

Company Announcement

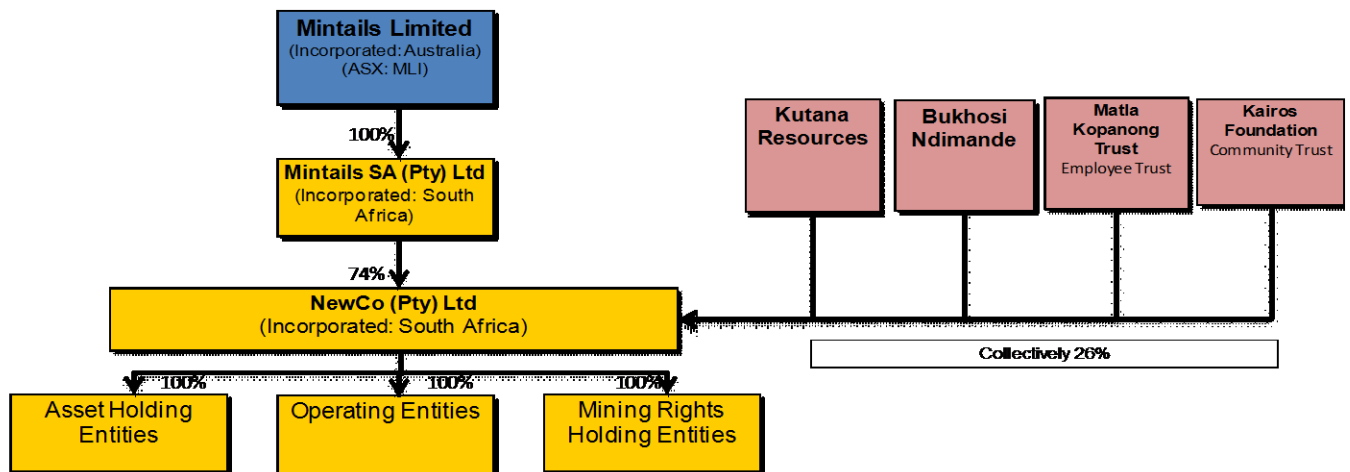
Mintails Limited: Company Update

15 March 2013: Mintails Limited (ASX: MLI) (“the Company or “Mintails”) is pleased to announce that it has entered into signed Heads of Agreement (HoA) with a consortium of partners for the purposes of meeting South African Black Economic Empowerment (BEE) and Broad Based Black Economic Empowerment (BBBEE) requirements through equity participation.

Under the requirements, Mintails must have equity participation of at least 26% in its South African operations by and to the benefit of Historically Disadvantaged South Africans (HDSAs). The equity stake will be purchased by the local partners, who then participate pari passu with Mintails and provide representation to the board at the empowered level.

The signing of the HoA is a major step forward in bringing like minded individuals into the Group who will add significant value to the Mintails Group going forward. We are pleased to have identified partners that share our same values, vision and belief in the potential of the Company.

The proposed structuring of the empowerment transaction will allow Mintails to streamline its operations and implement an organizational structure as follows:



The restructuring of the Group will require Mintails SA (Pty) Ltd to incorporate a “NewCo” which will form the empowered Group. Through the implementation of NewCo all other entities will become subsidiaries of NewCo allowing the empowered partners to participate in all operations within the Mintails Group. All intergroup loans will be rolled up to Mintails SA (Pty) Ltd allowing for NewCo to operate with a clean balance sheet from day 1.

There are a number of key differences between the previous structure and the current proposed structure. First, it is proposed that each partner has a pro rata stake in each of the subsidiaries and, as such, will participate to the same level in each subsidiary. Previously, individual BEE entity stakes were of varied amounts across different empowered subsidiaries. Second, every subsidiary will now be empowered to the same degree, providing better liquidity and transparency to intra-group funds flow. Third, the new structure will expand the impact of the BEE participation be “Broad Based” by explicitly including HDSA interests within our local Community and Workforce.

Mintails already operate two Trusts within South Africa and these trusts will in future play a much bigger part in meeting the requirements of the BBBEE as set out by the Mining Charter and Amended Charter. These trusts are the Matla Kopanong Trust, which will hold 3% of the equity in the Empowered Company for the benefit of the Employees, and the Kairos Foundation, which will hold 1% for the benefit of the Local Communities.

The remaining shares will be shared between Kutana Resources and Bukhosi Ndimande.

Kutana Investments is black women owned and led Pan African BEE Investment Group and was founded in 2009 by Thoko Mogosi-Mwantembe, Jackie Huntley and Janine de Bruyn, The board and management team have over 70 years of corporate professional experience in leading successful organizations across Africa.

The investment into Mintails will be led by Ms Thoko Mokgosi-Mwantembe, shareholder and CEO of Kutana. In addition to her role with Kutana, she holds non-executive board positions in leading South African companies, including Absa Bank and Vodacom. Previously, Ms Mokgosi-Mwantembe held several executive roles, including CEO of Hewlett Packard SA, CEO of Alcatel SA, Divisional MD of Seimens Telecommunications and Sales and Marketing Director at Lucent Technologies. She completed her undergraduate and graduate studies in the UK as well as executive courses at Harvard University in the USA and IMD in Switzerland.

Kutana's investment philosophy is simple:

“Get Involved; Add Value; Make a Difference; Create Wealth and Opportunity”

Please refer to www.kutanagroup.co.za for more information.

Bukhosi Ndimande is an entrepreneur and businessman operating and managing a range of business enterprises in South Africa and Southern Africa. Mr Ndimande is the founder and owner of Phumula Consulting, a mining consultancy providing specialized advice in mine sealing and de-watering. He is also an owner and MD in Phephisa Mining (Pty) Ltd, a company providing underground contract mining, drilling, blasting and related services to the mining industry. Previously, Mr Ndimande held key roles in the Chamber of Mines where he facilitated tri-partite dialogue between Labour, the Government and Industry.

The due diligence and documentation process is expected to take approximately 2 months. Grant Thornton has been appointed to undertake an independent valuation for the purposes of informing the appropriate buy-in level for the new partners. Edwards Nathan Sonnenbergs inc. (ENS) has been instructed to prepare the final Share Purchase and Shareholders Agreements. ENS will review the corporate documentation of the subsidiaries to standardise this documentation across the entities as well as assure it is aligned with the aspirations of the amended Companies Act. of South Africa.

On behalf of 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 surface tailings resources which are present on the West Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: www.mintails.com