

COMPANY ANNOUNCEMENT

AGREEMENT REACHED ON ELSBURG GOLD MINING JOINT VENTURE
PROJECT

9 December 2008 : Mintails Limited (ASX : MLI) announced today that it had signed a binding Heads of Agreement with DRDGold Limited (“DRDGold”) in respect of the sale of Mintails’ remaining interest in the Elsburg Gold Mining Joint Venture Project (“Elsburg”). Mintails has agreed to sell to DRDGold its 35% interest in Elsburg for R177m* (approx. AUD 26.8m) cash.

Given the prevailing economic climate, Mintails is very pleased to have secured this transaction with DRDGold. Not only will this transaction provide significant cash resources from the sale of Mintails’ 35% Elsburg interest but will also allow Mintails to retain its 50% share of the larger ERGO Mines Joint Venture, which comprises in excess of 1.5 billion tonnes of tailings materials containing gold, uranium and sulphur.

The transaction is subject to the fulfillment of certain conditions precedent including regulatory approvals in RSA and no adverse material changes in the Rand gold price and DRDGold share price. Mintails will utilise part of the proceeds from this sale to satisfy all outstanding creditors, following which the Company will be in a relatively strong cash position. Other non-core and surplus assets have also been identified for disposal and may provide additional funds which, in a climate where new equity and debt raisings are extremely difficult to complete, will provide a strong financial base for the Company.

In October 2008, the Company announced that it had disposed of a 15% interest in Elsburg to DRDGold for R100m (approx. AUD 15.1m). These funds were required to allow for completion of funding arrangements for the ERGO Mines Joint Venture Project which, as announced in November 2007, significantly expanded the East Rand operations and resulted in the need for further development capital. DRDGold already holds an option to acquire a further 11.4% interest in Elsburg (i.e. to bring its interest to 76.4% in total) at an exercise price of R75m (approx. AUD11.3m), which is exercisable in the event that the Company does not have sufficient funds to complete its funding arrangements in respect to the East Rand projects. Given the state of the markets, the directors of Mintails believe it would be unlikely that the Company could secure the required funding before 31 December 2008 to avoid this further dilution. The binding Heads of Agreement does not alter the option, but the purchase price in respect of the transaction will adjust automatically if the option is exercised before completion of the transaction.

As previously announced, Mintails has delayed the commissioning of its WERGO Gold and Uranium Project. Over the past 6 months, the Company has engaged with traditional providers of equity and debt for the purpose of arranging new lines of funding, which due to world economic and financial limitations were not available.

* All ZAR amounts are converted at an exchange rate of AUD / ZAR 6.6

The sale of Mintails' residual Elsburg interest, apart from providing significant funding in a difficult capital markets environment, enables Mintails to maintain its 50% ERGO Mines Joint Venture interest, and all its existing assets and resources on the West Rand. Mintails is concentrating its efforts on facilitating regulatory approval for the Witfontein Deposition site, which it sees as being the catalyst for consolidation and commercially successful tailings treatment on the West Rand.

For And On Behalf Of The Board



Dick van der Walt
CEO

About Mintails Limited

Mintails Limited (ASX Code : MLI) is an Australian listed company with management and operations in South Africa. Mintails processes and recovers gold and proposes to recover uranium from surface tailings resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: 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