ASX Announcement and Media Release

Tuesday, 15th May 2018

ACCEPTANCE OF MINING RIGHTS APPLICATION
HERALDS START OF STRATEGIC TRANSFORMATION

Highlights

- The South African mining regulator has officially accepted for processing WWI's mining rights application for the Witwatersrand Basin Project (WBP), confirming a decision on approval will be made within 300 days
- This event marks the commencement of WWI's core strategic transformation, subject to securing regulatory approval, to materially scale up mining operations at several sites concurrently across the WBP from 1H 2019
- Securing mining rights in South Africa is a rigorous process, as the regulator enforces tough environmental standards and requires the applicant to consult widely with numerous stakeholders including community groups to ensure support
- To this end, WWI has demonstrable evidence that it has the capacity to meet its environmental obligations via rehabilitating pits 1 and 2 at the Kimberley Central open-pit, while the management team have been highly proactive and positively engaging with local communities and stakeholders.
- At the macro level, President Cyril Ramaphosa wants to create a conducive investment climate with a business centred strategy in South Africa to attract significant foreign investment, with a balanced mining charter acceptable to all stakeholders – this is broadly favourable for WWI's forward plans
- Production numbers for March-April at the Kimberley Central open-pit were lower than the target range due mainly to extremely heavy rainfall, well above the annual average, that hampered mining and processing operations – weather patterns have since normalised and the operations are back on track with in desired limits

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Michael Quinert, Chairman commented: *"Marking the real start of WWI's transformation into a junior gold miner, we have submitted the mining rights application for the WBP to the regulator which has now officially been accepted as a valid application for processing. Once mining rights have been granted operations can be scaled up materially, which is likely from 1H 2019 onwards. The timing is fortuitous as the Board notes the investment climate for foreign investors in South Africa's mining sector has improved, with the new administration adopting a business centred strategy. During the intervening period, however, the team are focused on expanding the resource size to comply with the JORC 2012 code and commencing mining operations on the Main & South Central and Kimberley West open-pits once regulatory approval is granted."*

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West Wits Mining Limited ("WWIs" or "the Company) is pleased to confirm the South African mining regulator has accepted for processing the mining rights application for the WBP, which the Board believes marks the start of WWI's strategic transformation into a junior miner. The regulator officially stated a decision will be forthcoming within 300 days from official acceptance.

MINING RIGHTS APPLICATION ACCEPTED

The mining rights application for the WBP project has been submitted and formally accepted for processing by the regulator, with a decision on approval expected within 300 days. The Board's strategic intent to transform WWI into a junior miner with successful operations in the Witwatersrand Basin and Pilbara region is now well underway. Once regulatory approval is secured, then it opens up options to have concurrent mining operations at several locations across the WBP, enabling the production platform to be rapidly scaled.

Securing mining rights is a rigorous process, as the regulator enforces strict environmental standards and ongoing rehabilitation obligations. Moreover, it must be shown to the regulator that West Wits has engaged with numerous stakeholders and community groups to ensure there is full consultation with respect to the proposed mining project and its impacts. To this end, management is fully engaged with nearby communities and other stakeholders. With rehabilitation of pits 1 & 2's mined out areas of the Kimberley Central open-pit well underway, we are already demonstrating West Wits ability to deliver on community and stakeholder requirements.

FIGURE 1: West Wits Mine Manager (Eddie Milne) & Chairman (Michael Quinert) with the Certificate of Appreciation presented by the Mandelaville Crisis Centre for contributions in support of community projects



The more immediate focus for the South African team is two-fold:

- Completing an update of work on the Mineral Resource Estimate for the Kimberley Reef on the historic Rand Lease are to bring it into the current JORC framework; and,
- preparing for the commencement of mining operations at Main & South Central and Kimberly West open pits, once regulatory approval is secured on the two mining permits (each 5ha areas), which were submitted in April and expected to be received in the latter half of the year.

BI-MONTHLY PRODUCTION

Inclement weather during the March-April period resulted in >300mm rain falling which was materially above the annual average rainfall, this was further compounded by a bottle neck at the processing plant which left approximately 4,450t of West Wits' ore stockpiled at the end of the period. Consequently, ore volumes processed were well below the target range, which resulted in revenues not covering fixed costs for the period. Although the net cashflow did not hit the desired target range, the operation did not require funds from head office to cover working capital requirements.

On a positive note, stockpiled ore will provide additional revenues in the current period and the weather pattern has normalised. Consequently, production and processing targets for May are on track to being achieved.

Category	Target range*	Results relative to target range
Grade (g/t Au)	2.0	1.6
Ore produced (t)	25,000 – 30,000	27,950
Ore processed (t)	25,000 – 30,000	21,385
Gold produced (oz)	1,750 – 2,100	1,035
Average cost (US$/oz)	700 – 1,000	1,550
Net cashflow (A$)	350,000 – 550,000	Materially below target range

* Net cashflow adjusted to reflect target production & price range

For and on behalf of the Board



Michael Quinert
Chairman
West Wits Mining Limited

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Otherwise, for further information visit: www.westwitsmining.com