ASX Announcement and Media Release
Wednesday, 25 October 2017

Acquisition of prospective Pilbara Conglomerate Gold Project and Capital Raising

Highlights

- Acquiring one of the few remaining project areas in the eastern Pilbara that is prospective for conglomerate gold mineralisation
- A significant area within the application area, known as Mt Cecelia, comprises Hardy Formation part of the Lower Fortescue Group – confirmed by Geological Survey (WA) mapping – the host rocks for recently discovered conglomerate hosted gold throughout the Kimberleys
- Notable recent discoveries include the Novo Resources (TSX-V: NVO) conglomerate gold projects, Purdy's Reward and Beaton's Creek (NI 43-101 compliant gold resource) are both within the Lower Fortescue Group
- Mt Cecelia's geology is consistent with the Witwatersrand-style conglomerate gold mineralisation found in South Africa, where West Wits has the highly complementary Soweto Cluster gold project
- West Wits is in a unique position among peers to be able to leverage its geology team's hands-on experience in the Witwatersrand Basin to expedite understanding the Mt Cecelia project area
- The prospect is located circa 150km ENE of Marble Bar close to critical infrastructure
- Mining costs would be expected to be low if operations commence, due to the nature of the targeted conglomerate which typically present with high gold purity (96-98%) and which are amenable to, relatively simple and inexpensive extraction processes
- Capital raisings of up to $1.75m at 1.7 cents per share through a placement and share purchase plan.

West Wits Mining Limited (ASX: WWI) ("the Company" or "West Wits") is pleased to announce that it has entered into a binding Heads of Agreement to acquire 100% of the issued capital of Northern Reserves Pty Ltd ("NRPL") which is a West Australian gold explorer ("Proposed Transaction"). The key terms of the Proposed Transaction, which complements West Wits' existing gold project in South Africa, are detailed in Appendix A to this announcement.

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Michael Quinert, Chairman commented: *"With the profile of Pilbara conglomerate gold having recently gained considerable investor interest due to Novo Resources discovery at Purdy's Reward, the Board is delighted to have acquired Northern Reserves. Its primary asset is the 224 sq km Mt Cecelia project area in the eastern Pilbara which is prospective for conglomerate gold mineralisation as it is on the Lower Fortescue Group, according to the Geological Survey of Western Australia. Whilst this acquisition is clearly opportunistic, it is the Board's strategic intent to leverage its experience and expertise in South Africa's Witwatersrand Basin to complementary Australian assets. West Wits' geology team will commence work on the new project area as soon as the deal is completed."*

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Northern Reserves overview

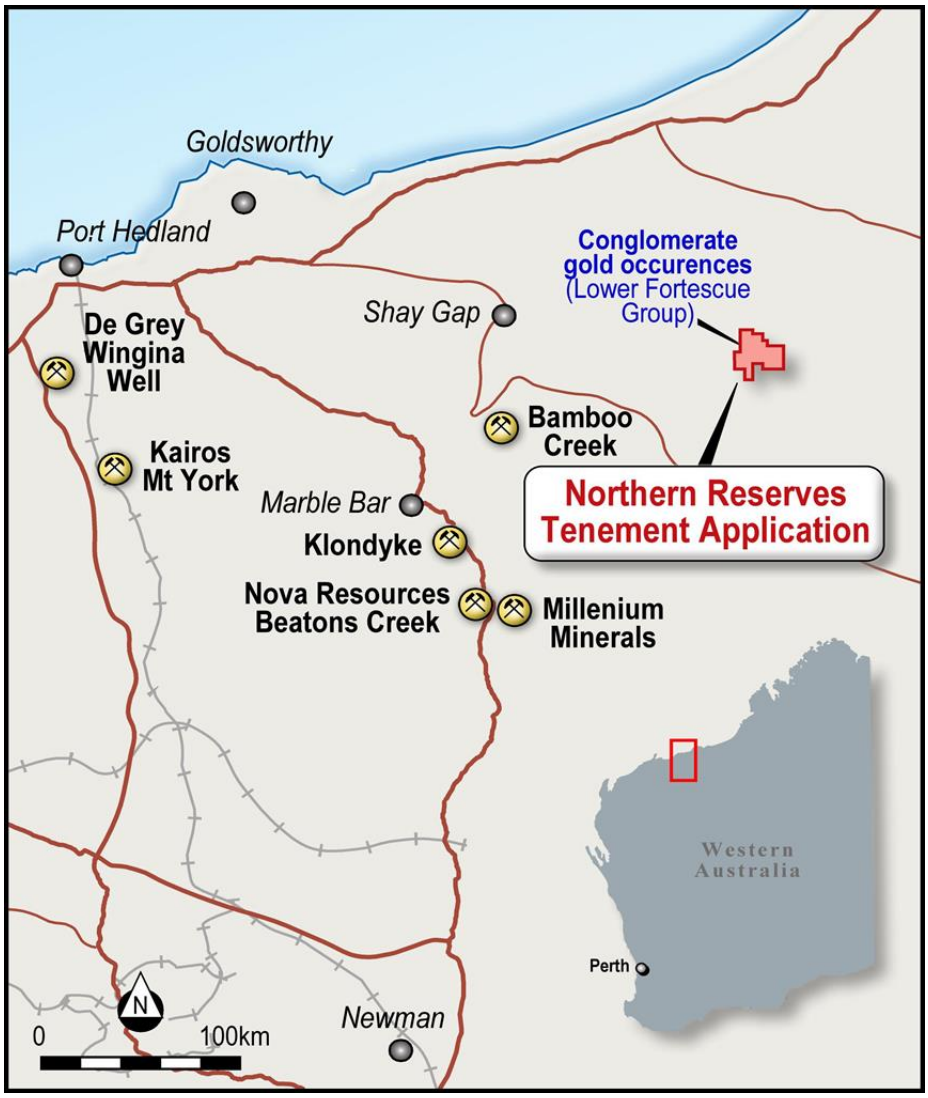
NRPL was established with the principal objective of securing mineral tenements in Western Australia to explore and develop gold producing assets. It has one application in the Pilbara region, called the Mt Cecelia Project (EL 45/5045) that is targeting high-grade conglomerate gold mineralisation associated with the Lower Fortescue Group.

Currently, NRPL has eight shareholders holding 27,104 fully paid ordinary shares. Shares to be issued to NRPL shareholders as consideration for the Proposed Transaction will account for circa 9% of the expanded issued capital of West Wits including the proposed capital raisings referred to below and if all deferred shares were counted would equate to approximately 15% of issued capital. Further, the Board notes that none of the vendors are related parties to West Wits.

Mt Cecelia project area

As can be seen from the map below (Figure 1), NRPL's tenement application (hereafter Mt Cecelia project area) is located in the eastern Pilbara some 150km ENE of Marble Bar and covers an area of 224 sq km. It is close to critical infrastructure.

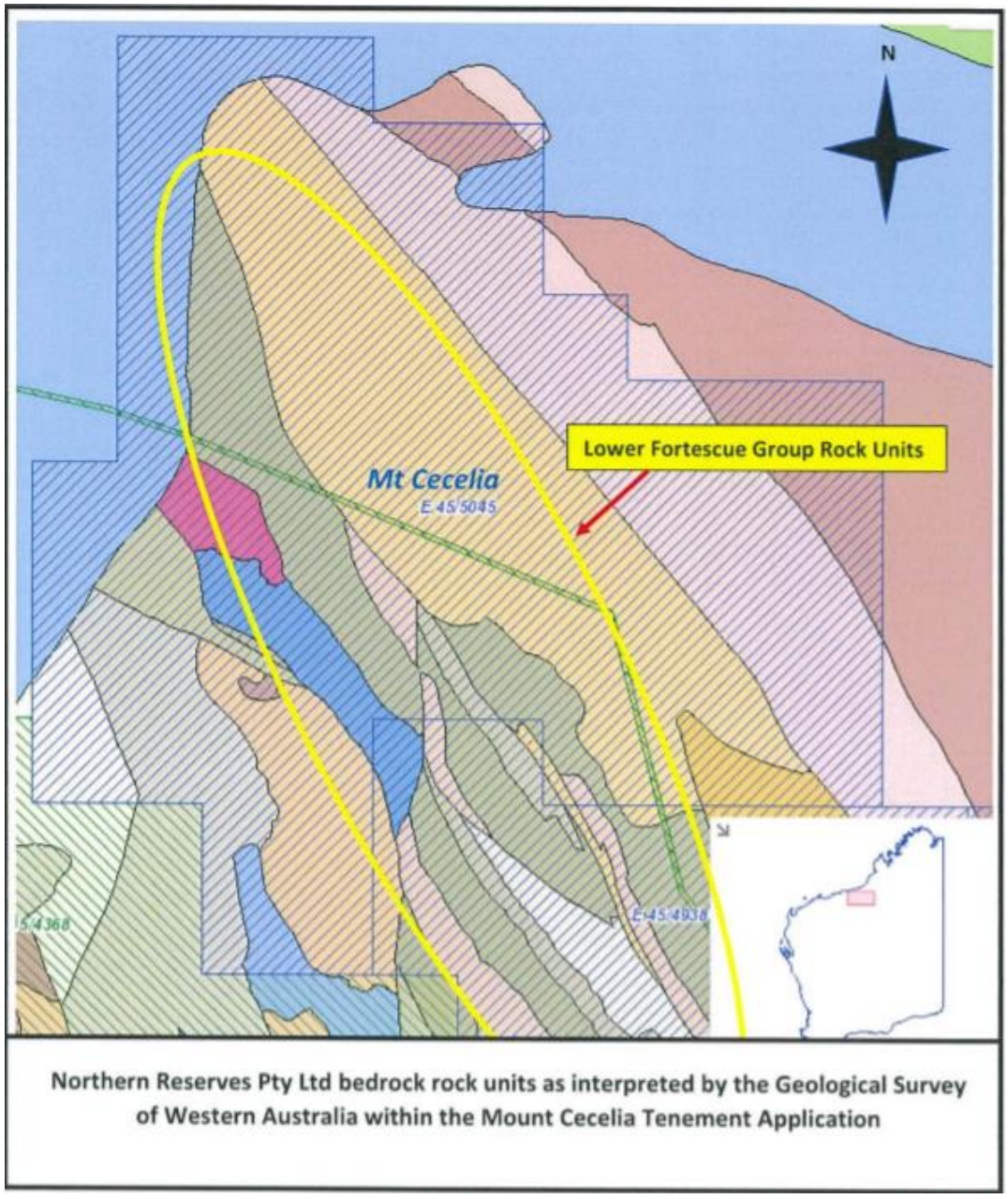
FIGURE 1: LOCATION OF MT CECELIA PROJECT AREA



Lower Fortescue Group link

Of critical geological significance is the fact that some 215 hectares of the project area is comprised of the Hardey Formation of the Lower Fortescue Group, which is prospective for conglomerate hosted gold mineralisation. This has been confirmed according to the Geological Survey of Western Australia mapping (Figure 2).

FIGURE 2: MT CECELIA PROJECT AREA KEY GEOLOGY



Source: Geological Survey of Western Australia

Two of high profile Novo Resources' (TSX-V: NVO) key projects – summarised below – are both within the Lower Fortescue Group, which is the same system within Mt Cecelia's project area:

- **Purdy's Reward (western Pilbara):** where a high-profile conglomerate gold discovery sparked substantial investor interest in the sector, especially to junior explorers with project areas linking to Lower Fortescue Group.

- **Beatons Creek:** lower profile project **which** has been geological modelled and a gold resource estimated and reported to NI 43-101 for both the surface and underground designated areas of the deposit – Measured and Indicated: 3.4Mt @ 2.7g/t Au (299,000oz); Inferred: 3Mt @ 2.7g/t Au (259,000oz).

In addition, a recent detailed desktop review commissioned by neighbour, Rumble Resources (ASX: RTR), which owns contiguous tenements to the south of Mt Cecelia, has confirmed the presence of Hardey Formation of the Lower Fortescue Group within its Braeside Project (Refer RTR ASX Announcement "Pebble conglomerates of the Lower Fortescue Group" – dated 5 October 2017).

More specifically, Rumble Resources' announcement articulated "…prospectivity for Witwatersrand-style conglomerate hosted gold mineralisation in geological units similar to recent gold discoveries by Novo Resources (TSX-V: NVO) at its joint-venture project with Artemis Resources (ASX: ARV) in the western Pilbara."

Fast tracking geological evaluation

This Lower Fortescue Group link for the Mt Cecelia project area, is a potential asset which the West Wits geology team will be well placed to rapidly evaluate, given their experience in the Witwatersrand Basin in South Africa.

An early observation has been that if a JORC compliant conglomerate gold resource can be generated, then it is anticipated that operating costs will be low given the nature of the targeted conglomerate which typically present with high purity (96-98%) and simple extraction process comprising: blasting, open pit mining, crushing, gravity then fine gold chemical separation.

The geology team will produce a detailed exploration plan for the Board to review upon completion of the acquisition.

Consideration

In consideration for the Proposed Transaction, West Wits will:

a) Issue 3,000,000 West Wits shares immediately;
b) Issue 52,000,000 West Wits shares on completion;
c) Grant 10,000,000 3-year West Wits options (convertible into West Wits shares) from the completion date having a $0.05 exercise price;
d) Issue 10,000,000 West Wits shares and payment of $75,000 upon grant of the licence application;
e) Issue up to 35,000,000 West Wits shares upon commencement of a reverse circulation-percussion drilling program within the area comprised in the license application; and
f) Pay an aggregate net smelter royalty of 1% of net revenue from production within the licence application,

to the vendors (who own 100% of the issued capital of NRPL). Further details including conditions precedent are contained in Appendix A hereto.

Capital raising

To provide general working capital, to complete the Proposed Transaction and to progress exploring the Mt Cecelia project area, it is the intention of West Wits to conduct the following capital raising exercises which will be pursued regardless of whether the Proposed Transaction proceeds:

(a) An initial placement of circa 44,000,000 ordinary fully paid shares (at an issue price of $0.017 per share) to sophisticated investors without shareholder approval to raise at least $750,000.

(b) A share purchase plan to existing eligible shareholders to raise a maximum of $1 million at an issue price of 1.7 cents per share. The record date for eligible Australian and New Zealand shareholders will be 24th October 2017.

While a capital raising of not less than $750,000 forms a condition to the Proposed Transaction, it is not intended the capital raisings would be conditional on the Proposed Transaction. The placement is restricted to professional and sophisticated investors who are not related parties of the Company without requiring a prospectus and is being undertaken on the Company's behalf by CPS Capital Group Pty Ltd who will also on a best endeavours basis seek to place any shortfall from the share purchase plan subject to the Listing Rules. CPS Capital Group Pty Ltd have received commitments for all shares offered under the placement.

Pro-forma capital structure

The indicative share structure of West Wits, post the NRPL acquisition, placement and SPP is shown below:

	Shares	**%**
Current issued shares	456,203,370	74.28%
Placement ($750,000 at 1.7 cents per share)	44,117,650	7.18%
SPP (up to $1 million at 1.7 cents per share, assuming fully subscribed)	58,823,530	9.58%
Consideration shares (to and including completion of the acquisition)	55,000,000	8.96%
Total	**614,144,550**	**100.00%**

Upon completion of the acquisition of NRPL, the Company will also issue 10,000,000 consideration options, each to acquire one fully paid ordinary shares at an exercise price of 5 cents and expiring 3 years from the issue date.

As set out in Appendix A, 10 million fully paid ordinary shares will be issued on grant of the licence application and a further 35 million fully paid ordinary shares will be issued within 10 business days of commencement of a reverse circulation-percussion drilling program.

Indicative timetable

The indicative timetable – which West Wits may amend – for the Proposed Transaction to complete is detailed below:

Record Date for Share Purchase Plan	24 October 2017
Dispatch of Share Purchase Plan Offer Document (SPP Offer Date)	27 October 2017
Completion of Placement ($750,000)	30 October 2017
Completion of Due Diligence and execution of Formal Documentation with Northern Reserve shareholders	3 November 2017
Closing Date for Share Purchase Plan	10 November 2017
Issue Date for Share Purchase Plan shares	16 November 2017
Completion Date for Proposed Transaction	16 November 2017

For And On Behalf Of The Board



Michael Quinert
Chairman
West Wits Mining Limited

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APPENDIX A: KEY TERMS OF PROPOSED ACQUISITION

West Wits and NRPL have entered into a binding Heads of Agreement.

The key terms of the Heads of Agreement are as follows:

1) **Completion of the Proposed Transaction**: This is conditional on each of the following being satisfied (each being a Condition):

   (a) **Due diligence:** West Wits completing and being reasonably satisfied with the outcome of due diligence investigations (including financial, tax, legal and commercial/geological due diligence investigations) on NRPL, the project and the license application by the date which is 14 days after the date of this Heads of Agreement.

   (b) **Formal documentation:** The execution of formal documentation by the due diligence date.

   (c) **License application:** The license application not being withdrawn, declined or rejected by the relevant statutory bodies prior to completion of the Proposed Transaction. West Wits may waive this condition.

   (d) **Regulatory consents:** Any approval or waiver required by, or to be given by, ASIC, ASX, any third parties or governmental authorities in connection with the Proposed Transaction having been obtained on terms reasonably satisfactory to West Wits – although no such approvals are anticipated as being required. West Wits may waive this approval.

   (e) **Material adverse event:** There being no material adverse event occurring prior to the date of completion of the Proposed Transaction which adversely affects the rights or interests proposed to be acquired by West Wits under this Terms Sheet. West Wits may waive this condition.

   (f) **Capital raising:** West Wits raising not less than $750,000 in aggregate currently proposed to be effected through one or a combination of the indicative capital raising proposals. West Wits may waive this condition.

   The parties will act in good faith and provide reasonable assistance to each other as necessary to seek to enter into all formal documentation required and satisfy the conditions and complete the Proposed Transaction as expediently as possible. Each party will ensure that the agents, representatives, accountants and solicitors of the other party are provided with full access to all records and information upon request. Where disclosure of any business records or information is subject to third party consent, the parties agree to use their reasonable endeavours to obtain such consent.

   It is acknowledged that the parties will act reasonably to extend the dates for satisfaction of any conditions as necessary to accommodate delays experienced in the course of the Proposed Transaction including, but not limited to, delays as a result of dealings with regulators (including ASIC and ASX) and other third-parties or delays as a result of other events, matters or circumstances which are unexpected, unforeseen or have not been fully contemplated in the Heads of Agreement.

2) **Consideration:** The purchase price of the vendors' NRPL shares will be paid by way of the issue/grant of:

(a) 3,000,000 fully paid ordinary West Wits shares issued immediately at a deemed issue price of $0.017 (1.7 cents) per share (which are non-redeemable other than where the vendors breach the agreement);

(b) 52,000,000 fully paid ordinary West Wits shares issued on completion of the Proposed Transaction at a deemed issue price of $0.017 (1.7 cents) per share;

(c) 10,000,000 options to acquire ordinary fully paid West Wits shares issued on completion of the Proposed Transaction each option having an exercise price of $0.05 and expiry date which is three years from the date of completion of the Proposed Transaction;

(d) 10,000,000 fully paid ordinary West Wits shares issued upon the grant of the license application together with a cash payment of $75,000; and

(e) a further 35,000,000 fully paid ordinary West Wits shares (milestone shares) issued within 10 business days of commencement of a reverse circulation-percussion drilling program within the area comprised in the license application. The parties agree to act reasonably to refine or amend the above milestone as necessary to satisfy the ASX of the suitability of same.

(f) An aggregate net smelter royalty of 1% of net revenue from production within the license application.

The above, which is collectively referred to as the consideration securities, will be issued to the vendors on a pro-rata basis having regard for their respective holdings in NRPL immediately prior to completion of the Proposed Transaction.

3) **Warranties:** The parties have both provided warranties that are customary to a transaction of this nature.

4) **Exclusivity:** During the term of the Heads of Agreement, neither party to the Proposed Transaction will enter into negotiations or take action to enter into certain transactions with alternative potential purchasers.

5) **Maintaining the status quo:** During the exclusivity period, the parties agree not to enter into any material contract or incur any material liability; declare any dividends; or vary its capital structure without the prior written consent of the other party.

Otherwise, the Heads of Agreement contains clauses typical for binding agreements of this nature.