WEST WITS MINING

**ASX Announcement and Media Release**
Friday, 22 January 2016

ASX: WWI
www.westwitsmining.com

| **Fast Facts** | @ 22 Jan 2016 |
|---|---|
| Capital Structure: | |
| Shares on issue | 456 million |
| Options | 52 million |
| Market Cap | A$10 million |
| Cash in Bank | A$1.6 million |
| Debt | Nil |
| Enterprise Value (EV) | A$8.4 million |
| EV/oz | A$6.90/oz |

**Company Directors & Management**

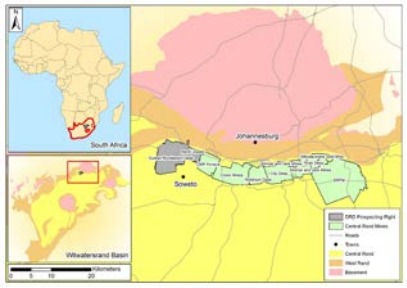
| | |
|---|---|
| Michael Quinert | Chairman |
| Vin Savage | Executive Director |
| Neil Pretorius | Non-Exec Director |
| Hulme Scholes | Non-Exec Director |

**Top Shareholders ≈**

| | |
|---|---|
| Twynam Ag | 19.9% |
| DRD Gold Ltd | 11% |
| Top 40 Shareholders | 74% |

**Company Highlights**

- South Africa
  - o near surface and underground targets
  - o 1.217m oz JORC resource
    - Measures: 302,000
    - Indicated: 566,200
    - Inferred: 349,400
  - o Historic estimate of 12.8m oz at 4.6g/t
  - o 31.8m ozs Au produced historically




- Indonesia
  - o High grade placer deposit
  - o Project show early stage similarities with discoveries inc; Porgera, Edie Creek, Wau
  - o Independent geologists believe source of nuggets likely to be local, based on the size and shape of the nuggets discovered




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# Updated Mineral Resource Estimate for the Soweto Cluster

## Highlights

- West Wits has focused its efforts onto verifying and updating its Mineral Resource Estimate for the gold bearing reefs within its Soweto Cluster project.
- High confidence in resource with over 70 % of the resource in Measured & Indicated
- Resource constrained to within 400m of current surface.
- Results below are highlighted at a 2.0g/t cut-off grade.
  - o 1.2 M ounces Au in Global Resource
  - o 302,300 ounces Au in Measured resource category
  - o 566,400 ounces Au in Indicated resource category
  - o 350,000 ounces in Inferred resource category

West Wits Mining Limited ("West Wits" or "the Company") is pleased to announce an update of a previous Mineral Resource Estimate to bring it into alignment with the JORC 2012 Code for its 74 % owned Soweto Cluster project in Gauteng Province of the Republic of South Africa (RSA).

This new estimate relies heavily on a detailed review of an extensive database generated by Durban Roodeport Deep Limited (“DRD”) for the Mineral Resources published under a previous version of the JORC Code to the ASX in 2000. Importantly this Mineral Resource Estimate forms a subset of that 2000 resource in that it is constrained to less than 400m depth from surface and does not include deep underground material previously considered in the DRD estimation.

## Mineral Resource Statement

| Category | Tonnes (kT) | Grade g/t Au | Ounces Au |
|---|---|---|---|
| Measured | 2,214 | 4.25 | 302,300 |
| Indicated | 5,317 | 3.31 | 566,400 |
| **Measured & Indicated** | **7,531** | **3.59** | **868,700** |
| Inferred | 3,452 | 3.15 | 350,000 |
| **Total** | **1,098** | **3.45** | **1,218,700** |

Table 1. *Updated Mineral Resource estimate for the Soweto Cluster at a 2.0 g/t cut-off. Number differences may occur due to rounding errors. The Global Mineral Resource statement at a range of cut-off grades and listed separately for each of the seven target reefs is presented in Table 2.*

Michael Quinert, Chairman, commented "This is a pleasing result for West Wits which provides a strong resource base to underpin the Company and a fundamental platform from which to develop the Company's South African strategy. The comprehensive data review undertaken has generated a significant resource statement for the Company which would have otherwise cost a substantial sum to develop or acquire even in the current climate. In effect the old DRD resource has been updated into a new JORC statement to 400 m depth.

"There are also further areas the Company is reviewing which whilst they formed part of the previously announced Exploration Target were not taken into the original DRD Mineral Resource Estimate because of factors such as the presence of mine infrastructure on the surface and crown pillars. With the passage of time these factors are no longer relevant as old mills have been removed and many crown pillars are largely redundant due to the resource limit of 400 m depth.

"The Company has also undertaken an assessment of data resulting from extensive sampling conducted on the historic Bird Reef both by the Company and its predecessors. This has led to further areas of interest for investigation which remain outside both the JORC resource and exploration Target."

| Cut-Off (g/t) Au | Reef | Measured | | | Indicated | | | Inferred | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | Tonnes (kt) | Grade Au (g/t) | Total Au (Oz) | Tonnes (kt) | Grade Au (g/t) | Total Au (Oz) | Tonnes (kt) | Grade Au (g/t) | Total Au (Oz) |
| 1.0 g/t | Bird | 843 | 3.34 | 90,600 | 4,915 | 2.69 | 425,100 | 2,245 | 2.23 | 161,000 |
| | K9B | 47 | 3.74 | 5,700 | 129 | 3.82 | 15,800 | 224 | 4.18 | 30,100 |
| | K9T | 69 | 3.74 | 8,300 | 27 | 8.00 | 7,000 | - | - | - |
| | Leader | 72 | 4.12 | 9,500 | 71 | 3.51 | 8,000 | 94 | 3.64 | 11,000 |
| | Main | 1,067 | 4.40 | 151,000 | 1,451 | 3.75 | 174,800 | 844 | 3.57 | 96,900 |
| | South | 193 | 6.58 | 40,900 | - | - | - | 6 | 4.11 | 800 |
| | VCR | - | - | - | 49 | 2.01 | 3,200 | 1,182 | 2.85 | 108,300 |
| | **Total** | **2,290** | **4.16** | **306,000** | **6,642** | **2.97** | **633,900** | **4,595** | **2.76** | **408,100** |
| 2.0 g/t | Bird | 794 | 3.45 | 88,200 | 3,658 | 3.07 | 361,600 | 1,132 | 2.88 | 104,700 |
| | K9B | 47 | 3.74 | 5,700 | 129 | 3.82 | 15,800 | 224 | 4.18 | 30,100 |
| | K9T | 69 | 3.74 | 8,300 | 27 | 8.00 | 7,000 | - | - | - |
| | Leader | 70 | 4.16 | 9,400 | 71 | 3.51 | 8,000 | 94 | 3.64 | 11,000 |
| | Main | 1,041 | 4.48 | 149,800 | 1,383 | 3.84 | 170,800 | 814 | 3.64 | 95,100 |
| | South | 193 | 6.58 | 40,900 | - | - | - | 6 | 4.11 | 800 |
| | VCR | - | - | - | 49 | 2.01 | 3,200 | 1,182 | 2.85 | 108,300 |
| | **Total** | **2,214** | **4.25** | **302,300** | **5,317** | **3.31** | **566,400** | **3,452** | **3.15** | **350,000** |
| 3.0 g/t | Bird | 505 | 3.95 | 64,100 | 1,635 | 3.78 | 198,700 | 455 | 3.61 | 52,800 |
| | K9B | 44 | 3.79 | 5,400 | 129 | 3.82 | 15,800 | 224 | 4.18 | 30,100 |
| | K9T | 48 | 4.14 | 6,400 | 27 | 8.00 | 7,000 | - | - | - |
| | Leader | 65 | 4.26 | 8,900 | 57 | 3.78 | 6,900 | 48 | 4.34 | 6,700 |
| | Main | 791 | 5.08 | 129,200 | 1,029 | 4.29 | 142,000 | 670 | 3.83 | 82,600 |
| | South | 176 | 6.96 | 39,500 | - | 0.00 | - | 6 | 4.11 | 800 |
| | VCR | - | - | - | - | 0.00 | - | - | - | - |
| | **Total** | **1,629** | **4.84** | **253,500** | **2,877** | **4.01** | **370,400** | **1,403** | **3.84** | **173,000** |
| 4.0 g/t | Bird | 176 | 4.75 | 26,900 | 519 | 4.48 | 74,800 | 3 | 4.66 | 400 |
| | K9B | 14 | 4.36 | 1,900 | 28 | 4.45 | 4,000 | 155 | 4.35 | 21,600 |
| | K9T | 24 | 4.54 | 3,500 | 27 | 8.00 | 7,000 | - | - | - |
| | Leader | 33 | 5.13 | 5,400 | 18 | 4.37 | 2,500 | 33 | 4.78 | 5,000 |
| | Main | 644 | 5.44 | 112,700 | 497 | 5.10 | 81,500 | 176 | 5.16 | 29,200 |
| | South | 141 | 7.83 | 35,400 | - | - | - | 6 | 4.11 | 800 |
| | VCR | - | - | - | - | - | - | - | - | - |
| | **Total** | **1,031** | **5.61** | **185,800** | **1,089** | **4.85** | **169,800** | **372** | **4.77** | **57,000** |

*Table 2: Global Mineral Resource Estimation shown for Measured, Indicated and Inferred categories and by reef.*

The Company also notes:

1. Analysis of cases similar to WWI in the Witwatersrand Basin show that the present day cost of validating the existing historical data is a small fraction of the cost of the work that would be required to acquire and develop the data in present day brownfields situations.

2. The chosen headline cut-off (2.0 g/t) is based on historic figures and should ensure that the bulk of the resources announced today can be reasonably expected to be capable of being exploited.

3. In addition, the Company is in the process of an assessment of the historic Bird Reef exploration conducted by DRD and WWI (2008 and 2015) and have delineated a substantial zone of unclassified target mineralisation in a previously unmined area that is excluded from this estimation. We expect the results of this study to be available shortly.

## Background of Historical Mineral Resource at Soweto Cluster

The Soweto Cluster comprises two historic mining centres known as the Durban Roodepoort Deep and the Rand Leases on the Northern Edge of the Witwatersrand Basin in the Central Rand Goldfield immediately southwest of the city of Johannesburg (Figure 1). Mining has been taking place within these areas since discovery of the goldfields in 1886. During that time up to seven different gold bearing conglomerate horizons have been mined from surface down to a depth of 3,100 metres and total production for the combined Durban Roodepoort Deep and Rand Leases area was over 30 million ounces of gold at a grade in excess of 5 g/t (ASX: West Wits Mining Limited Prospectus 15/11/2007).

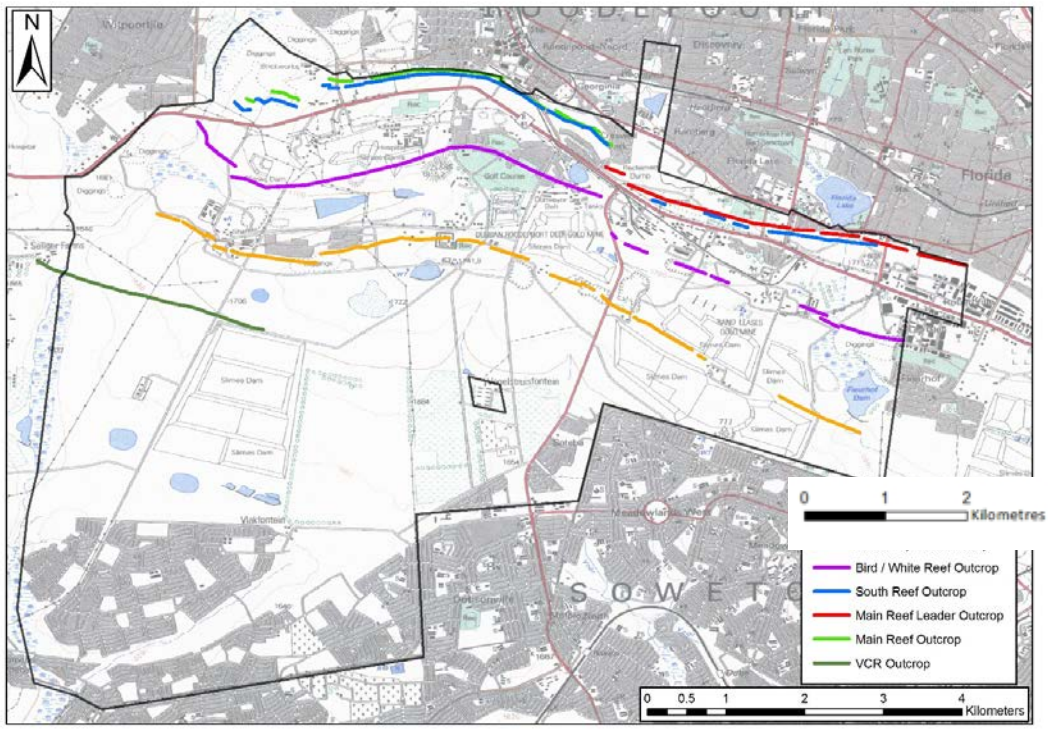



*Figure 1. Location of main auriferous lodes within the Soweto Cluster. The black boundary marks the extent of the WWI tenements in the area. The outcrops of the major reefs are shown. All reefs dip approximately 25° to 30° to the south.*

## Soweto Cluster Updated Resource Estimate

### 1. Geology

The gold mineralisation of the Soweto Cluster deposits form part of the Central Rand Goldfield hosted by the Witwatersrand Supergroup sediments. The Central Rand Goldfield is situated immediately to the south of Johannesburg and has been host to one of the most extensive gold reserves in the world (Figure 2). The reefs have been mined continuously on strike for approximately 32 km in an east/west direction, bounded by DRD in the west, and down-dip, to the south, for about 6 km from its outcrop position, to vertical depths of approximately 3 km. Between 1897 and 1984, approximately 9,000 tons (approx. 290 Moz Au) of gold were extracted from the Central Rand Goldfield. The gold orebodies occur in stacked, channelized, quartz pebble conglomerate horizons referred to as “reefs”. The major orebodies mined in the Central Rand Goldfield are the Main Reef, Main Reef Leader, South Reef, Bird reefs and Kimberley reefs (Figure 3).

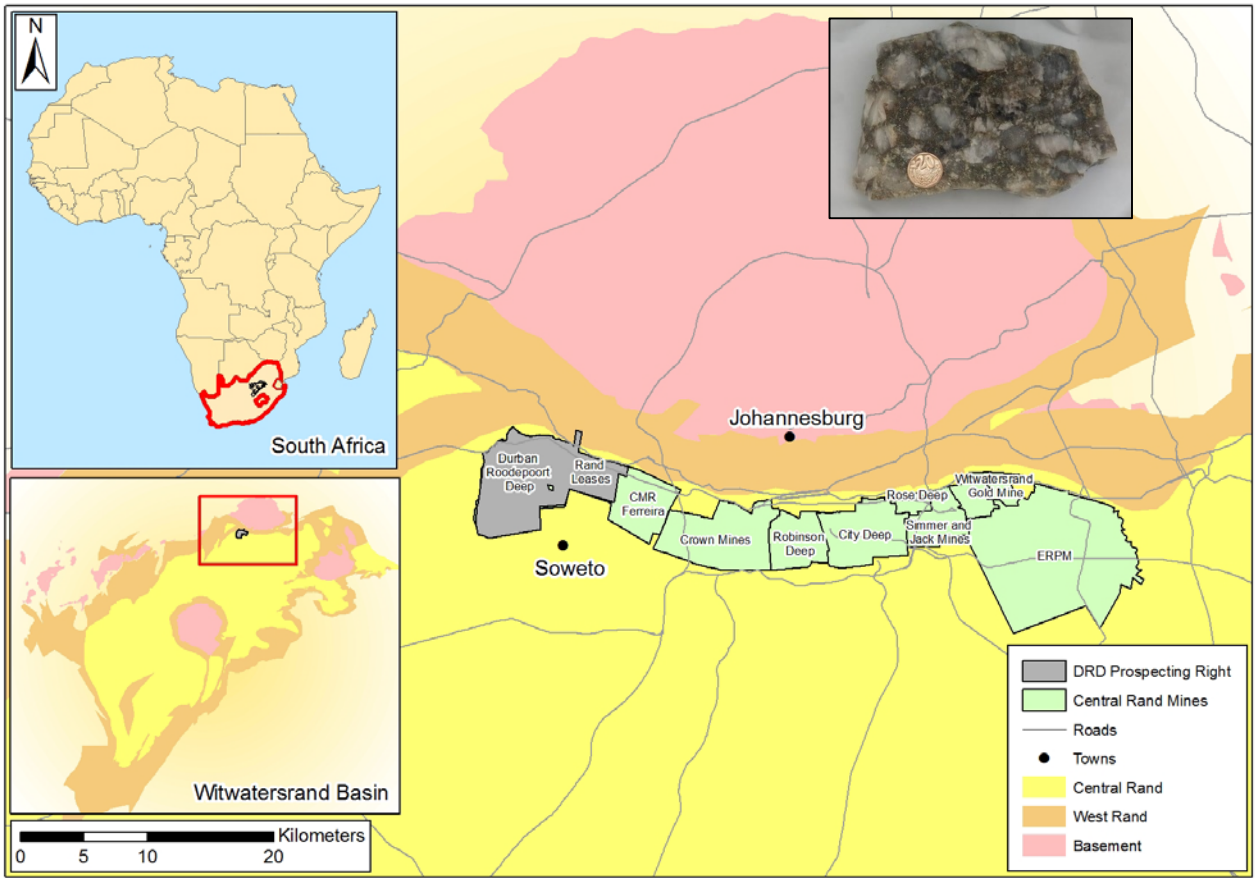



*Figure 2. The mines of the Central Rand Goldfield. West Wits Soweto cluster comprises two historic leases, namely the DRD lease and Rand Leases. A sample of the quartz pebble conglomerate from the Main Reef is shown in the top right.*

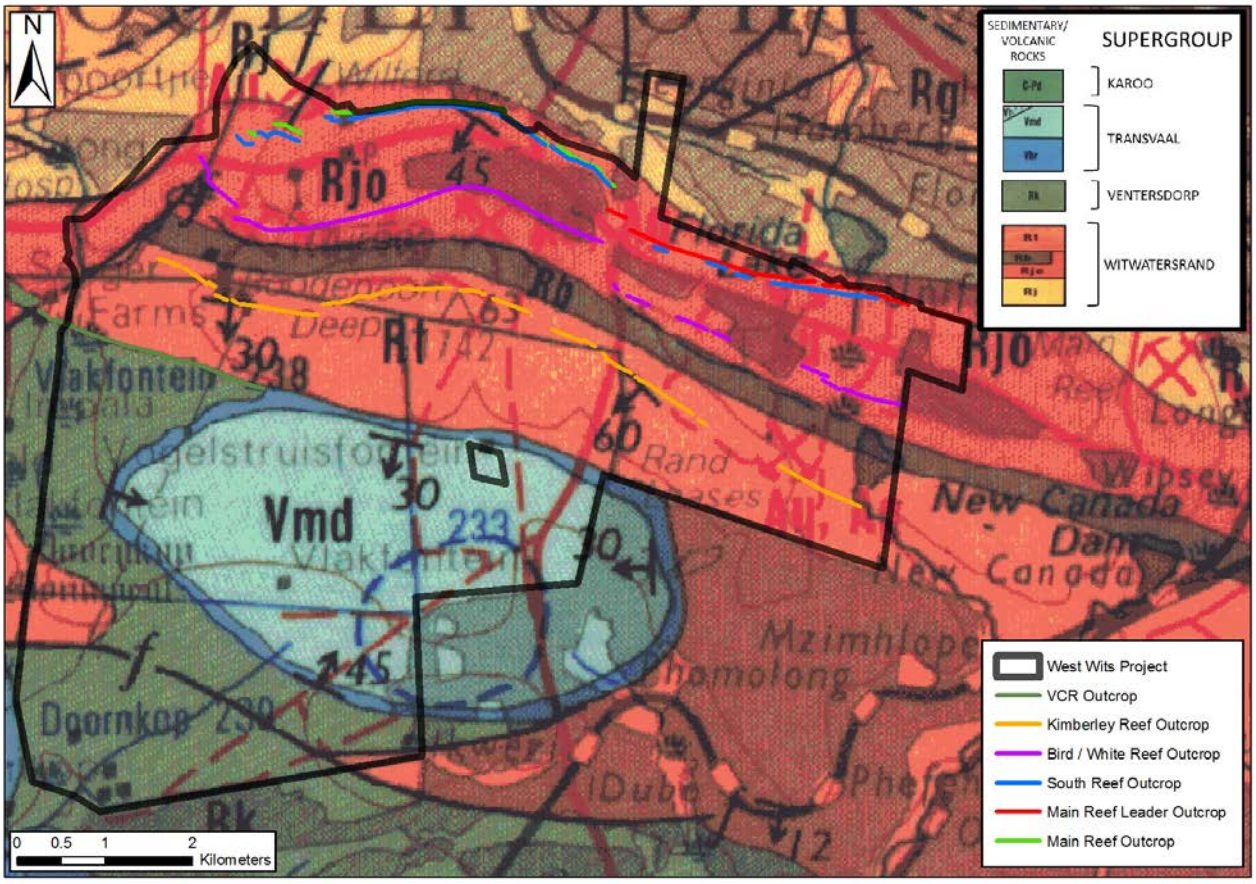



*Figure 3. Geology of the Central Rand Goldfield underlying the Soweto Cluster lease.*

## 2. Sampling and data

The sampling data used in the Mineral Resource Estimate comes solely from the underground workings. Diamond drilling was extensively utilised during previous mining history of the area but its use was confined to defining the spatial location of the reefs and the down hole assays were not included in the resource calculations.

Extensive underground sampling was conducted over the course of the mining. All underground samples were sampled from bottom to top over the full exposure of the reef in question and included 2cm footwall and hangingwall waste so as to ensure high grades typically associated with the bottom and top contacts were included. All sample locations were spatially recorded with reference to the surveyed underground mine plans and transferred onto master plans which were subsequently used in formulating the resource statement.

- Underground “on ore” development was sampled every 3m.
- Underground “ore stopes” were sampled every 6m. Stope sampling was checked against broken ore sampling (BOS). If discrepancies between chip and BOS samples were evident then the stopes were sampled again to increase the frequency of sampling.
- All samples were geologically logged and their position and grade recorded on sample sheets.

- Sample values received from the laboratory were composited by the sampler on sample sheets, with QA/QC performed by the Chief Sampler. The composited values were plotted on the 1:200 assay tracings by the Chief Sampler, with QA/QC performed by the Chief Surveyor. The geologist digitised the composite values from the assay tracings into the master database for each particular reef; with QA/QC performed by the Mineral Resource Manager at the time (MRM, Hermanus Berhardus Swart).

## 3. Analysis

All analysis was conducted by operator owned laboratories which was common on the Central Rand at the time. All laboratories used to participate in a round robin exercise with other mine laboratories in the DRD group (and Rand Mines Group prior to 1995) to determine precision and reproducibility. Importantly assay analysis was backed up by a complete reconciliation between estimated grade coming from the production centres and gold produced from the plant.

Samples were assayed by fire assay using 25g charges, applying discounts for silver by using a standard silver discount chart developed over the 100 year mining history in this area. 10 % of samples were reassayed as duplicates.

## 4. Resource Estimation

The upgrade of the DRD resource estimate into the JORC 2012 Code is effectively restating a Mineral Resource estimate published under an older version of the code. The following reviews from that time are relevant:

- In 1998 DRD engaged the services of Resource Service Group (RSG) Principal Geoscientists Dr Julian Barnes and Mr Colin Jones to review its Mineral Resource Inventory according to the guidelines set out in the 1997 Australian Code for Reporting of Identified Mineral Resources (JORC). This work was completed in preparation for DRD's listing on the ASX which became official in May 1999.
- The detailed Ore Reserve and Mineral Resource Statements for the DRD and Rand Leases (now known as the Soweto Cluster by WWI) was based on data compiled by Hermanus Swart (CP of this release), Cecilia Hoffman and Graeme Morgan who were all employed by DRD and had the relevant experience of the orebody and the mineralisation being reported on.
- The estimate for the Durban Deep Section was reissued in DRD's 2000 Annual Report to the ASX and has taken into account depletion by Mining activities during 1999 and 2000. Proved and Probable Ore Reserves were reported in 1999 but given the time that has past significant uncertainties on costs and state of underground infrastructure these are not considered to be relevant**.**

The following steps have been completed by Shango Solutions under contract to WWI to ensure the correctness of the previous data:

- The original DRD Mineral Resource block plans utilised for the 2000 Mineral Resource estimations were located in a hardcopy data quantification exercise by Shango Solutions; and

- The original spreadsheet containing all the Mineral Resource block values, utilised in the 2000 Mineral Resource were sourced and checked against the estimation.

Captured reef values were compared with mine plans and were also scrutinised for anomalous values at the DRD mines to ensure spatial correctness and accuracy.

The Mineral Resource was estimated using the following parameters:

- Measured, Indicated and Inferred blocks were estimated using lognormal third parameter ordinary kriging (OK) utilising a minimum of five samples and a maximum of 40 samples within each defined pass. The estimation was completed in Datamine 5 utilising 15x15, 30x30 and 50x50 metre regularised data respectively. The orebody was classified into geozones with similar grade characteristics by its macro features for each reef. Kriging was conducted within these defined geozones;
- Resource blocks were validated on a monthly basis and reconciled against actual mining. The results were incorporated into Block Factors (BF) for consideration in the annual estimates as well as for the Mine Call Factor (MCF) in the determination of Ore reserves;
- Histograms were established for each reef dataset and high-grade outliers were capped at 3 times the standard deviation for that reef; and
- Mining dilution was based on reef width plus 20 cm with a minimum thickness of 80 cm.

## Next Steps

West Wits completed its drill program at the Circular Shaft Project prior to Christmas and is awaiting assay results. There have been some delays experienced in the lab but we expect to be releasing assay results from this program in the near future.

Furthermore drilling continues at the Number 11 Shaft Project which is targeting near surface mineralisation on the historic Bird Reef with the 5$^{th}$ hole now underway.

In addition to both these initial near surface projects the Company is continuing to assess and develop programs for further near surface projects. The Company is excited by the data being developed at its South African projects and looks forward to updating the market further as results are received.

For And On Behalf Of The Board



Michael Quinert
Chairman
West Wits Mining Limited

For further information visit www.westwitsmining.com

Or Contact

Tim Chapman Telephone: +61 3 8692 9049

Competent Persons Statements

*The information in this announcement that relates to Exploration Results and Mineral Resources is based on information compiled by Hermanus Berhardus Swart, a Competent Person who is a Professional Natural Scientist registered with South African Council for Natural Scientific Professions accredited (No. 400101/00) and a Member of the Geological Society of South Africa, each of which is a "Recognised Professional Organisation" (RPO) that is included in a list that is posted on the ASX website from time to time.*

*Hermanus Berhardus Swart is employed by Dunrose Trading 186 (PTY) Ltd trading as Shango Solutions, which provides services as geological consultants to the Company.*

*Hermanus Berhardus Swart has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Hermanus Berhardus Swart consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.*

*The peer review of the Geological data and Mineral Resource estimates was undertaken by Dr. Andrew Tunks and represents an accurate representation of the available data. Dr. Tunks (Member Australian Institute Geoscientists) is a consultant to the Company and has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Tunks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.'*

## JORC TABLE 1

### Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections)

| Criteria | Practice at Durban Roodepoort Deep (DRD, 1998-2000) |
|---|---|
| Sampling Techniques | • Underground development was sampled at 3m intervals. Stoping was sampled at 6m intervals along dip, once a month (on average 10m advance). Sampling was conducted as face sampling, utilising hammer and chisel as is standard procedure in the Witwatersrand Goldfield. Diamond drilling was utilised both underground and on surface for exploration purposes, however samples were seldom used for resource estimates. The core was split and the one half submitted for assays. The samples included 2cm waste on the footwall and hangingwall of the reef. Minimum sample length was 8cm with a maximum of 40cm.<br>• Underground samples were sampled from bottom to top over the full exposure of the reef and included 2cm footwall and hangingwall waste so as to ensure that high grades typically associated with the bottom and top contacts were included. Internal waste was sampled separately but minimum sample length was 8cm with a maximum of 40cm. Stope sampling was checked against broken ore sampling (BOS) which were sampled for each span of hoppers by means of catching a full sample in a dish placed on the grizzly of the ore pass. If discrepancies between chip and BOS samples were evident then the stopes were sampled again to increase the frequency of sampling.<br>• Industry standard Witwatersrand Goldfield underground face sampling protocols were applied. |
| Drilling Techniques | • Diamond drilling was conducted to ascertain reef location and grade but however samples were not utilised for resource estimates. Only underground face sampling was used for resource estimation. |
| Drill Sample Recovery | • Not applicable for resource estimates, standard operating procedures required a minimum of 95% core recovery, otherwise holes were redrilled. Core was fitted and reconciled against drill meters provided by driller. |
| Logging | • Samples were geologically and geotechnically logged to a detail that would have supported appropriate Mineral Resource estimations, mining studies and metallurgical studies.<br>• Core logging was not applicable for Mineral Resource estimations, but was qualitative in nature.<br>• The total length of the relevant core intersections were 100% logged. |
| Sub-sampling Techniques and Sample Preparation | • The entire underground sample (on average 1.5 kg) was submitted for analysis. However, when maximum allowable weight of 1kg was exceeded, the sample was reduced through a riffle splitter in the laboratory. Samples generally contained moisture because the face was washed before sampling to prevent contamination from dust as a result of blasting.<br>• The remaining sample was pulverised for analysis, which is standard practice for fire assays.<br>• Underground face samples were sampled from top to bottom over the full exposure of the reef and included 2cm footwall and hangingwall waste so as to ensure that high grades typically associated with the bottom and top contacts were included.<br>• If concentrated mineralisation (especially carbon) was noted, specifically on the bottom contact, a second sample was taken and |

| | |
|---|---|
| | analysed to account for the nugget effect. This also applied to other portions of reef depending on mineralisation observed.<br>• If samples yielded anomalous results then the returned pulps were resubmitted under a new number and if still unsatisfactory, were resampled in the case of development sampling.<br>• Underground face sampling was standard practice in the Witwatersrand Goldfields and was deemed appropriate and representative for the grain size of the gold.. |
| Quality of Assay Data and Laboratory Tests | • Underground face samples were assayed by fire assay using 25g charges, applying discounts for silver by using a standard silver discount chart developed over the 100 year mining history in this area. The standard practice of fire assaying in the Witwatersrand Goldfield was deemed appropriate and representative for the samples.<br>• Industry standard fire assays were applied.<br>• 10% of samples were reassayed as duplicates. Returned pulps were on occasion resubmitted under a new number for validation. All laboratories used participated in a round robin exercise with other mine laboratories in the DRD group (and Rand Mines Group prior to 1995) to determine precision and reproducibility.<br>• Best practice in the field of assaying was recorded in book form which set the standards for laboratories throughout the local gold mining industry. The first of these, entitled “A Text Book of Rand Assay Practice” by J Moir and G H Stanley, was published in 1923. This was followed in 1955 by “Assay Practice on the Witwatersrand” by V S Dillon and others. The rapid growth of instrumental methods of analysis led to the compilation and publication of a third volume in 1986 entitled “Assay and Analytical Practice in the South African Mining Industry” by W C Lenahan and R Murray-Smith, published by the Chamber of Mines, which described best practice then in use in assay laboratories associated with the Chamber. Analytical quality was assured by the regular use of internal controls and by periodic “round-robin” exchanges of samples between laboratories, either within individual mining houses or sometimes between mining houses. Assay laboratories at mines affiliated to the Chamber of Mines operated under the umbrella of the Chamber and the South African Association of Assayers, both of which engendered an ethos of high quality workmanship and continuous improvement. |
| Verification of Sampling and Assaying | • If the potential for very high-grade mineralisation (especially carbon) was noted by the geologist/sampler, specifically on the bottom contact, a second sample was taken to account for the nugget effect. This also applied to other portions of reef depending on mineralisation observed.<br>• If samples yielded anomalous results then the returned pulps were resubmitted under a new number and if still unsatisfactory were resampled in the case of development sampling.<br>• The average of repeat and original samples was utilised. |
| Location of Data Points | • Location of underground face sampling was measured with a tape from a surveyed peg. The wooden peg was inserted in a hole drilled into the hangingwall of the development or stope with unique numbers imprinted on copper plates and fixed to the exposed part of the wooden peg.<br>• DRD originally had local mine coordinates with zero longitude and latitude through the centre of the DRD mine lease. Coordinates west of the zero longitude and north of the zero latitude, increased positively. Coordinates east of the zero longitude and south of the zero latitude, increased negatively. DRD subsequently |

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| | (approximately 1995) converted to LO27 a South African grid system.<br>• Topographic control was achieved from surveying from official surface beacons and was deemed accurate and adequate for the purpose. |
| Data Spacing and Distribution | • Exploration results were not reported. Pre-resource mineralisation (equivalent of Exploration Target under JORC 2012) was reported for the remainder of the mine lease where classification of Mineral Resources could not be performed.<br>• Measured, Indicated and Inferred blocks were estimated using lognormal third parameter ordinary kriging utilising 15x15, 30x30 and 50x50m regularised data respectively. Kriging was conducted within defined geozones. Audits performed by RSG Global in 1998, regarded the block sizes employed during the estimation as conservative. They furthermore deduced that the estimates classified appropriately under the guidelines of the AusIMM/JORC 1997. Each sample section was composited to represent the total reef intersection. |
| Orientation of Data in Relation to Geological Structure | • Gold orebodies in the Witwatersrand are classically stratiform conglomerate hosted, all sampling for resource estimation is conducted perpendicular to the mineralised horizon thus there is no possible cause for bias in terms of sampling orientation.<br>• Not applicable. |
| Sample Security | • Samples were delivered directly by the sampler after each shift to the laboratory sample receiving staff. Line of custody procedures were applied as was standard at that time. |
| Audits or Reviews | • Audits were performed by RSG Global in 1998. RSG regarded the estimation as conservative and deduced that the resources were classified appropriately under the guidelines of the AusIMM/JORC 1997. Venmyn Rand signed off DRD's Mineral Resource and Ore Reserve for the listing at the Australian Stock Exchange in May 1999 |

## Section 2 Reporting of Exploration Results

## Note that DRD did not report Exploration Results

(Criteria listed in the preceding section also apply to this section)

| **Criteria** | **Practice at Durban Roodepoort Deep (DRD, 1998-2000)** |
|---|---|
| Mineral tenement and land tenure status | • Tenure is held via a Prospecting Right GP 30/5/1/1/2/183 (10035) ("PR") issued pursuant to the Mineral and Petroleum Resources Development Act 28 of 2002 of the Republic of South Africa ("MPRDA"). The PR has been granted in respect of the farms Roodepoort 237 IQ, Roodepoort 236 IQ, Doornkop 239 IQ, Vogelstruisfontein 231 IQ, Vogelstruisfontein 233 IQ, Witpoortjie 245 IQ and Vlakfontein 238 IQ in the Magisterial District of Roodepoort, South Africa. The PR is held by Mintails SA Soweto Cluster (Pty) Ltd ("MSSC") and is in the process of being transferred to West Wits MLI (Pty) Ltd ("WWM") under section 11 of the MPRDA which requires the submission of an application to the Minister of Mineral Resources. The application has been prepared and is expected to be submitted in the near future. MSSC has agreed to effect the transfer of the PR and WWM has discharged its obligations under those arrangements. WWM's share capital is held as to 26% by a Black Economic Empowered ("BEE") partner, Dikgosi Gold (Pty) Ltd which is a requirement for transfer of the PR with the remaining 74% held by a |

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|---|---|
| | wholly owned subsidiary of West Wits Mining Limited. The PR covers prospecting activities for gold, silver and uranium. The PR does not include tailings dumps material in the area prospective for gold and uranium which dumps are retained by the MSSC and/or its associated entities. On 10 April 2015 the Department of Mineral Resources for South Africa ("DMR") upheld an appeal against an earlier decision not to extend the PR and the PR was thereby extended for a further period of 3 years from that date. The conduct of prospecting activities on the PR is to be undertaken in accordance with a prospecting works program and an environmental management plan lodged with the DMR in August 2015. |
| Exploration done by other parties | • No other parties have performed exploration in the DRD mine lease area. |
| Geology | • The DRD deposit forms part of the Central Rand Goldfield hosted by the Witwatersrand Supergroup sediments. The Central Rand Goldfield is situated immediately to the south of Johannesburg and has been host to one of the most extensive gold reserves in the world. The reefs have been mined continuously on strike for approximately 32km in an east/west direction, bounded by DRD in the west, and down-dip, to the south, for about 6km from its outcrop position, to depths of approximately 3km. Between 1897 and 1984, approximately 9,000 tons of gold were extracted from the Central Rand Goldfield. The reef horizons are channelised conglomerates. The major orebodies mined in the Central Rand Goldfield are the Main Reef, Main Reef Leader, South Reef, Bird reefs and Kimberley reefs. |
| Drill hole Information | • The information is not Material because exploration results were not reported by DRD. However, the information is supplied for completeness:<br>• DRD originally had local mine coordinates with zero longitude and latitude through the centre of the DRD mine lease. Coordinates west of the zero longitude and north of the zero latitude, increased positively. Coordinates east of the zero longitude and south of the zero latitude, increased negatively. DRD subsequently (approximately 1995) converted to LO27, a South African coordinate system.<br>• Elevations were defined as below datum numbers with datum representing 6,000 feet (1,828.8m) above mean sea level.<br>• Surface drill holes were drilled vertically down, but underground holes were drilled in various directions due to requirements for relevant structural information. Azimuth was measured clockwise with north as zero.<br>• Down hole length and interception depth of reefs were measured with the collar of the hole as zero.<br>• Hole length was determined by down hole surveys for surface and long underground holes. Short underground holes (less than 100m) were generally not surveyed and length was measured by the drill operator. |
| Data aggregation methods | • Exploration Results were not reported. However, weighting was conducted against relative sample lengths due to no differences in waste and ore bulk densities. Minimum grades were dependent on laboratory detection limits, which improved as technology advanced. However, cutting of low and high grade samples was not standard practice. |

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| | • No allowance was made to differentiate between short lengths of high grade results and longer lengths of low grade results. However, minimum sample lengths were not less than 10cm.<br>• Metal equivalent values are not applicable. |
| Relationship between mineralisation widths and intercept lengths | • All down hole lengths were converted to true widths by correcting for the dip of the strata. This does not apply to underground sampling which was conducted perpendicular to the lodes. |
| Diagrams | • Exploration Results were not reported by DRD or in this release. |
| Balanced reporting | • Exploration Results were not reported by DRD or in this release. |
| Other substantive exploration data | • Exploration results were not reported by DRD. However, the following information is supplied for completeness:<br>o Geology of reef intercepts were noted in detail on standardised logging sheets.<br>o Geophysical and geochemical survey results were conducted as required.<br>o Bulk samples were conducted when required by compositing the pulps of all reef intercepts.<br>o Bulk density was never measured and always taken as 2.71 based on industry standard underground test work.<br>o It was standard practice for drill operators to test groundwater intersections measured in litres per hour.<br>o Geotechnical and rock characteristics were always noted, albeit typical geological structures and not modern geotechnical parameters such as RQD, RMR, etc.<br>o Deleterious or contaminating substances such as methane were tested for by drill operators utilising test meters. |
| Further work | • Not applicable as Exploration Results were not reported by DRD. |

## Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section)

| **Criteria** | **Practice at Durban Roodepoort Deep (DRD, 1998-2000)** |
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| Database Integrity | • Sample values received from the laboratory were composited by the sampler on the sample sheets, with QA/QC performed by the Chief Sampler. The composited values were plotted on the 1:200 assay tracings by the Chief Sampler, with QA/QC performed by the Chief Surveyor. The geologist digitised the composite values from the assay tracings into the master database for each particular reef; with QA/QC performed by the Mineral Resource Manager (MRM, Hermanus Berhardus Swart) who conducted the resource estimates (The original Mineral Resource block plans utilised for the Mineral Resource estimations were located in a hardcopy data quantification exercise by Shango Solutions in 2015.<br>• The original spreadsheet containing all the Mineral Resource block values, utilised in the 2000 Mineral Resource were sourced from the then MRM of the DRD Group, Mr Mike McWha in 2015.<br>• The original sampling databases utilised in the 2000 Mineral Resource estimates were supplied by DRD to the cofounder of Shango Solutions, Dr Richard Stewart in 2001. These databases have been stored in their original format by Shango until now. |

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| | • Captured reef values were compared with mine plans to ensure spatial correctness and were also scrutinised for anomalous values. |
| Site Visits | • The Mineral Resources were reported by the MRM, who worked on the mine and who had relevant experience and qualified as competent person in South Africa and internationally as listed by JORC as a recognised professional.<br>• Not applicable as explained above. |
| Geological Interpretation | • Audits were performed by RSG Global and Venmyn Rand in 1998 and both agreed with the geological interpretations as performed at the mines.<br>• The data was captured into Lotus 123 databases for each particular reef and exported into Datamine 5 as csv files detailing reef width and grade. The individual sample reef widths and grades were multiplied as cmg/t accumulations.<br>• No alternative interpretation was performed.<br>• The orebody was classified into geozones with similar grade characteristics by its macro features for each separate reef. Kriging was performed within defined geozones.<br>• Witwatersrand reefs are world renowned for their continuity in geology and grade. Kriging was conducted within defined geozones. |
| Dimensions | • The reefs are part of the world famous Witwatersrand Basin, and are renowned for their regional lateral (hundreds of kilometres) and down dip (tens of kilometres) continuity.<br>• The reefs were only reported down to the water level of the time, which was 1.9km below surface on DRD and 1km on Rand Leases. Strike length totalled 9km.<br>• The current estimate is constrained to less than 400m below the current surface as this is the approximate level of flooding within the historic workings. |
| Estimation and Modelling Techniques | • Measured, Indicated and Inferred blocks were estimated using lognormal third parameter ordinary kriging in Datamine 5 utilising 15x15, 30x30 and 50x50m regularised data respectively. Kriging was conducted within defined geozones.<br>• Resource blocks were validated on a monthly basis and reconciled against actual mining. The results were incorporated into Block Factors (BF) for consideration in the annual estimates as well as for the Mine Call Factor (MCF) in the determination of Ore reserves.<br>• No by-products were recovered, hence no quantification or estimation.<br>• Underground development was sampled at 3m intervals and stoping at 6m intervals along dip once a month (on average 10m advance). Measured, Indicated and Inferred blocks were estimated using lognormal third parameter ordinary kriging utilising 15x15, 30x30 and 50x50m regularised data respectively. The search ranges were based on the semi-variogram and varied considerably for each reef.<br>• No assumptions were made for selective mining units. |
| Estimation and Modelling Techniques | • No assumptions were made about the correlation between variables. The outcome was based on the lognormal third parameter ordinary kriging lag distance between samples, utilising a minimum of 5 samples and a maximum of 40 samples within each defined pass.<br>• The orebody was classified into geozones with similar grade characteristics by its macro features for each reef. Kriging was conducted within defined geozones.<br>• Histograms were established for each reef dataset and outliers were capped at 3 times the standard deviation. |

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| | • Resource blocks were checked on a monthly basis and reconciled against actual mining. The results were incorporated into BF's for consideration in the annual estimates as well as for the MCF in the determination of Ore Reserves. |
| Moisture | • Tonnages were estimated on a dry basis. |
| Cut-off Parameters | • The chosen headline cut-off (2.0 g/t) is, based on historic figures should ensure that the bulk of the resources announced today can be reasonably expected to be exploited. |
| Mining Factors or Assumptions | • Mining methods were based on traditional Witwatersrand conventional hand held drilling and scraper cleaning operations, except for the steep Kimberley reefs where overhand shrinkage methods were employed. Mining dilution was based on reef width plus 20cm with a minimum thickness of 80cm. |
| Metallurgical Factors Applied | • Metallurgy was based on traditional Carbon In Leach methods (CIL). Yields averaged 88% in the 5 years prior to the estimates. |
| Environmental Factors or Assumptions | • Residues were deposited on environmentally approved tailings dams. |
| Bulk Density | • Bulk density was accepted as the standard industry norm for pyritic quartzite i.e. 2.71 and was on a dry basis.<br>• The bulk densities were taken from the more than 100 year mining history of the area. This has been documented across hundreds of deposits and orebodies resulting in a set of stand values used by DRD at the time.<br>• The same bulk density was multiplied with the respective volumes for all reefs in order to obtain tonnages. |
| Classification | • The classification for Measured, Indicated and Inferred blocks were estimated using lognormal third parameter ordinary kriging utilising 15x15, 30x30 and 50x50m regularised data respectively. The results were compared with the kriging variance and only blocked up to where the variance was acceptable.<br>• Appropriate account was taken of all relevant factors.<br>• The results of the classification reflected the view of the MRM and was subsequently confirmed during resource/reserve conversion and mining. |
| Audits or Reviews | • Audits were performed by RSG Global in 1998 RSG regarded the estimation as conservative and deduced that the resources were classified appropriately under the guidelines of the AusIMM/JORC 1997. Venmyn Rand signed off DRD's Mineral Resource and Ore Reserve for the listing at the Australian Stock Exchange in May 1999 (Appendix 1). |
| Discussion of Relative Accuracy/ Confidence | • RSG Global regarded the estimation as conservative and agreed that they were classified appropriately according to the guidelines of the AusIMM/JORC 1997. The geostatistical approach used was a standard approach on Witwatersrand style deposits. Ordinary kriging can lead to smoothing of grades similar in nature to global estimates. However, the selection of smaller grid sizes prevented this as observed by RSG Global.<br>• The statements are local estimates but approach global estimates for the Inferred Resources due to the larger grid sizes used.<br>• Resource blocks were validated on a monthly basis and reconciled against actual mining. The results were incorporated into BF's for consideration in the annual estimates as well as for the MCF in the determination of Ore reserves. |

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