

## **COMPANY UPDATE: LOAN**

1<sup>st</sup> August 2014

Mintails Limited's ("**MLI**" or "**the Company**") (ASX: **MLI**) available funds have been impacted by the effects of the recent National Union of Metalworkers of South Africa strike and the Company's inability to access its higher grade resources, as disclosed in the Company's announcement of 21<sup>st</sup> July.

The Company is pleased to advise that it has agreed the terms of an unsecured loan from Paige Limited, an associate of its major shareholder. The loan will be used to fund working capital requirements.

The key terms of the loan are:

Facility: Up to AUD \$5,000,000 with an initial draw down of AUD \$1,000,000 and further drawdowns at the discretion of the lender

Term: 6 months, callable by lender with 30 days' notice.

Interest: 15.1111% pa

Facility fee: 2% of amount drawn

Under the facility agreement, the Company agrees to lodge a prospectus for a rights issue within 30 days of releasing its financial accounts for the year ended 30 June 2014. Further details regarding the proposed rights issue will be released in due course.

The Company has undertaken a wide range of consultations with affected parties and provided the Department of Mineral Resources (DMR) with required information. The Company believes there are no further requirements for the lifting of the remaining restrictions. Once full access is granted by the DMR the Company intends to undertake the preparatory work of pumping the flooded pits and cleaning and stripping waste prior to the resumption of production from the Main Reef and Princess Pits.

The Company is keeping its creditors informed of the current situation and continues to receive their support.

Gold production, while improved, remains below targeted production levels.

On behalf the board

Mark Brune  
Chairman  
Mintails Limited

**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 from both tailings and surface resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: [www.mintails.co.za](http://www.mintails.co.za)*

**Looking Forward Statement**

*Certain statements made in this announcement are forward-looking statements and are based on Mintails' current expectations, estimates and projections. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "guidance" and similar expressions are intended to identify forward-looking statements.*

*Although Mintails believes the forward-looking statements are based on reasonable assumptions, they are subject to certain risks and uncertainties, some of which are beyond Mintails' control, including those risks or uncertainties inherent in the exploration, mining & production of gold. As a result, actual results could materially differ from those expressed or forecasted in the forward-looking statements.*

*The forward-looking statements made in this announcement relate only to events as of the date on which the statements are made. Mintails will not undertake any obligation to release publicly any revisions or updates to these forward-looking statements to reflect events, circumstances or unanticipated events occurring after the date of this announcement except as required by law or by any appropriate regulatory authority.*