



WEST WITS MINING

**West Wits Mining Limited  
Quarterly Report for the 3 Months  
Ended 30<sup>th</sup> June 2009**

### Highlights

- The Company remains on track to bring the Emerald Resource into production by the end of calendar 2009
- The follow up drill program completed at the Emerald Resource provided enough geological confidence for a JORC resource category upgrade from a predominately Inferred resource to a Measured resource of approximately 95,600ozs, with a 9,500 oz resource within Indicated
- Environmental and Engineering studies for the Emerald Resource are planned to be completed in the coming weeks
- Toll treatment negotiations for the Emerald Resource are continuing and on completion will allow finalisation of the economic model and thereby determine the possible conversion of the Emerald Resource to a Reserve
- Submission of plans for mining approval at Emerald to be made to Department of Minerals and Energy (DME) in August
- The Company's Managing Director, Grant Ferguson, has relocated to South Africa to ensure timely implementation of West Wits' plans for the Emerald Resource
- Upon commencement of mining at the Emerald Resource, West Wits will proceed with plans for exploration and development of further near surface targets as well as deeper, more substantial underground targets
- Deeper targets are currently being assessed and will include areas parallel to the historically productive Main, Main Reef Leader and South reef formations which intersect all the Company's leases
- The Company's combined Measured, Indicated and Inferred gold resource currently stands at approximately 411,000 ounces of gold across four near surface targets
- The Company's current conceptual target of 3.95 to 5.20 million ounces of gold and 17 to 22 million pounds of uranium, is currently being reviewed in light of exploration to date and data emanating from the continuing analysis of over 19,000 digitalised maps, and is anticipated to be completed by end of August 2009

### Review of Operations

West Wits Mining Limited (ASX:WWI) ("**the Company**" or "**West Wits**") continued over the quarter to focus on the development of its Emerald Resource, which the Company plans to bring online by the end of calendar 2009. During the June quarter West Wits delivered a JORC category upgrade at the Emerald Resource, now a 95,600 ounce Measured gold resource.

The management team at West Wits expect environmental and engineering studies to be completed in the coming weeks, with toll treatment negotiations continuing. With the completion of all outstanding studies and agreements proceeding as planned, finalisation of the economic model can be achieved thereby paving the way for the possible conversion of the Emerald Resource to a Reserve. Finalisation of the model will also allow a submission to be made for mining approval over the Emerald Resource to the Department of Minerals and Energy (DME) which is planned for August.

The development of the Emerald Resource, in conjunction with a cessation of exploration on all other resources and targets, has been the Company's focus in an attempt to provide the Company with early cash flow whilst preserving the Company's cash reserves.

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+ See chapter 19 for defined terms.

The potential for exploitation of the Emerald Resource, provides a significant advancement in terms of the Company's strategy to fund access to its historical underground workings, where deeper and potentially more significant targets are located. The presence of historical underground infrastructure provides the Company with numerous possibilities and significantly reduces the capital expenditure required to access the targeted underground areas. Such access would enable detailed investigation and testing of parallel reefs and pillars remaining in situ after historical mining concluded. This investigation will include testing areas adjacent to the historically productive Main, Main Reef Leader and South reef formations, which intersect all the Company's leases. The successful development of the Emerald Resource will provide a strong financial and operational platform to undertake that further exploration and investigate the significantly increased potential those previously inaccessible areas represent.

The company is delighted with the four current near surface JORC resources totalling approximately 411,000 ounces of gold, and the Company will continue to explore targets that have high potential for convertibility to reserve estimates and ultimately profitable mining operations.

The numbers achieved at each of the four current resources outperformed their respective allocations within the conceptual target statement. The conceptual target statement currently stands at 3.95-5.20 million ounces of gold and 17-22 million pounds of uranium.

Whilst development of the Emerald Resource formed the Company's primary focus, the review of existing targets along with the delineation of new near surface exploration targets continued.

### **The Emerald Resource**

The primary objective for 2009 is to get the Emerald Resource into production. This resource is considered attractive for exploitation because of its grade, shallow depth and close proximity to a number of processing plants which provide an opportunity for toll treating ore.

Recent exploration programs at the Emerald Resource confirmed the project has areas of high grade near surface mineralisation across a 2km strike. There is also potential for further exploration upside at Emerald both to the south and the north, and these areas will be investigated for potential shallow open cut mining early in 2010, once mining operations at Emerald have commenced.

The Emerald Resource is currently reported as 95,600 ounces at 1.81 g/t under a JORC Measured category to a vertical depth of 85m below surface. The resource also comprises 9,500 ounces at 1.71 g/t within the Indicated category. This resource has significantly outperformed the Company's conceptual target for Emerald of 32,000 to 38,000 ounces of gold.

A revised scoping study was completed by Australian Mining Consultants (AMC) following the resource category upgrade. The study indicates the potential for an open cut operation across sections of Emerald Resource. West Wits has also engaged local South African consulting group, Turgis Consulting, to assist AMC in developing a detailed economic study on the Emerald Resource. This study is anticipated to be completed in early August,

In order to minimise capital expenditure requirements, the project parameters for the scoping study have been based on contract mining for the development of the open cut mine and a toll treatment arrangement for the treatment of the ore. Management are currently in negotiations with a number of parties with regard to a toll treatment agreement. Once the toll treatment agreement is complete, the Company will be in a position to finalise the economic model and thereby determine the possible conversion of the Emerald Resource to a Reserve.

Metallurgical studies, as previously reported, have been completed with estimated total recoveries at approximately 93% with 30% from gravity. These results are in line with other known Witwatersrand metallurgical studies and indicate no special treatment of the ore will be required above normal treatment parameters for standard Witwatersrand ore.

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The Environmental study is well underway and expected to be completed by early August.

All studies are now expected to be completed by August following which the Company will make its submission to the DME for mining approval over the targeted area, ie. assuming all outstanding studies provide for a positive economic scenario at the Emerald Project.

### **Preview of Operations: Next Quarter**

West Wits is aiming to submit to the DME an amended mining and environmental management plan over the area at the Emerald Resource in August subject to board approval. All studies have now either been completed or at a very advanced status.

The Company is also currently re-evaluating its conceptual target statement. The significant amount of new data achieved through exploration work completed thus far, coupled with an ongoing review of the substantial amount of historical information, justified a fresh review of the conceptual target statement. Coffey Mining has been engaged to complete this review.

### **Further Exploration**

The Company's stated position for the past 12 months has been to move the Emerald Resource into production as quickly as possible, whilst putting exploration on all other targets on hold. However, this has not precluded the exploration team from continuing to unearth new targets as the review of historical information continues, as well as continuing assessments on the Company's current 13 other targets. This continuing review of targets is done on the basis of prospectivity.

Once the board has given approval to recommence exploration on the further targets, the three priority targets to be examined early in 2010 will be:

1. **Elder Target** (Gold) - West Rand Consolidated Lease: this program will be focused on near surface mineralisation on the Main, Main Reef Leader and South Reefs. Newly acquired historical maps have provided further information suggesting the possibility of further near surface mineralisation. The exploration team is currently creating an exploration program for board approval.
2. **King and Commander Targets** (Gold) - DRD and Rand Leases: this program will investigate focused on the Main, Main Reef Leader and South Reefs as part of the deeper underground exploration strategy. The Company believes significant potential for mineralisation still exists between the old reefs and with improved mining technologies could be extractable, as demonstrated by Central Rand Gold Plc who are undertaking this production strategy on the leases immediately adjacent to the Company's Rand Leases.
3. **Harrier Target** (Uranium) – Rand Leases: The Bird Reef Group intersects the Rand Leases on an approximate 3km east-west span. The Bird Reef Group is predominately uranium bearing, and has remained largely unexploited primarily due to the strategic focus of the previous lease owner. On the adjacent DRD Lease an initial exploration program completed in the June quarter 2008, confirmed significant uranium mineralisation within the reef. The Bird Reef continues to run through the Rand Lease from the DRD Lease forming 10km of uranium strike potential. The reef is intact from surface and open at depth.

Further programs have also been designed to test strike extensions at the Emerald Resource as well as at the Company's 270,000 ounce Radiant Gold Resource located on the Company's Rand Leases.

### **Corporate**

During this reporting period, DRD Gold Limited (DRD), a 23% majority shareholder in West Wits, made an offer to Mintails Limited, a 21% majority shareholder in West Wits, for all of Mintails South African assets. This offer precluded the Mintails shareholding in West Wits for two reasons; firstly, both the Mintails and DRD shareholdings have escrow restrictions imposed on them until 19 December 2009 which precludes these shares from exchanging hands, and secondly, DRD is unable to hold equity in foreign listed companies under South African exchange control regulations.

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On 23 July 2009, Mintails announced to the ASX that it had rejected the offer made by DRD. Mintails is currently undertaking a capital raising which will allow them to continue funding their current projects. Both Mintails and DRD have both confirmed their satisfaction with their majority stakes in West Wits.

For And On Behalf Of The Board



Grant Ferguson  
Managing Director  
West Wits Mining Limited

# Appendix 5B – 4th Quarter

## Mining Exploration Entity Quarterly Report

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

**Name of Entity:**

WEST WITS MINING LIMITED (ASX: WWI)

**ABN:**

89 124 894 060

**Quarter Ended ('Current Quarter')**

30<sup>th</sup> June, 2009

### Consolidated Statement of Cash Flows

	Current Quarter \$A'000	Year to Date (12 months) \$A'000
<b><u>Cash Flows Related to Operating Activities</u></b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for: (a) exploration and evaluation	(944)	(5,587)
(b) development	-	-
(c) production	-	-
(d) administration	(315)	(1,281)
(e) contract services	(20)	(129)
(f) staff costs	-	-
(g) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	70	526
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other/VAT refund (provide details if material)	525	525
<b>Net Operating Cash Flows</b>	<b>(684)</b>	<b>(5,946)</b>
<b><u>Cash Flows Related to Investing Activities</u></b>		
1.8 Payment for purchases of:	-	-
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(10)
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 to other entities	-	-
1.12a Other – Acquisition of Subsidiary	-	-
1.12b Other (provide details if material)	-	-
<b>Net Investing Cash Flows</b>	<b>-</b>	<b>(10)</b>
<b>1.13 Total Operating and Investing Cash Flows</b>	<b>(683)</b>	<b>(5,955)</b>

+ See chapter 19 for defined terms.

		Current Quarter \$A'000	Year to Date (12 months) \$A'000
1.13	<b>Total Operating and Investing Cash Flows (Carried Forward)</b>	(684)	(5,956)
<b>Cash Flows Related to Financing Activities</b>			
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 (provide details if material)	-	-
<b>Net Financing Cash Flows</b>		-	-
<b>Net Increase / (Decrease) in Cash Held</b>		(684)	(5,956)
1.20	Cash at beginning of quarter/year to date	7,242	12,469
1.21	Exchange rate adjustments to item 1.20	37	82
1.22	<b>Cash at End of Quarter</b>	6,595	6,595

**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	89
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 & 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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+ 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	750
4.2 Development	-
<b>Total:</b>	<b>750</b>

### 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	1,004	828
5.2 Deposits at call	5,591	6414
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: Cash at End of Quarter (item 1.22)</b>	<b>6,595</b>	<b>7,242</b>

### 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	Nil	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Nil	Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

### 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	<b>Preference +Securities</b> <i>(Description)</i>	-	-	-	-
7.2	Changes During Quarter (a) Increases through issues (b) Decreases through returns of capital, buy- backs, redemptions	-	-	-	-
7.3	<b>+Ordinary Securities</b>	121,750,120	78,850,000	-	-
7.4	Changes during quarter (a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy- backs			-	-
7.5	<b>+Convertible debt securities</b> <i>(Description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> <i>(Description and Conversion Factor)</i>	16,216,664	-	Exercisable @ \$0.20 to \$0.30	-
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter				
7.10	Expired during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

+ 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: 30<sup>th</sup> July, 2009

Print Name:

Director  
**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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