COMPANY ANNOUNCEMENT

Mintails Limited – Company Announcement re West Wits Mining Due Diligence

July 2010: Mintails Limited has advised West Wits that it has completed its due diligence with respect to the proposed processing joint venture for the Emerald Reserve which was announced 26 March 2010.

Mintails considers the Emerald Reserve as a viable project. However, as a result of the due diligence process, Mintails has identified changes which may further optimise the project. These changes include possible modifications to the pit design and augmentation of the project resource through inclusion of the recently announced Monarch resource. Mintails is also considering various options utilising its existing processing infrastructure and thereby would deliver considerable savings on capital expenditure.

The proposals currently under contemplation represent a fundamental change to what was provided for under the original Heads of Agreement ("HOA"). Accordingly, the HOA has been superseded and terminated. Mintails has engaged an external mining consultant as its expert advisor to assist in the formation of the new proposal incorporating the modifications referred to above.

The termination of the HOA means that ZAR 12.5m (approximately AUD $1.9m) paid as deposits by West Wits under that agreement are repayable over two installments of ZAR 5m in 30 days and ZAR 7.5m by 26 November 2010. As a show of good faith West Wits has agreed to defer recovery of the first installment for a period of 60 days to enable completion and consideration of the new Mintails proposal.

The Company expects to be in a position to update the market on the proposal within the next month.

On behalf of the Board

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