WEST WITS MINING

ASX: WWI
www.westwitsmining.com

ASX Announcement and Media Release
Monday, 31 January 2011

Quarterly Activities Report

Key Issues and Highlights

- West Wits continues its negotiation with various institutions to place Mintails shareholding as part of a strategy to re-capitalise the Company as well finding long term supportive shareholders
- West Wits has continued to evaluate and review a number of new gold projects
- Initial sampling program completed at near surface LIP Target returned high grade gold results with a peak value of 15.03g/t Au
- Grant Ferguson resigns from the Company's board as Managing Director due to personal and health reasons
- $265,000 balance of monies owing under repayment from Mintails was paid on 26 November 2010

Review of Operations

West Wits Mining Limited ("West Wits" or "the Company") continued over the quarter to focus on the restructure of its shareholder base after reaching agreement with Mintails to cancel their shares at 5 cents per share. This hurdle is important for the Company as it will in part re-capitalise the Company and provide an ability to begin to complete its exploration program on a number of high priority targets within the Company's leases. The Company has also continued to review a number of further gold projects for the purpose of acquisition. The Company looks forward to making further announcements with regards to both these initiatives.

When West Wits reached agreement with Mintails on the terms of their repayment for deposits for approximately $1.95m to West Wits, it was agreed that West Wits would buy back Mintails' entire West Wits shareholding of 33,750,000 ordinary shares for a price of $0.05 per share amounting to $1,687,500. Payment was to be made through a set off of that amount against the total amount owing by Mintails to West Wits, with the remaining balance owed by Mintails of $265,000 paid on 26 November 2010.

However instead of going through the formal process of cancelling the Mintails shareholding, which would require shareholder approval at a general meeting of the company accompanied by an independent experts report, West Wits has undertaken an effort to place that shareholding. Through a placement of this shareholding West Wits will avoid incurring the cost of holding a meeting and commissioning an experts report, and also substantially expedite the process, by allowing for the placement funds to be re-directed to West Wits to repay the remaining West Wits debt. West Wits hopes to be in a position to update the market in the coming days on the finalisation of this placement as well as its progress in the evaluation of a number of new projects for the purpose of acquisition.

The termination of the sale agreement meant West Wits has retained the 59,000 oz JORC reserve as well as the combined 426,700 oz JORC resource. Whilst it is West Wits' ambition to increase its global resource above 1 million ounces, it has needed to secure additional capital before undertaking further exploration. The placing of the Mintails shares will assist this process.

Fast Facts

Capital Structure	@ 31 Jan 2011
Shares on issue	160 million
Options	18.3 million
Market Cap	A$7.52 million
Cash in Bank	A$0.9 million
Debt	Nil
Enterprise Value (EV)	A$6.62 million
Current JORC Reserve	59,000
Current JORC Resource	426,700
EV / Resource oz	A$15.51/oz
EV / Reserve oz	A$112.20/oz

Company Directors & Management

Michael Quinert	Chairman
Niel Pretorius	Non-Exec Director

Top Shareholders ≈

DRD Gold Ltd	23%
Mintails Ltd	21%
Geotorm Investments Ltd	4.7%
AMN Nominees Lid	4.4%
TOP 20 Shareholders	74.8%

Company Highlights

- World class historic leases
  - 61m ozs Gold produced
  - 37m lbs Uranium produced
- **Conceptual Target**
  - **3.95-5.20 million ozs Gold**
  - **17-22 million lbs Uranium**
- Significant gold resources along strike on adjacent leases
- Upcoming drill programs

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On sourcing further capital West Wits as a priority will test the Monarch resource as well as the 1km 'gap' which lies in between the Monarch resource and Emerald Gold Project.

➢ ***LIP Target***

On 4th November 2010, West Wits announced the completed rock chip sampling program over a small section of the LIP Target within its West Wits lease had returned several high grade gold values, which the Company believed provided a positive indication for potentially significant near surface gold mineralisation in this area.

The LIP Target covers a 1 kilometre section of the Livingstone Reef conglomerate package which has historically been a source of gold production from open cut and underground mining operations on the West Wits Lease. The Livingstone Reef, which runs parallel to the adjacent Main and South Reef package was successfully exploited through open cut mining by the previous owners during the late 1980's and early 1990's to a maximum approximate depth of 60m below surface.

The area sampled consisted of 32 rock chip samples taken across various outcrop positions on the Livingstone conglomerate reef package which strikes north/northeast and dips at angles of up to 60 degrees to the east in this area. The conglomerate reefs varied in width from 0.5m to 2m within a concentrated package up to 40m thick and consist of small and medium sized well rounded quartz pebbles with interbedded quartzite units. Significant gold values included;

- *15.03g/t Au from an exposed outcrop within the pit*
- *9.43g/t Au*
- *7.71g/t Au*
- *5.95g/t Au*
- *5.81g/t Au*
- *3.34g/t Au within an area that has been prepared in anticipation of mining, but remains in situ*

The Livingstone Reef has demonstrated solid prospects for an open cut operation and the mineralised rock chips indicate further economic mineralisation may still remain as well as providing additional near surface open cut material to the proposed Emerald Gold Project.

West Wits believes these initial gold values warrant further investigation in the form of additional detailed mapping, sampling and follow-up drilling to test the down dip and along strike extent and continuity of the mineralisation. These programs will commence once the Company has been re-capitalised.

Preview of Operations: Next Quarter

Once the Company has finalised the Mintails placement and begun to re-capitalise the Company the exploration teams priority will be to expand the resource and reserve base at Emerald. That focus will be initially implemented through a drill program at 1km 'gap' which lies between the 74,000oz Au Monarch Mineral Resource and the 59,000oz Au reserve which forms the current Emerald Gold Project.

The Company is confident that mineralisation should continue along strike through the current 1 km 'gap'. This confidence is based on the Monarch Mineral Resource estimate, the known continuity of the Reef over 9km within the Company's leases, and historic underground mining data. West Wits looks forward to progressing the 1km 'gap' and Monarch Mineral Resource as part of the southern extension of the Emerald Gold Project.

For And On Behalf Of The Board

Michael Quinert
Chairman
West Wits Mining

Rule 5.3

Appendix 5B – 2nd Quarter

Mining Exploration Entity Quarterly Report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

WEST WITS MINING LIMITED (ASX: WWI)

ABN	Quarter ended ("current quarter")
89 124 894 060	31st December 2010

Consolidated statement of cash flows

	Cash flows related to operating activities	Current Quarter $A'000	Year to Date (6 months) $A'000
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(135)	(265)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(305)	(721)
	(e) contract services	(29)	(57)
	(f) staff costs	(49)	(112)
	(g) other working capital	-	-
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	27	41
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	(6)
	Net Operating Cash Flows	**(491)**	**(1,120)**
	Cash flows related to investing activities		
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	265	265
1.12	Other (provide details if material)	-	-
	Net investing cash flows	**265**	**265**
1.13	**Total operating and investing cash flows (carried forward)**	**(226)**	**(855)**

1.13	**Total Operating and Investing Cash Flows (Brought Forward)**	**(226)**	**(855)**
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-

		Current Quarter $A'000	Year to Date (6 months) $A'000
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	**(226)**	**(855)**
1.20	Cash at beginning of quarter/year to date	1,186	1,826
1.21	Exchange rate adjustments to item 1.20	(2)	(13)
1.22	**Cash at end of quarter**	**958**	**958**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current Quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	111
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Salaries, directors' fees, corporate advisory and consulting fees at normal commercial rates

Non-Cash Financing and Investing Activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing Facilities Available

Add notes as necessary for an understanding of the position.

		Amount Available $A'000	Amount Used $A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	-	-

Estimated Cash Outflows for Next Quarter

		$A'000
4.1	Exploration and evaluation	70
4.2	Development	-
4.3	Production	-
4.4	Administration	230
	Total	**300**

Reconciliation of Cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current Quarter $A'000	Previous Quarter $A'000
5.1	Cash on hand and at bank	336	294
5.2	Deposits at call	622	892
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: Cash at End of Quarter (item 1.22)	**958**	**1,186**

Changes in Interests in Mining Tenements

		Tenement reference	Nature of interest (note (2))	Interest at beginning of Quarter	Interest at end of Quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and Quoted Securities at End of Current Quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number Quoted	Issue Price per Security (cents) (see note 3)	Amount Paid up per Security (cents) (see note 3)
7.1	**Preference +securities** *(description)*	-	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	121,972,340	121,972,340	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities** *(description)*	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	**Options** *(description and conversion factor)*	18,811,300	-	*Exercisable @ $0.20 to $0.30*	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	**Debentures** *(totals only)*	-	-	-	-
7.12	**Unsecured notes** *(totals only)*	-	-	-	-

+ See chapter 19 for defined terms.

Compliance Statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: .... Date: 31st January 2011
(Director/Company secretary)

Print name: Michael Quinert

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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