

COMPANY ANNOUNCEMENT

**ERGO MINES J.V. INITIAL JORC GOLD RESOURCE**

**17 December 2007** : Mintails Limited (ASX Code : MLI) announced on 26 November the expansion of its ERGO Mines Joint Venture with DRD Gold to explore, evaluate and process approximately 1.7 billion tonnes of surface gold, uranium and sulphur bearing tailings on the East and Central Rand goldfields of South Africa. The Joint Venture will refurbish and utilise the full ERGO Plant which previously produced significant quantities of gold, uranium and sulphuric acid.

Recent sampling and technical evaluation by RSG Global has established a new JORC Measured Resource containing an estimated 1.6 million ounces of gold as described below:

| <b>Measured Mineral Resource Statement for Elsburg Complex. (November 2007)</b> |              |             |             |             |
|---|--------------|-------------|-------------|-------------|
| Dump  | Tonnes (Mt)  | Grade (g/t) | Au (Tonnes) | Au (Moz)    |
| 4/L/48 and 4/L/49   | 114.0        | 0.33        | 37.3        | 1.20        |
| 4/L/47 and 4/L/47A  | 34.2         | 0.26        | 8.7         | 0.28        |
| 4/L/50  | 23.4         | 0.25        | 5.9         | 0.19        |
| <b>Total</b>  | <b>171.6</b> | <b>0.30</b> | <b>51.9</b> | <b>1.67</b> |

\* It has been assumed that the tailings dams would be mined in their entirety, therefore no cut off grades or losses were included in the estimation.

The above resources relate to the Elsburg Tailings complex in isolation and only refer to gold mineralisation. Further analysis is planned to be undertaken for uranium and sulphur content within the next 2 to 6 months.

The Elsburg Complex, which was introduced to the ERGO Mines Joint Venture by DRD Gold, represents approximately 10% of the total 1.7 billion tonnes of tailing materials forming the joint venture. The joint venture intends to continue with an ongoing programme of resource evaluation and upgrade to properly identify and classify the gold, uranium and sulphur content of its tailings materials.

Phase 1 of the ERGO Mines Joint Venture will be confined to gold production only and is based on the refurbishment of one of the CIL circuits at the Brakpan Plant to treat and process approximately 15 million tonnes per annum and produce an estimated 75,000 ounces of gold a year.

RSG Global, a division of Coffey Mining, is an international consulting firm, which has been providing services and advice to the international mineral industry and financial institutions since 1987. The estimation was carried out by Mrs Kathleen Body (Pr. Sci. Nat) who has the appropriate relevant qualifications, experience, competence and independence to be considered an independent "Competent Person" or "Qualified Person" under the definitions provided in the Codes and Instruments. Mrs Body has some 13 years in the mining industry.

Mrs Body has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity she is undertaking to qualify as a Competent person as defined in the 2004 Edition of the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore reserves. Mrs Body consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

## **INFORMATION ON MINTAILS**

Mintails Limited is an Australian listed company (ASX:MLI) with management and operations in South Africa. Mintails processes and extracts gold from surface tailings materials 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.

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.

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

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