

COMPANY ANNOUNCEMENT

Mintails and DRD Gold to Expand East Rand Joint Venture from 195m Tonnes to Approximately 1.7 billion Tonnes of Gold, Uranium and Sulphur Bearing Tailings Materials

INTRODUCTION

Melbourne, 26 November 2007

Further to the announcement of June 7, 2007, regarding the formation of a new East Rand gold tailings treatment joint venture between Mintails Limited ("Mintails") and DRDGold Limited ("DRDGold"), Mintails today announces that it has signed a binding Term Sheet to provide for significant expansion of the joint venture through:

- The planned refurbishment over the next 36 months of all infrastructure at the Brakpan ERGO Plant to increase capacity from one CIL gold recovery circuit (as previously announced) to a significantly larger plant capable of processing tailings for recovery of gold, uranium and sulphuric acid.
- Substantially increasing available tailings material from 195 million tonnes (as previously announced) to up to 1.7 billion tonnes (an increase of almost 9 times) through securing rights over tailings dumps and slimes dams in the region.

The expanded JV plans to explore, evaluate and process up to approximately 1.7 billion tonnes of surface gold, uranium and sulphur tailings on the East and Central Rand of South Africa's Witwatersrand Basin and utilize the full ERGO Plant, which historically produced gold, uranium and sulphuric acid. Mintails and DRDGold ("the JV partners") will together with their BEE partners each have a 50% ownership interest in the JV which will be named ERGO Mines JV.

"We have now achieved an important strategic milestone of a major consolidation of significant tailings materials for the production of uranium, gold and sulphuric acid" said Dick van der Walt Group Chief Executive of Mintails SA.

DESCRIPTION OF ERGO MINES JV

Through this expansion the JV partners have endorsed the strategy to pursue a consolidation of all their available and unexploited surface uranium and gold assets on the Central and East Rand. In addition, arrangements have been negotiated to further augment this asset base through:

- The acquisition by the JV of additional tailings properties and the Withok deposition complex from Anglogold Ashanti for a payment of ZAR 45 million (approx. AUD \$7.6m) and assumption of rehabilitation obligations.

- The acquisition by Mintails of an option to acquire tailings properties (the “Grootvlei Properties) (comprising some 105 mts) from Pamodzi Gold Limited which is the subject of a separate announcement today and which properties will form part of Mintails contribution to the expanded JV.

The expanded JV will pursue feasibility studies to refurbish and reopen the entire ERGO plant which was acquired by Mintails in 2006. Over its 25-year history, the ERGO Plant processed more than 890 mt of tailings material and produced approximately 8.3 million ounces of gold and 5.5 million pounds of uranium. The acquisition of the Withok deposition site will provide the expanded JV with extensive additional deposition capacity commensurate with the substantial increases in tailings material and processing capacity.

Phase I of the JV involved the refurbishment of one CIL circuit at the ERGO Plant with the capacity to treat an estimated 15 mt of tailings per annum, for the recovery of some 75,000 ounces of gold per annum.

Phase II of the project, now under investigation, envisages the expansion of the gold plant by refurbishing the second CIL circuit and the development of uranium and acid plants which are envisaged to have a design capacity to produce an estimated 150,000 ounces of gold, 660,000 pounds of uranium and 855,000 tonnes of sulphuric acid per annum.

The parties intend to commission a feasibility study prior to full implementation of the JV. The arrangements between the JV partners have been structured to provide for the contribution of assets to the JV operation on a 50:50 basis. Further capex contributions for full implementation of the expanded JV are likely and the quantification of those amounts will be part of the commissioned feasibility process.

The JV is subject to regulatory review, completion of definitive agreements and corporate and other approvals.

ERGO MINES JV RATIONALE

- The Ergo Mines JV creates significant potential for the processing of surface uranium and gold tailings on the East and Central Rand. The JV will own the right to process and extract uranium, gold and sulphur from approximately 1,700 million tonnes of tailings materials. Initial project sketching forecast large scale production with life of mines substantially in excess of 20 years. The majority of the large tailing sites have never been treated for recovery of uranium or sulphuric acid.
- The potential for managing the gold, uranium and sulphuric acid processes as an integrated circuit will allow for the realization of significant operational synergies and savings.
- The processing techniques to be used at the ERGO Plant have been proven and tested over 27 years. The technology to be used has low implementation risk, allowing shorter timeframes to increased production.
- The ERGO Plant is in close proximity to the large available tailings materials, deposition sites and the servitudes for transport which have been secured. In addition, valuable by-products such as sulphuric acid and electricity co-

generation are available providing the ERGO Mines JV with lower risk on key cost inputs and estimated cash costs in the lowest quartile.

In addition to the ERGO Mines J.V., Mintails plans to commission the WERGO gold and uranium plant on the West Rand by October 2008 to process and extract gold and uranium from in excess of 300mt of gold and uranium bearing tailings on the West Rand.

INFORMATION ON MINTAILS

Mintails Limited (ASX: MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and extracts gold from surface tailings resources that are present on the West and East Rand of South Africa's historical Witswatersrand Basin and is planning to extend it's operations to include recovery of uranium and sulphuric acid.

The company is unhedged, has a large resource base, extensive plant, equipment and infrastructure and owns one of the largest fleets of trucks, cranes, bulldozers, construction and earthmoving equipment in Africa.

GENERAL

This announcement is published for information purposes, given its importance to the operations of Mintails.

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