

Company Update

The Company has today received and acknowledged receipt of a written offer from DRDGold Limited ("DRD") to acquire all of the Company's interests in its South African subsidiaries and thereby all its South African assets ("the Offer") to the exclusion of the Company's shareholding in West Wits Mining Limited ("WWI").

The offer has been accepted by the Company subject, *inter alia*, to the approval of its board of directors and the in principle approval on the merits of the terms proposed of its major shareholders and other stakeholders by the 31 July 2009. In assessing the terms it is important that the Company have regard to its ongoing capital and operating expenditure requirements. In recent days, indications have arisen which suggest that rehabilitation commitments for South African mining projects may involve a requirement for cash funding rather than alternative arrangements such as insurance bond indemnities. These possible developments, if proceeded with, could impact on the Company's capacity to operate in the absence of new equity injections. It is in these circumstances the Company felt it appropriate to seek a trading halt to fully clarify the nature of the approach from DRD and ensure that adequate arrangements were made for a proper consideration of all the issues (including consultation with shareholders) before a decision was required.

The Offer is subject furthermore to various conditions precedent to completion including; approval of Mintails shareholders in general meeting, approval by the DRD board, to the extent necessary approval of DRD shareholders in general meeting, obtaining of such other regulatory and specific shareholder approvals as may be required, completion of basic due diligence to establish title to the relevant assets and preparation and execution of definitive agreements.

The purchase price under the Offer provides for a determination of value based on the 30 day Volumes Weighted Average Price ("VWAP") for Mintails shares over 30 trading days terminating on 24 June 2009, less the value of Mintails' holding in WWI based on the WWI trading VWAP for the same 30 trading days to 24 June 2009. The purchase price is proposed to be discharged through the issue of DRD shares at a value also calculated by a 30 trading day VWAP to 24 June 2009.

On behalf of the Board

Phillip Hains - Company Secretary

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

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