



Quarterly Report For The Period Ending 31st March 2006

Highlights

- Mintails commences production at West Rand Gold Project ahead of schedule with processing of slimes from Lancaster Vlei.
- Sands circuit scheduled to come on stream within next 14 days
- Appointment of new directors

West Rand Gold Project

The company announced on 21 April that mining and treatment of its extensive gold tailings project located 60 km's west of Johannesburg, South Africa had commenced ahead of schedule. Mintails commenced mining and treating of the slimes tailings resource at Lancaster Vlei located approximately 5 kms from the Mogale processing plant. It is anticipated that mining and treatment of sands tailings from the Cams Sands deposit will also commence within the next 14 days.

The mining method for the reclamation of tailings comprises loaders for mining of sands at the site of the Cams deposit and water monitoring at the sites of the slimes deposits, pumping the slurry through a pipeline to the Mogale Plant for processing and production of gold. The monitoring of the dumps offers no engineering or process risk as this mining method is standard for reclamation of tailings throughout the gold mining industry in South Africa.

With both slimes and sands circuits operating together, it is estimated that the Mogale plant will achieve average gold production of 3,750 ounces per month (45,000 oz Au per annum).

Mintails has approximately 305 million tonnes of tailing 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.

+ See chapter 19 for defined terms.

The Company is proposing in due course, to undertake a Stage 2 plant Upgrade to treat 600,000 tonnes of tailings per month @ 0.7 gpt Au to produce approximately 120,000 ounces of gold per annum over an existing project life of 18 years. The Stage 2 Upgrade will also include commissioning of a beneficiation plant to upgrade the feed to the leach circuit from 0.42 gpt to 0.7 gpt, as recommended in the relevant processing and engineering studies commissioned by the Company.

Corporate

On 21 February the Company announced the appointment of Dick van der Walt and Dick Potts to the Board. Dick van der Walt was appointed as Chief Executive Officer of Mintails on 16 November 2005 with significant experience and expertise in law, international taxation, investment banking and Black Economic Empowerment (“BEE”) issues. Mr van der Walt was formerly chairman of Acorn Mining (Pty) Ltd a BEE compliant entity with which the Company has established a formal relationship.

Dick Potts is a highly credentialed mining engineer with substantial experience having previously held senior positions with MIM, Rio Tinto, Pasminco and Ticor.

Outlook

The Company looks forward to May which will represent the first month of gold production from the West Rand Gold Project.

For And On Behalf Of The Board



Bryan J Frost
Chairman

The resource and technical information in relation to the West Rand Gold Project has been based on public information previously released by the Company and in particular the Prospectus dated 2 December 2005.

Appendix 5B – 3rd Quarter

Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of Entity:

MINTAILS LIMITED

ABN:

45 008 740 672

Quarter Ended ('Current Quarter')

31st March 2006

Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (9 months) \$A'000
<u>Cash Flows Related to Operating Activities</u>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	-	-
(b) development	-	-
(c) production	-	-
(d) administration	(675)	(948)
(e) contract services	(184)	(283)
(f) staff costs	(306)	(419)
(g) other working capital	-	(80)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	88	107
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,077)	(1,623)
<u>Cash Flows Related to Investing Activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	16	221
(c) other fixed assets	-	-
1.10 Loans to other entities	(6,181)	(6,995)
1.11 Loans repaid by other entities	(260)	(260)
1.12 Other (provide details if material)	-	-
Net Investing Cash Flows	(6,425)	(7,034)
1.13 Total Operating and Investing Cash Flows	(7,502)	(8,657)

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (9 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Carried Forward)	(7,502)	(8,657)
Cash Flows Related to Financing Activities			
1.14	Proceeds from issues of shares, options, etc.	(551)	12,169
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	(137)
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	(720)
Net Financing Cash Flows		(551)	11,312
Net Increase / (Decrease) in Cash Held		(8,053)	2,655
1.20	Cash at beginning of quarter/year to date	10,925	217
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at End of Quarter	2,872	2,872

Payments to Directors of the Entity and Associates of the Directors
Payments to Related Entities of the Entity and Associates of the Related Entities

		Current Quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	165
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions	
Salaries, directors' fees, corporate advisory & consulting fees at normal commercial rates		

Non-Cash Financing and Investing Activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows
-
- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest
-

+ See chapter 19 for defined terms.

Financing Facilities Available

Add notes as necessary for an understanding of the position.

	Amount Available \$A'000	Amount Used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
Total:	200

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current Quarter \$A'000	Previous Quarter \$A'000
5.1 Cash on hand and at bank	69	285
5.2 Deposits at call	2,778	8,550
5.3 Bank overdraft	-	-
5.4 Other (provide details)	25	2,091
Total: Cash at End of Quarter (item 1.22)	2,872	10,926

Changes in Interests in Mining Tenements

	Tenement Reference	Nature of Interest (note (2))	Interest at Beginning of Quarter	Interest at End of Quarter
6.1	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number Quoted	Issue Price Per Security (cents) (see note 3)	Amount Paid Up Per Security (cents) (see note 3)
7.1	Preference +Securities <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3	+Ordinary Securities	186,680,416	127,180,416	-	-
7.4	Changes during quarter (a) Increases through issues			-	-
	(b) Decreases through returns of capital, buy- backs	39,484,174	15,825	-	-
7.5	+Convertible debt securities <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(Description and Conversion Factor)</i>	25,474,606	25,474,606	Exercise Price \$0.15	Expiry Date 1/7/2006
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance Statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign Here:



Director

Date: 28 April 2006

Print Name:

Richard Revelins

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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