Quarterly Activities Report
June 2013

Issued Capital
Number of ordinary shares (listed): 154,555,645
Options on issue (un-listed): 9,895,000

GROUP RESULTS
Key Highlights for the Quarter to 30 June 2013

- **Production for the quarter exceeded 9,800 oz Au**
- **Although lower tonnages were mined during the quarter compared to the previous quarter, the head grade into the plant was up by 18.7% quarter on quarter**
- **The quarter under review experienced a drop of 13.5% in the gold price in USD (8.4% drop in ZAR)**
- **Mintails completed the 1st phase of the Tailings Water Treatment Plant ("TWT"), specifically designed to treat Acid Mine Drainage water ("AMD") on the Western Basin of the Witwatersrand Gold Fields**

Review of Operations		Quarter Ending Jun-13	Quarter Ending Mar-12	% Change Quarter on Quarter Q4 2013 vs. Q3 2013	Quarter Ending Jun-12	% Change Quarter on Quarter prior year Q4 2013 vs. Q4 2012
Resource Mined	Tonnes	256 437.0	332 624.0	-22.9%	420 321.0	-39.0%
Gold Head Grade per Ton	grams per ton	1.21	1.02	18.7%	0.743	62.6%
Gold Production *	Oz	9 812.2	8 809.5	11.4%	7 067.6	38.8%
	Kg	305.2	274.0		219.8	
Gold Production Sold **	Oz	7 815.7	8 236.4	-5.1%	4 305.1	81.5%
	Kg	243.2	256.2		133.9	
Gold Price Received	US$ per Oz	1 414.7	1 635.5	-13.5%	1 610.6	-12.2%
	ZAR per Kg	429 587.3	468 797.0	-8.4%	421 179.5	2.0%
Nett Operating Cashflow	AUD$ '000	998.0	2 208.0	-54.8%	364.3	173.9%
	ZAR '000	9 371.6	20 519.2		2 994.5	
Capital Expenditure	AUD$ '000	(272.8)	(227.0)	-20.2%	-	
	ZAR '000	(2 561.3)	(2 109.5)		-	

* Inclusive of Toll Treating Agreements ** Exclusive of Toll Treating Agreements

Operational Overview

Total gold production for the quarter was up 11.4% on the previous quarter. Production was consistent with the levels achieved during the first two quarters of the year. The total gold production for the year was 39 137 oz Au inclusive of toll gold. This is a significant improvement year on year, with the acquisition of the hard rock resources from West Wits Mining Limited ("WWML") supporting an overall improvement in increased production. (Financial year 2011/12 production was 28 666.6 oz Au).

The focus is continuing to be on grade retention, with a head grade into the plant recorded for the quarter of 1.21g/t (Q3: 1.02g/t).

The year on year review of total production is as follows:

Year on Year: Review of Operations		2013	2012	% Change Year on Year 2013 vs. 2012
Resource Mined	Tonnes	1 398 403.0	1 506 835.0	-7.2%
Gold Head Grade per Ton	grams per ton	1.05	0.73	42.7%
Gold Production *	Oz	39 137.0	28 666.6	36.5%
	Kg	1 217.3	891.6	
Gold Production Sold **	Oz	33 912.7	21 155.0	60.3%
	Kg	1 054.9	658.0	
Gold Price Received	US$ per Oz	1 604.9	1 676.4	-4.3%
	ZAR per Kg	453 588.1	418 327.2	8.4%
Nett Operating Cashflow	AUD$ '000	6 747.0	364.0	1753.6%
	ZAR '000	61 244.4	2 959.4	
Capital Expenditure	AUD$ '000	(1 037.8)	(1 000.7)	-3.6%
	ZAR '000	(9 420.3)	(8 135.9)	

* Inclusive of Toll Treating Agreements ** Exclusive of Toll Treating Agreements

Total tonnes processed year on year was down, although total gold produced was up by over 36.5%. The South African Rand ("ZAR") price per KG of gold produced increased by 8.4% during the year although during the fourth quarter the USD per Oz gold price declined by over 13.5%.

Mintails patented a water treatment process for the treatment of Acid Mine Drainage water ("AMD") in June 2012. Since that date, Mintails has been in discussions with the Department of Water Affairs ("DWA") regarding the possibility of the Company treating AMD water on the West Rand on behalf of the Department. During the quarter, Mintails completed construction on a full scale water treatment plant using the technologies patented, allowing testing of the technology, and the technology to be proven to the DWA. The water treatment plant presently treats 10 mega litres of AMD water per day which satisfies Mintails' own processing requirements, but it can be scaled up to 35 mega litres per day running as a continuous process.

Subsequent to the quarter end, a series of water quality output tests were completed with oversight of DWA advisors which proved the designed water quality is being achieved. Mintails awaits DWA's response to the water quality tests. Mintails continued to make payment as required under the agreement with WWML to acquire its mining rights. The 3rd interim payment of A$1million was paid on the 23rd of May 2013. To date, Mintails has paid a total of A$5million of the total acquisition price of A$9million.

After the end of the quarter, Mintails and WWML agreed to a change in the payment terms of the original agreements entered into by both parties. Under the new arrangement, Mintails will make monthly stage payments as follows:

- From 23 August 2013 to 23 January 2014 – A$175 000 per month
- From 23 February 2014 to 23 September 2014 – A$350 000 per month
- Final payment on 23 October 2014 – A$150 000

Toll Treatment Arrangements

Mintails has continued to treat Central Rand Gold ("CRG") material throughout the quarter and will continue to do so in the foreseeable future. 13 296 tonnes of CRG material was treated over the quarter.

Production

Total tonnes treated during the quarter were 256 437, down 22.9% on the previous quarter (Q3: 332 634). Mintails' own gold production excluding toll gold was down 5.1% on the previous quarter.

The re-assessment of the Princess target was implemented in the quarter but required significant development costs associated to the mining operations in correcting the minable pit design. The Princess target is now budgeted to deliver 20 000 tonnes of ore per month.

Lancaster pit was redesigned to a shallower depth after the poor production in the last quarter. The pit was extended 150m along strike to the west, which increased the development cost and decreased the tonnage delivered during this quarter. Approximately 7m in depth of non-gold bearing overburden was removed to gain access to the reef conglomerate. The pit is now back in full production. The additional strike within the Lancaster target will give Mintails access to a further 52 000 tonnes of ore which will be mined during the next 6 months.

Mining and rehabilitation of the high grade Main Reef outcrop continued during the quarter. Work is currently being undertaken on the West Rand Consolidated lease where the crown and stope pillars are removed to a depth of 20m from surface. Approximately 1,500m of the Main Reef outcrop has been mined and backfilled, closing off the holings and small shafts on surface which remained after historical mining was completed. The mining further reduces the number of access points into the void for water ingress and illegal mining.

In June 2012, Mintails entered into a mining contract with SA Earthworks (Pty) Ltd ("SAE") to provide and resource all mining equipment required for the Company to open cast mine. This agreement was entered into on the basis of a Rand per cubic meter rate on all mining activities as required. The rate per cubic meter was inclusive of drilling and blasting of waste and ore. The contract included a clause allowing the contract to be reviewed at the first anniversary date and to be terminated if required. Pursuant to this clause, Mintails issued notice to SAE on the 13 June 2013 that it wished to terminate the agreement. On 27 June, with effective date 1 July, Mintails entered into a new agreement with SAE, whereby the terms of the previous agreement were changed to that of a fixed monthly equipment rental agreement. The change in the agreement gives Mintails access to a fleet capable of moving 300 000 cubic meters of material per month at a fixed rate allowing for the scaling up of operations in the near future without incurring additional mining costs.

Mintails continued to do exploration work during the quarter. The main focus of this exploration work was on identifying strike and estimating the resource on the Princess east extension, Emerald target and the newly explored Livingston Reef, outcropping on the Luipaardsvlei Estates lease.

Financial

In April 2013, Mintails entered into a shareholder loan for the amount of A$1 027 296.21 from Paige Limited (which was predominately used to meet expenses on completing the TWT water plant and to undertake pit re-development capital costs).

Special Projects

As noted earlier in this report, Mintails patented a water treatment process for the treatment of Acid Mine Drainage water (“AMD”) in June 2012. Since January 2013, Mintails has been in discussions with the Department of Water Affairs (“DWA”) about the possibility of the Company treating AMD water on the West Rand on behalf of the Department.

The construction of a full scale Tailings Water Treatment (“TWT”) plant was completed during the quarter. The TWT technology uses the high Ph, post CIL tailings in the treatment of AMD. The water produced through applying this technology is of similar quality water to that being produced by the current technology of processing water through that of a High Density Sludge (“HDS”) water plants, but at a significantly reduced cost due to the reduction in the use of lime and oxygen within the treatment process as compared to traditional HDS water plants.

The TWT plant can currently treat up to 35 mega litres of water per day, of which Mintails presently only requires 10 mega litres per day for its own operations. The treatment of excess water would be under directive from the DWA if approval is gained by Mintails for the treatment of AMD water on the West Rand.

MinTails Limited

The TWT plant uses hydro cyclone technology during the first of two dewatering stages

Safety

During the quarter, Mintails recorded three lost time injuries within short succession of each other, of which two of the injuries occurred during lifting operations. Campaigns are currently being run to increase awareness within the work force for safe work practices. The LTI free hours at the end of the quarter stood at 8,057 hours.

Environment

A site visit was organised in June where key members of the DMR's Inspectorate were invited to view the work being done and the potential benefits of using this means of mining on other challenging areas under ownership of the Department. The outcome of the remediation mining presentation was positively received and opportunities on behalf of the Department were identified in applying this type of mining to remediate and reduce illegal mining activities on the West Rand.

Rule 5.3

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, 01/06/10.

Name of Entity:

MINTAILS LIMITED (ASX: MLI)

ABN: 45 008 740 672

Quarter Ended ('Current Quarter') 30th June 2013

Consolidated Statement of Cash Flows

	Cash Flows Related to Operating Activities	Current Quarter $A'000	Year to Date (12 months) $A'000
1.1	Receipts from product sales and related debtors	14,784	62,158
1.2	Payments for: (a) exploration and evaluation	(169)	(805)
	(b) development	-	-
	(c) production	(10,709)	(43,422)
	(d) administration	(791)	(2,943)
	(e) contract services	(95)	(342)
	(f) staff costs	(1,853)	(7,411)
	(g) other working capital	(167)	(370)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	8	29
1.5	Interest and other costs of finance paid	(10)	(147)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	**998**	**6,747**
	Cash Flows Related to Investing Activities		
1.8	Payment for purchases of:		
	(a) prospects	(1,000)	(3,000)
	(b) equity investments	-	(506)
	(c) other fixed assets	(14)	(294)
	(d) capital upgrade to assets	(259)	(744)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid to other entities	-	-
1.12a	Other – Acquisition of Subsidiary	-	-
1.12b	Other - Funding for Joint Venture	-	-
	Net Investing Cash Flows	**(1,273)**	**(4,544)**
1.13	**Total Operating and Investing Cash Flows**	**(275)**	**2,203**

+ 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)**	**(275)**	**2,203**
	Cash Flows Related to Financing Activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	1,000	1,000
1.17	Repayment of borrowings	-	(2,586)
1.18	Dividends paid	-	-
1.19	Other (Capital Raising Costs)	-	-
	Net Financing Cash Flows	**1,000**	**(1,586)**
	Net Increase / (Decrease) in Cash Held	**725**	**617**
1.20	Cash at beginning of quarter/year to date	534	846
1.21	Exchange rate adjustments to item 1.20	134	(70)
1.22	**Cash at End of Quarter**	**1,393**	**1,393**

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	151
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, 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	1,000	1,000
3.2	Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

		$A'000
4.1	Exploration and evaluation	242
4.2	Development	-
4.3	Production	11,052
4.4	Administration	716
4.5	Contract Services	96
4.6	Staff Costs	1,819
	Total:	**13,925**

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	1,393	534
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Funds held in trust	-	-
	Total: Cash at End of Quarter (item 1.22)	**1,393**	**534**

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	-	-	-	-
6.2	Interests in mining tenements acquired or increased	-	-	-	-

+ 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** *(Description)*	-	-	-	-
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary Securities**	154,555,645	154,555,645	-	-
7.4	Changes during quarter (a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** *(Description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(Description and Conversion Factor)*	9,895,000	-	-	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Lapsed during quarter*	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-	-	-
7.12	**Unsecured notes** *(totals only)*	-	-	-	-

*Lapsed due to vesting conditions not being met

+ 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: ______________________ Date: Wednesday, 31 July 2013
Non-Executive Director

Print name: **Murray Rose**

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.

== == == == ==

The CFO Solution

31 July 2013