**WEST WITS MINING**

## ASX Announcement and Media Release
Thursday, 31 Oct 2013

ASX: WWI
www.westwitsmining.com

**Fast Facts**

| | |
|---|---|
| Capital Structure | @ 31 Oct 2013 |
| Shares on issue | 278 million |
| DRD Entitlement shares | 38 million |
| Options | 78 million |
| Market Cap | A$7.7 million |
| Cash in Bank | A$0.6 million |
| Debt | Nil |
| Enterprise Value (EV) | A$6.1 million |
| Current JORC Resource | 287,000 |
| EV / Resource oz | A$27/oz |

**Company Directors & Management**

| | |
|---|---|
| Michael Quinert | Chairman |
| Vin Savage | Executive Director |
| Neil Pretorius | Non-Exec Director |
| Hulme Scholes | Non-Exec Director |

**Top Shareholders ≈**

| | |
|---|---|
| DRD Gold Ltd | 12% |
| GOC Holdings Ltd | 6% |
| Twynam Ag | 6% |
| Trevor Neale | 6% |
| Top 40 Shareholders | 74% |

**Company Highlights**

- Indonesia
  - High grade placer deposit
  - Project show early stage similarities with discoveries inc; Porgera, Edie Creek, Wau
  - Independent geologists believe source of nuggets likely to be local, based on the size and shape of the nuggets discovered
- South Africa
  - 287,000 ozs Resource
  - near surface and underground targets
  - 31.8m ozs Au produced historically
  - Conceptual Target
    - 3.85-5.06 million ozs Au
    - 16.5-21.7 million lbs U



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# Quarterly Activities Report

## Review of Operations

West Wits Mining Limited ("West Wits" or "the Company") during the quarter made a number of significant steps forward in the development of the Company's alluvial gold program at Derewo River, Papua Province, Indonesia ("Derewo").

## ***Indonesia***

### *Alluvial Project*

The Company's heavy machinery was able to complete key pieces of infrastructure for the alluvial gold project including the access road and the airstrip as well as the first base camp (see figure 1).

On 14 October 2013, West Wits advised that two pilots from a regional airline inspected the airstrip and confirmed that subject to some minor works the airstrip was ready to begin receiving light fixed wing aircraft. The identified minor works have now been completed. Management are now undertaking discussions with aircraft agents based in Nabire to begin scheduling flights. This is a priority for the Company as it will be a significant milestone for the local community.

The excavator is being moved from the airstrip to the 81 creek where initial trial mining activities are planned. This transportation was meant to take place last week but was held up due to a number of reasons including installation of a number of culverts on the access road to improve its drainage. The initial minesite is at the bottom of the creek near the junction with the main Derewo River and has been selected to due to better access where the gravels meet the basal contact. The site also has good elevation for the end of the sluice box which will avoid needing to continually manage a build-up of gravels at the base of the sluice box.

Fabrication of two sluice boxes was undertaken in Nabire during the quarter. One sluice box has been constructed to process larger gravels with a further sluice constructed to process the finer gravels. These boxes will be connected concurrently with the sluice focusing on the smaller gravels being installed at the back. The combined length of the sluice boxes is approx. 8 metres long with a width of 1 metre. Both sluice boxes have been delivered to site.

West Wits expects to be processing gravels in the 81 creek using a conventional hydraulic circuit as part of its trial mining activities shortly. Hydraulic hoses have also been acquired and transported to site, whilst a small water storage facility is being constructed concurrently further up the 81 creek in preparation for trial mining.

As part of trial mining activities management also intends to install a concentrator at the front of the alluvial circuit. The concentrator is currently in transit from Malaysia to the port of Nabire, Indonesia and is expected to be received in the coming 7-14 days. The screens for the concentrator have already been delivered to the Company in Nabire.

**Figure 1. Aerial view of airstrip**

***Exploration***

Exploration was slowed by management due to the Company's focus on establishing trial mining activities at the alluvial site and generating some early cashflow. However the Company has engaged Dr Andrew Tunks from Tunks Geo-Consulting to assist with formulating and carrying out the exploration program to search for the source of the alluvial gold present at Derewo. Dr Tunks has reviewed the existing exploration data and conducted an initial field visit to the alluvial site and the first helipad within the Wopogi Target.

The work highlighted the presence of mafic volcanic lithologies to the north of the Derewo Fault in the areas of anomalous soil geochemistry in at the Wopogi Target. In these areas there was also abundant Propyllitic (calcite, chlorite and epidote) and Phyllic (quartz, sericite, pyrite chalcopyrite) alteration which are common in areas of porphyry mineralisation. These mafic lithologies and alteration types have not been previously described in these areas.

Figure 2 below highlights the initial exploration targets as defined by existing stream sediment, panned concentrate and soil geochemistry collected by Freeport in the 1990's. The geochemical data is shown overlying the regional aeromagnetic data. It is important to note that there are large areas of demagnetisation of magnetic units that are broadly coincident with the anomalous geochemistry. It is possible these demagnetised zones represent magnetite destructive alteration associated with hydrothermal alteration which may be related to a mineralising process.

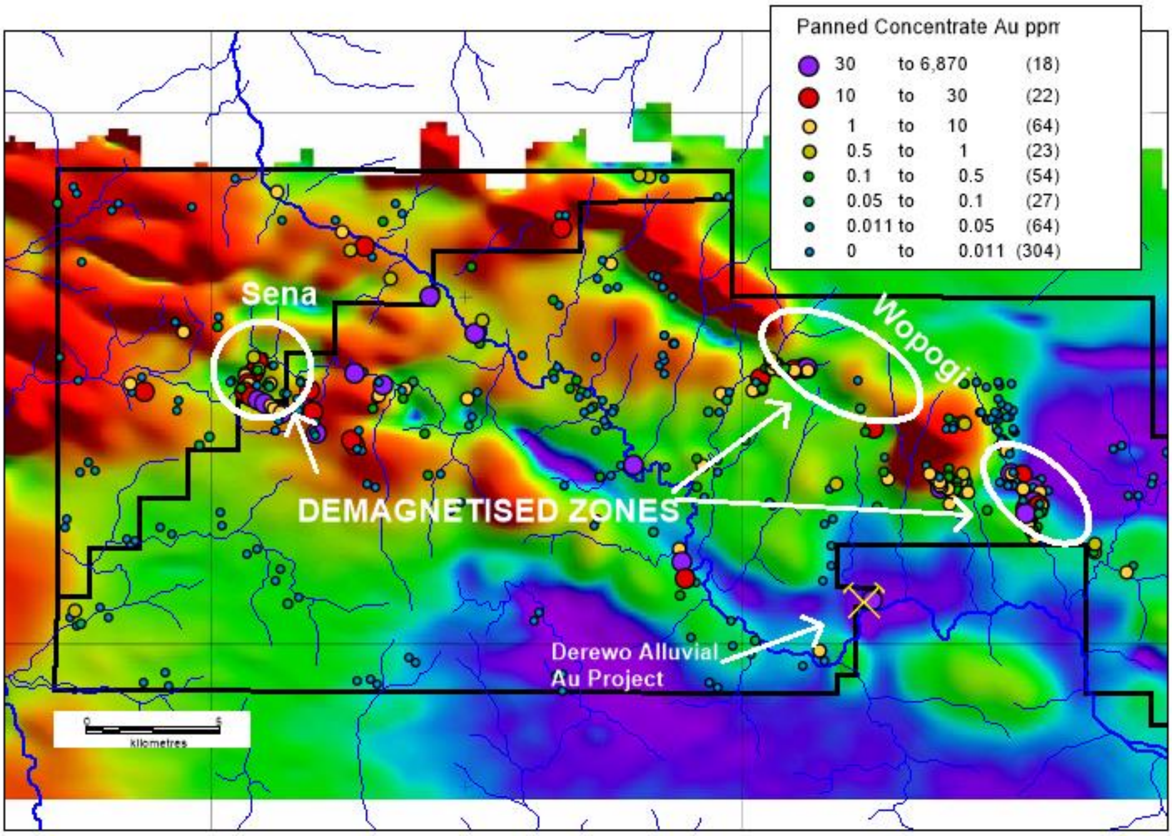


**Figure 2. Highlight of demagnetised target zones**

Figure 2 shows the Au anomalies from Panned Concentrates (ppm) collected by Freeport. The underlying image is the reduced to the total magnetic intensity image. The main demagnetised zones at Wopogi and Sena are indicated by the white circles and are coincident with the known geochemical anomalies.

Dr Tunks in consultation with the Company's head geologist, Trevor Neale, has presented to the Company recommended next steps to evaluate the identified demagnetised zones at Wopogi and Sena. The program will require a dedicated team to be based at the alluvial project with a number of smaller exploration camps established at the target zones. It is envisaged a sampling program of approx. 300-500 samples will be implemented to initially focus on confirming the anomalism established through the Freeport datasets in the Wopogi area and to map the basic geological units and alteration types encountered. This sample program will include creek traverses, rock chips, stream sediment and soil and sampling.

The aforementioned sample programs will be completed on North-South traverses across Wopogi and will largely be conducted through creeks to assess any available outcrops. The team will be looking for evidence of Porphyries, calcareous rocks, volcanics, alteration, veining, structural style as well as to establish the magnetic unit (mafic?).

A team of 5 geologists is being recruited to undertake these programs, however final approval for the exploration program to begin has been deferred pending cashflow being generated from initial trial mining activities at Derewo.

***Permitting***

The Company continues to engage with the relevant departments and officers to ascertain when Clean and Clear list No.10 which is to include Papua exploration and mining permits is to be released. The Company has been unable to establish a precise timetable for release of the list although estimates are that this will occur in early 2014. West Wits has been recommended for approval by the local Regencies. It is anticipated that following receipt of Clear and Clean approvals forestry permits will be processed. The delays with the Clean and Clear list No 10 are affecting all rights holders in Papua.

## ***South Africa***

During the quarter, management continued work towards preparing the remaining South African assets for commercialisation. Consultants continue to develop the Radiant Target ("Radiant") which may add further upside to the existing 271,000oz JORC resource at Radiant as well as another near surface opportunity.

Under the sale terms for the Randfontein Cluster, West Wits began to receive monies under the next instalment agreement. The agreed payment schedule is now as follows;

| **Instalment** | **Timing** | **Amount** |
|---|---|---|
| Interim instalment | received | A$175,000 |
| Interim instalment | received | A$175,000 |
| Interim instalment | received | A$175,000 |
| Interim instalment | 23 November 2013 | A$175,000 |
| Interim instalment | 23 December 2013 | A$175,000 |
| Interim instalment | 23 January 2014 | A$175,000 |
| Interim instalment | 23 February 2014 | A$350,000 |
| Interim instalment | 23 March 2014 | A$350,000 |
| Interim instalment | 23 April 2014 | A$350,000 |
| Interim instalment | 23 May 2014 | A$350,000 |
| Interim instalment | 23 June 2014 | A$350,000 |
| Interim instalment | 23 July 2014 | A$350,000 |
| Interim instalment | 23 August 2014 | A$350,000 |
| Interim instalment | 23 September 2014 | A$350,000 |
| Final instalment | 23 October 2014 | A$150,000 |
| **Total** | | **$4,000,000** |

Under the agreement West Wits will continue to hold the existing first mortgage over Mintails' Witfontein farming assets as security for the payment of the instalments. This mortgage was originally held to secure Mintails obligations for the first series of payments which have now been completed.

For And On Behalf Of The Board

Michael Quinert
Chairman
West Wits Mining Limited

**Competent Persons Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Dr Andrew Tunks, a consultant to West Wits Mining Limited. Dr Tunks is a Member of the Australian Institute of Geoscientists ('AIG') and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Dr Tunks consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.*

*Rule 5.3*

# Appendix 5B – 1st 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 | 30th September 2013 |

## Consolidated statement of cash flows

| | Cash flows related to operating activities | Current Quarter $A'000 | Year to Date (3 months) $A'000 |
|---|---|---|---|
| 1.1 | Receipts from product sales and related debtors | - | - |
| 1.2 | Payments for (a) exploration & evaluation | (479) | (479) |
| | (b) development | - | - |
| | (c) production | - | - |
| | (d) administration | (428) | (428) |
| | (e) contract services | - | - |
| | (f) staff costs | (46) | (46) |
| | (g) other working capital | - | - |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 1 | 1 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) | - | - |
| | **Net Operating Cash Flows** | **(952)** | **(952)** |
| | **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 | 350 | 350 |
| | (b) equity investments | - | - |
| | (c) other fixed assets | - | - |
| 1.10 | Loans to other entities | - | - |
| 1.11 | Loans repaid by other entities | - | - |
| 1.12 | Other - Acquisition of Subsidiaries, net of cash acquired | - | - |
| | **Net investing cash flows** | **350** | **350** |
| **1.13** | **Total operating and investing cash flows (carried forward)** | **(602)** | **(602)** |

+ See chapter 19 for defined terms.

| | | Current Quarter $A'000 | Year to Date (3 months) $A'000 |
|---|---|---|---|
| 1.13 | **Total Operating and Investing Cash Flows (Brought Forward)** | **(602)** | **(602)** |
| | **Cash flows related to financing activities** | | |
| 1.14 | Proceeds from issues of shares, options, etc. | - | - |
| 1.15 | Proceeds from sale of forfeited shares | - | - |
| 1.16 | Proceeds from borrowings | - | - |
| 1.17 | Repayment of borrowings | - | - |
| 1.18 | Dividends paid | - | - |
| 1.19 | Other – capital raising costs | - | - |
| | **Net financing cash flows** | - | - |
| | **Net increase (decrease) in cash held** | **(602)** | **(602)** |
| 1.20 | Cash at beginning of quarter/year to date | 1,370 | 1,370 |
| 1.21 | Exchange rate adjustments to item 1.20 | (54) | (54) |
| 1.22 | **Cash at end of quarter** | **714** | **714** |

## 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 | 102 |
| 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

-

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

-

+ See chapter 19 for defined terms.

## 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 | 100 |
| 4.2 | Development | 330 |
| 4.3 | Production | - |
| 4.4 | Administration | 300 |
| 4.5 | Contract Services | 40 |
| 4.6 | Staff Costs | 30 |
| | **Total** | **800** |

# 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 | 714 | 1,370 |
| 5.2 | Deposits at call | - | - |
| 5.3 | Bank overdraft | - | - |
| 5.4 | Other (provide details) | - | - |
| | **Total: Cash at End of Quarter** (item 1.22) | **714** | **1,370** |

+ See chapter 19 for defined terms.

## 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 | **Performance +securities** *(Non-voting, non-participating, contingent on achieving 20,000oz of gold by 28/07/2013* | - | - | - | - |
| 7.2 | Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions | (a) - (b) 46,000,000 | - - | - - | - - |
| 7.3 | **+Ordinary securities** | 277,944,562 | 277,944,562 | - | - |
| 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)* | 69,324,532 | 11,562,500 | *Exercisable @ $0.08 to $0.20* | - |
| 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 October 2013
(Director)

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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