



Mintails Limited
(ACN 008 740 672)

Third Supplementary Target's Statement

by

Mintails Limited
ACN 008 740 672
in relation to the Offer by
Mr Seager Rex Harbour
to acquire your Mintails Shares

The Directors of Mintails Limited that make a recommendation,

recommend that you **REJECT** the Offer

Important Information

This document is important and should be read in its entirety. If you do not understand it or you are in doubt as to how to act, you should consult your lawyer, accountant, stockbroker or other professional adviser immediately.

Important Notices

This Supplementary Target's Statement is dated 11 April 2011 and is prepared in accordance with Section 644 of the Corporations Act 2001 (Cth) by Mintails Limited ("Mintails"). It supplements the original Target's Statement dated 24 March 2011 and the Supplementary Target's Statements dated 1 and 6 April 2011 prepared in response to the Bidder's Statement dated 11 March 2011 and the Supplementary Bidder's Statement dated 8 April 2011.

The Supplementary Target's Statement is to be read together with the original Target's Statement and prevails over the original Target's Statement to the extent there is any inconsistency.

ASIC

A copy of this Supplementary Target's Statement has been lodged with the ASIC. Neither the ASIC nor any of its officers take any responsibility for the content of this Supplementary Target's Statement.

Investment Decision

The recommendations of the Responding Directors contained in this Supplementary Target's Statement do not take into account the individual investment objectives, financial situation or particular needs of each Mintails' Shareholder. You may wish to seek independent professional advice before making a decision as to whether or not to accept the Offer.

Defined Terms

Unless the context requires otherwise, words and expressions defined in the original Target's Statement have the same meanings in this Supplementary Target's Statement.

Forward Looking Statements

This Supplementary Target's Statement may contain forward-looking statements. You should be aware that such statements are only predictions and are subject to inherent risks and uncertainties. Those risks and uncertainties include factors and risks specific to the mining industry as well as general economic conditions and conditions in the financial markets. Actual events or results may differ materially from the events or results expressed or implied in any forward-looking statement and such deviations are both normal and to be expected. None of Mintails, any of its Directors, any person named in this Supplementary Target's Statement with their consent, or any person involved in the preparation of this Supplementary Target's Statement makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward-looking statement, or any events or results expressed or implied in any forward-looking statement, and you are cautioned not to place undue reliance on those statements.

Any forward-looking statements in this Supplementary Target's Statement reflect views held only as at the date of this Supplementary Target's Statement.

Shareholder Enquiries

If you have any queries regarding the Offer or this Supplementary Target's Statement, please contact Security Transfer Registrars on 08 9315 2333 (from within Australia) or +61 8 9315 2333 (from outside Australia).

Letter from the Chair of Mintails

Dear Shareholder

Each of Dick Van der Walt, Patrick Smyth, Frederick Beaumont and Peter Chapman (**Responding Directors**) would like to reconfirm their recommendation that you **REJECT** the Offer.

The Responding Directors, have issued this Supplementary Target's Statement because new information has become available since the original Target's Statement was lodged on 24 March 2011 and the Supplementary Target's Statements lodged on 1 and 6 April 2011.

You may consider the information in this document to be relevant in allowing you to make an informed assessment about whether or not to accept the Offer.

Each Responding Director who has a relevant interest in Mintails Shares has reconfirmed that they presently intend to **REJECT** the Offer.

TO REJECT THE OFFER YOU NEED NOT TAKE ANY ACTION.

We encourage you to read this Supplementary Target's Statement carefully and consult your legal, financial or tax adviser concerning the impact your decision may have on your own circumstances.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Pat Smyth', with a horizontal line underneath.

Pat Smyth
Chairman

1. Supplementary Information

1.1. Increased Offer

The Bidder has increased its offer to \$0.15 per Share.

The Independent Expert has assessed the indicative value of Mintails Shares to be **\$0.450 to \$0.498** per Share, with a midpoint value of **\$0.474** per Share.

On the basis of the above, the Offer Price of \$0.15 is still well below the midpoint value of \$0.474 per Share (a discount of \$0.324).

Your Responding Directors consider that Shareholders should **REJECT** the Offer.

The Responding Directors repeat their recommendation to **REJECT** the Offer. Each of the reasons set out in the Target's Statement remains relevant. These reasons are repeated below:

- The Independent Expert has advised that the Offer is "**not fair and not reasonable**".
- The Offer Price does not include any premium for control.
- The Offer Price is below the value of Mintails Shares.
- In the Responding Directors' view, Mintails' commercial outlook is improving and will continue to improve. Acceptance of the Offer would prevent shareholders from any upside that may result from the improved performance of Mintails going forward.
- Inability to accept higher offer if one were to emerge.

In addition, your Responding Directors note that, in their view, the increase to the initial offer price from \$0.08 to \$0.15 provides a clear indication that the original and increased Offers are opportunistic.

1.2. Material negotiations

Mintails has been approached by a number of prospective parties in relation to possible material commercial transactions. Mintails is currently negotiating with a number of third parties in that regard. These negotiations remain incomplete. Mintails wishes to keep the details of the possible transactions and prospective counterparties confidential so as not to adversely impact the negotiations. However, the fact that Mintails is in negotiations is a material matter which may be relevant to your decision whether to accept or reject the Offer.

Mintails will update you should these negotiations lead to a binding proposal or transaction.

1.3. Further funding

At section 3.4 of the Supplementary Bidder's Statement the Bidder states:

The Bidder notes that subject to negotiations in good faith and execution of definitive documentation, he remains ready willing and able to meet Mintails' short term funding requirements on arm's-length terms and Mintails' long term funding requirements..."

Mintails was not willing to agree with the Bidder's proposed funding arrangements. Mintails assessed both the proposed long and short term funding by the Bidder as:

- commercially unacceptable;
- highly prohibitive; and
- unlikely to be in the best interest of Mintails shareholders.

Mintails did seek to negotiate commercially acceptable funding with the Bidder (and his associates) but the Bidder was unwilling to agree to less disadvantageous and less onerous funding arrangements.

1.4. Board changes

Mintails notes that the Bidder has indicated a desire to make changes to the constitution of the Mintails Board.

Whilst this is obviously a matter for Shareholders to consider at a general meeting your Responding Directors note that:

- the Bidder has not provided any reason as to why the 2 independent non-executive directors it wishes to replace are unsuitable or should be replaced; and
- there is a real risk that the appointment of the additional directors proposed by the Bidder will lead to further conflicts of interest, making governance more difficult and costly.

Mintails will take advice on its obligations in relation to the proposed Board changes and act accordingly.

1.5. Defined Terms

Unless the context requires otherwise, words and expressions defined in the original Target's Statement have the same meanings in this Supplementary Target's Statement.

1.6. Authorisation of the Directors of Mintails

The Board of Mintails has approved the contents of this Supplementary Target's Statement and its lodgement with ASIC. Mr Brune did not vote on the directors' resolution to approve this Supplementary Target's Statement.

Dated: **11 April 2011**

A handwritten signature in black ink, appearing to be 'P. Singh', with a horizontal line underneath.

Chair

For and on behalf of Mintails Limited