

**ASX Announcement**

Friday, 29 October 2021

## Quarterly Activities Report

### Reporting Period 1 July – 30 September 2021

#### HIGHLIGHTS

- Witwatersrand Basin Project (“WBP”) **Mining Right application granted**
- Global JORC Mineral Resource Estimate (“MRE”) for WBP Mining Right area restated at **25.91Mt @ 4.26g/t for 3.55Moz Au (2g/t cut-off)<sup>1</sup>**
- **WBP Scoping Study results** provide for a five-stage development and Production Target of **80,000oz Au pa average steady-state production over 18 Years with 95,000oz Max Annual Gold Production in Year 7<sup>2</sup>**, demonstrating the WBP’s potential to be WWI’s cornerstone project as the Company aims to become a mid-tier gold producer.
- **WBP Stage 1 Qala Shallows Definitive Feasibility Study (“DFS”) results:**
  - **Maiden Ore Reserve of 3Mt at 2.88g/t for 278 000oz<sup>3</sup>**
  - **Production Target 17-year LOM project and 7.3MT at 2.81g/t recovered grade for 663,000oz Recovered Gold; a steady-state production of 53 000oz per annum<sup>3</sup>**
  - **All In Sustaining Cost (“AISC”) of an estimated US\$1,144/oz Gold with a steady state AISC of US\$1,027/oz<sup>3</sup>**
  - **Pre-tax NPV<sub>7.5</sub> of US\$150 million (AU\$205m) and IRR of 35% at a Gold Price of US\$1,750/oz<sup>3</sup>**
- Operations commenced at the **Qala Shallows Early Mining Initiative**
- **Prospectivity of Uranium** for WBP Mining Right reviewed<sup>4</sup>
- **Mt Cecelia MLTEM data** provides robust **first-pass exploration drill targets** anticipated to commence in 2022 field season<sup>5</sup>

West Wits Mining (**ASX: WWI**, ‘**West Wits**’ or ‘**the Company**’) is pleased to present its latest quarterly report for the period ending 30 September 2021.

#### SOUTH AFRICA

##### Witwatersrand Basin Project (“WBP”); Central Rand (WWI: 66%), Gauteng Province

###### Exploration, Prospecting Right and Mining Right

As announced in the prior period activities report, the Kimberley East infill drilling program exploration results and updated resource modelling were released on 5<sup>th</sup> July 2021. The resource update covered the existing Prospecting Right (“PR”) at that time, increasing the global MRE to 32.78Mt @ 4.24g/t for 4.47Moz Au (2g/t cut-off)<sup>6</sup>. In July 2021, West Wits received formal communication from South Africa’s Director General of the Department of Mineral Resources and Energy (“DMRE”) that the Company’s Mining Right application was

granted in terms of section 23(1) of the Mineral and Petroleum Resources Development Act, 2002 (Act 28 of 2002).

Upon granting of the Mining Right, the global MRE was subsequently restated to 25.91Mt @ 4.26g/t for 3.55Moz Au (2g/t cut-off) on 23<sup>rd</sup> July 2021<sup>1</sup> (**Table 1**), allowing for the reduced mining right tenement footprint compared to the previous PR area.

**Table 1:** Updated Global MRE for the Witwatersrand Basin Project at 2.0g/T Cut-Off<sup>1</sup>

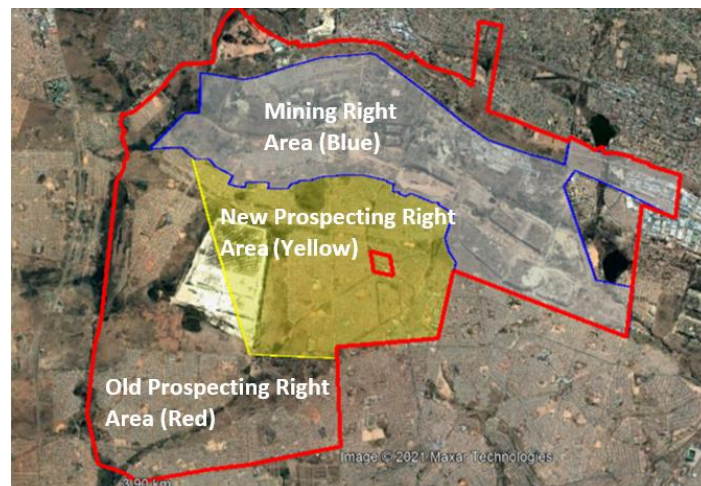
MRE Category	Tonnes (M)	Grade (g/t Au)	Ounces
Measured	4.91	4.33	683,000
Indicated	12.70	3.84	1,570,000
<b>Measured &amp; Indicated</b>	<b>17.61</b>	<b>3.98</b>	<b>2,253,000</b>
Inferred	8.31	4.86	1,298,000
<b>Total</b>	<b>25.91</b>	<b>4.26</b>	<b>3,551,000</b>

Notes: Global MRE is set at a 2.0g/t Au cut-off and reported in accordance with the JORC Code of 2012. Number differences may occur due to rounding errors. The MRE is inclusive of declared Ore Reserves.

The Mining Right footprint was constrained relative to the PR area to minimise the impact of the mine on interested and affected parties. The areas not included in the reduced Mining Right area are non-core and do not affect the mine plan. A PR lodged by the Company has been accepted by the DMRE to re-secure certain sections of the old PR area and thereby reintroduce additional Mineral Resources to the MRE. The Company anticipates that, subject to the granting of the new PR, a significant portion of the old Mineral Resource will be recaptured.

**Image 1** outlines the granted Mining Right boundary which replaces the previous PR boundary. The new PR, when granted, will re-introduce areas of long-term interest.

**Image 1:** The WBP's granted Mining Right boundary (blue line) replaced the previous Prospecting Right boundary (red line). The Company has applied for a new Prospecting Right (yellow area) to re-introduce areas of long-term interest.



Lawyers for Human Rights (“LHR”) lodged an appeal application against the DMRE’s granting of the MR and a review application directed against the decision of the Minister of Environment, Forestry and Fisheries (“the Minister”) which dismissed a previous appeal LHR pursued against the original decision of the DMRE to grant an Environmental Approval for the WBP<sup>9</sup>.

The applications again put forward arguments that have been previously raised and rejected by both the DMRE and the Minister. West Wits believes the applications are simply an attempt to cause disruption and is without legal merit.

#### **WBP Scoping Study and Production Target**

Bara Consulting Pty Ltd (“Bara”) updated the original WBP Scoping Study to allow for the restatement of the K9A and K9B JORC compliant Mineral Resource models. The removal of the Exploration Target and reduction of

Inferred Mineral Resources in the early stage of mining in the updated production model enabled the release of the WBP production target<sup>2</sup>.

The Scoping Study results firmly established the WBP's potential to progress into a long-term gold mine with average steady-state annual production of 80,000oz for 18 years and 22-year Life-of-Mine ("LOM") (Table 2) for the five staged development<sup>2</sup>. The results indicated that WBP has the potential to build up to a peak production rate of over 95,000oz per annum<sup>2</sup>. The Scoping Report outlined a production target which averages 90,000oz from Year 6 to 11, as production reaches steady-state from the Qala Shallows, Main Reef package and Bird Reef East areas<sup>2</sup>.

**Table 2: WBP's Key Production Metrics<sup>2</sup>**

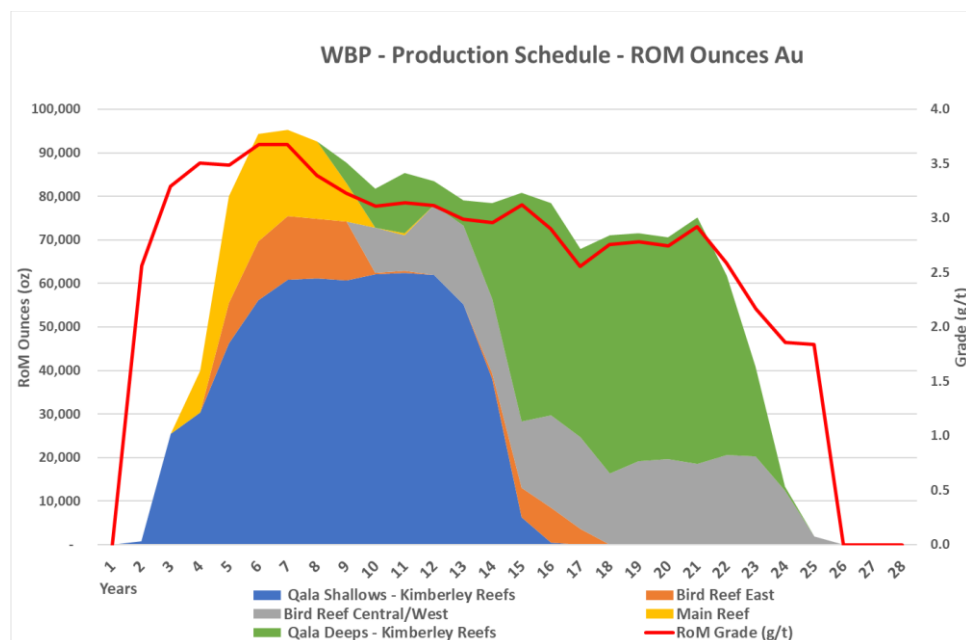
WBP - SCOPING STUDY - PRODUCTION DATA	OUTCOME
Life of Mine (Construction to Relinquishment)	25 Years
Total Years of Production	22 Years
Total Production (Ore Tonnes)	16,000,000
Max Production Rate (Ore Tonnes)	850,000tpa
Contained Grade Au (Average)	3.4g/t Au
Run of Mine Grade Au (Average)	3.0g/t Au
LoM Contained Au oz	1,730,000oz
Metallurgical Recovery Au (Overall)	90%
Total Gold Produced	1,560,000oz
Average Annual Gold Production (22yrs) <sup>1</sup>	70,000oz
Average Annual Steady State Gold Production (18yrs) <sup>2</sup>	80,000oz
Max Gold Production (Year 8)	95,000oz

<sup>1</sup> Over All Production Years, 22yrs (Yr3 - Yr24)

<sup>2</sup> Steady State - excludes ramp up and ramp down production - 18yrs (Yr5 - Yr22)

Image 2 provides a graphical representation of the WBP's production profile and incremental contributions of each development stage identified by the Scoping Study.

**Image 2:** The WBP Scoping Study's ROM production schedule in annual ounces of gold by stage over the WBP's 25-year life-of-mine<sup>2</sup>.



### Qala Shallows (Stage 1) Definitive Feasibility Study

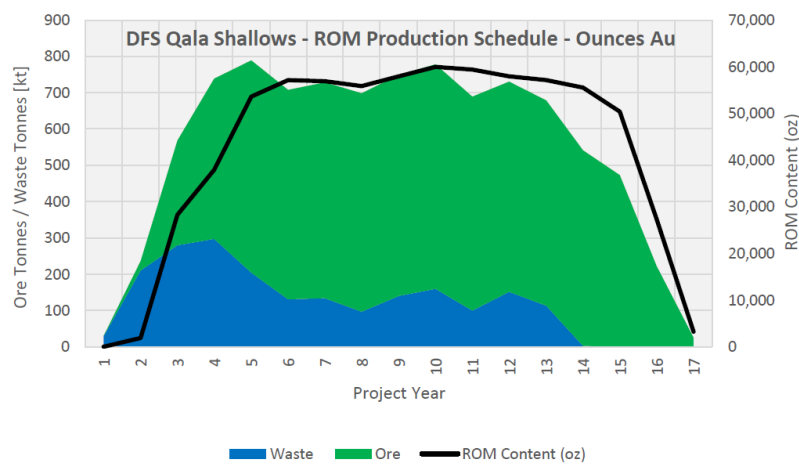
Qala Shallows is the first of five distinct mine stages identified by Bara's initial Scoping Study on the Kimberley Reef. Qala Shallows provides the backbone to underpin subsequent stages of production over a long LOM.

Additionally, the combination of the existing infrastructure (Qala Adit) and accessible shallow Mineral Resource allow access for production on a fast-tracked timeframe relative to most global opportunities for underground gold mining.

The Qala Shallows Definitive Feasibility Study (“DFS”) results were released during the reporting period and confirmed the robust economic viability of Qala Shallows. Qala Shallows has the potential to ramp-up to a ROM steady-state production of approx. 56,000oz Au per annum over approximately eleven years and peak production 60,000oz<sup>3</sup>.

First ore is expected to be extracted 12-months from the commencement of development, building up to an annualised production rate of 25,000oz Au per annum after 30 months and reaching a full steady-state ROM production rate of 56,000oz Au per annum after year four<sup>3</sup>. **Image 3** updates the Qala Shallows production profile to a DFS level of accuracy. The remaining four stages are at Scoping Study level and will be subjected to individual DFS’s as WWI progresses towards execution. The DFS on the second stage of development, Main Reef, is expected to commence before the end of 2021.

**Image 3:** The Qala Shallows Production Profile, showing Waste and Ore mining, overlaid with the ounce profile over the LOM<sup>3</sup>.



**Table 3:** Qala Shallows DFS - Key Production Metrics<sup>3</sup>

Qala Shallows DFS – PRODUCTION DATA	OUTCOME
Life-of-Mine (Construction to Relinquishment) <sup>1</sup>	17 Years
Total Production (Run of Mine)	7.3 million t
Max Production Rate (Tonnes)	608 000tpa
Run-of-Mine Grade Au (Average) <sup>1</sup>	3.06g/t Au
LoM Contained Au <sup>1</sup>	721 000 oz
Metallurgical Recovery Au (Overall)	92%
Gold Produced <sup>1</sup>	663 000 oz
Average Annual Gold Production (17yrs) <sup>2</sup>	39 000 oz
Average Annual Steady State Gold Production (10yrs) <sup>3</sup>	52 500 oz
Max Gold Production (Year 10)	55 000 oz

<sup>1</sup> Including Inferred Resources

<sup>2</sup> Production Years – 17yrs

<sup>3</sup> Steady-State – excludes ramp-up and ramp-down production – 10yrs (Yr5 – Yr15)

**Table 4** Ore Reserve Statement - shows that the Qala Shallows hosts a significant Ore Reserve of 3MT at 2.88g/t for 278 000oz Au<sup>3</sup>.

ORE RESERVE STATEMENT FOR QALA SHALLOWS (JORC 2012)					
Reef Type	Ore Reserve Category	Tonnage (Mt)	Grade (g/t)	Content (kg)	Content (oz)
K9A	Proved	0.37	3.38	1 260	40 400
	Probable	0.45	2.32	1 040	33 400
	<b>Total K9A</b>	<b>0.82</b>	<b>2.80</b>	<b>2 300</b>	<b>73 800</b>
K9B	Proved	0.46	2.94	1 340	43 200
	Probable	1.72	2.91	4 990	160 600
	<b>Total K9B</b>	<b>2.17</b>	<b>2.92</b>	<b>6 330</b>	<b>203 800</b>
Grand Totals	Proved	0.83	3.13	2 600	83 600
	Probable	2.17	2.79	6 000	194 000
	<b>Total</b>	<b>3.00</b>	<b>2.88</b>	<b>8 600</b>	<b>277 600</b>

Note: errors may occur due to rounding differences

The DFS' financial evaluation of Qala Shallows was undertaken using a discount cashflow analysis. The evaluation used a gold price of US\$ 1,750 per ounce and a rate of exchange of R 15/US\$.

The financial model for the Qala Shallows includes detailed capital and operating cost estimates for all infrastructure, equipment and labour complement required over the LOM. The cost estimates have been compiled by estimating quantities of materials from drawings, the mining schedule and from requesting prices and rates from suppliers and contractors.

**Table 5** shows the DFS key baseline financial metrics for the Qala Shallows Project<sup>3</sup>.

WBP – QALA SHALLOWS – FINANCIAL EVALUATION	OUTCOME
Total Revenue (USD)	\$ 1 160 million
Total Free Cashflow (USD)	\$ 240 million
Peak Funding (USD)	\$ 50million
LOM C1 Cost (USD/oz)	\$ 970 / oz
LOM All in sustaining Cost (USD/oz)	\$ 1 144 /oz
Steady-State All in Sustaining Cost (USD/oz)	\$ 1 027 /oz
Payback (years)	5.5 years
Pre-Tax Net Present Value <sup>7.5</sup> (USD)	\$ 151m
Post-Tax Net Present Value <sup>7.5</sup> (USD)	\$ 106m
Pre-Tax Internal Rate of Return (%)	35%
Post-Tax Internal Rate of Return (%)	30%

### Early Mining Initiative at Qala Shallows

Ground operations commenced at the Qala Shallows in September 2021, with bush clearing, site preparation and underground technical surveys. Information gathered on underground inspections has confirmed there is sufficient ROM remnant material left over from the old mining operations to kick-start WWI's Early Mining Initiative. Early works are being implemented over a six-month period from October 2021 to March 2022, with initial production aimed at delivering 5,000t to 8,500t ore per month from February 2022 which is expected to ramp up to a production rate of 8,500 to 10,000t per month from July 2022<sup>7</sup>.

#### Phase 1: Bush Clearing and Preparation (September 2021)

Through West Wits' program to empower the local community, Siyabhowa-Humba JV was appointed to initiate bush clearance and undertake site preparation to ensure early access for the appointed mining contractor. **Image 4** shows an aerial view of the preparation progress on the site.



Activities included bush clearance, tree and stumps cutting, stockpiling of cut trees, dozing and grading of the area and carting away all pickings to designated areas as per environmental requirements and site dust suppression.

Siyabhowa-Humba JV will establish an early service of potable water supply from Rand Water in Johannesburg.

**Image 4:** (Left) Qala Shallows Site Preparation and (right) Technical Team Site Inspection at the Qala Adit



#### **Phase 2: Mineral Resource Management Team's Underground Inspection (September 2021)**

A Technical Services team (**Image 4**) has been appointed through a tender process, with specialist appointments including: Mine, Health, Safety and Environmental Management; Ventilation Services; Rock Engineering; Survey, Planning and Sampling; and Geology and Exploration

The team performed underground technical inspections in September 2021, as authorised by the DMRE. The team will continue to conduct geological and geotechnical sampling, including mapping, and all underground working observations are being recorded.

#### **Uranium Exploration**

During 2008, West Wits completed and reported results of a first pass Uranium Exploration Program focusing on its primary Uranium Exploration Target. The Company decided to recommence investigations into the prospectivity of the uranium bearing reefs within the current mining right area of the WBP.

West Wits' prior work in 2008 supports the conclusion there is still a significant exploration target for uranium within in the Bird Reef Sequence. Significant to note is that the current WWI mining right allows for the mining and extraction of both gold and uranium on the Bird Reef Sequence.

MSA Geoservices (Pty) Ltd ("**MSA**") previously provided geological services for the preparation and competent person sign-off of West Wits' uranium exploration results in 2008. The Company re-appointed MSA to revisit the work conducted in 2008 and advance the renewed Bird Reef Central ("**BRC**") Uranium Exploration Project.

During the reporting period the Company recommenced uranium exploration with the following objectives:

- 1) Update its previously released drill results to JORC 2012 including the conceptual target for uranium released in 2008 under JORC code (2004) to a current exploration target under JORC code (2012).
- 2) Commence a BRC Uranium Exploration Project targeting the declaration of a JORC code (2012) compliant Mineral Resource.

MSA and the West Wits geology team successfully achieved the above outcomes post period with results released on 25/10/2021<sup>4</sup>.

## **AUSTRALIA**

### **Mt Cecelia, Paterson Province (100%)**

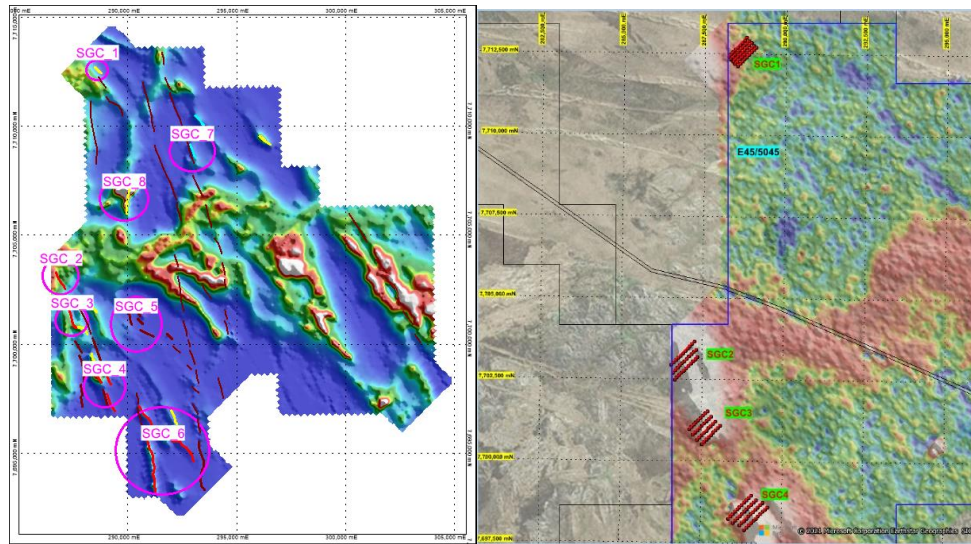
#### **Mt Cecelia MLTEM Survey Results**

The aim of the MLTEM surveying was to gain a better understanding of the priority bedrock conductors identified by the earlier SKYTEM surveying and associated technical interpretation by Southern Geoscience Consultants Pty Ltd ("**SGC**"), carried out in Q4 2020. Subsequent modelling and technical reporting of the

MLTEM data completed by SGC, which combined the full analysis of results from the SKYTEM survey, will assist in providing robust first-pass exploration drill targets for the Company's maiden drilling program in 2022<sup>5</sup>.

A total of 16 survey lines (158stns, 14.2kms) of MLTEM data were acquired at the four target prospect areas (SGC\_1, SGC\_2, SGC\_3 and SGC4) defined in **Figure 1**.

**Figure 1:** (Left) Eight SGC target zones (magenta) identified. Conductor axes marked by lines (bright red, yellow and blue) together with magnetic lineaments (brown) on SKYTEM CH15Z component image. (Right) MLTEM surveying area showing the four high priority target areas



### MLTEM Targets and Modelling Outcomes

The MLTEM survey program was successfully completed in August 2021 where all four primary SKYTEM anomalies (**SGC\_1; SGC\_2; SGC\_3 and SGC\_4**) were found to be related to legitimate bedrock related conductors. A summary of each of these conductors and related model outcome is provided in **Table 6**.

SGC\_1 was classed the highest priority target defined via the SKYTEM survey given the clearly discrete nature of the anomalism and correlation with a zone of de-magnetisation in the local sequence. Resultant MLTEM survey data has confirmed the presence of a strong, localised bedrock conductor. The conductor is situated either within a zone of local de-magnetisation or at the contact of a complex magnetic unit and represents an immediate drill target.

The other targets, SGC\_2, SGC\_3, SGC\_4, are classed a second order type target as defined via the SKYTEM survey, given the larger conductor areal size and lower conductance levels. However, these conductors could still be of interest for significant base metals pending the local geological model. Resultant MLTEM survey data has confirmed the presence of a weak-moderate bedrock conductor. It further shows that Targets SGC\_2, SGC\_3, SGC\_4 appear to be along strike from each other.

**Table 6:** Key MLTEM Data with SGC\_1 showing the highest conductance value which will also then be first priority for further exploration<sup>5</sup>

Target	Conductance (S)	Depth to Top (m)	Strike Length (m)	Strike Direction	Depth Extent (m)	Dip & Direction	Priority
SGC_1	4000-5000+	100-125	~150-175	NNW-SSE	>300	75-80° NE/ENE dip	1
SGC_2	400-600	75-125	800+	NW-SE	>500	10-15° E dip	2
SGC_3	100-150	50-75	~400	NW-SE	350-400	25-30° NE	4
SGC_4	200-300	50-75	~>800	N-S/NNW-SSE strike	>800	15-20° E/SE	3

The images below show the typical landscape encountered by the MLTEM teams during the survey period. All the sites were accessible with a 4x4 vehicle and smaller all-terrain vehicles.

**Image 5:** (Left) View of the landscape during a field trip in July 2021 and (right) the WSG survey team in action laying survey cables at Target 1, the northern most target



Geological specialists from SRK Consulting performed a ground geological program to investigate the physical geology of all four targets identified. The work commenced in the second half of September 2021 and the outcome supports first pass exploration drill planning.

## **CORPORATE**

### **Cash and Financing**

West Wits maintains a cash position with \$5.7M cash in hand as at 30 September 2021.

On 10 August 2021, the Group completed a share placement to raise \$7 million (before costs) via the issue of 117 million new fully paid ordinary shares at \$0.06 (6 cents) per share to existing, new, sophisticated and professional investors<sup>8</sup>. 70.1 million unlisted options with an exercise price of \$0.12 (12 cents) and expiry date 10 August 2022 were issued by way of attaching options to the placement (one option for every two shares) and issue of options to the lead Broker of the Placement (one option for every ten shares). The 70.1m unlisted options were subsequently listed on the ASX after meeting the ASX requirements.

The Company held ongoing discussions with various financiers and appointed experienced financial advisory firm Taurum International (Pty) Ltd (“**Taurum**”) in October 2021 to facilitate debt financing strategies and options for the Company’s first stage of development, Qala Shallows, which is expected capital cost of the WBP is circa US\$ 50m. Taurum is an independent financial advisory firm which predominantly focuses on the mining and resources sectors in Africa.

Mr Paul Godfrey was appointed Joint Company Secretary, effective 6 September 2021.

### **COVID-19 Impact**

The impact of the COVID-19 pandemic has largely been confined to delays in the Mining Right application approval process and mobilisation of the exploration field team to Mt Cecelia. The Company does not expect the pandemic to negatively impact its ability to access financing. It is important to note that the mining industry in South Africa is fully functional, following strict protocols.

The Company continues to monitor the ongoing COVID pandemic to identify and mitigate any associated risks to operational and corporate activities in achieving the business objectives.

Approved for release by the Board of West Wits Mining Limited,



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1. The original report was “Restated JORC Resource of 3.55Moz Au for Mining Right” which was issued with consent of competent persons Mr Hermanus Berhardus Swart, it was released to the ASX on 23 July 2021 and can be found on the Company’s website (<https://westwitsmining.com/>). The company is not aware of any new information or data that materially effects the information included in the relevant market announcement. The form & context in which the Competent Persons’ findings are presented have not been materially modified.
2. The original report was “Scoping Study Results Highlight Potential for Long Mine Life” released to the ASX on 16 August 2021 and can be found on the Company’s website (<https://westwitsmining.com/>). The Company confirms that all material assumptions underpinning the production target in the WBP Scoping Study continue to apply and have not materially changed.
3. The original report was “DFS Delivers Strong Results on 1st Stage of WBP Development” which was issued with consent of Competent Persons Mr. Andrew Pooley. The report was released to the ASX on 02 September 2021 and can be found on the Company’s website (<https://westwitsmining.com/>). The Company is not aware of any new information or data that materially effects the information included in the relevant market announcement. The form and context in which the Competent Person’s findings are presented have not been materially modified
4. The original report was “West Wits advances exploration work on Uranium at WBP” released to the ASX on 25 October 2021 and can be found on the Company’s website (<https://westwitsmining.com/>). The Company confirms that all material assumptions underpinning the production target in the WBP Scoping Study continue to apply and have not materially changed.
5. WWI ASX release: “Ground EM Survey Confirm High-Priority Targets at Mt Cecelia” on 10/09/2021
6. The original report was “Infill-drill Program Grows JORC Resource at WBP to 4.47Moz” which was issued with consent of competent persons Mr Hermanus Berhardus Swart. The report was released to the ASX on 05 July 2021 and can be found on the Company’s website (<https://westwitsmining.com/>). The Company is not aware of any new information or data that materially effects the information included in the relevant market announcement. The form and context in which the Competent Person’s findings are presented have not been materially modified.
7. WWI ASX release “Early Mining Initiative Commences at the WBP” on 12/10/2021
8. WWI ASX release “WWI Raises \$7m to Commence Underground Mine Development” on 03/08/2021
9. WWI ASX Release: “Witwatersrand Basin Project Update” on 28/09/2021 & and WWI ASX release “Witwatersrand Basin Project Update” on 20/09/2021

**Summary of expenditure on substantive exploration, development and production activities:**

- Mining License Applications - \$80k
- Exploration of K9 Reefs - \$48k
- Feasibility Studies - \$275k
- Qala Shallows Early Works - \$157k
- Mt Cecelia MLTEM Surveys - \$74k

**Related Party Payments:**

- \$119k for current and historical director fees (Mr Quinert, Mr Chapman, Mr O’Malley & Mr van Heerden)

- \$7k to Brickwick & Quinert Rodda & Associates, related entities to Mr Quinert, for current and historical office rent and legal services in Australia
- \$21k to Malan Scholes Attorneys, a related entity to Mr Scholes, for legal services in South Africa

**Interests in Mining Tenements**

Tenements	Location	Held at end of Quarter	Acquired during the Quarter	Disposed during the quarter
Mining Right - GP 30/5/1/2/2/10073 MR (WBP)	Witwatersrand Basin, West Rand, South Africa	66%*	-	-
Mining Lease – M45/988 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Mining Lease – M45/990 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Mining Lease – M45/991 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Exploration License – EL 45/5045 (Mt Cecelia)	Pilbara region, Western Australia	100%		
Production IUP – NO. 47/2010 (Derewo)	Paniai Regency, Indonesia	29%*	-	-
^ Exploration IUP – NO. 76/2010 (Derewo)	Paniai, Indonesia	64%*	-	-
^ Exploration IUP – NO.31/2010 (Derewo)	Intan Jaya, Indonesia	64%*	-	-
^ Exploration IUP – NO. 543/142/SET (Derewo)	Nabire, Indonesia	64%*	-	-

\* Minority positions are held by local parties in compliance with local legislation in relation to foreign ownership and mineral and production rights.

^ Exploration IUP's may no longer be within the compliance period and could be subject to cancellation