

## NEWS

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### **West Wits Gold Sets Bold Strategy For West Rand Project**

By Charles Wyatt

**Two bits of bad luck over timing have thus far curtailed the performance of West Wits Gold. First, it listed on the ASX on December 18th, exactly a week before Christmas, when the thoughts of all Aussie investors were becoming focused on beach barbies. Second, just when chairman Mike Quinert was getting ready to explain to investors at Indaba why an Aussie company should be exploring for gold and uranium in the Witwatersrand Basin, the lights went out. In the Cape Times on Monday 4th February an explanation is demanded for the blackout which cost the hospitality industry in Cape Town millions of rands as early arrivals at the Mining Conference got away without paying for their dinner thanks to the computers being down. More important the Chevron oil refinery was affected and the results may soon appear on empty forecourts.**

None of this will help sentiment towards the host country, but Mike has a good story to tell. The history of his company may be short, but it has access to historical data from over 100 years of mining completed on its project areas through DRDGold and **Mintails**. DRDGold has a long history of operations there, while **Mintails** listed on the ASX early in 2006 to treat tailings on the West Rand gold project, part of the West Rand goldfield on the northeast side of the Basin. Since then it has gone from strength to strength and is expecting to produce over 150,000 ounces of gold this year. Just as a reminder the Witwatersrand Basin, in which the project is situated, is one of the largest mineralized gold and uranium systems in the world, with rich continuous multiple reef ore bodies. In their day, West Wits' leases produced 61.4 million ounces of gold at an average grade of 5.42 g/t, as well as 37.7 million lbs of uranium.

The important aspect, as Mike Quinert points out, is that there is outcropping reef on all the leases. This highlights the potential of near surface mineralization and may provide an opportunity to fast-track small scale open cut mining. There is also potential for significant underground mineralization due to the presence of unexploited reefs and reef outcrops which are open at depth in a historically productive geological setting. Mike reckons that mining was not that efficient in the old days as costs, and particularly labour, were so low, so plenty of economic ore was left behind.

He points to Central Rand Gold, which listed on the main board in London last November as support for his contention that a return to the Wits Basin is timely. Central Rand Gold raised £75 million at 125p per share to re-establish gold mining there. The reefs contained within its Project Area also include features such as outcropping reef, untested virgin sections of reef, reefs open at depth and remnant pillars within the historic works. There are clearly similarities with West Wits, but whether this is the right company for him to make comparisons with is a moot point as its website is less than user friendly and its shares are at a discount to listing.

To cut to the chase, West Wits is a joint venture between **Mintails** and DRDGold, as the presence of directors from each company on its board testifies. Initially its focus is on the Bird Reef Group, which is contiguous through the project area. The section of the Bird Reef which runs through the Rand lease was the subject of extensive commercial mining for a long period, but has remained unexploited on the adjacent DRD mine. The reason for this is that previous lease owners were after gold so they left the Bird Reef as it was predominantly mineralized with uranium at a time when the price was low. Now uranium is exactly what South Africa wants if it is to have the nuclear power stations it so obviously needs.

In fact a couple of weeks ago drilling and trenching started on the historic DRD lease which hosts prospective sections of the Bird as well as the Kimberly Reefs. Bird Reef is the immediate focus and the

aim will be to delineate shallow gold and uranium mineralization by a combination of RC and diamond drilling. Deeper drilling will be used to test the strike and depth potential for mineralization down to 500 metres. Trenching will also take place over targeted Bird Reef outcrops to delineate near surface mineralization and a similar operation will take place on the Kimberly Reef within the DRD lease.

Ideally West Wits would like to come up with a shallow resource where mining could start within two years and thus generate cash flow to fund further exploration. The project areas also contain extensive underground workings which will help with access to underground target reefs as well as cutting costs. Next on its priority list will be these un-mined reefs with underground mining potential, particularly at shallow depths, as well as underground remnant pillar recovery potential and possible opportunistic recovery of remnant gold fines remaining from historical mining activities. What has to be borne in mind is that the current prices of both gold and uranium are light years away from those pertaining when this area was last mined and processing technologies have also improved to a similar degree. This is one to watch and Minews rather likes the thought of an Aussie company showing the South Africans how to do it.

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