no longer be deposited onto the Millsite "Valley" section with this operation to be signed back to its owners.

The North section of the pit has been permitted to allow for the deposition of 8.5 million tonnes of gold plant tailings. Work is to commence to investigate the possibility to place a further 20.5 million tonnes of tailings into the Southern section of the pit. This is anticipated to take a full year to review.



WEST WITS PIT DIVISION WALL

Water Treatment Plant

Commissioning of the AMD (acid mine drainage) water treatment plant was completed during the quarter. Process optimisation of the circuit is continuing with positive results to date. The water treatment plant is currently running at 20ml/day. The plant will reach design capacity of 30ml/day during the next quarter. (see photo)

WATER TREATMENT PLANT



WERGO: (Gold and Uranium Plants under construction)

The company commenced with a review on the WERGO project during the previous quarter which continued into this quarter. This became necessary due to the redeployment of key plant equipment and construction resources (originally designated for WERGO from ERGO and East Daggafontein Plants).

Whilst this deployment of resources has been to the overall benefit of the company, as it will result in the earlier commissioning of the ERGO project, it has resulted in a slow-down of the WERGO overall construction.

This review has now been completed and the WERGO project has been rescheduled as follows:

- The Mogale slime and sand circuits to continue to run for “Life of Mine” at a restated capacity of 210 000 tons per month i.e. 2 520 000 tons per annum.
- The new WERGO gold plant commissioning will be brought forward from April 2009 to January 2009 at a capacity of 600 000 tons per month i.e. 7 200 000 tons per annum.
- The combine gold treatment capacity will hence be 810 000 tons per month i.e. 9 720 000 tons per annum.
- The WERGO Concentrating and Uranium circuits will be delayed to match the commissioning of the Witfontein final Tailings Deposition Site (TDF) scheduled to be commissioned in April 2011. The uranium circuit will hence be commissioned in July 2011 with construction to be placed on hold until January 2010.

The rescheduling was necessary due to:-

- Not having permission to place uranium tailings into the West Wits Pit. Waste characterisation test work indicated that uranium tailings will have a relatively high sulphate content and it is unlikely that permission will be obtained to place this into a potentially sensitive environmental site.
- It has previously been stated that one of the major risks of the uranium project is the price of sulphuric acid. Latest quotes suggest that sulphuric acid prices will be in the order of US\$550 to US\$600 for the next 24 months. This pricing significantly impacts upon the economic extraction of uranium. As a potential protection against sustained high price of sulphuric acid Mintails has initiated a full feasibility study at ERGO for the production of sulphuric acid. The results of this study will be incorporated into the WERGO financial model. Preliminary indications are that a cost of US \$125 -150/tonne may be achieved.
- It is hence possible to enhance the construction of the new gold circuit and this, together with the improved gold price, does still result in a very feasible project.

The WERGO project progress during the quarter can be reported on as follows:

- Detailed designs – 75% complete excluding piping and electrical reticulation.
- Earthworks and Civils – all major earth and civil works are complete with minor work outstanding for reagent storages.

- Procurement – all equipment for the gold circuit has been ordered and has either been delivered or is in the final stages of manufacture. No equipment delays are anticipated.
- Relocation of East Daggafontein equipment – 8 CIL tanks have been relocated to the WERGO site. As of June 2008, 6 tanks have been refurbished and re-erected.(see photos)
- Detail design and metallurgical Testwork for the uranium circuit is proceeding.

The completion of the WERGO Gold recovery circuit is on schedule for commissioning January 2009 with a programme ramp up over 3 months.



ARRIVAL OF TANKS AT WERGO



ERECTION OF TANKS AT WERGO

Witfontein Tailings Deposition Facility (TDF)

The project feasibility and permitting process is on track with relevant comments as follows:

- The project study was completed by the end of July 2008 within the allocated budget of R 5 million.
- The EIA/EMPR will be submitted to the DME in mid – August 2008.
- All technical studies, with the exception of the social impact assessment (90%) and the final TDF feasibility design (80%) have been completed.
- The project team does not perceive any fatal flaws although ground water management and any objections to the project by the surrounding community are important matters that must be effectively and transparently handled.
- The feasibility component of the project will provide estimates for capital costs, operating costs and rehabilitation estimates for this 725 million tonnes tailings disposal facility. Work is also in hand to potentially reduce the tailings design to a 500 million tonnes TDF.

Resources

Mining Right and Prospecting Right Applications

Good progress has been made in preparing all requirements for the simultaneous submission of both the Mining Right Application (MRA) and the Prospecting Right Application (PRA) for the greater WERGO area. The following to be noted:

- The MRA is in respect of resources and reserves on the surface of the greater WERGO area.
- Applications for Conversions of Old Order Mining Rights have either previously been submitted or will be submitted simultaneously, as is the case for the conversion of the existing Mogale Old Order Mining Right.
- The PRA also covers the greater WERGO area.
- The proposed Witfontein TDF will be included in the MRA.
- The applications are planned to be submitted, together with the Witfontein EIA/EMPR, to the DME in mid-August 2008.

Exploration

Camden Geoserve was commissioned to provide an independent competent persons report in respect of the uranium and gold content of the old slimes and sand dumps in the WERGO area. This is essentially an update of a similar exercise conducted of the same area in October 2007. The report will be finalised in early August 2008.

West Wits Mining (ASX Code – WWI)

West Wits Mining Limited ("WWI") listed on the Australian Securities Exchange in December 2007.

Mintails owns approximately 27% of West Wits Mining Limited which is exploring near surface and underground mineralisation in the West Rand Region. The company has already released results from an initial drilling and sampling programme which are regarded as highly encouraging. WWI is anticipating the release of further results from its ongoing exploration campaign on targets primarily on the West and Central Rand regions of the Witwatersrand Basin which are known areas of substantial gold and uranium mineralisation and production.

HVH Rock Reclamation Operation – East Rand

The CIL plant and rock screening operations were temporarily mothballed during the quarter to facilitate the completion of possible toll treatment options of the minus 10 mm rock screened fraction. No economic viable toll treatment option could be identified and it was decided to complete the mill installation at the Nigel plant to be able to mill and recover gold onto carbon at the Mintails owned Nigel plant. Loaded carbon will be transported to Mogale for gold recovery. This proved to be the best economic option and will be implemented during the next quarter.

CORPORATE

Subsequent to the end of the quarter the board became concerned about what appeared to be continued and orchestrated selling of the company's shares. In addition certain approaches were made to some institutional shareholders and directors suggesting that changes to the board of directors may be sought. As a consequence the board met with a number of South African based investors with the view of determining the basis of any potential dissatisfaction. These discussions ended fruitfully with the investors and their associates concerned undertaking to co-operate and assist the company in its marketing efforts particularly in South Africa.

Appendix 5B – 4th Quarter

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:

MINTAILS LIMITED

ABN:

45 008 740 672

Quarter Ended ('Current Quarter')

30th June, 2008

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
<u>Cash Flows Related to Operating Activities</u>		
1.1 Receipts from product sales and related debtors	5,371	19,675
1.2 Payments for: (a) exploration and evaluation	(173)	(543)
(b) development	(5,669)	(31,135)
(c) production	(5,658)	(20,630)
(d) administration	(1,515)	(5,209)
(e) contract services	(110)	(534)
(f) staff costs	(1,675)	(4,246)
(g) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,056	4,519
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(8,373)	(38,103)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:	-	-
(a) prospects	-	-
(b) equity investments	(7,832)	(10,084)
(c) other fixed assets	(996)	(20,848)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	374
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid to other entities	-	-
1.12a Other – Acquisition of Subsidiary	-	(10,910)
1.12b Other (provide details if material)	-	-
Net Investing Cash Flows	(8,828)	(41,468)
1.13 Total Operating and Investing Cash Flows	(17,201)	(79,571)

+ See chapter 19 for defined terms.

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.13 Total Operating and Investing Cash Flows (Carried Forward)	(17,201)	(79,571)
<u>Cash Flows Related to Financing Activities</u>		
1.14 Proceeds from issues of shares, options, etc.	-	101,745
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)	-	(6,619)
Net Financing Cash Flows	-	95,126
Net Increase / (Decrease) in Cash Held	(17,201)	15,555
1.20 Cash at beginning of quarter/year to date	41,259	13,098
1.21 Exchange rate adjustments to item 1.20	(1,434)	(6,029)
1.22 Cash at End of Quarter	22,624	22,624

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	741
1.24 Aggregate amount of loans to the parties included in item 1.10	-
1.25 Explanation necessary for an understanding of the transactions	
Salaries, directors' fees, corporate advisory & consulting fees at normal commercial rates	

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

-

- 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

-

+ 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	-	-
3.2 Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	190
4.2 Development	7,378
Total:	7,568

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	14,059	18,114
5.2 Deposits at call	8,565	23,145
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	22,624	41,259

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	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

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 (cents) (see note 3)	Amount Paid Up Per Security (cents) (see note 3)
7.1	Preference ⁺Securities <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3	*Ordinary Securities	695,179,652	695,179,652	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	-	-	-	-
7.5	*Convertible debt securities <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(Description and Conversion Factor)</i>	78,926,000	-	Exercisable @ \$0.20 to \$0.81	-
7.8	Issued during quarter	a) 50,000 b) 5,000,000	-	a) Exercisable @ \$0.40 b) Exercisable @ \$0.52	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter (Lapsed)	-	-	-	-
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <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 give a true and fair view of the matters disclosed.

Sign Here:



Director

Date: 31st July 2008

Print Name:

Richard Revelins

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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