

WWI.AU

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 Gold, Uranium
 South Africa
 Advanced Exploration
 Exchanges: ASX:WWI

West Wits Mining Limited

A\$ 0.11

WWI has secured a 480ktpa CIL plant, aiming for initial production (~20kozpa) mid 2010 from near-surface deposits on the Witwatersrand Basin. Cash flow will then fund exploration for major >4moz Au and >15mlb U₃O₈ reef targets on WWI's 20km of Witwatersrand leases.

Capital Profile

Share price (A\$)	0.11
52 week range (A\$/share)	0.04 to 0.15
Number of shares (m)	122
Options and warrants (m)	16
Convertible notes (m)	0
Fully diluted (m)	138
Market capitalisation (undiluted) (A\$m)	13.4
Debt (A\$m) - Dec 09F	0.0
Enterprise value (A\$m)	13.4
Major shareholders*: DRD Gold Ltd (23.9%), Mintails Ltd (21.1%), Geotorm Investments Ltd (4.7%), AMN Nominees Pty Ltd (4.4%)	
Avg monthly volume (m)	6
Cash (A\$m) - Dec 09F	4.2
Price/Cash (x)	3.2
Price/Book (x)	0.5
Listed company options:	No

* Shareholders based on 38.2m shares to be issued to DRD Gold nominee.

Investment Points

WWI is developing gold and uranium projects on the Witwatersrand Basin, near Johannesburg.

Past production from WWI leases is huge: 60moz Au, 37.7mlb U₃O₈. Potential for unmined parallel reefs.

WWI targets: 3.95-5.20moz Au, 17-20mlb U₃O₈.

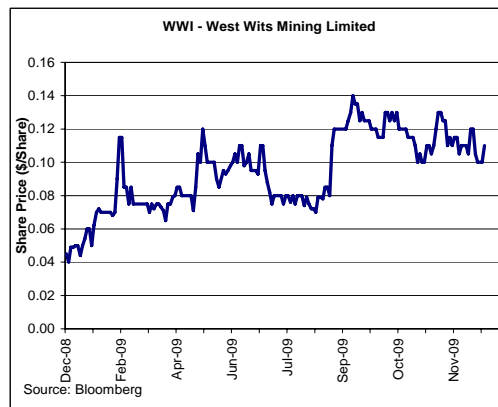
Central Rand Gold (LSE:CRND) has established ~37moz resource in adjacent ground, analogous targets.

Strategy is to establish early cash flow mining near-surface gold resources, which will fund big target exploration.

Near surface JORC resource of 353koz @ 1.67g/t (59koz mining reserve) established to date.

480ktpa CIL plant to be purchased from Mintails.

We expect mining will commence in 3Q10, production ~20kozpa. Current cash will fund this start-up.



Production and Financial Forecasts

YEAR END: June	Sep-09a	Dec-09F	2009a	2010F	2011F
Exploration and development (A\$m)	0.30	0.32	5.59	2.12	4.00
Corporate (A\$m)	0.39	0.35	1.28	1.44	1.40
Exploration/(Expl.+ Corporate) (%)	43	48	81	60	81
Funding duration at current burn (years)			1.0	1.1	0.3
Shares on issue (pr end) (m shares) **	121.8	121.8	121.8	121.8	160.0
Drilling - RAB (m)	0	0	0	0	0
Drilling - Other/Diamond (m)	0	0	16,223	8,000	16,000
Land holding ('000 ha) *	0	0	0	0	0
Tenement costs (\$k per year)	-	-	-	-	-
Capital raisings (A\$m)	0.00	0.00	0.00	0.00	0.00
Funding from JV partners (A\$m)	0	0	0	0	0
Cash (A\$m)	5.9	4.2	6.6	3.9	1.7
Cash backing (A\$/share)	4.9	3.5	5.4	3.2	1.2
Net asset backing (A\$/share)	22.2	22.0	22.5	23.6	21.0

* Gold tenements held or applied for. ** Allows for a future share issue to DRD Gold Ltd, FY11, currently escrowed.

Company Comment

Overview: WWI listed on the ASX in Dec '07 with an A\$15m capital raising. It was spun out of fellow Australian South African resource developer Mintails Limited (ASX: MLI, holds 21.1% of WWI). MLI and JV partner DRD Gold hold a combined 45.0% of WWI and are represented on the board.

Tenements: WWI's tenements are located on the West Rand, 20km from Johannesburg CBD. The tenements cover 20km of Witwatersrand Reef, part of the massive Witwatersrand Basin which has produced about 1.5 billion ounces of gold or ~40% of the world's gold ever mined (WWI data). Central Rand Gold Ltd (LSE: CRND) has established a major resource of 37moz Au on the adjacent tenements and are now commencing initial trail mining. Continuity of mineralisation into WWI ground is likely.

WWI Strategy: WWI sees potential for major large scale gold reef deposits and uranium mineralisation in un-mined parallel reef systems alongside the major reef systems already mined on its leases. It has established targets of 3.95-5.20moz Au, 17-20mlb U. Importantly, WWI's neighbour CRG has successfully demonstrated that this is more than a theory. WWI's staged strategy is to initially establish cash flow from near surface readily mineable open pit resources. This will provide exploration funding for exploration for the large underground Au and U parallel reef targets.

Initial Gold Resources: WWI has established 353koz of resources, and recently its first near surface JORC reserve at **Emerald** - 59koz @ 1.7g/t. This will be the mining reserve for the first ~2 years of production. Metallurgical studies have been completed and all mining and environmental documents have been submitted for approval. The second resource likely to be mined will be **Radiant** where WWI has delineated a JORC resource of 271koz (1.71g/t) to 300m depth. **Radiant** is a major future underground gold target targeting a 1.2-1.6 moz Au resource. **Monarch Zone:** WWI has recently identified a new shallow gold zone ~1km S of Emerald. This is likely to add to near-surface resources. WWI plans to drill test the 1.2km untested zone between Monarch and Emerald in 1Q10.

Gold Processing Plant Purchase: This key part of the strategy is now in place. Rather than seek toll treatment, WWI has recently announced the proposed purchase of its own 480ktpa CIL plant from major shareholder, Mintails. The plant is only ~1km from Emerald, and could be in production treating Emerald ore (~300ktpa) by early in 3Q10. The price is ~A\$5.6m, of which ~A\$1.85 will be payable up front, and the balance in instalments over the period of processing of the Emerald ore.

Investment Comment: WWI's strategy to fund deeper exploration for the very large Au and U targets by commencing low capex open cut operations will be welcomed by shareholders not wanting major dilution with large equity raisings at current share prices. We believe that initial cashflow could be achieved with minimal further capital raising. That is good news, but the real upside for shareholders is tied to the prospects of WWI's deeper exploration strategies bringing big conceptual targets (of a size rarely seen by Australian-based explorers) closer to reality. If WWI has anything like the success of neighbour CRG (based on same parallel reefs as WWI) then the share price gearing to this could be spectacular. Commencement of cashflow mid CY10 will be the key to unlock the potential.

Reserves and Resources/Mineralised Material

Code for reporting mineral resources - Australian:		(JORC)						
Gold	Classification	Project	Ore	Au	Cut Off	Au	Au	Au Eqty
Au		Equity	mt	g/t	g/t	t	koz	koz
Reserves								
Emerald Project	Pr & Prob	100%	1.1	1.70	0.8	1.8	59.0	59.0
Resources								
Emerald	Meas + Ind + Inf.	100%	1.37	1.50	1.0	2.05	66	66
Radiant	Indicated + inferred	100%	4.92	1.71	1.0	8.43	271	271
Marquise	Inferred	100%	0.30	1.72	1.0	0.50	16	16
Total			6.58	1.67		10.98	353	353
Mineralised Material (est., non compliant with JORC)						0.0	0.0	0.0

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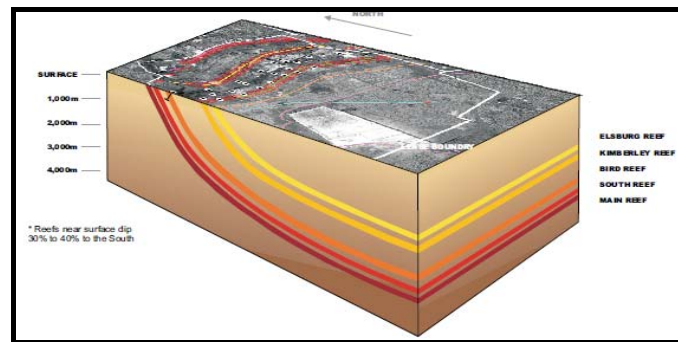
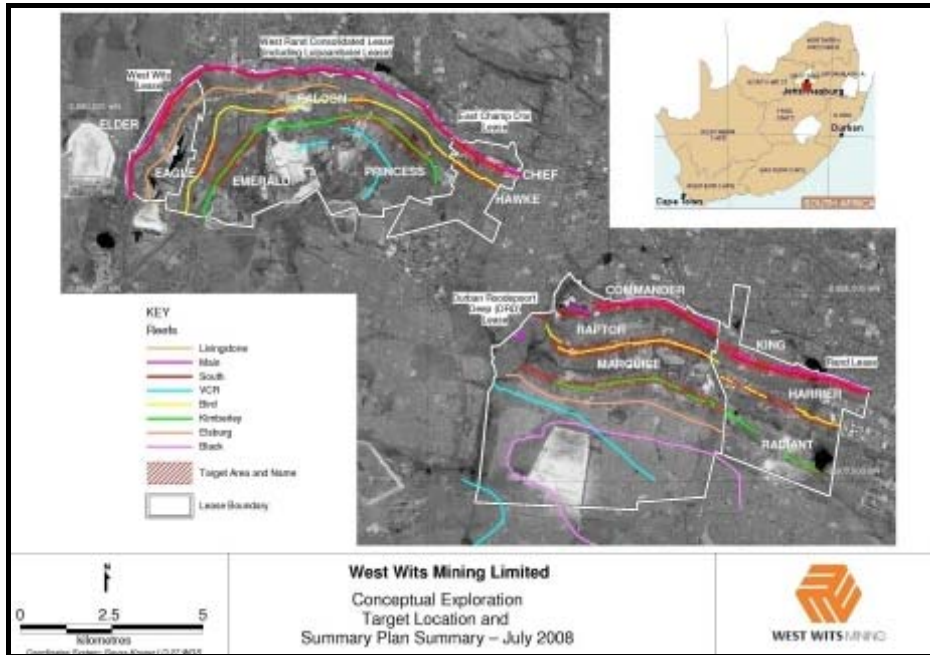
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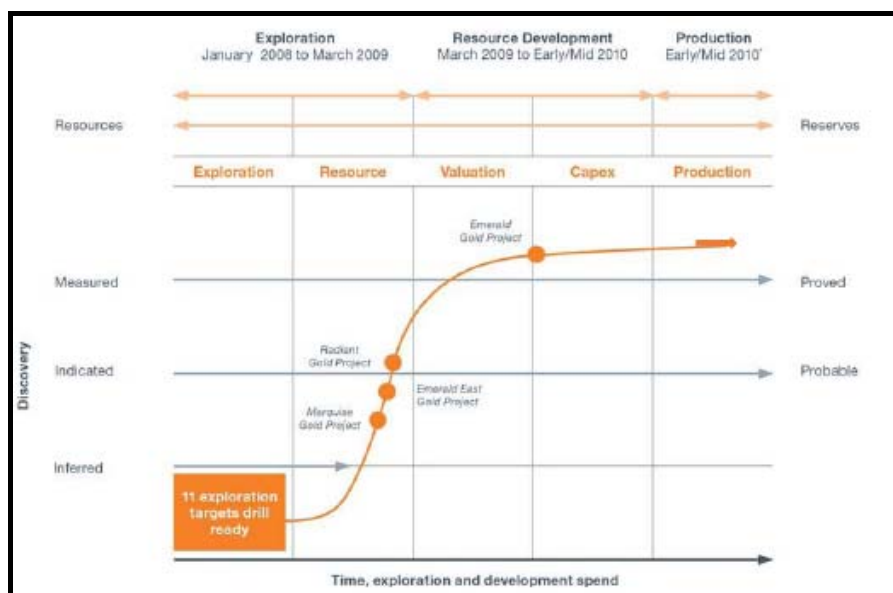
Key Projects

Project	Ownership/Option	Metal	JV Partner	Target Type	Process Route	Project Status	Location
Witwatersrand Reef o/c	100%	Au/U	none	conglom.	toll treat	Adv. Expl	S. Africa
Witwatersrand Reef u/g	100%	Au/U	none	qtz reef	na	Early Expl	S. Africa

WWI's tenements cover ~20km of the Witwatersrand reef and have historically produced 60moz gold and 37.7mlb uranium. Cashflow from 2Q10 from low capex mining of the Emerald near surface resource will fund deeper exploration for further reef extensions (lower graphic) and remnant pillars.



WWI has evolved rapidly from listing in 2007 to likely first production in 2010 on the back of delineating near-surface mineable resources and reserves.



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