

COMPANY ANNOUNCEMENT

CLOSING OF \$15 MILLION PLACEMENT

Wednesday, 26 July 2006 : Mintails Limited (ASX : MLI) is pleased to announce that following the granting of shareholder approval at the meeting held on 24 July 2006 it has closed the institutional placement for 60 million new shares at 25 cents each raising \$15 million before allowing for costs of the issue. The company completed the first tranche of \$5 million (20 million shares) on 9 June 2006 under the 15% discretionary rule provided by ASX listing rule 7.1. The second tranche of \$10 million (40 million shares) was completed, upon receiving shareholder approval. Bell Potter Securities acted as manager to the issue.

Completion of the placement has placed the company in a strong financial position to capitalise on its strategic growth initiatives on the West Rand. The announcement of gold production figures for the month of July is anticipated to be made within the next two weeks with both production and recoveries building strongly over the month.

Mintails CEO Dick van der Walt commented “We are very pleased with the way the Mogale Gold plant is performing as we steadily build up production to our goal of 220,000 tonnes per month providing an average of 3,750 ounces of gold per month (45,000 ounces of gold per annum). Along with production gold recoveries are climbing steadily and we are confident of achieving planned recovery rates as we go forward”.

For and On Behalf Of The Board



Bryan J. Frost
Chairman

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