ASX Announcement (ASX: WWI)

Thursday, 30th July 2020

Positive Scoping Study Provides Clear Pathway for Development Strategy

- **Positive results from the Independent Scoping Study confirms development strategy to produce 50 000 to 60 000oz per annum at steady state production**
- **Five distinct targets identified for staged development of the 3.65Moz Au JORC Resource[1] Witwatersrand Basin Project ("WBP")**
- **Scoping Study assumptions in sufficient detail to move directly into Bankable Feasibility Study which is due to commence in September 2020 on the Kimberley East Underground target**
- **A desktop study of existing historical mining data will be used to evaluate the K9A reef with an aim to bring this reef into the WBP Global Resource in 3Q 2020**

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West Wits Mining (ASX: WWI**, 'West Wits'** or '**the Company'**), is pleased to announce that it has received positive results from the Independent Scoping Study by mining consultants Bara Consulting ("Bara") on its Witwatersrand Basin Project ("WBP" or "Project") in South Africa, confirming the development pathway to advance rapidly with the commencement of a BFS.

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Jac van Heerden, Managing Director commented: *"I'm very pleased with the results of the Scoping Study which has provided motivation to proceed to commission the BFS on the initial underground target area on the Kimberley Reef package. This area will be accessed by the existing Qala Adit and only requires low CAPEX to refurbish for operations. WWI's exploration team has also significantly advanced the resource definition process for the Kimberley Reefs which will support the BFS. The Board looks forward to announcing the exploration results which are expected to be available for release in September 2020. The Scoping Study provides a clear pathway to monetise the mineral resource, which is robust in terms of tonnes and grade. The Project's strength is only further enhanced by the current gold price with the South African Rand price at record highs."*

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[1] The original report was "Global Resource Grows by 428,000oz Au to 3.67Moz at WBP" which was issued with consent of competent persons Dr Andrew J. Tunks, it was released to the ASX on 16th July 2018 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.

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Scoping Study

The Independent Scoping Study by Bara is underpinned by the WBP's 3.65Moz Au JORC Resource[1] (Table 1) which covers the Project footprint and the K9A exploration target[2] (Table 2) which forms part of the Kimberley East Underground target.

TABLE 1: GLOBAL MRE FOR THE WITWATERSRAND BASIN PROJECT AT 2.0G/T CUT-OFF[1]

Category	Tonnes (millions)	Grade (g/t Au)	Ounces Au
Measured	12.0	3.65	1,420,000
Indicated	9.1	3.37	988,000
Measured & Indicated	**21.1**	**3.55**	**2,408,000**
Inferred	12.8	3.0	1,240,000
Total	**33.9**	**3.4**	**3,648,000**

Notes: The Global MRE set at a 2.0 g/t Au cut-off. Reported in accordance with the JORC Code of 2012. Number differences may occur due to rounding errors. Table 1 shows the Global JORC Resource as announced on 16th July 2018[1] and also takes into account depletion resulting from tonnes removed in the Kimberley Central Open Pit operations. The original report for the table above was "2019 Annual Report to Shareholders"[3].

Bara's Independent Scoping Study utilises a base gold price assumption of USD 1,500 and ZAR/USD exchange rate of ZAR16.5. The baseline gold price of the study indicates the potential for significant upside when compared to the prevailing gold price at the time of the announcement.

The Independent Scoping Study identifies five distinct reef packages to develop mining operations. The combination of these five mining operations was in the previous phase of the mine's life some 20 years ago producing around 80koz-100koz Au per annum. However, due to expected constraints in re-opening old shafts the Independent Scoping Study has concluded that the refurbished operations will achieve something moderately less than past production rate. Further details will be provided in due course upon completion of the outstanding resource studies currently underway.

The Qala Shallows and Qala Deeps areas still have extensive life left and will form the backbone of the Project. The other areas of operation will supplement additional tonnes through the Qala operations mine life.

Qala Shallows

The initial target for development consists of the Kimberley Reef package above 500m depth at the Kimberley East Underground target which is made up of up to 17 individual conglomerate bands. Previous mining and WWI's exploration to date has targeted the K9A & K9B bands however there is further exploration upside with potential access to additional bands via proposed mine infrastructure.

The Qala Shallows was operational when the historical mine closed in the early 2000's. The scoping study proposes development via the refurbishment of the existing adit which is anticipated to include trackless

[2] The original report was "Witwatersrand Basin Project's Kimberley Reef East Upside Potential" which was issued with consent of competent persons, Hermanus Berhardus Swart & Dr Andrew J. Tunks, it was released to the ASX on 31st August 2018 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.

[3] The original report was "2019 Annual Report to Shareholders" which was issued with consent of competent persons Dr Andrew J. Tunks, it was released to the ASX on 27th September 2019 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.

haulage and would require significantly lower CAPEX compared to constructing an incline shaft with winder.

The scoping study's production target is based on a combination of measured resource, indicated resource, inferred resource and exploration target. Due to the inclusion of the inferred resource and exploration target areas in early stage mining , the Company has decided to defer the decision to release the Scoping Study's production target or financial modelling until the currently underway exploration projects have been completed.

A key factor in the Independent Scoping Study's prioritisation of the Qala Shallow for initial development is the Kimberley Reef's ore profile which modelling shows is best suited to provide the most steady state production level over WBP's mine life. In turn, production from Qala Shallows would support the development of other distinct target areas during development phases. In addition, mine design undertaken as part of the Independent Scoping Study shows that the Qala Adit provides a feasible access point for early mining development and future mechanised mining operations, as well as access to the Qala Deep and Bird Reef East ore bodies.

- **Main Reef**

The Main Reef package, consisting of the Main Reef and Main Reef Leader band, is identified for the 2nd stage of development and is a priority target due to the high gold grade. Historical mining on the reef package has reduced the available tonnages of these ore bodies relative to the Qala shaft therefore a shorter project life is envisaged albeit with higher grade ore available.

- **Bird Reef East**

Bird Reef East has been identified for the third stage of development with Bara planning access via the Qala Shallows underground workings (Image 2).

- **Bird Reef Central**

Bird Reef Central is accessible via the existing Circular Shaft, development would be independent of the Qala infrastructure which combined with a lower grade profile results in the project area being scheduled for development after the Bird Reef East operation.

- **Qala Deeps**

Qala Deeps area is a depth extension of the Qala Shallows from 500-1,500m below surface where the reef dip steepens from 40° at surface to 70° at depth (Image 1). The water table floods historical mine works at approx. 200m below surface, an independent geotechnical report supporting the scoping study found that leaving a water pillar with a width to height ratio of 15 to 1 enables access to unmined areas at depth which is applicable to the Qala Deeps target ore bodies.

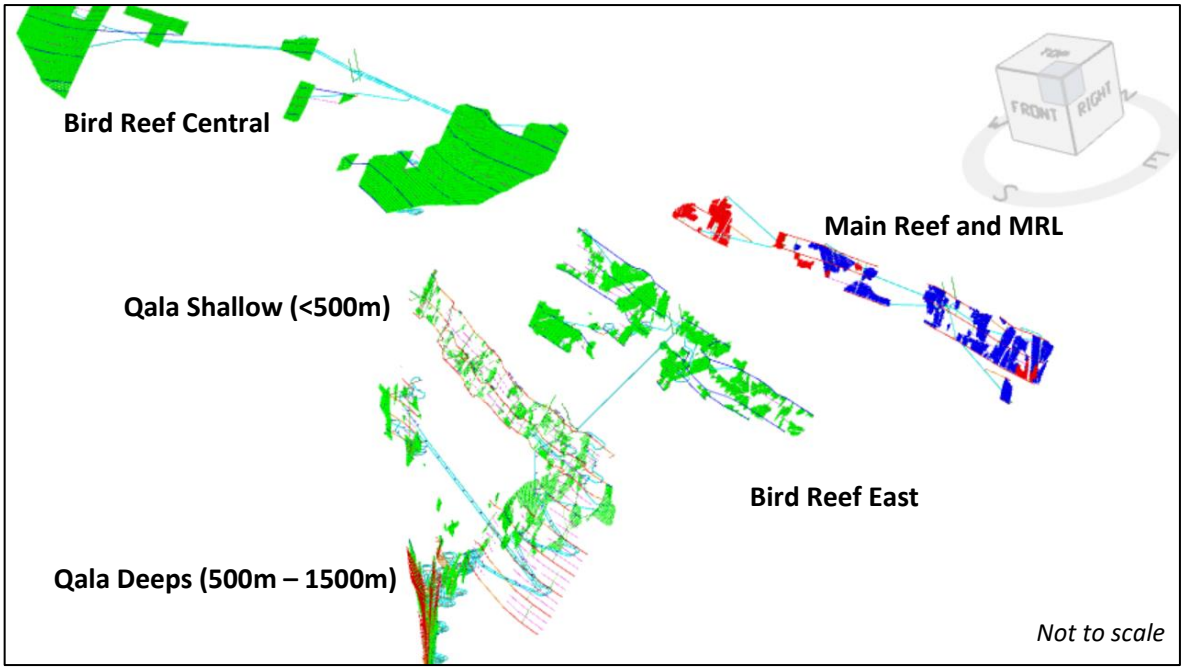

Image 1: Schematic of WBP Scoping Study conceptual mine layout shows the connection between the Qala Shallow to both the Bird Reef East package and Qala Deeps.

Mining Method

The scoping study utilises a narrow reef breast mining method in the upper sections of the conceptual mine plan which was the same mining method being used when the historical mine ceased in the early 2000's and is still being used extensively in South African gold mining today. Therefore, the scoping study is based on a tried and tested mining method in the Witwatersrand Basin with a readily available, highly skilled workforce and supply network.

The BFS will investigate additional mechanised mining techniques which are expected to provide significant efficiency improvements where the reef dip is greater than 50°.

Processing

Bara's view, which is shared by the Company, is that there is sufficient capacity and quality of processing in the region to enter a toll treating arrangement with one of the local process plant operators as opposed to allocating CAPEX for the construction and operation of a process facility. The Independent Scoping Study did not foresee any issues with processing of the ore as it has been successfully processed during the mine's historical operation and the neighbouring mines are currently mining the same reef packages which achieve metallurgical recoveries greater than 90%.

Exploration Program

WWI's current desk top study and exploration program is designed to advance the Company's 600,000oz to 1,000,000oz Au Exploration Target on the K9A reef (Table 2) into a JORC compliant resource and improve the confidence level in the existing K9B inferred resource[2].

Exploration Target for K9A Reef -Kimberley East Project			
Range	**Tonnes (M)**	**Au (g/t)**	**Au (Oz)**
Low	6.5	3.0	650,000
High	8.0	4.0	1,000,000

Table 2: The consolidated Exploration Target is stated above as ranges of potential tonnes and grades. Number differences may occur due to rounding errors. The original report was "Witwatersrand Basin Project's Kimberley Reef East Upside Potential", released to the ASX on 31/08/2018[2].

The previously stated Exploration Target was estimated for the K9A reef which is situated 10m (true width) stratigraphically above the K9B Reef. The potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource[2].

WWI's in country geological consultant, Shango Solutions ("Shango"), Resource Work is utilising historical survey and assay information, capturing data in a 3D environment to compile a 3D digital terrain model (Image 2) and 3D geological model which is scheduled for completion in September 2020.

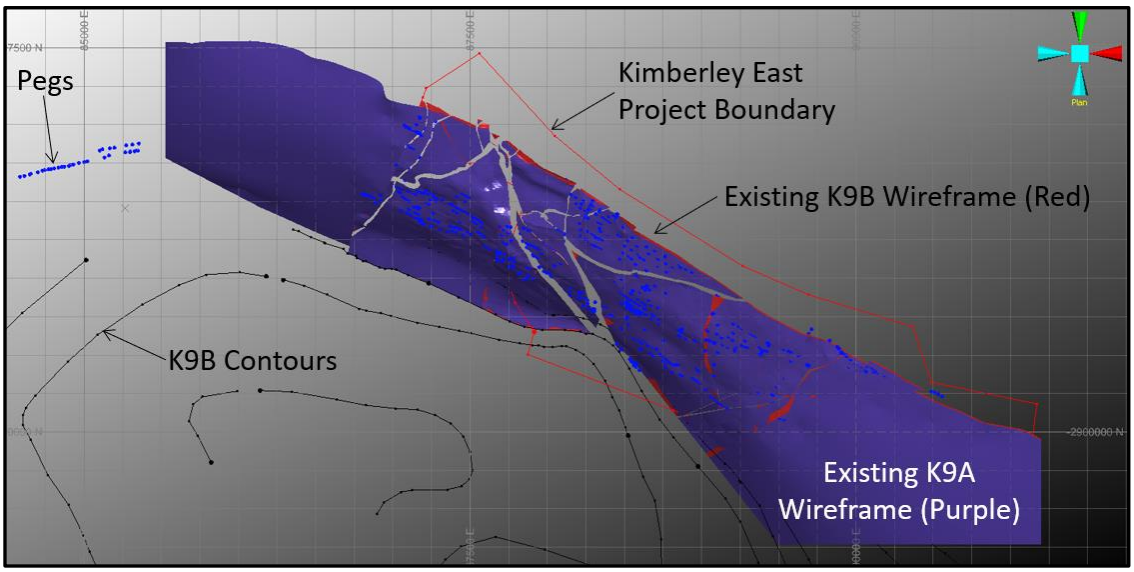

Image 2: Shango's preliminary 3D Digital Terrain model

WWI's development plan aims to convert greater than 75% of the initial 10-year mining footprint of the Qala Shallows into measured and indicated resource categories to underpin the scheduled Bankable Feasibility Study on the Qala Shallows. Additional infill drilling is expected to start once the K9A target conversion project is complete. This will then allow Bara Consulting to assess a greater resource for conversion to a reserve following the completion of the BFS.

Bankable Feasibility Study

A key objective of the Independent Scoping Study was to provide an assessment of the mining potential over the whole Project area. The Independent Scoping Study confirmed the Project's distinct positive investment parameters which de-risks the Project and enables the Company to progress to the next stage of feasibility on the Qala Shallows as well as the supporting exploration activity which is deemed a high priority.

The Company can now move directly to a BFS which is scheduled to commence in September 2020 and is forecast to be completed within 6-8 months. The shorter timeframe compared to a typical BFS is due to the development plan not requiring processing plant design and the mining method being determined in the Scoping Study phase which is well known. A number of key decisions, such as mine layouts, processing and access options have been decided in the scoping phase, and the infrastructure requirements defined in the study have been to a level of detail that it is possible to move directly across into a BFS thereby avoiding the PFS & FS stages.

Next Steps

- K9A Exploration Program schedule for completion in (Sep-20)
- BFS to commence on the Qala Shallows (Sep-20)
- Qala Shallows infill drilling program (4Q 2020)
- Qala Shallows execution commence (1Q2021)
- Main Reef BFS to commence (1H 2021)
- Qala Shallows underground mine development (3Q 2021)

Approved for release by the Managing Director,



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