

21st June 2007

The attached Notice of General Meeting is being dispatched to shareholders today.

MINTAILS LIMITED

ABN 45 008 740 672

NOTICE OF GENERAL MEETING

A General Meeting of Mintails Limited will be held at 1235 High Street, Armadale, Victoria on Monday, 23 July 2007 at 9.30am.

MINTAILS LIMITED
ABN 45 008 740 672

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Mintails Limited ("the Company") will be held at 1235 High Street, Armadale, Victoria on Monday, 23 July 2007 at 9.30am.

AGENDA

To consider and if thought fit, to pass the following resolutions as ordinary resolutions:

Resolution 1: Approval of prior issue of Options

"That the shareholders approve the issue to South African Export Development Fund of 10 million unlisted Options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 30 cents each expiring on 15 September 2009 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting."

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 2: Approval of prior issue of Options

"That the shareholders approve the issue to South African Export Development Fund of 7.5 million unlisted Options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 50 cents each expiring on 15 September 2009 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting."

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 3: Approval of prior issue of Options

"That the shareholders approve the issue to Cenkos Securities plc of 1 million unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 35 cents each expiring on 12 January 2010 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting."

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 4: Grant of Options to Mr Bryan Frost

"That the shareholders approve the issue to Mr Bryan Frost (or his nominee) of 3 million unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting."

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 5: Grant of Options to Mr Richard Revelins

“That the shareholders approve the issue to Mr Richard Revelins (or his nominee) of 2 million unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 6: Grant of Options to Mr Lloyd Birrell

“That the shareholders approve the issue to Mr Lloyd Birrell (or his nominee) of 3.5 million unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 7: Grant of Options to Mr Richard Potts

“That the shareholders approve the issue to Mr Richard Potts (or his nominee) of 500,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 8: Grant of Options to Mr Peter Chapman

“That the shareholders approve the issue to Mr Peter Chapman (or his nominee) of 500,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 4.

Resolution 9: Grant of Options to Mr Phillip Hains

“That the shareholders approve the issue to Mr Phillip Hains (or his nominee) of 500,000 unlisted options each to acquire one ordinary share in the capital of the Company deemed fully paid at an exercise price of 40 cents each expiring on 31 March 2011 and having the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 5.

Resolution 10: Adoption of Employee Incentive Option Plan (2007)

“That the shareholders approve and adopt the Employee Incentive Option Plan (2007) on the terms set out in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 5.

Resolution 11: Approval of proposed Placement

“That the shareholders approve the proposed placement of 150,000,000 ordinary shares in the capital of the Company to international investors and mining funds who are clients of the joint managers to the issue at an issue price of \$0.60 per share to raise \$90,000,000, as described in the Notes which accompanied and formed part of the Notice of Meeting.”

Voting Exclusion: A voting exclusion statement applies to this Resolution. Refer to page 5.

Voting Exclusion Statement - Resolutions 1 to 3

The Company will disregard any votes cast on Resolutions 1 to 3 by:

- *the person who participated in the issue; and*
- *an associate of that person.*

However, the Company need not disregard a vote on Resolutions 1 to 3 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further details in respect of the options the subject of Resolutions 1 to 3 are set out in the Notes accompanying this Notice of General Meeting.

Voting Exclusion Statement - Resolutions 4 to 8

The Company will disregard any votes cast on Resolutions 4 to 8 by:

- *a person who is to receive options in relation to the Company;*
- *a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *an associate of that person.*

However, the Company need not disregard a vote on Resolutions 4 to 8 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further details in respect of the options the subject of Resolutions 4-8 are set out in the Notes accompanying this Notice of General Meeting.

Voting Exclusion Statement - Resolution 9

The Company will disregard any votes cast on Resolution 9 by:

- *a person who may participate in the proposed issue and a person who might obtain a benefit except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed; or*
- *an associate of that person.*

However, the Company need not disregard a vote on Resolution 9 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further details in respect of the options the subject of Resolution 9 are set out in the Notes accompanying this Notice of General Meeting.

Voting Exclusion Statement – Resolution 10

The Company will disregard any votes cast on Resolution 10 by:

- *a Director of the Company; or*
- *an associate of that person.*

However, the Company need not disregard a vote on Resolution 10 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or*
- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

Further details in respect of the options the subject of Resolution 10 are set out in the Notes accompanying this Notice of General Meeting.

Voting Exclusion Statement - Resolution 11

The Company will disregard any votes cast on Resolution 11 by:

- *persons who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; or*
- *an associate of those persons.*

However, the Company need not disregard a vote on Resolution 11 if:

- *it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form;*

- *it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.*

By the order of the Board



Phillip Hains
Company Secretary

Dated: 20 June 2007

The accompanying Notes and the Proxy and Voting Instructions form part of this Notice of Meeting.

**MINTAILS LIMITED
ABN 45 008 740 672**

**NOTES
TO NOTICE OF GENERAL MEETING**

These Notes accompany and form part of Mintails Limited's Notice of General Meeting dated 20 June 2007. The Notice of General Meeting dated 20 June 2007 should be read together with these Notes.

1. Resolution 1: Approval of prior issue of Options

Resolution 1 is proposed to obtain approval for the prior issue of the 10 million non-transferable unlisted options to South African Export Development Fund ("SAEDF"). By way of background, in September 2006 the Company renegotiated its agreement with SAEDF. Among other matters, SAEDF agreed to cancel its rights to the allotment of 10 million shares in favour of the allotment of 10 million non-transferable unlisted options exercisable at 30 cents within 3 years and 7.5 million non-transferable unlisted options exercisable at 50 cents within 3 years. Further details of the renegotiated agreement are outlined in the Company's announcement to the market on 12 September 2006. Each unlisted option:

- entitles the holder to acquire one ordinary share in the capital of the Company;
- was issued at a nil issue price;
- has an exercise price of 30 cents each;
- must be exercised before 15 September 2009; and
- was otherwise issued on the terms set out in Annexure A attached to these Notes.

Chapter 7 of ASX Limited's Listing Rules ("ASX Listing Rules") requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period.

By obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 to take advantage of opportunities to obtain further funds if required and available in the future.

No funds were raised by the issue of the options the subject of Resolution 1 and if they are exercised the funds received will be applied to the working capital requirements of the Company at that time.

2. Resolution 2: Approval of prior issue of Options

Resolution 2 is proposed to obtain approval for the prior issue of the 7.5 million non-transferable unlisted options to South African Export Development Fund ("SAEDF"). By way of background, in September 2006 the Company renegotiated its agreement with the SAEDF. Among other matters, SAEDF agreed to cancel its rights to the allotment of shares and in favour of the allotment of 10 million non-transferable unlisted options exercisable at 30 cents within 3 years and 7.5 million non-transferable unlisted options exercisable at 50 cents within 3 years. Further details of the renegotiated agreement are outlined in the Company's announcement to the market on 12 September 2006. Each unlisted option:

- entitles the holder to acquire one ordinary share in the capital of the Company;
- was issued at a nil issue price;
- has an exercise price of 50 cents each;

- must be exercised before 15 September 2009; and
- was otherwise issued on the terms set out in Annexure A attached to these Notes.

Chapter 7 of the ASX Listing Rules requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period.

By obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 to take advantage of opportunities to obtain further funds if required and available in the future.

No funds were raised by the issue of the options the subject of Resolution 2 and if they are exercised the funds received will be applied to the working capital requirements of the Company at that time.

3. Resolution 3: Approval of prior issue of Options

The Company entered into an agreement with Cenkos Securities plc (“Cenkos”) in December 2006 pursuant to which Cenkos agreed to procure subscribers for 166,459,520 new ordinary shares to be issued by the Company. As part of the consideration of the agreement the Company agreed to issue 1 million unlisted options to Cenkos. Resolution 3 is proposed to obtain approval for the prior issue of 1 million unlisted options to Cenkos. Each unlisted option:

- entitles the holder to acquire one ordinary share in the capital of the Company;
- was issued at a nil issue price;
- has an exercise price of 35 cents each;
- must be exercised before 12 January 2010; and
- was otherwise issued on the terms set out in Annexure A attached to these notes.

Chapter 7 of the ASX Listing Rules requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period.

By obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 to take advantage of opportunities to obtain further funds if required and available in the future.

No funds were raised by the issue of the options the subject of Resolution 3 and if they are exercised the funds received will be applied to the working capital requirements of the Company at that time.

4. Resolution 4 to 8 (inclusive): Approval for proposed issue of Options

Resolutions 4 to 8 (inclusive) are proposed to obtain approval for a proposed issue of unlisted options to each of Mr. Bryan Frost, Mr. Richard Revelins, Mr. Lloyd Birrell, Mr. Richard Potts and Mr. Peter Chapman. At the date of this Notice, each of these persons is a director of the Company.

If shareholders approve of Resolutions 4 to 8 inclusive, each of these directors will be issued with the number of unlisted options described below.

Name of Director	No. of unlisted Options
Mr Bryan Frost	3 million
Mr Richard Revelins	2 million
Mr Lloyd Birrell	3.5 million
Mr Richard Potts	0.5 million
Mr Peter Chapman	0.5 million

Each of these unlisted options:

- entitles the holder to acquire one ordinary share in the capital of the Company;
- will have a nil issue price and be issued in lieu of remuneration;
- has an exercise price of 40 cents each;
- must be exercised before 31 March 2011;
- will be issued no more than one month after the date of the Meeting; and
- was otherwise issued on the terms set out in Annexure B attached to these Notes.

At the time of the Directors approving the proposed issue of the options the subject of Resolutions 4 to 8 the price of the Company's shares was approximately \$0.35. Subject to shareholder approval the Board resolved that the options were to have an exercise price of \$0.40 each (being 5 cents above the share price on the date the Directors approved the issue of the options) and vest upon the price of the Company's shares exceeding \$0.60 for a period of 5 continuous trading days. As at the date of this meeting the share price has exceeded \$0.60 for a period of 5 continuous trading days and therefore the conditions for the vesting of the options the subject of Resolutions 4 to 8 have been fulfilled.

Under ASX Listing Rule 10.11 an entity may only agree to issue securities to a related party (including a director) if the agreement to issue the securities is conditional upon holders of ordinary securities approving the issue before the issue is made. Resolutions 4 to 8 are proposed for the purpose of obtaining that approval.

ASX Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period. This rule does not apply in respect of an issue made with the approval of holders of ordinary securities under ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Also by obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 of the ASX Listing Rules to take advantage of opportunities to obtain further funds if required and available in the future.

No funds will be raised by the issue of the options the subject of Resolutions 4 to 8. If the options are exercised the funds received will be applied to the working capital requirements of the Company at that time.

5. Resolution 9: Approval for proposed issue of Options

Resolution 9 is proposed to obtain approval for a proposed issue of unlisted options to Mr. Phillip Hains. At the date of this Notice, Mr. Phillip Hains is the Company's Secretary. If shareholders approve of Resolution 9 Mr. Hains will be issued with 0.5 million unlisted options. Each unlisted option:

- entitles the holder to acquire one ordinary share in the capital of the Company;

- will have a nil issue price and be issued in lieu of remuneration;
- has an exercise price of 40 cents each;
- must be exercised before 31 March 2011
- will be issued no more than three months after the date of the Meeting; and
- was otherwise issued on the terms set out in Annexure B attached to these notes.

At the time of the Directors approving the proposed issue of the options the subject of Resolution 9 the price of the Company's shares was approximately \$0.35. Subject to shareholder approval the Board resolved that the options were to have an exercise price of \$0.40 each (being 5 cents above the share price on the date the Directors approved the issue of the options) and vest upon the price of the Company's shares exceeding \$0.60 for a period of 5 continuous trading days. As at the date of this meeting the share price has exceeded \$0.60 for a period of 5 continuous trading days and therefore the conditions for the vesting of the options the subject of Resolution 9 has been fulfilled.

Chapter 7 of the ASX Listing Rules requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period.

By obtaining shareholder approval, the Company retains the ability to issue further shares or options of up to fifteen percent (15%) of its ordinary shares under Chapter 7 of the ASX Listing Rules to take advantage of opportunities to obtain further funds if required and available in the future.

No funds will be raised by the issue of the Options. If the options are exercised the funds received will be applied to the working capital requirements of the Company at that time.

6. Resolution 10: Employee Incentive Option Plan (2007)

The Company seeks shareholders approval to adopt the Employee Incentive Option Plan (2007). The terms of the Employee Incentive Option Plan (2007) are outlined in Annexure C.

The purpose of the Employee Incentive Option Plan (2007) is to enable the Company to provide Directors, employees and consultants with an additional incentive to work to improve the performance of the Company, to attract and retain eligible persons essential for the continued growth and development of the Company, to promote and foster loyalty and support amongst eligible persons for the benefit of the Company, and to enhance the relationship between the Company and eligible persons for the long term mutual benefit of all parties.

The total number of options which may be issued under the Employee Incentive Option Plan (2007) must not exceed 20 million Options.

The Employee Incentive Option Plan (2007) is to be interpreted and applied in accordance with the ASX Listing Rules.

As the Employee Incentive Option Plan (2007) is new, no options have been issued under it.

Resolution 10 is proposed to obtain approval for the issue of options under the Employee Incentive Option Plan (2007) under ASX Listing Rule 7.2 exception 9.

Under ASX Listing Rule 7.1 an entity must not issue, or agree to issue, more than fifteen percent (15%) of its capital without the approval of its members. By obtaining approval under ASX Listing Rule 7.2 exception 9 options may be issued under the Employee Share Plan (2007), without the need to obtain approval pursuant to ASX Listing Rule 7.1, for a period of 3 years (subject to the provisions of the ASX Listing Rules). By obtaining Shareholder approval for the issue of options under the Employee Incentive Option Plan (2007) pursuant to

Resolution 10, the Company retains the ability to issue up to fifteen per cent (15%) of its capital to take advantage of any capital raising opportunities.

7. Resolution 11: Approval of proposed Placement

7.1 Placement

On 15 June 2007 the Company announced its intention to undertake a placement of 150,000,000 ordinary shares at \$0.60 each to raise \$90,000,000. ("the Placement"). The Placement is being made to international investors and mining funds who are professional and sophisticated investors and other excluded offerees for the purposes of Section 708 of the Corporations Act. The Placement is being jointly managed by Bell Potter Securities Limited, and Cenkos Securities plc with Petersons Securities Limited acting as a co-manager to the Placement. The Company has received subscription commitments for all shares the subject of the Placement from clients of the joint managers to the issue. The Placement shares will be issued on the same terms and conditions as the Company's existing ordinary shares.

7.2 Purpose Of The Placement

The Purpose of the Placement is to raise funds for implementation of a tailings treatment joint venture with DRDGOLD South African Operations (Pty) Limited ("DRDGOLD SA") on the East Rand and to enable a significant expansion of tailings capacity including the construction of a uranium processing facility on the West Rand. These projects are described as follows.

A. East Rand Joint Venture

On 7 June 2007 the Company announced the formation of a 50:50 joint venture between Mintails SA (Pty) Limited ("Mintails SA"), a wholly owned subsidiary of the Company, and DRDGOLD SA a 74% owned subsidiary of DRDGOLD Limited ("DRDGOLD") ("the East Rand JV"). Mintails will contribute one fully refurbished carbon in leach ("CIL") circuit at the Brakpan plant to the JV and DRDGOLD SA will contribute the Elsburg Tailings Complex comprising approximately 180 million tonnes of tailings material.

The East Rand JV is acquiring from DRDGOLD SA and Anglo Gold Ashanti Limited ("Anglo Gold Ashanti") significant gold-bearing tailings created from historic gold production and remaining infrastructure and deposition capacity surrounding the East Rand Gold and Uranium Operations ("ERGO"), a surface reclamation operation on South Africa's East Rand Goldfields discontinued by Anglo Gold Ashanti in 2004. The Brakpan and East Daggafontein plants through which Anglo Gold Ashanti processed more than 890 million tonnes of tailings as the ERGO operation were previously acquired by Mintails as part of its merger in 2006 with Skeat Gold Mining.

As indicated the initial phase of the East Rand JV involves the upgrade and recommissioning of one CIL circuit at the Brakpan plant. Gold production and minerals processing, which is not planned to commence until June 2009, involves the treatment of tailings from the Elsburg Tailings Complex with residue being deposited on the East Daggafontein deposition site.

The East Rand JV is also acquiring various moveable and immovable assets from the former ERGO operation including infrastructure, piping, equipment, servitudes and additional tailings material of approximately 15 million tonnes. As part of its contribution to the East Rand JV Mintails will be responsible for funding the cost of these acquisitions and the upgrade and recommissioning of one of the Brakpan CIL circuits.

B. West Rand Expansion or "WERGO"

The Company has for sometime planned, as was previously announced, a significant expansion of tailings processing capacity on the West Rand where it holds significant tailings material assets. The so-called WERGO project was until recently being developed by the Company as a solely gold recovery operation. However, further investigations have lead to the conclusion that the tailings materials also contain uranium and on 17 May 2006 a resource of 10.4 million lbs of uranium within the Inferred category in terms of the JORC Code (from 86 million tonnes of slimes) was announced. A further 71 million tonnes of slimes have been the

subject of auger drilling and sampling (1.5 metre composites) and exploration targets with respect to a further 118 million tonnes of slimes have been established.

These developments have encouraged the Company to proceed with plant design work for the inclusion of a uranium recovery circuit into WERGO. Accordingly, the WERGO project now involves the integration of equipment from the East Daggafontein plant acquired in 2006 with the existing Mogale Gold Plant to significantly expand processing capacity for gold and the establishment of a uranium recovery circuit to work in tandem with those operations.

Whilst further feasibility work is being undertaken the Company believes it has sufficient data to date to justify proceeding with the first phase of the WERGO project incorporating a uranium recovery circuit. A proportion of the funds raised under the placement will be applied to implementation Phase One of the WERGO project.

7.3 Use Of Funds

Funds raised under the Placement are to be used as follows:

WERGO PHASE ONE	AUD \$
Uranium plant new equipment	18,166,667
Uranium plant refurbished equipment	20,000,000
Gold plant refurbished equipment	8,333,333
Uranium exploration drilling/assays	1,666,667
Superdump Feasibility/Land acquisition	1,666,667
Tailings deposition	2,500,000
Upgrade Existing Fleet	1,000,000
Working Capital	3,333,333
Total WERGO Phase One	56,666,667
East Rand JV	
First Stream Refurbishments	10,666,667
Reclamation/Pipelines	4,333,333
Deposition	3,333,333
Additional Assets	3,500,000
Working Capital	2,500,000
Exploration drilling/assays	1,000,000
Total East Rand JV	25,333,333
Total WERGO/East Rand JV	82,000,000
Contingencies	8,000,000
TOTAL	90,000,000

Note: The costs of the capital expenditure outlined above will be incurred in South African Rand ("ZAR"). For the purposes of expressing these costs in Australian dollars an exchange rate of ZAR 6.00 to AUD\$1.00 has been used.

The Placement arrangements require the payment of placement fees to the issue managers at an amount equal to 6% of funds raised allocated proportionally to investors introduced by the relevant broker. A further amount equal to 1% of funds raised will be paid to Peregrine Corporate Limited, a company associated with directors Bryan Frost and Richard Revelins for services provided in connection with the successful undertaking of the Placement. A further sum of approximately \$50,000 is anticipated to be payable in legal costs associated with the Placement. In total these costs and fees are estimated at \$6,350,000 and will be paid from working capital.

7.4 Production Capacity

A. WERGO Project

The Company has undertaken detailed investigations and modelling of production capacity and other outcomes targeted for Phase One of the WERGO Project. Management's ability to estimate these outcomes has been enhanced through:

- experience obtained through the successful recommissioning and operation of the Mogale Gold Plant on the West Rand which has in effect provided real life proof of concept data for the expansion of the operation;
- data obtained from the historical operating performance and capacity of the former ERGO East Daggafontein and Brakpan plants which will be relocated and recommissioned as part of the WERGO Phase One expansion on the West Rand; and
- recoveries based on metallurgical test work conducted by Mintek Laboratories of South Africa

Full production from Phase One of WERGO is planned to commence in the third quarter of the 2008 calendar year, whilst minor production of uncalcined yellowcake is scheduled to commence in the first quarter of 2008. Production from the existing Mogale Gold Plant is planned to cease in the first quarter of 2008 calendar pending integration of that plant and equipment into the WERGO Project.

From the third quarter of 2008 calendar year production estimates under Phase One WERGO are:

Tonnage throughput:	1.25 million tonnes per month
Gold production:	70,000 to 80,000 oz per annum
Uranium production:	1.08 to 1.32 million lbs per annum

In considering these estimates one must exercise caution and appreciate that the reliability of prospective information cannot be assured. In particular the reader should take notice that prospective information is by its nature:

- predictive in nature;
- prone to be affected by inaccurate assumptions or by known or unknown risks and uncertainties; and
- may differ materially from results ultimately achieved.

These matters should be borne in mind when considering these estimates. The estimates are restricted for the period from commencement of production for Phase One WERGO until June 2009, as the Company believes it would be inappropriate at this point to extend estimates past that point in time. However, the Company's plans for Phase Two of WERGO are intended to further increase tonnage throughput to 2.5 million tonnes per month. The ability to achieve these estimated outcomes is based on a number of key assumptions which are described below and should be carefully considered.

Operating Assumptions:

- a) Gold recovery rates are assumed at 50% and are based on management's experience and knowledge of the processes and the plant.
- b) Uranium recovery rates are assumed to average 80% in accordance with metallurgical test work provided independently by Mintek Laboratories of South Africa.

The costing analysis undertaken by the Company has been done on a negative working cost method. Under this method the net returns from gold as a by-product are applied as a negative working cost. On this basis the Company's internal estimates allow for a net uranium working cost of USD \$12 per lb of uranium produced.

The uranium recovery process will produce uncalcined yellowcake which it is planned will be sold to a local accredited processor, distributor and marketer of yellowcake in South Africa at a price of 5% discount to the prevailing spot price for saleable yellowcake.

The current estimates do not take account of a Phase Two expansion of WERGO which is also planned. Presently the Company is having its plans for Phase Two of WERGO reviewed by independent experts with a view to validating a decision to proceed with the Phase Two expansion at a later date. The Phase Two expansion is planned to increase tonnage throughput to a total of 2.5 million tonnes of tailing material per month divided equally between the gold and uranium circuits. It is anticipated that further opportunities for refinements of the WERGO Project may be identified by the independent expert for incorporation with the Phase Two plan.

B. EAST RAND JOINT VENTURE

The East Rand JV is allowing for a period of up to 24 months before commencement of production. The initial phase of the project is targeting production throughput of 1.25 million tonnes per month. Based on historical experience with tailings operations on the East Rand, including those conducted by DRDGOLD's subsidiary Crown Gold Recoveries (Pty) Ltd, it is planned for recovery rates to enable production of 6,000 ounces of gold per month. However, the Company considers it would be inappropriate at this time to release financial forecasts with respect to the East Rand JV given the extended period before production is scheduled to commence. The Company holds a 50% interest in the East Rand JV. Management of the operation will be undertaken by Crown Gold Recoveries (Pty) Ltd, a subsidiary of DRDGOLD.

7.5 Effect Of The Placement On The Company's Capital Structure

The effect of the Placement on the capital structure of the Company is summarised in the following table:

<u>Security</u>	<u>Number</u>	<u>% at Completion</u>
Fully paid ordinary shares on issue	495,782,515	74.5%
Placement Shares	150,000,000	22.5%
Performance Shares	20,000,000	3%
TOTAL	665,782,515	100%

Notes: A further 73,947,340 ordinary shares are to be issued progressively over three years from the commencement of 2007 in discharge of purchase obligations to vendors pursuant to the Company's acquisition of Skeat Gold Mining in December 2006.

A further 9,340,000 ordinary shares are scheduled to be issued during the current calendar year as part of the Company's acquisition obligations with respect to its holding in Durban Roodepoort Deep (Pty) Ltd.

The Company currently has 42,500,000 options on issue with varying exercise prices and expiry dates. Approval is being sought by the Company for the allotment of a further 10,000,000 options under Resolutions 4 to 9.

7.6 Listing Rule Requirements

Resolution 11 authorising the Placement is required to be approved by shareholders in accordance with ASX Listing Rule 7.1. ASX Listing Rule 7.1 requires the prior approval of shareholders in general meeting to issue securities if the number of those securities exceeds fifteen percent (15%) of the number of the same class of securities at the commencement of the relevant twelve (12) month period.

As the number of securities that may be issued under the Placement exceeds the 15% threshold referred to above, Shareholder approval for the issue of the securities is required for the purposes of Listing Rule 7.1.

In compliance with Listing Rule 7.3, shareholders are advised as follows:

- (a) the number of ordinary shares to be issued under the Placement is 150,000,000;
- (b) the issue of the shares under the Placement will occur no later than three months after the date the resolution is passed;
- (c) the shares the subject of the Placement are being issued at an issue price of \$0.60 per share;
- (d) the shares the subject of the Placement will be allotted and issued to investors who will be selected by the Company in consultation with the brokers to the Placement and strictly on the basis they are sophisticated investors for the purposes of Section 708(8) of the Corporations Act, excluded offerees for the purposes of Section 708(1) of the Corporations Act, or professional investors for the purposes of Section 708(11) of the Corporations Act;
- (e) the shares issued under the Placement will be fully paid ordinary shares which will, from the date of issue, rank equally with, and enjoy the same rights as, all other ordinary shares of the Company;
- (f) the issue of shares under the Placement will raise \$90 million which will be used for the funding of projects outlined elsewhere in this memorandum; and
- (g) the Company intends to issue the shares the subject of the Placement as one allotment but reserves the right to allot the shares progressively.

**ANNEXURE A
MINTAILS LIMITED
ABN 45 008 740 672
("the Company")**

**RESOLUTIONS 1 TO 3
OPTION TERMS AND CONDITIONS**

- (a) Each option ("Option") entitles the holder to subscribe for one ordinary fully paid share in the capital of the Company (deemed fully paid) upon payment of the exercise price.
- (b) The Options expire at 4.00pm (Eastern Standard Time) on the day specified in the applicable terms of issue.
- (c) The share allotted on exercise of an Option shall be issued at the exercise price of specified in the applicable terms of issue.
- (d) The issue price of a share the subject of an Option shall be payable in full on exercise of the Option by the eligible person (or, if applicable, his or her nominee).
- (e) The Options shall not be capable of assignment.
- (f) The Company will not apply for official quotation on ASX of the Options.
- (g) Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options, accompanied by the relevant Option certificate (if any) and a cheque made payable to the Company for the subscription price for the shares.
- (h) An exercise of only some Options shall not affect the rights of the Option holder under the balance of the Options held by him or her as appropriate.
- (i) The Company shall allot the resultant share and deliver notification of share holdings within five business days of the exercise of an Option.
- (j) Shares allotted pursuant to an exercise of Options shall rank from the date of allotment, equally with existing shares of the Company in all respects.
- (k) The Company shall in accordance with the Listing Rules make application to have shares allotted pursuant to an exercise of Options listed for official quotation by ASX.
- (l) The Option holder will be permitted to participate in any new pro-rata issue of securities of the Company subject to the prior exercise of the Options, in which case the Option holder will be notified by the Company of the proposed pro-rata issue at least 9 business days before the books closing date (to determine entitlements to the issue) and afforded that period to exercise the Options.
- (m) In the event of any reorganisation (including consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the rights of an option holder will be changed to the extent necessary to comply with the listing rules of ASX applying to a reorganisation of capital at the time of the reorganisation.
- (n) The Options will not give any right to participate in dividends until shares are allotted pursuant to the exercise of the relevant Options.

ANNEXURE B
MINTAILS LIMITED
ABN 45 008 740 672
("the Company")
RESOLUTIONS 4 TO 9
DIRECTORS' AND SECRETARY'S OPTIONS
TERMS AND CONDITIONS

- (a) The Directors' Options ("the Options") shall expire at 5.00 pm Australian Eastern Standard Time on 31 March 2011 ("the Expiry Date") and may not be transferred unless to one of the following with the prior consent of the Company:
- (i) the holder's spouse, children or other immediate family member;
 - (ii) a corporation controlled by the holder and/or a person identified at (i) above; or
 - (iii) a trust, the trustee of which is the holder and/or one or more of the persons identified in (i) and the beneficiaries are the holder and/or one or more of the persons or corporation identified in (i) and/or (ii).

Transfer of the Options will also be subject to any restrictions (escrow) that may be imposed by the ASX.

- (b) Subject to sub-paragraph (f) and any restrictions (escrow) that may be imposed by ASX in relation to the Options, the Options may be exercised at any time after the price of the Company's shares exceeds \$0.60 for a period of 5 continuous trading days up to and including the Expiry Date and shall be exercisable wholly or in part by executing and forwarding to the Company notice of the exercise of the Options ("an Exercise Form") and payment of the exercise price of forty cents (\$0.40) for each Option exercised.
- (c) There are no participating rights or entitlements inherent in the Options to participate in new issues of capital that may be offered to shareholders during the currency of the Options. However, subject to sub- clause (b), Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the existing shareholders of the Company made during the currency of the Options and will be granted a period of at least nine (9) business days before books closing date to exercise the Options.
- (d) In the event of any reorganisation of the capital of the Company (including a reduction or return of capital, or a consolidation or sub-division of ordinary shares), the rights of an option holder will be amended to the extent necessary to comply with the Listing Rules of ASX applying to a reorganisation of capital at the time of the reorganisation, and these terms and conditions (including the exercise price) shall be deemed amended accordingly. In all other respects the terms and conditions of the Options shall remain unchanged. Other than as provided for above upon a reorganisation of capital, the option holder has no rights to a change in the exercise price of an Option or to a change to the number of shares in respect of which an option can be exercised.
- (e) Shares allocated and issued pursuant to the exercise of the Options will be allocated and issued not more than fourteen (14) days after the receipt by the Company of a properly executed Exercise Form and the receipt of the exercise monies applicable thereto at the exercise price for each Option.
- (f) The Options will lapse and automatically be cancelled if before the first date the Options may be exercised under clause (b), above, the director to whom the Options were issued (or to a nominee of whom the Options were issued) if the director;

- (i) is removed, becomes ineligible to act or resigns as a Director of the Company due to misconduct; or
- (ii) resigns as a director of the Company voluntarily.

ANNEXURE C

MINTAILS LIMITED

ABN 45 008 740 672

("the Company")

EMPLOYEE INCENTIVE OPTION PLAN (2007)

1. PURPOSE OF THE PLAN

1.1 The Board of Directors of the Company has adopted the Option Plan described in these Rules for the purpose of:

- (a) providing Eligible Persons with an additional incentive to work to improve the performance of the Company;
- (b) attracting and retaining Eligible Persons essential for the continued growth and development of the Company;
- (c) to promote and foster loyalty and support amongst Eligible Persons for the benefit of the Company; and
- (d) to enhance the relationship between the Company and Eligible Persons for the long-term mutual benefit of all parties.

2. COMMENCEMENT

This Option Plan shall commence upon the day it is adopted by the Board, or such later date as the Board may specify.

3. INTERPRETATION

3.1 If at any relevant time any securities of the Company are admitted to Official Quotation on ASX or other stock exchange, these Rules shall be interpreted and applied in accordance with and subject to all applicable Listing Rules.

3.2 In these Rules, unless the context otherwise requires:

"**Associated Body Corporate**" means a body corporate (whether incorporated in Australia or elsewhere) in which the Company holds a relevant interest (as defined in the Corporations Act and as if the body corporate was incorporated in Australia) of at least 30%;

"**ASX**" means ASX Limited;

"**Company**" means Mintails Limited ACN 008 740 672;

"**Board of Directors**" means the Board of Directors of the Company from time to time acting by resolution made in accordance with the Corporations Act and the Constitution of the Company;

"**Director**" means a director from time to time of the Company;

"**Eligible Person**" means a person who is:

- (i) an employee of;
- (ii) a director or other officer of; or

(iii) a consultant to,

the Company or an Associated Body Corporate and, in the case of employees and consultants, includes bodies corporate;

"**Listing Rules**" means the Listing Rules from time to time of the ASX or other applicable stock exchange;

"**Official List**" means the official list of the ASX or other applicable stock exchange;

"**Option**" means an Option issued under this Option Plan to subscribe for a Share;

"**Option Plan**" means the Mintails Limited Employee Incentive Option Plan (2007) as contained in these Rules;

"**Option holder**" means a person who holds Unexercised Options;

"**Rules**" means these rules as amended from time to time;

"**Share**" means an ordinary fully paid share in the capital of the Company; and

"**Unexercised Options**" means Options issued under this Option Plan from time to time which have not lapsed under this Option Plan and have not been exercised under this Option Plan.

3.3 In these Rules, unless the context otherwise permits and requires, the singular shall include the plural and vice versa.

3.4 "person" and words importing persons includes bodies corporate;

3.5 A reference to an Act or other legislation includes a reference to that Act or legislation as amended, re-enacted or replaced from time to time, and in the case of an Act includes a reference to any applicable subordinate legislation.

4. NUMBER OF OPTIONS

The total number of Options which may be issued under this Option Plan must not exceed 20 million Options.

5. ELIGIBILITY AND ENTITLEMENT

5.1 Subject to the Listing Rules (if applicable) and these Rules, the Board with the advice of the Remuneration Committee shall determine from time to time the number of Options (if any) to be offered to an Eligible Person under this Option Plan, as well as the expiry date, any applicable vesting date or dates, and the exercise price of the Options to be offered, and whether any sum is to be payable for the issue of the Options.

5.2 The Board determines that Options are to be allocated to an Eligible Person, that Eligible Person shall be invited to apply in his or her name or in the name of his or her nominee (provided such nominee is approved by the Board) for all or part of the Options allocated to that person. The Company shall issue the agreed number of Options following receipt (within the time, if any, specified in the invitation) of the application and, if applicable, payment of any sum specified for the issue of the Options.

5.3 The Board of Directors retains the right to withdraw an invitation at any time prior to receiving an application from the person to whom the invitation was made, or that person's nominee.

5.4 If the Company is admitted to the Official List of ASX, no Options may be offered or issued more than three years after the date of admission.

6. ACCEPTANCE

- 6.1 The Company shall be obliged to accept any application in response to an offer provided that the application accords, in all respects, with these Rules, is for the number of Options to which the Eligible Person is entitled, and the offer has not been withdrawn. Upon acceptance of application the Company shall deliver an option certificate or other record of holding in respect of the Options granted to the Eligible Person within 10 business days.
- 6.2 Each Eligible Person (and, if applicable, his or her nominee) will be taken to agree to be bound by these Rules upon the acceptance of an offer from the Board of Directors to take up Options under this Option Plan. Each option certificate shall include a statement or be endorsed with a statement that these Rules apply to the Options evidenced by the document, but these Rules shall still apply where an offer made under this Option Plan is accepted despite any failure to include or endorse such a statement on a certificate or other document.

7. TERMS OF OPTIONS ISSUED UNDER THIS OPTION PLAN

- 7.1 If offered and issued after the Company is admitted to the Official List of ASX, any Options offered and issued shall:
- (a) have an exercise price of not less than the average closing trading price of the Company's ordinary listed shares on the five trading days prior to issuing invitations to accept Options under this Option Plan;
 - (b) have an expiry date not later than three (3) years after the date of issue; and
 - (c) vest at such times as the Board with the advice of the Remuneration Committee may specify in the applicable invitation to accept the Options.
- 7.2 Unless otherwise specified in the terms of an offer under these Rules, no amount is payable for the grant of the Options.
- 7.3 Each Option shall carry the right in favour of an Option holder to subscribe for one fully paid ordinary Share in the capital of the Company.
- 7.4 Options cannot be exercised within twelve months from date of issue.
- 7.5 Each Option expires at 4.00 pm (Melbourne time) on the expiry date specified in the terms of issue of that Option, unless subject to earlier expiration or revocation in accordance with the terms of this Option Plan.
- 7.6 The exercise price of each Option shall be as specified in the terms of issue of that Option. The exercise price shall be payable in full on exercise of the Option by the Holder.
- 7.7 The Options shall be exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option holder to exercise all or a specified number of Options, accompanied by the relevant Option certificate (if any) and a cheque made payable to the Company for the exercise price of all the Options exercised.
- 7.8 An exercise of only some Options shall not affect the rights of the Option holder under the balance of the Options held by him or her.
- 7.9 The Options shall not be listed for Official Quotation on ASX or other stock exchange.
- 7.10 Options may not be transferred, assigned or otherwise dealt with except in accordance with Rule 12 of these Rules.

- 7.11 The Company is not bound to recognise any transfer or assignment unless made in accordance with Rule 12 of these Rules and then only if a copy of the duly executed instrument of assignment or transfer is lodged with the Company.
- 7.12 If an Option is exercised in accordance with these Rules and its terms of issue, the Company shall issue the resultant Share and deliver notification of share holding within five business days of the exercise of an Option or such longer time as may be permitted under the Listing Rules of ASX and the Company's Constitution.
- 7.13 Shares issued pursuant to the exercise of Options shall rank equally with existing Shares of the Company in all respects from the date of issue of the Share. If admitted to the Official List of ASX at the time of issue of the Share, the Company will apply for Official Quotation by ASX of the Shares issued upon exercise of an Option, subject to any restriction obligations imposed by ASX
- 7.14 Holders of Options which have vested will be permitted to participate in any new pro-rata issue of securities of the Company subject to the prior exercise of the Options and any restriction obligations. The Company will ensure that Option holders will be allowed at least seven business days notice to allow for the conversion of Options prior to the record date in relation to any offer of securities made to shareholders.
- 7.15 In the event of any reconstruction (including consolidation, subdivision, reduction or return) of the issued capital of the Company:
- (a) if at the time of the reconstruction any securities of the Company are admitted to quotation by the ASX or another stock exchange, the Options will be reorganised in accordance with the Listing Rules applying at the time of the reorganisation; or
 - (b) if at the time of the reconstruction no securities of the Company are admitted to quotation by the ASX or other stock exchange, the Options will be reorganised in the same proportion as the underlying ordinary shares (in such a way as not to cause a change in the total exercise price for a post reconstruction holding of Options, disregarding the effect of any fractions or rounding).

Note: That is, in the case referred to in paragraph 7.15(a), if ordinary shares are reconstructed by each share being divided into four shares, if a pre-reconstruction Option to acquire one ordinary share was exercisable at two dollars, it will be divided into four Options each to acquire one post-reconstruction ordinary share at an exercise price of 50 cents each. The other terms and conditions of the Options will remain unchanged.

- 7.16 The Options will not give any right to participate in dividends until Shares are issued pursuant to the exercise of the relevant Options.
- 7.17 Options issued under this Option Plan do not confer upon the holder a right to receive notices of general meetings (except as may be required by law), nor any right to attend, speak at or vote at general meetings of the Company.
- 7.18 The recipient of an Option issued under this Option Plan agrees to complete, execute and comply with any restriction agreement necessary to satisfy the requirements of ASX.

8. AMENDMENT OF THIS OPTION PLAN

This Option Plan may only be amended in accordance with the Listing Rules of ASX, with the prior approval by resolution of the shareholders of the Company in general meeting.

9. RIGHTS OF EMPLOYEES

This Option Plan shall not form part of any contract of employment between the Company and any of its employees and shall not confer directly or indirectly on any employee any legal or equitable rights.

10. EXERCISE PERIOD & LAPSE OF OPTIONS

- 10.1 Options may be subject to restriction (escrow) conditions imposed by ASX and any vesting period specified in their terms of issue. Option cannot be exercised within twelve months from date of issue or during an applicable vesting period, and may only be exercised during a restriction period in accordance with the terms of the restriction and the ASX Listing Rules.
- 10.2 Options lapse and cannot be exercised after the earlier of the expiry date specified in their terms of issue or the date determined in accordance with Rule 13 of these Rules in respect of the applicable Eligible Person.

11. OPTIONS TO VEST UPON TAKEOVER

Notwithstanding any other provision of this Option Plan but subject to the ASX Listing Rules, any Options that have been issued pursuant to this Option Plan but which have not vested will vest if the Company is subject to a successful takeover that results in a person acquiring a relevant interest in more than 90% of the voting shares of the Company. The provisions of Chapter 6 of the Corporations Act (Takeovers) are to be applied in determining the extent of a person's relevant interest for the purpose of interpreting this clause.

12. LIMITED TRANSFERABILITY & DEALINGS

- 12.1 Save as otherwise provided in this Rule 12, Options are personal to the Eligible Person and are not transferable or assignable and may only be exercised in accordance with the Option Plan. No Option issued under the Plan shall be capable of being mortgaged, pledged or encumbered in any way whatsoever.
- 12.2 Subject to Rule 12.3 of these Rules and provided that the prior written consent of the Board of Directors is obtained (such consent not to be unreasonably withheld), Rule 12.1 shall not prevent an Option from being transferred or assigned:
- (a) by will or by operation of the laws of succession following the Eligible Person's death; or
 - (b) in accordance with a direction of the Board upon the incapacity of the Eligible Person; or
 - (c) to a spouse or an associated trust or company within the meaning of section 26AAB(14) of the Income Tax Assessment Act 1936.
- 12.3 Before an Option is transferred or assigned, the transferee must execute a covenant with the Company whereby the transferee agrees to be bound by the terms of the Option Plan.
- 12.4 Options transferred in accordance with this Rule 12 may only be exercised in accordance with the rules of the Option Plan.

13. TERMINATION OF RIGHT TO EXERCISE OPTION

- 13.1 Subject to Rules 13.2 and 13.3 of these Rules, an Option holder's right to exercise Options under this Option Plan shall terminate within one month of the Option holder ceasing to be an Eligible Person (or, if the Option holder is a nominee of an Eligible Person, the Eligible Person who nominated the nominee ceasing to be an Eligible Person) provided that:
- (a) where an Eligible Person dies and at the date of his or her death that Eligible Person (and his or her nominees) held any Unexercised Options, such Options may be exercised by the legal personal representatives of the Option holder (or, if applicable, his or her nominees) within 12 months of the date of the Eligible Person's death; or
 - (b) where an Eligible Person ceases to be an Eligible Person by reason of the cessation of employment for whatever reason, other than the circumstances referred to in Rule (e) of these

Rules and on the date the Eligible Person ceases to be an Eligible Person, the Eligible Person (and his or her nominees) held any Unexercised Options, such Options may be exercised at any time within 90 days or such other period, being not less than 90 days, as determined by the Board of Directors (in its absolute discretion) immediately following the date upon which the Eligible Person so ceased to be an Eligible Person; or

- (c) where an Eligible Person ceases to be an Eligible Person by reason of:
- (i) the retirement of the Eligible Person at or after attaining the age of 60 years;
 - (ii) retirement of the Eligible Person before age 60 years with the consent of the Board of Directors;
 - (iii) ill health of, or accident affecting, the Eligible Person; or
 - (iv) redundancy by reason of participation in a voluntary redundancy scheme of the Company or an Associated Body Corporate or being made redundant or being retrenched by the Company or an Associated Body Corporate,

and on the date the Eligible Person ceases to be an Eligible Person, the Eligible Person (and his or her nominees) held any Unexercised Options, such Options may be exercised at any time before the expiry of six months from the date upon which the Eligible Person ceased to be an Eligible Person; or

- (d) where an Eligible Person is declared bankrupt or becomes subject to Part X of the Bankruptcy Act 1966 (Cth) (as amended) and upon such date the Eligible Person held any Unexercised Options, those Unexercised Options shall immediately lapse and cease to be exercisable;
- (e) where an Eligible Person ceases to be an Eligible Person by reason of the Company terminating the Eligible Person's contract of service in circumstances where the Eligible Person is found to be guilty of gross misconduct, gross negligence, wilful disobedience or any other cause or matter which entitles the Company to dismiss the Eligible Person without notice and on the date the Eligible Person ceases to be an Eligible Person, the Eligible Person (and his or her nominees) held any Unexercised Options, such Options shall immediately and automatically lapse and the right of the Eligible Person (and his or her nominees) to exercise those Unexercised Options shall terminate immediately upon dismissal of the Eligible Person; or
- (f) where Options have been assigned in accordance with the terms of this Option Plan and an event has occurred in respect of the original Option holder (or, in the event that the original Option holder was a nominee of an Eligible Person, then that Eligible Person) of the nature referred to in the foregoing paragraphs of this Rule 13.1, the person then the Option holder at that time shall only be entitled to exercise the Unexercised Options within the same time limits (if any) specified in the respective paragraph of this Rule 13.1, and otherwise the Unexercised Options shall lapse.

13.2 Subject to compliance with the Listing Rules (particularly but not only Listing Rule 6.23 or its equivalent (if applicable), if at the relevant time any securities of the Company are admitted to quotation by the ASX or other stock exchange), the Board of Directors may, in its discretion, extend the time periods in, or waive the application of any provision of, Rule 13.1 of these Rules, but not so as to extend the expiry date of an Option beyond the expiry date specified in its terms of issue.

13.3 Nothing in Rule 13.2 of these Rules shall be taken to permit an Option to be exercised after its expiry date specified in its terms of issue and any reference to a date in those Rules shall be taken to be a reference to the earlier of that date or the expiry date of the relevant option or options.

14. POWERS OF DIRECTORS

The Option Plan shall be administered by the Board of Directors who shall have the power to:

- (a) determine procedures from time to time for administration of the Option Plan consistent with these Rules;
- (b) subject to Rule 8 of these Rules and (if applicable) the Listing Rules, amend or modify these Rules; and
- (c) resolve conclusively all questions of fact or interpretation arising in connection with the Option Plan.

15. TERMINATION AND SUSPENSION OF OPTION PLAN

- 15.1 The Option Plan may at any time be terminated by the Board of Directors but such termination shall not affect the rights of Option holders granted prior to such termination.
- 15.2 The Board of Directors may suspend the operation of the Option Plan for any period it considers desirable, but such suspension will not affect of holders of Options granted prior to such suspension.

MINTAILS LIMITED
ABN 45 008 740 672
PROXY FORM

If the Chair of the meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in the box:

I/We _____

of _____

being a member(s) of Mintails Limited and entitled to

_____ shares appoint:

Name of Proxy: _____

Address of Proxy: _____

or in his/her absence, the Chairman of the meeting as my/our proxy to vote on my/our behalf at the General Meeting of the Company to be held at 1235 High Street, Armadale, Victoria, 3143 on Monday, 23 July 2007 at 9.30am and at any adjournment of that meeting.

If two proxies are appointed, complete the following sentence:

This proxy is authorised to exercise votes/ % of my/our total voting rights.

By marking this box you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the resolution and votes cast by him other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

The Chairman intends voting undirected proxies in favour of the resolutions.

Proxy Instructions

To instruct your proxy how to vote, insert 'X' in the appropriate column against each resolution set out below. If you do not instruct your proxy how to vote on a resolution, your proxy may vote as he/she thinks fit or abstain from voting.

I/We direct my/our proxy to vote as indicated below:

		For	Against	Abstain
Resolution 1.	Approval of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2.	Approval of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3.	Approval of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4.	Grant of Options to Mr. Bryan Frost	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5.	Grant of Options to Mr. Richard Revelins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6.	Grant of Options to Mr. Lloyd Birrell	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7.	Grant of Options to Mr. Richard Potts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PROXY AND VOTING INSTRUCTIONS

Proxy Instructions

A member who is entitled to vote at a meeting may appoint:

- (a) one proxy if the member is only entitled to one vote; and
- (b) one or two proxies if the member is entitled to more than one vote.

Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the member's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes in which case any fraction of votes will be disregarded.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged at or sent by facsimile transmission to the registered office of the Company at Suite 2, 1233 High Street, Armadale, Victoria, 3143 or facsimile (03) 9824 8161 not less than 48 hours before the time for holding the Meeting, or adjourned meeting as the case may be, at which the individual named in the proxy form proposes to vote.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

The proxy may, but need not, be a member of the Company.

A proxy form is attached to this Notice.

Corporate Representatives

Any corporation which is a member of the Company may authorise (by certificate under common seal or other form of execution authorised by the laws of that corporation's place of incorporation, or in any other manner satisfactory to the chairperson of the Meeting) a natural person to act as its representative at any general meeting.

Voting Entitlement

For the purposes of the Corporations Act and Corporations Regulations shareholders entered on the Company's Register of Members as at 7.00 pm (Melbourne time), 19 July 2007 are entitled to attend and vote at the meeting.

On a poll, members have one vote for every fully paid ordinary share held. Holders of options are not entitled to vote.