MINTAILS
LIMITED

Company Announcement
Finalisation of Broad Based Black Economic Empowerment Transaction

17 September 2013: In February 2013, Mintails Limited (**ASX: MLI**) (**"MLI" or "the Company"**) announced that it had terminated its previous BEE relationship with Di Kgosi Gold (Pty) Ltd. Subsequently, in March, the Company announced that it had entered into binding Heads of Agreement with **Kutana Investments, Bukhosi Ndimande, The Foundation for Social Investment & Development Trust and Matla Trust** to have equity participation of 26% in its South African operations for the benefit of Historical Disadvantaged South Africans ("HDSA").

MLI is now pleased to announce that it has finalised the terms and contractual agreements for its revised South African Black Economic Empowerment (BEE) and Broad Based Black Economic Empowerment (BBBEE) equity participation with the above parties. The ownership % held by the Company's new BEE partners will remain the same as the previous relationship.

The signing of the agreements is a major step forward in the Company's continued compliance with the requirements of the *Mineral and Petroleum Resource Development Act* ("MPRDA") of South Africa as well as bringing like minded individuals into the Mintails Group, sharing the values and vision of the Company.

The key terms of the new agreements are as follows:

- 26% sale of shares by Mintails SA (Pty) Ltd in Mintails Mining SA (Pty) Ltd ("MMS") to the empowered partners.
- Value of the sales of shares is set at R115 million, effective 1 July 2013, with the potential to ratchet this amount up to R130 million if Mintails Mining SA (Pty) Ltd achieves a sustainable production from underground mining operations of 7,500 tonnes per month as from 1 March 2014.
- The acquisition of the equity by the empowered partners is via a Vendor Financing arrangement, with an interest holiday up until the point at which Mintails Mining SA (Pty) Ltd delivers a cumulative EBT profit of R75 million measured from 1 July 2013. Thereafter, interest will be payable at Prime, which is currently 8.5% in South Africa.

Kutana Investments is a black women owned and led Pan African BEE Investment Group and was founded in 2009 by Thoko Mokgosi-Mwantembe, Jackie Huntley and Janine de Bruyn, The board and management team have collectively over 70 years of corporate professional experience in leading successful organizations across Africa.

The investment into Mintails will be led by Ms Thoko Mokgosi-Mwantembe, shareholder and CEO of Kutana. In addition to her role with Kutana, she holds non-executive board positions in leading South African companies, including ABSA Bank and Vodacom. Previously, Ms Mokgosi-Mwantembe held several executive roles, including CEO of Hewlett Packard SA, CEO of Alcatel SA, Divisional MD of Siemens Telecommunications and Sales and Marketing Director at Lucent Technologies. She completed her undergraduate and graduate studies in the UK as well as executive courses at Harvard University in the USA and IMD in Switzerland.

Kutana's investment philosophy is simple:

"Get Involved; Add Value; Make a Difference; Create Wealth and Opportunity"

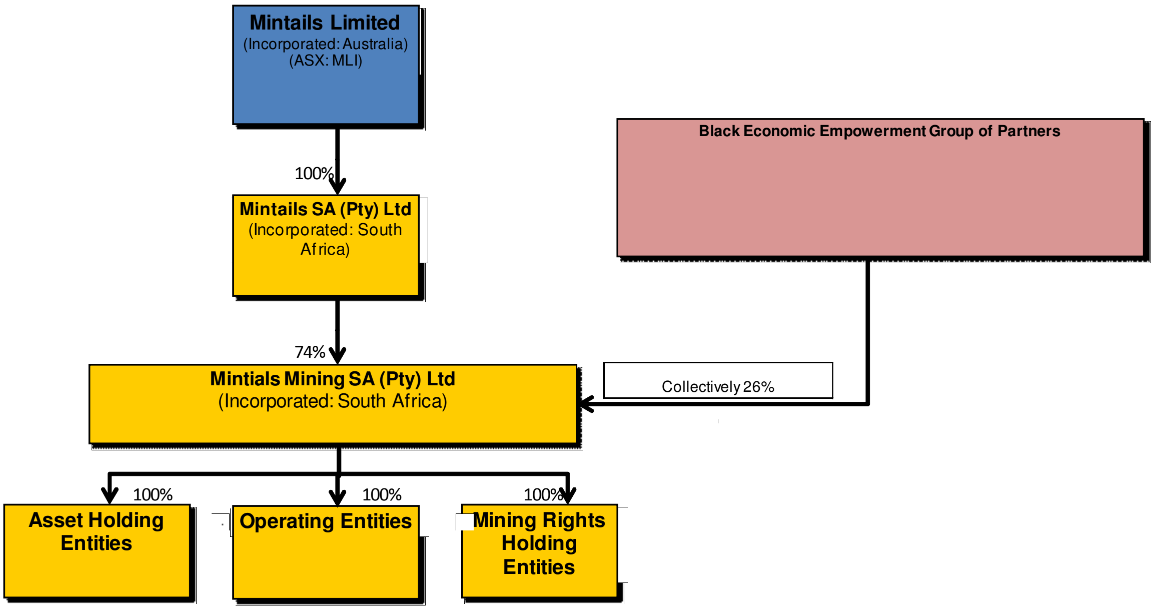
Please refer to www.kutanagroup.co.za for more information.

Bukhosi Ndimande is an entrepreneur and businessman operating and managing a range of business enterprises in South Africa and Southern Africa. Mr Ndimande is the founder and owner of Phumula Consulting, a mining consultancy providing specialized advice in mine sealing and de-watering. He is also an owner and MD in Phephisa Mining (Pty) Ltd, a company providing underground contract mining, drilling, blasting and related services to the mining industry. Previously, Mr Ndimande held key roles in the Chamber of Mines where he facilitated tri-partite dialogue between Labour, the Government and Industry.

The Foundation for Social Investment & Development Trust ("Kairos") was founded by Mintails SA (Pty) Ltd in 2008. The trust will facilitate all functions as required under the MPRDA for engagement and economic upliftment within the communities which Mintails Mining SA (Pty) Ltd operates.

The **Matla Kopanong Trust** was founded by The Foundation for Social Investment & Development Trust and previously was a 10% equity partner in Mogale Gold (Pty) Ltd, a subsidiary of Mintails Mining SA (Pty) Ltd. The Matla **Kopanong** Trust will become the Employee Trust within the Company, delivering employee benefits including training, personal development and other services on behalf of the Group to the diverse workforce through its participation as an equity partner.

MLI's ownership in its South African based entities is depicted in the below post transaction organizational structure chart.



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 both tailings and surface resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: www.mintails.com