MINTAILS LIMITED – WEST RAND GOLD PROJECT
PROJECT SUMMARY

Project Location

West Rand Region, 25km west of Johannesburg, S.A.
Witwatersrand Basin has produced 35% of world's gold production (1.7 billion ozs)

Resources

145.5.m tonnes of slimes / sands / tailings JORC compliant
@ 0.42 g/t for 1.98m ozs Au (confirmed by Snowdens)
Minimal drilling and surveying planned to upgrade resources to JORC Measured category

Option on:	+ 170m tonnes	similar grades (DRD Gold Option)
	+ 20m tonnes	similar grades

Mogale Gold Plant

Plant and Equipment in existence (160,000 tpm existing CIL Plant)

- Stage 1 recommissioning cost AUD$ 4m
- Stage 2 upgrade cost AUD $33m

Production

<u>Stage 1</u> (within 4 months)

220,000 tonnes per month @ 0.67 gpt
High grade sands and slimes
Gold production 44,500 ozs Au per annum

<u>Stage 2</u>

600,000 tonnes per month
Gold production 120,000 ozs Au per annum

Operating Costs

Cash cost of	Stage 1	$323 US per oz
	Stage 2	$286 US per oz

Existing tax losses of A$ 22m

Profitability

At US$460 per oz Au

Stage 1	A$8.0m NPBT per annum (note : significant tax losses)
Stage 2	A$27m NPBT per annum

Market Cap of Mintails Limited

<u>Stage 1 (post $12m capital raising)</u>

- Shares on issue - 158.7
- Market capitalization - A$31.7m
- PE (on project) - 4 times

<u>Stage 2 (post A$33 debt / equity raising)</u>

- Shares on issue - 178.7m
- Market capitalization @ 20 cents - A$35.7m
- PE (on project) - 2 times

Project life : 18 years

NPV @ 12.5% : A$81m

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Advisors and Technical Consultants

Consulting Engineers	TWP
Project Managers and Operating Process Engineers	Atomaer
Independent Resource Assessment	Snowdens
Independent Engineering Report	Lobisol

Background

A meeting of shareholders of GAM is to be held on 26 October 2005 to approve the acquisition of the West Rand Gold Project, including a $12 million capital raising and a change of name to Mintails Limited.

The West Rand Gold Project comprises existing gold processing plant and equipment and the rights to treat 145.5m tonnes of gold tailings containing 1.98 million ounces of gold plus in-situ resources from the West Rand Goldfield with an additional 170m tonnes under option from DRD Gold (i.e. 315.5m tonnes in total). The project is situated in the Witwatersrand Basin approximately 25km west of Johannesburg, South Africa. This region has produced over 47,000 tonnes of gold (i.e. 1.7 billion ounces) representing over 30% of the worlds total gold production since mining commenced there in 1886.

Historically the South African mining industry has been dominated by a small number of very large corporations, however the new Minerals and Petroleum Development Act and government pressure has fostered a “use it or lose it” environment creating substantial opportunity for new and smaller participants.

The project was formerly owned by DRD Gold who sold it to a South African mining investment group (South African Export Development Fund or SAEDF). The project was subsequently placed into judicial management (similar to Chapter 11) because of a combination of poor management, inefficient processing practices, low gold recovery and insufficient working capital. The project was introduced to GAM by Atomaer Holdings Limited, a Perth and South African based team of specialist mining and processing consultants, who were appointed to the project by the judicial manager to achieve better recovery rates.

Peregrine Corporate, Montagu Stockbrokers and Atomaer have injected approximately $3.7 million into the project over the past 9 months. It is proposed that up to $12 million will be raised through GAM (60m shares at 20 cents each) which will be applied to the Stage 1 Recommissioning of the plant ($4m), payout the judicial management costs ($2m) and commence operations within 4 months of completion of the capital raising. The project upgrade will proceed in 2 stages as described below.

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Stage 1:
Recommissioning:
220,000 tpm
(first 12 – 24 months)

Recomissioning to treat 220,000 tpm (2.6m tpa) of Sands from JORC Measured resource 7.1 mt @ 0.68 g/t Au plus 8.4 mt Indicated sands @ 0.44 gpt Au

Operating Costs	:	A$431/oz (US$323/oz)
Output	:	3,708 oz p.m. (44,500 oz p.a.)
Capital Cost	:	$4 million
PBIT on project	:	A$8.0m p.a. (at current gold price US$ 460/oz)

Stage 2:
Expansion:
600,000 tpm
(after initial 12 – 24 months)

Upgrade to treat 600,000 tpm (7.2m tpa) at 0.69 g/t by installing 2nd leach circuit, beneficiation plants for sands (spirals) and slimes (cyclones and floatation) to treat total surface resources (Snowden Independent assessment) of 145.5m tonnes @ 0.42 gpt Au containing 1.98m ounces Au with additional 170m tonnes under option at an average grade 0.3 g/t (beneficiated to 0.69 g/t). An additional 20mt of surface tailings, 13km from the plant has also been secured under an option to purchase agreement. The grade of these resources will be upgraded to 0.69 g/t in a beneficiation plant prior to leaching and will provide at least an additional 10 years feed into an upgraded and expanded conventional carbon in leach processing plant. Exercise of the DRD Gold option will increase project life to approx. 20 years.

Operating Costs	:	A$381 /oz (US$286/oz)
Output	:	10,000 oz p.m. (120,000 oz p.a.)
Capital Cost	:	A$33m
PBIT	:	A$27.0m p.a.

* Assumptions for 1 & 2 above:

Gold US$	460/oz
AUD / USD	75 cents
Rand / USD	6.50

Capital Structure

		Shares M
• Existing Shares on issue		26.2
• Vendor shares		
o SAEDF	17.5m	
o Atomaer	17.5m	52.5
o Mintails	17.5m	
• Performance Shares (on milestone achievement)		
o Atomaer	10.0m (not issued)	[20.0]
o Mintails	10.0m (not issued)	
• Convertible Note Conversion $1m convertible @ 5 cents		20.0
• Capital raising	$12m @ 20 cents	60.0
Total issued capital		178.7m

Market capitalisation at listing (on 158.7m shares) (158.7m shares at 20 cents)	31.7m
NPV@12.5% at listing	$85.0m

P.E. at listing 4.0 times 2006 earnings

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Planned Strategy

The Project has sufficient resources to sustain production of 120,000 ounces p.a. for in excess of 20 years. Negotiations are at an advanced stage in respect of other projects in the area containing surface and in-situ resources containing an additional 1.3m ounces of gold.

The company is at an advanced stage of negotiation in respect of a JORC compliant 70mt 30% heavy minerals resource at surface (in-situ value USD 1.5 billion). The mineral resource also contains economic levels of gold.

Once profitable production is established at the West Rand Gold Project this is regarded as a catalyst to attracting further projects from mining groups who maintain interests in the region.

Management

The project has an existing workforce and professional skilled operations personnel based in South Africa including mine managers, process engineers, environmental consultants, etc. Atomaer S.A. has been retained to provide overall project management and process expertise. The Atomaer Group's specialisation relates to the provision and implementation of leach reactors and process technology designed to promote mass transfer through interphasic interaction to accelerate leach kinetics through rapid oxidation and dissolution of gold, increase in overall gold recoveries and lowering of reagent consumption (cyanide, oxygen and lime), lowering of residence time and increased plant throughput.

Atomaer have already demonstrated the effectiveness of their processing approach having increased gold recovery from 50% - 60% to over 70% to 80% during their prior consulting involvement.