

COMPANY ANNOUNCEMENT

PROGRESS REPORT – West Rand Gold Project
Sands Circuit Comes On Stream

Wednesday, 14 June 2006 : Mintails Limited (ASX : MLI) is pleased to announce that commissioning of the sands circuit at the Mogale Gold Plant, near Johannesburg, South Africa has been successfully completed. The first of three mills started milling on Friday, 9 June and the two remaining mills became operational approximately 24 hours thereafter. The commencement of production through the sands circuit will contain a production ramp-up phase and the associated gold is anticipated to remain in lock-up for the next 10 days of production.

Mintails CEO, Dick van der Walt commented “Everything is now set to have production of our planned 220,000 tonnes of gold tailings per month for the month of July. We are very pleased with grades and recoveries to date which have been increasing in line with the ramp-up of production. There is no reason to believe that our production and gold recovery estimates will not be achieved from July going forward”.

It is estimated that the Mogale gold plant will achieve average monthly gold production of approximately 3,750 ounces per month (45,000 oz Au per annum). Mintails has approximately 305 million tonnes of tailings materials (including 170 million tonnes under option) of which 145.5 million tonnes are measured, indicated and inferred resources with an average grade of 0.42 gpt Au containing 1.9 million ounces of gold estimated in accordance with the JORC code. Further surveying and drilling is proposed to enable upgrade of all remaining resources to measured category which in turn would be expected to significantly increase the gold inventory.

For And On Behalf Of The Board



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