

COMPANY ANNOUNCEMENT

INSTITUTIONAL INVESTORS SUPPORT ACQUISITION
OF ADDITIONAL SGM INTERESTS

6 February 2008 : Mintails Limited (ASX : MLI) announced today that it had successfully negotiated the right to cancel share allotment options associated with the acquisition of Skeat Gold Mining (Pty) Limited ("SGM") through a cash payment to the vendors funded by an institutional placement of 17 million shares in the capital of the Company. Under the acquisition arrangements for SGM, which were approved by Mintails shareholders on 11 December 2006, Mintails and the vendors entered option arrangements providing for the acquisition of an additional 10% of SGM each year for three years through the allotment of 11,491,229 shares to Peter Skeat and Benoryn Investments Holdings (Pty) Ltd ("SGM Vendors") respectively (22,982,458 shares in total).

Mintails already controls and operates SGM and the further allotment of shares on exercise of the abovementioned options would have represented deferred consideration for the original acquisition.

The Company has instituted a private placement of 17 million shares at an issue price of 55 cents each and has simultaneously negotiated the cancellation of 17 million year 1 options of the total 22,982,458 shares to the SGM Vendors for a payment equivalent to the proceeds corresponding to the placement of 17 million shares. The remaining obligation in respect to the balance of 5,982,458 options will be voluntarily delayed for a period of 12 months. This process will obviate the need to comply with exchange control notification procedures in South Africa which would have applied had the options been exercised and the shares allotted to the SGM Vendors rather than being placed to the institutions under the new arrangement. The allotment will have no material affect on what the Company's cash position or capital base would have been had the shares been allotted to the SGM Vendors. The shares will be issued in accordance with the Company's 15% discretionary placement capacity.

Mintails Limited (ASX Code : MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and recovers gold and uranium from surface tailings resources which are present on the West Rand and East Rand of South Africa's historic Witwatersrand Basin. Mintails has a joint venture with DRDGold on the East Rand and is in the process of recommissioning the former AngloGold Ashanti-owned ERGO (East Rand Gold and Uranium Operations) and has commenced construction of WERGO on the West Rand of South Africa.

For Further Information Visit:

www.mintails.com

Or contact:

Dick van der Walt - CEO

Telephone: +27 (12) 346 4406

Fax: +27 (12) 346 4409

Richard Revelins - Director

Telephone: 61 3 9824 8166

Fax: 61 3 9824 8161