

ANNOUNCEMENT OF 1 FOR 4 RENOUNCEABLE ENTITLEMENTS OFFER AT \$0.16 PER SHARE

10 June 2011 Mintails Limited (**Mintails**) is pleased to announce the terms and conditions of a renounceable entitlements offer to shareholders (**Offer**). The Offer will be open to residents of Australia, New Zealand and other countries where it is lawful to make the Offer. If fully subscribed:

- Mintails will issue a maximum of 30,368,628 ordinary shares under the Offer and will have a maximum of 151,843,143 ordinary shares on issue following the Offer¹.
- the Offer will raise approximately \$4.8 million before costs.

The current Board considers that funds raised from the Offer should be applied firstly to meet any repayment obligations associated with short term funding received to date (including a bridge loan with an entity associated with Mr Harbour, if approved and drawn) and to meet costs of the Offer. Any additional funds received by Mintails under the Offer may then be available to meet the capital expenditure program as well as to meet working capital requirements from time to time. However, as the composition of the Board is likely to change from 15 June 2011, the current Board does not consider it appropriate to commit to any particular expenditure or funds raised under the Offer. Rather, the proposed use of funds raised under the Offer is a matter which will be considered by the reconstituted Board of Mintails after 15 June 2011. To the extent it differs from the terms set out in the Offer Document, Mintails will issue an ASX announcement.

Eligible shareholders may subscribe for 1 new share for every 4 existing shares held on the Record Date (7.00pm, 21 June 2011) at the offer price of \$0.16. Once issued, new shares will rank equally with existing ordinary shares on issue.

The entitlements are renounceable, meaning eligible shareholders who do not wish to take up all or part of their entitlement may choose to sell or transfer their entitlements. Fractional entitlements will be rounded down.

Entitlements not taken up by the close of the Offer will be allocated under a shortfall facility. Shareholders who take up their Entitlements in full will also have the right to apply for New Shares in excess of their Entitlements under a shortfall facility. Eligible Shareholders may apply for any number of additional New Shares provided the issue of those Shares would not result in any person's voting power in Mintails exceeding the maximum amount permitted by law. Mr Rex Harbour, holder of 37.8% of the issued shares of Mintails may not participate in the Shortfall Facility without modification of the application of the Corporations Act to him. The Board understands that Mr Harbour has applied for such a modification. The outcome of this application is unknown.

The Issue Price of each New Share is \$0.16, representing a discount of approximately 16% to the last price at which Shares traded on ASX on 9 June 2011, the day before the announcement of this Offer.

¹ Assumes:

- (a) conversion of convertible notes issued to Antnea Pty Limited on 15 December 2010 to 4,545,455 Shares before the Record Date and no other convertible notes are exercised or Shares issued.
- (b) no Options are exercised prior to the Record Date.

The Offer document will be lodged at ASX on Friday, 10 June 2011 from which time it will be available on the Company's website (www.mintails.com) and on the ASX website (www.asx.com.au).

Key dates in the Offer are:

Event	Date
Announcement of Offer (before 9.30am)	10 June 2011
Lodgement Date – Offer Document, Appendix 3B and cleansing notice lodged with ASX	10 June 2011
Ex Date – The date on which Existing Shares commence trading without the Entitlement to participate in the Offer and Entitlements trading begins	15 June 2011
Record Date – The date for determining Entitlements of Eligible Shareholders to participate in the Offer (7.00pm (Melbourne time))	21 June 2011
Offer opens and Offer document will be despatched	27 June 2011
Entitlements trading ends	4 July 2011
Closing Date – The last day for receipt of Applications (7.00pm (Melbourne time))	11 July 2011
Expected commencement of normal trading in New Shares on ASX	20 July 2011

Further information in relation to the Offer including important notices, important dates, and key risks is set out in the Offer document. You are urged to read the Offer document carefully before making a decision in relation to your entitlement.

On behalf of the Board



Dick van der Walt

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 and proposes to recover uranium from surface tailings resources which are present on the West and East Rand of South Africa's historic Witwatersrand Basin. To find out more, visit Mintails at: www.mintails.com

Or contact:

Dick van der Walt - CEO

Telephone: +27 (12) 346 4406

Fax: +27 (12) 346 4409