

COMPANY ANNOUNCEMENT

Finalization of the acquisition of Mining Rights from West Wits Mining Limited

15 May 2012: Further to the announcements on 25th January 2012 and 16th April 2012, Mintails Limited (**ASX:MLI**) (“**Mintails**” or “**The Company**”) is pleased to announce the completion and signing of the final agreements for the acquisition of two Mining Rights, Monarch (ML9/2000) and East Champ D’Or (ML44/2003), located on the Western Witwatersrand Basin of South Africa from West Wits Mining Limited (**ASX:WWI**, “**West Wits**”).

Mintails will now prepare a Section 11 application to the Department of Mineral Resources (DMR) for the transfer of these rights to Mintails which includes the introduction of a BEE partner who will own 26% of the resource. To facilitate mining before this transfer, the Company has also signed an Interim Mining Contract which allows mining to commence immediately under West Wits’ name while the application is being prepared and submitted.

The two Mining Rights covering four leases confer the right to mine subsurface reef resources in an area approximately contiguous with the area upon which Mintails’ “Randfontein Cluster” of surface dumps exist. The leases contain stated JORC resources of 139,000 oz Au and a JORC reserve of 58,800 oz Au.

The current mining plan calls for the mining of the Monarch Pit first followed by the Emerald Pit, which are identified in the West Wits resource statement. Other areas closer to the Mogale 1 plant, which are outside the JORC reserves, have also been assessed for viability. They are essentially a continuation of the known Livingstone reef in the West Wits Pit with the Johnstone, Churchill and Main reefs in close proximity. These reefs, which can initially be mined by shallow open pits, form a compelling mining target and the mine plan may change to reflect this. Many other previously unmined reefs exist on the greater Mining Right areas and these will be assessed going forward. Acid Mine Drainage (“AMD”) to approximately 50 metres below surface poses a temporary problem to mining below that level, until the pumping and treatment of the AMD commences in approximately two months. As the AMD level drops, further resources are expected to become available for mining.

The following table delineates the Mintails payment structure for the Mining Rights:

Instalment	Timing	Amount
Upfront payment	Completion of transaction documents	A\$2 million
First instalment	6 months after completion	A\$1 million
Interim instalment	9 months after completion	A\$1 million
Interim instalment	12 months after completion	A\$1 million
Interim instalment	15 months after completion	A\$1 million*
Final payment	After transfer of leases+	A\$ 3 million

*Subject to regulatory approval for the transfer of the leases

+Paid progressively based on R110 per tonne of ore processed.

An amount of A\$2m is currently being held in escrow in order to satisfy the upfront payment when it becomes due. This payment is being funded by a commercial arms length loan agreement between the Company and a major shareholder of the Company.

Each subsequent instalment requires a guarantee to the reasonable satisfaction of West Wits to be in place by the payment of the preceding payment.

The final instalment is subject to the receipt of regulatory approval for the transfer of the leases. The final payment is to be paid progressively at R110 per tonne of ore processed from the leases. All other proceeds from this processing will accrue to Mintails for payment of mining, processing, statutory/regulatory costs, environmental/social costs, overhead and profit.

The upfront payment is unaffected by any regulatory approvals as it secures immediate access to the resource.

On behalf of the Board

Mark Brune
Chairman: Mintails Limited

About Mintails Limited

Mintails Limited (ASX Code: MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and recovers gold from surface tailings and subsurface reef resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. In addition the Company also recovers gold for neighbouring mines from ore delivered and processed under toll treatment contracts. To find out more, visit Mintails at: www.mintails.com.