

COMPANY ANNOUNCEMENT

REJECTION OF DRD OFFER AND NEW PLACEMENT

22 July 2009: The Board of Directors of Mintails Limited (ASX: MLI "Mintails" or "the Company") today announced that it has rejected the offer from DRD Gold Limited to acquire all of the Company's interests in its South African subsidiaries and thereby all its South African assets.

The offer, which was received on 30 June and was valid for one month, excluded the Company's shareholding in West Wits Mining Limited.

Communication received from shareholders, as well as blogs, indicated that the offer from DRD did not represent the value of the Company.

The Board nevertheless considered it prudent to ensure that shareholders were fully informed given the material changes related to the funding requirements of the Company, notwithstanding the recorded view of the Board that it considered the embedded value of the assets to significantly exceed the value implied by the offer.

The Company ascertained there was support for a new capital raising to support its funding needs going forward. The Company is pleased to announce that it received substantial support for and is now proceeding with a proposed placement of a minimum of 163,000,000 new shares at an issue price of 4.5 Australian cents to raise up to AUD 7,370,000. The Company has already received firm commitments in respect of the proposed placement for up to AUD 7,370,000 million from clients of Williams de Broë stockbrokers based in London. Currently the Company is in the process of negotiating mandates for the balance of the proposed placement to be offered to clients of other Australian based and UK based stockbrokers. Mintails will endeavour to also accommodate existing shareholders not directly associated with the Australian and UK-based stockbrokers who express an interest in wishing to participate in the proposed placement.

The placement will be undertaken in two stages, comprising an initial unconditional allotment of approximately 103,000,000 new shares in accordance with Rule 7.1 of the ASX Listing Rules and a further allotment of up to 230,000,000 second tranche new shares subject to the approval of Mintails Shareholders. A notice of meeting will be dispatched to shareholders as soon as possible in respect of this second stage of issue. A prospectus pursuant to section 713 of the Corporations Act is also being prepared and will be lodged shortly.

The new shares to be issued pursuant to the proposed placement will rank equally with existing ordinary shares of the Company. Funds raised from the proposed placement after allowing for costs will be predominantly applied towards completion of the Company's West Rand slime processing circuit and as provision against the Company's anticipated obligations with respect to rehabilitation requirements across its project leases. Funds will also be utilised towards the further development of the business case with respect to the ERGO Mining project situated on the East Rand. In addition to the commitments already received the Company has received strong indications that the placement will receive support from a wide group of shareholders.