

# HARVESTING GOLD ON THE WEST RAND

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- The Witwatersrand Basin of South Africa has historically produced in excess of 1.6 billion ounces of gold representing over 30% of Total World Gold Production.





## Background

- Change in Mining Laws & BEE have created opportunity in South Africa
- Large Tailings Resource of 305mt @ 0.42 gpt (145.5mt – JORC Resource)
- Existing CIL plant

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## STAGE 1 - Recommissioning

- Upgrade existing CIL Plant - **Completed**  
220,000 tpm (2.6m tpa)
- Produce 45,000 ozs Au per annum
- Cash cost approx. USD 352 per ounce

### Production commenced 21 April

- First gold pour - **Completed**
- Sands circuit online – full production expected for July 06
- Year 1 Project profit forecast : \$15.1m (at USD 600)

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## Resource Upgrade

- Planned upgrade of existing 305 mt to JORC “measured”
- Cost \$0.5m
- 18 year estimated project life (on JORC resource)
- Additional resources under negotiation
- Aim to increase resource base by acquisition:
  - 600 mt (immediate target)
  - 1 billion tonnes (longer term)

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## Proposed STAGE 2

- Within next 6 – 12 months
- Second leach circuit and Beneficiation plant
- Upgrade to 600,000 tpm (7.2m tpa)
- Production Target 120,000 oz Au per annum
- Cash cost drops to estimated USD 315 per ounce
- Estimated capital cost \$40 million

Project is fully scalable to accelerate gold production

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## WEST RAND GOLD Project Profitability

	<u>1<sup>st</sup> Yr</u>	<u>Stage 2</u>	<u>Alternative</u>
Gold Price	45,000	120,000	240,000
	ozs p.a.	ozs p.a.	oz p.a.
<u>USD</u>	<u>AUD</u>	<u>AUD</u>	<u>AUD</u>
500	9.0m	32.6m	65.2m
550	12.0m	38.4m	76.8m
600	15.1m	46.5m	93.0m
700	21.1m	62.9m	125.8m
800	27.2m	78.6m	157.3m

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## Board

- Bryan Frost                      Chairman
- Dick van der Walt              CEO (Johannesburg)
- Richard Revelins                Executive Director
- Dick Potts                        Non-executive Director
- Peter Chapman                 Non-executive Director

### Technical Advisors

Atomaer   - Process  
Lobisol    - Engineering  
TWP        - Engineering  
Snowdens - Resources

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## Highlights

- 18 year estimated mine life on JORC Resource
- Large existing 305mt of tailings
- Proven technology
- Scalable production options
- Experienced management and production team
- Politically stable environment
- BEE compliant

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## STAGE 2 Capital Requirements

AUD \$50 m

	<u>AUD m</u>
Upgrade plant Stage 2	40.0
Exercise DRD option	2.6
New Acquisitions	5.0
Working Capital	<u>2.4</u>
	AUD <u>50.0</u> m

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## Capital Structure

Shares (existing)	:	158.7m (101.7m listed)
Performance Shares	:	20.0m [escrow Dec 07]
Options (1/7/06)	:	25.5m (at 15 cents)
Current Price	:	30 cents
Market cap	:	\$47.6m (undiluted)

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