



COMPANY UPDATE: Tenement Access & Loan Drawdown

Tenement Access

Mintails Limited's ("MLI" or "the Company") (ASX: MLI) South African operating entities have received formal acknowledgement from the Department of Mineral Resources ("DMR") that it has lifted the last remaining restrictions imposed on the Company in January 2014, which had prevented the Company from accessing its open cast mining areas. The lifting of the Section 54 notice is the culmination of extensive consultation with government officials and recognised community representatives, with both groups now confirming that they are agreeable to Mintails resuming all of its mining activities.

The areas of particular concern that have been satisfactorily addressed include a close examination of blasting techniques and distances given the proximity and density of adjacent occupied areas. Related to the blasting issue were ongoing concerns about the proximity of mining to residential housing. The location of the Princess Pits is close to the boundary of a portion of the Kagiso community and additional consideration needs to be given to operations in this area beyond the standard guidelines regarding mining and blasting near dwellings. Finally, the DMR sought assurance that concurrent remediation of the Princess Pits will take place once mining resumes.

The Company is now permitted to re-enter previously mined Main Reef and Princess Pits. This is expected to provide Mintails with higher grade reef and therefore greater flexibility in its mine planning, thereby helping to facilitate an expected return to cash flow positive production.

In addition to the lifting of the Section 54 Notice, the Company has agreed, after consultation with the DMR, to undertake "mining for remediation" along the Main Reef in the East Champ D'Or section of the mining area. There is approximately 1,400 metres of Main Reef strike in this section, which is subject to extensive illegal "zama zama" artisanal mining activities. Mintails will open cast mine the reef outcrop, removing the crown pillar and remediating the surface to remove all access to the Main Reef for the artisanal miners. This remedial mining is expected to take approximately 8 months.

While both the lifting of the Section 54 Notice and the agreement with the DMR to undertake mining for remediation are expected to have a positive impact on the operations of the Company, Mintails' working capital position remains challenged in the short-term.

Loan Drawdown

Further to the announcement of 1 August, 2014, MLI has agreed with Paige Limited a second draw down against the conditional AUD 5,000,000 loan facility. This latest drawdown is for GBP 750,000 (approximately AUD1,300,000), of which circa AUD 1,000,000 will be provided to the South African entities to provide further working capital support, while the remaining circa AUD 300,000 will be retained at the MLI level in Australia. This tranche is repayable in GBP.

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

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.