

COMPANY ANNOUNCEMENT

MINTAILS FIRST GOLD PRODUCTION
JULY GOLD PRODUCTION

Tuesday, 8th August 2006 : Mintails Limited (ASX : MLI) is pleased to announce the results of its first month of gold production. During the July production period the company produced 2,410 ounces of gold representing the first commercial gold production since commissioning of the Mogale Gold Plant. Both production and gold recoveries have built steadily over the period to the point where the project is now in a cashflow positive position going forward.

Mintails CEO Dick van der Walt commented “It is a credit to our technical team to have completed the re-commissioning phase and initiated production in such a short timeframe.”

Recently Mintails announced that it had strengthened its in-house technical expertise through the appointment of a number of key individuals. “The securing of these people, in particular Jaco Schoeman as Technical Director and Mike Phillips, as Mine Manager means we are now largely self sufficient in terms of our operations and expansion objectives for the future” said Dick van der Walt. “We are confident that both production and recoveries will continue to increase and that we will achieve our Stage 1 objectives of 45,000 oz Au per annum. It is also pleasing to be able to announce that we anticipate that we will be in a cashflow positive position from hereon in”.

For and On Behalf Of The Board



Bryan J. Frost
Chairman

For Further Information Contact:

South Africa:

Dick van der Walt
Chief Executive
+27 (12) 346 4406

Australia:

Richard Revelins
Director
+61 (3) 9824 8166