

MINTAILS LIMITED

ABN 45 008 740 672

Quarterly Report For The Period Ended 30 June 2007

About Mintails

- Mintails owns substantial uranium and gold bearing tailing resources located in South Africa's historic Witwatersrand basin.
- Through its ownership of extensive plant, equipment and infrastructure Mintails is in the process of becoming a significant producer of uranium and gold with processing facilities being constructed on both its West and East Rand locations.

Issued Capital : 645.8m shares
801.6m shares
(fully diluted)

Price : \$0.68

Market Capt : \$439 m
: \$545 m (fully diluted)

Major shareholders
: Kintara 12.7%
: Merrill Lynch 10.7%
: JP Morgan 9.4%

Monthly Trading : 17.5m (shares)
: \$13.1m (value)

Directors
: Bryan J. Frost, Executive Chairman
: Dick van der Walt, CEO
: Lloyd Birrell, Special Projects Director
: Jaco Schoeman, Technical Director
: Richard Revelins, Executive Director
: Dick Potts, Non-executive Director
: Peter Chapman, Non-executive Director

Website: www.mintails.com.au

This report contains includes certain forward-looking statements that have been based on current expectations about future acts, events and circumstances. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

These factors include, among other things, commercial and other risks associated with estimation of uranium and gold resources, the meeting of objectives and other investment considerations, as well as other matters not yet known to the Company or not currently considered material by the Company.

Mintails accepts no responsibility to update any person regarding any error or omission or change in the information in this presentation or any other information made available to a person or any obligation to furnish the person with further information.

Highlights

- Initial JORC Uranium Resource Announced on West Rand
- Mintails Doubles West Rand JORC Uranium Resource
- Joint Venture Agreement with DRD Gold and Agreement with AngloGold Ashanti on East Rand Tailings Deposits
- Joint Venture with DRD Gold to develop West Rand underground potential
- Successful completion of AUD 90 million institutional placement
- Definitive execution studies nearing completion on West Rand (WERGO) and East Rand (ERGO) Tailings Projects

WEST RAND OPERATIONS

Uranium – West Rand

On 17 May 2007 the company announced initial results from partially drilled and laboratory tested tailings slimes at the West Rand Project 70kms west of Johannesburg. A total resource of approximately 10.4m lbs of uranium (U_3O_8) was reported within the Inferred category in terms of the JORC Code (from 86 million tonnes of slimes). On 4th July 2007 Mintails announced that it had effectively doubled its previous JORC uranium resources as a consequence of additional drilling and testing work completed at the West Rand Project. The current resource increased from 10.4 million lbs of U_3O_8 to approximately 21 million lbs of which 3.5 million lbs was upgraded from a JORC Inferred to a JORC Indicated category.

Table 1 – Mintails Uranium Resource Inventory – West Rand only

JORC Category	Tonnes (millions)	Grade (g/t)	Uranium Tonnes	Uranium Lbs (millions)
Indicated	18.3	87	1,586	3.5
Inferred	<u>227.4</u>	35	7,979	17.6
Total Tonnage	<u>245.7</u>			

Competent Person :
P.M. Camden-Smith M.Sc, G.D. Eng, Pr.Sci.Nat

* Exploration Targets comprising an additional 54m tonnes will be subject to further evaluation and analysis.

Ongoing Exploration work has targeted a total of 312m tons of slime. The majority of the outstanding assay results have been received and have confirmed the presence of higher grade zones in IL28 and IL23/24 & 25 and 2L24. A further announcement will be made in due course after a detailed review by the Competent Person P.M. Camden-Smith MSC, G.D.ENG, Pr. Sci. Nat.

The company is continuing with an ongoing exploration programme designed to identify additional uranium and gold resources and upgrade existing resources to a higher JORC category.

Classification Of Mintails' Uranium Resources

When assessing Mintails' existing previously announced JORC classified uranium resources it is important to note that these resources have already been mined and milled and are all on surface in surveyed and quantified tailings dumps. Accordingly the uranium that is planned to be processed and recovered will be produced at a substantially lower per pound cost than traditional underground mining operations. Additionally Mintails' Metallurgical Testwork Campaign (undertaken independently by Mintek Laboratories, Johannesburg) indicates potential for recovery of uranium from slimes in the range of 70% to 86%.

Confirmatory TestWork and simulations have confirmed that the grade of the WERGO Slimes can be increased by a factor of around 2 times and the mass to be treated in the Plant reduced by greater than 50%.

The previously announced WERGO Project is proceeding on budget and on schedule. Work in progress or completed to date is:-

- Detailed Plant Design
- Bulk Sample Confirmatory TestWork
- Stripping and Refurbishment of Plant to be relocated from ERGO East Daggafontein Plant
- Geotechnical Evaluation – Completed
- Bulk Earthworks at Plant Site – 60% Completed
- Concrete Works ongoing – 20% Completed
- Major Equipment Selection and Procurement – Finalised
- Selection of Major Consumables – Finalised

Commissioning of the initial Phase 1 Plant is due in October 2008. The smaller scale Uranium Recovery Plant is on schedule for early 2008.

Mintails have also made major strides in securing a long-term "Superdump" site. To date options have been taken over 4 farms located off the dolomites and geotechnically suitable for long-term slimes disposal. Those sites are situated geographically approx. 20km's from Randfontein and Carletonville and have the capacity for in excess of 800 million tonnes of deposition. The sites are also suitable for a potential "Superplant".

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 including the incorporation of a uranium recovery circuit. The current estimate of capital costs associated with Phase 1 of Wergo are as follows:

WERGO PHASE ONE CAPITAL EXPENDITURE ESTIMATES	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

West Rand Gold Production (Mogale Gold Plant)

For the 3 months ending 30 June 2007 the Mogale Gold Plant processed a total of 451,000 tonnes of tailings materials and recovered 4,830 oz's of gold.

Gold production was influenced by two factors:-

- Limited power due to lightning strike at Rand Central Sub-Station. The full power supply was restored in July 2007.
- Failure of one of the mill trunnion bearings. This was repaired in July 2007.

Both of the above are insurable events. The Company has negotiated to date an interim settlement of SAR 9.68million. Negotiations are ongoing with the insurers in respect of the +/- SAR 12million balance of the insurance claims.

The Mogale Plant has provided strong "proof of principle" which has enabled Mintails management to properly assess production methods, leach kinetics and the metallurgical characteristics of the West Rand tailings slimes. It is proposed that the limited throughput Mogale Gold Plant will cease production by the end of March 2008 to enable this infrastructure to be incorporated into the new high throughput Wergo plant.

It is planned that Phase 1 of Wergo, once fully operational, will have the capacity to treat approximately 1.24m tonnes of slimes per month producing an estimated 1.08 to 1.32 million lbs of U₃O₈ and 70,000 to 80,000 ozs of gold per annum (Mogale capacity was limited to 250,000 tpm).

Table 2 – Mintails Gold Resource Inventory – West Rand only

Total Tailings Materials 305m tonnes (approximately 48% JORC classified)

Current JORC Resources

Dump	JORC Resource Class	Tonnes (m)	g/t Au
LVE Sand (Cam Sand)	Measured	7.1	0.68
North Sand Dump	Indicated	8.4	0.44
IL24 (N1, N2, N2A & N3)	Inferred	66.0	0.40
Eskom Slimes	Inferred	4.9	0.38
IL24	Inferred	<u>59.1</u>	<u>0.42</u>
Total		<u>145.5</u>	<u>0.42</u>

West Rand Underground Joint Venture (Gold and Uranium)

On 26 April 2007 the company announced that it had reached agreement for the formation of a new Joint Venture company to explore, evaluate and potentially mine uranium and gold by open cast and underground mining methods in the West Rand.

The joint venture involves key stakeholders DRDGold Limited (“DRDGold”), Mintails and Mining and Reclamation Services (Pty) Ltd who have agreed to consolidate their respective West Rand tenements and underground rights comprising Rand Leases, Durban Roodeport Deep, East Champ D’Or, Luipaardsvlei and West Rand Consolidated (included West Wits). The joint venture company’s goal is to re-evaluate and re-start mining for uranium and gold in the Western Rand.

It is proposed that the joint venture will raise up to AUD 10 million and list on the Australian and possibly the Johannesburg Stock Exchanges. Due diligence investigations are at an advanced stage and a listing is proposed for November this year. After completion of the fundraising it is expected that Mintails would retain an interest of approximately 30% of the expanded capital.

Historical gold production on the constituent leases exceeds 30 million ozs and 17,000 tonnes of U₃O₈ and the joint venture plans to extensively test these historical workings in order to delineate high priority targets for potential exploitation.

EAST RAND OPERATIONSHVH Heap Leach - Gold

As detailed in the March 2007 quarterly report the HVH Operation suffered a gold lock-up due to a complex metallurgical issue. In summary the complex metallurgical issue only manifested itself after long term recirculation of the process streams. The consequence is that gold dissolution was retarded and requires attrition and screening to reverse the retardation. As a result of the above, in April 2007 the company took the decision to cease short term crushing and screening of waste rock and to concentrate on:-

- Heap Leaching of the – 3.5mm High Grade Grit
- Constructing a High Grade 40 000tpm Milling / CIL Plant to initially retreat the gold lock on the Heap Leach Pads. This Plant is scheduled to be commissioned in August 2007.

The Net effect of the above decisions has meant that the HVH operation has produced the following statistics in this quarter.

▪ Tonnes Treated	128,117t
▪ Quarter/Quarter Operating Costs reduced by	15%
▪ Gold Recovered	583oz
▪ Tonnes for retreatment by CIL	75 000t
▪ Estimated Gold Recovery by CIL from Lock-up	5418oz

Successful negotiations have also been held with the purchaser of the “waste” materials from HVH.

Based on these discussions it is envisaged that no waste rock screening and crushing will be necessary this calendar year. This will enable HVH to recover the “locked-up” gold, at a reduced operating cost.

East Rand Tailings Treatment Joint Venture

On 7 June, 2007 Mintails and DRD Gold Limited (“DRDGold”) announced the formulation of a new 50/50 joint venture on the East Rand to evaluate and process significant gold bearing tailings materials located on the East Rand.

These tailings are currently being drilled, sampled and tested for both gold and uranium and feasibility work is currently underway.

The joint venture will be managed by Crown Gold Recoveries, a subsidiary of DRD Gold. DRD Gold are to contribute their Elsburg Tailings Complex comprising approximately 180 million tonnes of tailings materials and an additional 15 million tonnes which were acquired as part of the agreement from AngloGold Ashanti Limited.

The initial phase of the project envisages the refurbishment of one CIL circuit at the Brakpan plant which will have the capacity to treat 1.25 million tonnes of tailings per month. Feasibility studies are being undertaken which include drilling and evaluation and depending on the outcome could enable first production to commence by June 2009.

It is proposed that the process will involve treatment of tailings from the Elsburg Tailings Complex through the Brakpan Plant with the residue being deposited on the East Daggafontein deposition site which the joint venture recently acquired from AngloGold Ashanti.

Feasibility and resource definition work is continuing on the East Rand in respect of the joint venture. The current estimate of proposed allocated capital expenditure costs as described in the recent Notice of Meeting dated 20th June 2007 are as follows:

East Rand JV CAPITAL ALLOCATED EXPENDITURE ESTIMATES

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

Corporate

On 23 July 2007 Mintails shareholders approved the institutional placement of 150,000,000 new shares at a subscription price of \$0.60 to raise up to \$90,000,000. The placement was to global mining funds and institutional clients of Bell Potter Securities Limited (Sydney) Cenkos Securities Limited (London) and Patersons Securities Limited (Sydney) and involved some of the world’s largest and most respected resources funds.

The placement funds were received on 24 July and the allocation of shares was completed on 25 July.

Mintails is now well positioned to achieve its corporate goals with the funds being predominantly allocated to completion of Phase 1 of the Wergo Uranium and Gold Plant (West Rand) and to the East Rand Tailings Joint Venture with DRD Gold Limited.

The nature of uranium and gold tailings reclamation depends largely on throughput and economies of scale. The availability of funds generated through the recent placement combined with Mintails' existing and growing resource base and extensive infrastructure should enable Mintails to operate at a significantly high throughput level to generate strong cashflow from the successful exploitation of its resource base.

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.

Name of Entity:

MINTAILS LIMITED

ABN:

45 008 740 672

Quarter Ended ('Current Quarter')

30th June, 2007

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
<u>Cash Flows Related to Operating Activities</u>		
1.1 Receipts from product sales and related debtors	6,142	14,040
1.2 Payments for: (a) exploration and evaluation	-	(8)
(b) development	(3,545)	(8,006)
(c) production	(4,656)	(16,635)
(d) administration	(1,105)	(3,179)
(e) contract services	(176)	(973)
(f) staff costs	(596)	(1,834)
(g) other working capital	-	(88)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	84	556
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	195	64
Net Operating Cash Flows	(3,657)	(16,063)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:	-	-
(a) prospects	-	-
(b) equity investments	(34)	(1,463)
(c) other fixed assets	(474)	(9,916)
1.9 Proceeds from sale of:	-	-
(a) prospects	-	-
(b) equity investments	-	14
(c) other fixed assets	-	-
1.10 Loans to other entities	-	(2,224)
1.11 Loans repaid to other entities	-	-
1.12a Other – Acquisition of Subsidiary	-	(14,976)
1.12b Other (provide details if material)	-	(424)
Net Investing Cash Flows	(508)	(28,989)
1.13 Total Operating and Investing Cash Flows	(4,165)	(45,052)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(4,165)	(45,052)
<u>Cash Flows Related to Financing Activities</u>			
1.14	Proceeds from issues of shares, options, etc.	-	60,352
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)		(5,376)
Net Financing Cash Flows		-	54,976
Net Increase / (Decrease) in Cash Held		(4,165)	9,924
1.20	Cash at beginning of quarter/year to date	17,835	5,450
1.21	Exchange rate adjustments to item 1.20	(572)	(2,276)
1.22	Cash at End of Quarter	13,098	13,098

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	356
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, corporate advisory & consulting fees at normal commercial rates
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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	-	-
3.2 Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	520
4.2 Development	14,251
Total:	14,263

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	1,565	1,967
5.2 Deposits at call	11,533	15,868
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	13,098	17,835

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	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	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 <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3	+Ordinary Securities	495,782,515	469,182,515	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs	-	-	-	-
7.5	+Convertible debt securities <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(Description and Conversion Factor)</i>	42,500,000	-	Exercisable @ \$0.25 to \$0.50	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ 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:



Director

Date: 31st July, 2007

Print Name:

Richard Revelins

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.

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+ See chapter 19 for defined terms.