

COMPANY ANNOUNCEMENT

Conversion and Expiry Of Options

Tuesday, 4 July 2006 : Mintails Limited (ASX : MLI) is pleased to announce that as at the expiry date being 1 July 2006 the company had received valid exercise notification in respect of 23,366,813 million of the total 25,490,431 million 1 July 2006 listed options on issue raising a total amount of approximately \$3.5 million.

Mintails CEO Dick van der Walt commented “it is most encouraging to see well over 90% of the options exercised. The funds raised from the option conversion together with the recent \$15 million institutional placement put Mintails in a very firm financial position which will greatly assist us in our corporate and growth by acquisition strategies. We expect to announce results of our first commercial gold pour very soon and strong recoveries and production for the month of July.”

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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