

COMPANY ANNOUNCEMENT

AUD 90 MILLION DOLLARS INSTITUTIONAL PLACEMENT TO
ADVANCE GOLD AND URANIUM PRODUCTION

14th June 2007 : Mintails Limited (ASX : MLI) is pleased to announce that it has reached agreement, subject to shareholder approval, for a placement of 150 million new shares at an issue price of \$0.60 (60 cents) each to Hong Kong, London and US based institutional clients of Bell Potter Securities Limited (Sydney), Cenkos Securities plc (London) and Patersons Securities Limited (Sydney). The placement will raise AUD 90 million before allowing for costs and will be predominantly applied towards accelerating the development of the West Rand Gold and Uranium Operation (WERGO) including construction of a uranium treatment and processing facility and the recommissioning and upgrade of a CIL circuit on the East Rand to allow mineral processing in respect of the recent joint venture announced with DRD Gold Limited.

WERGO (West Rand)

As a consequence of the announcement made to the market on 17 May 2007 which included a JORC Inferred Resource of approximately 10.4m lbs of U₃O₈ from 86million tonnes of slimes, Mintails has undertaken feasibility work and conceptual plant design to construct a plant with design capacity of approximately 2.5 million tonnes of slimes per month (30 million tonnes per annum). Based on this throughput the company estimates production of approximately 144,000 ozs of gold and 2.4 million lbs of uranium once both Phase 1 and Phase 2 are completed and fully operational. The funds raised through the placement will be sufficient to complete Phase 1 which the company estimates should ramp up to process approximately 1.25 million tonnes of slimes material per month which is expected to produce around 70,000 to 80,000 ozs of gold and 1.08 to 1.32 million lbs of uranium (U₃O₈) per annum once Phase 1 of WERGO is operational. Initial uranium production is targeted for the first quarter of 2008. The WERGO plant is targeted to commence production in the second half of 2008.

East Rand Gold Operation (East Rand)

On 7 June 2007 Mintails announced a joint venture with DRD Gold on the East Rand of South Africa's Witwatersrand Basin. As its contribution to this arrangement DRD Gold provided the Elsburg gold tailings dump containing approximately 180 million tonnes of gold bearing tailings. Mintails agreed to provide one of the existing CIL (Carbon In Leach) circuits from its Brakpan plant. Funds from the placement will be applied towards the refurbishment, upgrade and recommissioning of the CIL circuit as well as for Mintails' contribution to its share of the acquisition cost of the East Dagma deposition site from AngloGold Ashanti.

A Notice of Meeting is being prepared and will be dispatched to shareholders shortly. The Notice will contain further details in respect to the above matters for purpose of providing shareholders with sufficient information on which to base their assessment.

Mintails is encouraged by the level of support provided by its institutional investors and believes that the funds that have been committed will underpin the emergence of a new substantial uranium and gold producer. Additional drilling and sampling work is continuing on the Company's existing tailings materials as well as the Elsburg dump and a further resource update is expected before the end of June.

Trading in the company's securities is expected to commence upon opening of the market on Friday, 15th June.

For And On Behalf Of The Board

A handwritten signature in black ink, appearing to read 'B. Frost', is written over a light pink rectangular background.

Bryan Frost
Executive Chairman