



Fast Facts

Capital Structure	@ 31 Jan 2011
Shares on issue	254 million
DRD Entitlement shares	38 million
Performance Shares	46 million
Options	59 million
Market Cap	A\$9.65 million
Cash in Bank	A\$1.6 million
Debt	Nil
Enterprise Value (EV)	A\$8.05 million
Current JORC Reserve	59,000
Current JORC Resource	426,700
EV / Reserve oz	A\$136/oz
EV / Resource oz	A\$19/oz

Company Directors & Management

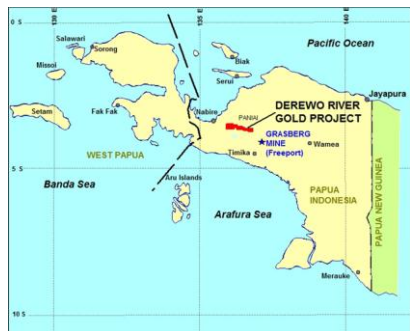
Michael Quinert	Executive Chairman
Neil Pretorius	Non-Exec Dir
Phillip Hains	Non-Exec Dir/ Co Sec
Hulme Scholes	Non-Exec Dir
Vin Savage	Non-Exec Dir

Top Shareholders ≈

DRD Gold Ltd	13%
GOC Holdings Ltd	11%
Trevor Neale	5%
ECR Minerals PLC	4%
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
 - 59,000 ozs Reserve
 - 426,7000 ozs Resource
 - Further near surface resources to be targeted
 - 61m ozs Au produced historically
 - 37m lbs U produced historically



Contact Details

West Wits Mining Limited
ACN 124 894 060
 Suite 1, 1233 High Street
 Armadale VIC 3143
 T: +61(0)3 9824 8166
 F: +61(0)3 9824 8161
 E: info@westwitsmining.com
 W: www.westwitsmining.com

Corporate Advisor

Peregrine Corporate Limited
 Tim Chapman
 T: +61 9824 8166
 E: tchapman@peregrinecorporate.com.au

Quarterly Activities Report

Highlights

- West Wits cash position to be significantly increased through the sale of part of its South African exploration assets for \$9m on milestone payments
- Transaction value is comparable in value to West Wits entire current market capitalisation
- West Wits retains the DRD Lease and Rand Leases in South Africa which contain JORC 287,000ozs Au and the major uranium targets
- West Wits can now confidently continue the commissioning of the alluvial circuit and initial exploration programs at Derewo River, Indonesia

Review of Operations

West Wits Mining Limited (“West Wits” or “the Company”) during the quarter continued to progress both its Derewo River Gold Project (“Derewo”) in Papua Province, Indonesia and completed negotiation of an important asset sale on part of the South African exploration assets.

Indonesia

Development of Derewo Project

The Company has continued to progress the Derewo River Gold Project (“Derewo”) towards commissioning of the alluvial circuit by the end of the March 2012 quarter.

The December quarter has been a period characterised by laying the foundations for the development of the Derewo River Gold Project. The Company has been working hard with all interested parties, including the local and regional government, key indigenous community representatives, service providers, local, regional and central forestry and mines departments. All the relevant stakeholders appear supportive of the prospect of a modern mining operation being established at the Derewo site.

A key step in this process of development has been the implementation of the Company’s socialisation plan with the local indigenous community who will form a key part of the workforce for the Company. The relationship with the local Wolami people is strong and has developed over a number years. West Wits is one of very few mining companies in Papua that has completed an indigenous agreement. As part of this agreement the Company will establish a medical clinic and school for the local people as well as training and scholarship program for those to be employed by the Company.

The Company has also begun to expand its operations team in preparation of activities beginning to ramp-up on site. West Wits has now employed full time Community and Government affairs staff to manage the relationships of these key stakeholders in the project. Offices have been established in Jakarta to manage relationships with the central government and mines departments and to handle procurement of key equipment for the operation as well as in Nabire which will act as a staging post to supply the operation at Derewo and manage local stakeholders including governmental and community relations.

Operators have been engaged for both the excavator and front end loader which are onsite and ready to commence work. Development of the airstrip, access roads and tailings and settling dams is beginning. The development of infrastructure is behind schedule due to completing discussions with all key stakeholders in the development of the project. However the Company does not anticipate this will impact its stated objectives of commissioning the alluvial circuit by the end of the current quarter.

The development of the alluvial circuit can also continue to progress as the Company waits for its Forestry Permit. Without the permit West Wits is unable to begin mining at Derewo however the Company does not require the permit to continue to develop its infrastructure in preparation. West Wits has received sign off from the Paniai (local) and Papuan (provincial) Forestry Departments for the development of the Derewo project and is now waiting for the administrative process to be completed. The Forestry Permit remains the final permit to be received before commercial operations can begin.

As previously advised the topographic survey team completed their site visit in the last quarter allowing for the development plans for the alluvial circuit to be completed. Multiple Dam locations have been identified providing gravity feed for sluicing operations. The airstrip centreline has also been selected which will provide a landing distance of 800m, sufficient to land a Cessna Caravan and other locally operated aircraft. This will be a key development as securing aircraft support will reduce transport costs to about a third of what they would be with helicopter support. Road lines have also been selected. The Company looks forward to updating the market on the progress of development at Derewo in the coming weeks.

Exploration

The Company's fulltime exploration manager for the Derewo project has commenced the review of the geology and geochemistry which will be combined with a structural assessment once the processed satellite images are delivered this week. A review is currently being completed on the Freeport geophysical data received last quarter to identify any possible intrusives. Once this review has been completed field operations will begin in the next month with sampling programs to be undertaken at the Company's primary gold anomaly, Wopogi.

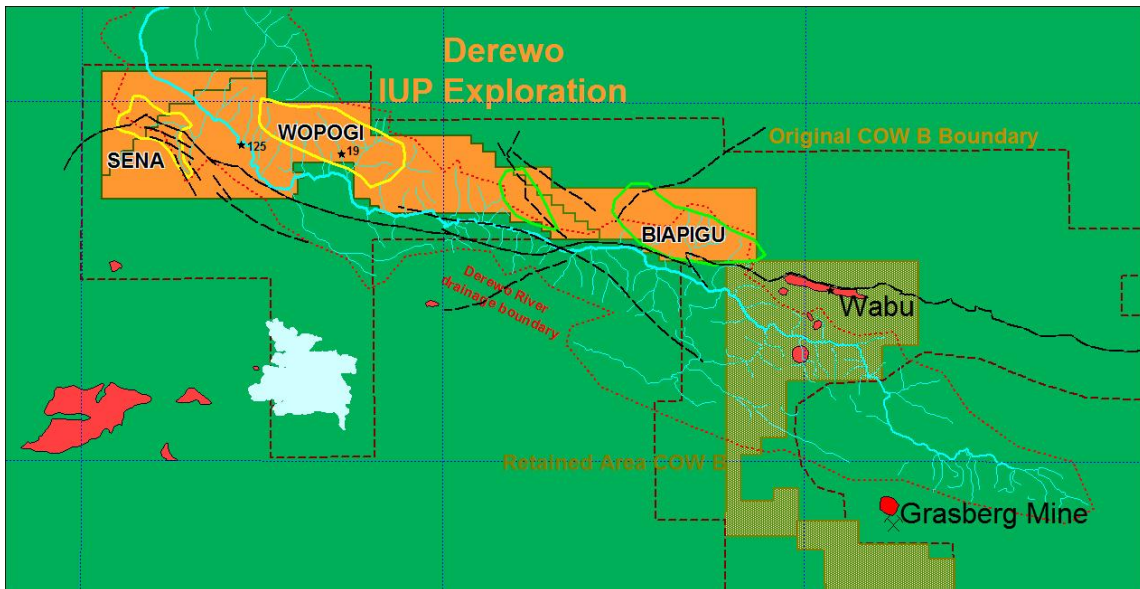


Figure 1. Three Anomalous Areas of focus identified as Wopogi, Sena and Biapigu

- Wopogi (Gold/Copper);** an area of 157km² on the northern side of the Derewo River, running parallel to the river in the metamorphic terrain to the north of the Derewo Fault. In PNG similar metamorphic terrain host several multi-million ounce gold deposits. The area is defined by gold geochemistry with coincident copper and inconsistent arsenic geochemistry in multiple drainages along a strike length of 20km. Limited channel sampling of weakly altered volcanics show values up to 19g/t Au. Float samples assay up to 1.8% Cu. The geological data indicates the existence of dioritic intrusions which elsewhere in Papua are a very strong indication for significant mineralised systems. This area presents as one likely source of the alluvial gold within the Derewo River including the coarse gold placer. Wopogi lies within the Paniai Structural Corridor which further to the south contains some of Freeport's main Cu-Au prospects outside the Grasberg mineral district.

Preview for next quarter

Exploration

The establishment of the alluvial operation will also act as a field base from which the regional exploration programs will be managed. The base is in proximity to the Company's primary Wopogi target.

The initial exploration program at Wopogi will consist of geological mapping including structural, lithology and alteration mapping together with detailed geochemical sampling of streams and outcrop. It is anticipated this follow up sampling work will start in February incorporating further stream, soil and rockchip sampling programs. From this work and the reprocessing of the Freeport geophysical data, the Company is planning to have drill targets by the end of the March quarter.

South Africa

West Wits announced the acceptance of a joint offer from a South African consortium comprised of Mintails Limited (ASX: MLI) and Galabyte (Pty) Limited ("Galabyte") (collectively "the Consortium"), to sell all the rights to four of its mining leases in South Africa including the West Wits Lease, West Rand Consolidated Lease, Luipaardsvlei Lease and East Champ D'Or Lease ("the Randfontein Cluster") for A\$9 million over a number of milestones. Proceeds from the sale of the Randfontein Cluster will be principally applied to development of Derewo. This transaction secures the Company's cash position allowing the management team to now confidently plan and execute this key development phase at Derewo.

The sale price agreed is to be paid as follows:

- an upfront payment of \$4,000,000 on completion of due diligence (a period of 30 days due diligence has been allowed) and signing of definitive legal agreements;
- a first interim payment of \$1,000,000 after 6 months;
- a second interim payment of \$1,000,000 after 12 months subject to regulatory approval for transfer of the leases; and
- further payments totalling \$3,000,000 following regulatory approval for the transfer of leases will be paid progressively based on the tonnage of ore processed by the Consortium.

The Consortium has agreed to deliver guarantees in a form reasonably satisfactory to West Wits for payment of the upfront amount of \$4,000,000 (within 14 days) and for a further \$2,000,000 of interim payments by completion of the due diligence period. A binding letter agreement has been signed by the parties which will be replaced by definitive legal documentation to be signed on completion of due diligence. The due diligence condition precedent is limited to legal verification of mining rights for the Randfontein Cluster and specifically excludes any review of geological data on the basis that the buyers have already satisfied themselves on these matters. A period of 30 days has been allowed for completion of due diligence which will commence on provision of the lease title documentation to the Consortium.

The transaction provides for advanced payments of \$5,000,000 by the Consortium to West Wits prior to the legal transfer of title of the leases. As such West Wits has agreed to grant security over the subject leases in favour of the Consortium to secure the \$5,000,000 of advance payments in case legal transfer does not occur. West Wits has also agreed to grant the Consortium an interim contract to mine the resource pending transfer of title. As ore is extracted under the interim mining contract the Consortiums' security rights against the \$5,000,000 advance will progressively reduce by reference to the number of tonnes delivered for processing.

This transaction has no effect upon the Company's continued ownership of Rand Leases and the DRD Lease in South Africa which contain stated JORC resources of 287,000 oz au. By comparison the Randfontein Cluster leases being sold contain stated JORC resources of 139,000 oz au and a JORC reserve of 58,800 oz au.

Results of drill program received

The assay results of the drill programs completed at the Gap and LIP targets were unfortunately severely delayed due issues at the assay laboratory. These targets are now part of the sale agreement discussed above, but the Company's initial review of these results is in line with expectations. The Company is anticipating receiving sign-off from the independent competent person in the coming days at which time it will update the market.

For And On Behalf Of The Board



Michael Quinert
Chairman
West Wits Mining Limited

Appendix 5B – 2nd 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

89 124 894 060

Quarter ended (“current quarter”)

31 st December, 2011

Consolidated statement of cash flows

<u>Cash flows related to operating activities</u>	Current Quarter \$A'000	Year to Date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(345)	(478)
(b) development	-	-
(c) production	-	-
(d) administration	(343)	(871)
(e) contract services	(43)	(86)
(f) staff costs	(21)	(32)
(g) other working capital	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	24	49
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	(728)	(1,418)
<u>Cash flows related to investing activities</u>		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(15)	(15)
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 by other entities	-	-
1.12 Other - Acquisition of Subsidiaries, net of cash acquired	(150)	(247)
Net investing cash flows	(165)	(262)
1.13 Total operating and investing cash flows (carried forward)	(893)	(1,680)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

		Current Quarter \$A'000	Year to Date (3 months) \$A'000
1.13	Total Operating and Investing Cash Flows (Brought Forward)	(893)	(1,680)
	<u>Cash flows related to financing activities</u>		
1.14	Proceeds from issues of shares, options, etc.	-	3,266
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	-	3,266
	Net increase (decrease) in cash held	(893)	1,586
1.20	Cash at beginning of quarter/year to date	2,941	470
1.21	Exchange rate adjustments to item 1.20	(41)	(49)
1.22	Cash at end of quarter	2,007	2,007

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	141
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	750
4.2 Development	-
4.3 Production	-
4.4 Administration	400
4.5 Contract Services	50
4.6 Staff Costs	10
Total	1,210

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	2,007	2,937
5.2 Deposits at call	-	4
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: Cash at End of Quarter (item 1.22)	2,007	2,941

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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		

+ 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	Performance +securities <i>(Non-voting, non-participating, contingent on achieving 20,000oz of gold by 28/07/2013)</i>	46,000,000	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	+Ordinary securities	255,722,340	255,722,340	-	-
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	1,015,749	1,015,749	Nil	-
7.5	+Convertible debt securities <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	-	-	-	-
7.7	Options <i>(description and conversion factor)</i>	78,424,532	11,562,500	<i>Exercisable @ \$0.08 to \$0.30</i>	-
7.8	Issued during quarter	7,500,000	-	<i>Exercisable @ \$0.08</i>	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	Debentures <i>(totals only)</i>	-	-	-	-
7.12	Unsecured notes <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: 31st January 2012
(Director/Company secretary)

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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+ See chapter 19 for defined terms.