



WEST WITS MINING

ASX Announcement and Media Release

Monday, 16 April 2012

South African Asset Sale Update

West Wits Mining Limited (“West Wits” or “the Company”) is pleased to announce due diligence has been successfully completed and it is proceeding with the sale of part of its exploration assets within South Africa for A\$9 million.

On 25 January 2012 West Wits announced it had entered into a binding heads of agreement to sell the West Wits Lease, West Rand Consolidated Lease, Luipaardsvlei Lease and East Champ D’Or Lease (“the Randfontein Cluster”) for A\$9 million to a consortium comprised of Mintails Limited (“Mintails”) (ASX: MLI) and Galabyte (Pty) Limited (“Galabyte”). Under the original binding terms the transaction was conditional upon a 30 day due diligence investigation whereby on successful completion of due diligence the transaction would proceed to completion.

West Wits received confirmation from Mintails that it has completed due diligence to its satisfaction and wishes to move to complete the transaction. However, Galabyte has been unable to confirm it is in a position to proceed. After allowing Galabyte a further period to provide a written confirmation as to its intentions, Galabyte failed to confirm its position. Accordingly, West Wits and Mintails have now agreed to complete this transaction themselves albeit on slightly modified terms.

The new binding terms of the agreement between West Wits and Mintails are as follows;

- **A\$2 million** to be paid as an upfront payment on completion of definitive documents by **23 April 2012** (drafting of relevant documentation is well advanced);
- **A\$1 million** to be paid **after 6 months** on an unconditional basis with payment guaranteed to West Wits, (“the first interim payment”);
- **A\$1 million** to be paid **after 9 months** on an unconditional basis and with satisfactory security for payment to West Wits to be provided on or before the first interim payment date, (“the second interim payment”);
- **A\$1 million** to be paid **after 12 months** on an unconditional basis and with satisfactory security to be provided to West Wits on or before the second interim payment date, (“the third interim payment”);
- **A\$ 1 million** on the later of **15 months** from the upfront payment or regulatory approval for the transfer of the leases to Mintails or its nominee, (“the fourth interim payment”); and,
- **A\$3 million** to be paid progressively after the fourth interim payment. Payments will be based on the tonnage of ore processed by Mintails, (“the final payment”).

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The A\$2 million previously deposited by Mintails in an escrow account pursuant to the initial binding heads of agreement is now to be held for the purpose of making the upfront payment referred to above.

This amended transaction, as with the original agreement, provides for secured payments of A\$5 million within 12 months of completion and prior to the legal transfer of title of the leases. As such West Wits has agreed to grant Mintails an interim contract to mine the resource pending transfer of title.

The transaction is subject to any regulatory approvals but this will not affect the upfront A\$2 million payment.

As previously announced this transaction has no effect upon the Company's continued ownership of Rand Leases and the DRD Lease in South Africa which contain stated JORC resources of 287,000 oz au. By comparison the Randfontein Cluster leases being sold contain stated JORC resources of 139,000 oz au and a JORC reserve of 58,800 oz au.

Proceeds from the sale of the Randfontein Cluster leases will be principally applied to development of the Company's Derewo River Gold Project in Papua Province, Indonesia.

For And On Behalf Of The Board

Michael Quinert
Chairman
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