Wednesday, 29th April 2020



# **Quarterly Activities Report - March 2020**

# **Highlights**

- ➤ Raised US\$ 1M through sale of Convertible Notes, 1M at 0.7 US cents (approx. 1.1 AUD cents) per share and minimum term of 3-years¹.
- Lodgement of financial guarantee to comply with the Department of Mineral Resources ("DMR") request for rehabilitation provisioning for the area under WWI's mining right ("MR") application over the Witwatersrand Basin Project ("WBP"). This completes the Company's Environmental Authority ("EA") application, with final approval pending.
- ➤ Given the news from our neighbours at Mt Cecelia we conducted a new desktop study of the Company's Mt Cecelia project to reinterpret local geology and structural setting. The new geological interpretation identifies three distinct targets: banded-iron formations ("BIF") hosted Gold, Polymetallic VMS & Manganese².

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West Wits Mining Limited ("WWI" or "the Company) is pleased to present its latest quarterly report for the period ending 31<sup>st</sup> March 2020.

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# **Review of Operations**

#### **SOUTH AFRICA**

# Witwatersrand Basin Project, Central Rand (WWI: 66.6%)

The Company received a letter from the DMR on the 24<sup>th</sup> March 2020, 2-days prior to the COVID-19 lockdown, requesting a financial guarantee for the rehabilitation of the area under the mining right application. Despite the lockdown, the Company secured the financial guarantee and the insurer provided formal documentation to the DMR on 17<sup>th</sup> April 2020 (post reporting period). The provision of the financial guarantee is an important step and completes the Company's EA application.

In addition to the EA application, the South African management team have been in discussion with the DMR's Social Labour Plan ("SLP") division to finalise the SLP document and get sign-off from the outstanding stakeholders. Sign-off of the SLP document will finalise the MR application's outstanding matters for the DMR's final recommendation to the Minister.

The South African Government announced that all applications submitted to Government Departments are on hold during the COVID-19 lockdown. On 23<sup>rd</sup> April, the Government declared restrictions will reduce to Level 4 from the 1<sup>st</sup> May which still requires the closure of non-essential Government services.

Whilst some sections of the DMR are operating we are not yet clear on the position regarding west wits M

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those processing our MR. Management continues to monitor the situation to ensure the Company is well placed to advance the mining right approval as soon as COVID-19 restrictions allow it.

The scoping study, covering the four underground targets at WBP, was recommissioned in March 2020 with 3<sup>rd</sup> Party engineering firm Bara Consulting. Importantly, the scoping study's key input assumptions, gold price and ZAR/USD, have been updated from the original values set in 2Q2019 to reflect the prevailing market conditions which are expected to materially improve the project's economics. The USD gold-price assumption has increased from 1,300 to 1,500 and ZAR/USD exchange rate assumption from 15 to 16.5, both significantly below current spot rates which indicates further upside potential. The scoping study is due to be completed by the end of the June quarter.

Rehabilitation of the Kimberley Central Open-Pit project's remaining pit is continuing to progress ahead of schedule with the JV operator, Elandiwave, backfilling a further 118,000m<sup>3</sup> in the 3-months to 3<sup>rd</sup> March 2020 (last survey).

#### **AUSTRALIA**

## Mt Cecelia – East Pilbara

PGN Geoscience were engaged by the Company to perform a detailed desktop study to assist in developing new exploration models for target generation at WWI's Mt Cecelia project and to provide a context to existing/known mineralisation occurrences. The study was largely completed in March 2020 with the final report issued in April 2020 (post reporting period)<sup>2</sup>.

The study generated an improved geological map and the revised understanding has significant implications for future exploration programs, primarily from the identification of a folded and faulted, banded-ironstone, felsic intrusive complex that is highly prospective for orogenic gold.

The new geological interpretation and resultant map introduces a considerably more complex geology than the currently available public geological map and includes a new interpretation for the Vines Fault (Figure 1).

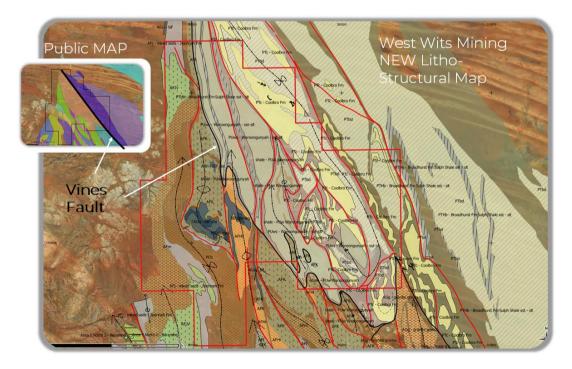


Figure 1: (top) Newly compiled map for West Wits Mining compared to (inset) currently available map.

#### **BIF-Hosted Orogenic Gold Target**

The initial interpretation suggests that a folded banded-iron sequence is juxtaposed by a series of steep structures. The airborne magnetics further suggests a series of demagnetised zones internal to the BIF. The hypothesis is that these are prospective for orogenic gold mineralising systems.

The resultant new geological interpretation has resolved a new architecture and consequently new lithostructural framework for the Mt Cecelia project area within E45/5045, the central west area location is highly prospective for orogenic BIF hosted gold (Figure 2).

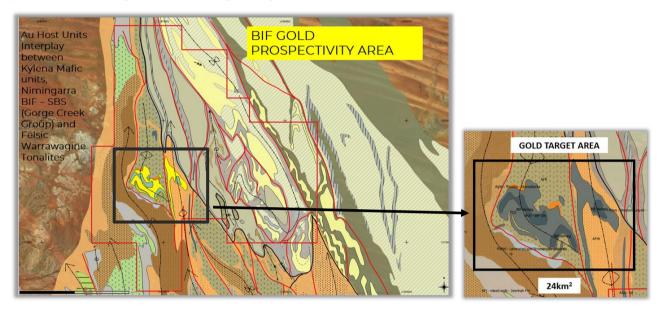


Figure 2: (left) E45/5045 tenement and geology and (right) target area highlighted.

#### **Polymetalic VMS Target**

The study found, the Kylena Formation and Jeerinah Formation are prospective for VMS deposits. Both of which occur in significant volumes within the tenement area. These formations represent classic bimodal volcanic sequences and as such, present a significant opportunity and considerable spatial extent for exploration within the WWI tenure.

#### **Manganese Target**

PGN Geoscience concluded the Mt Cecelia tenement shows considerable exploration potential for a Manganese opportunity amongst the VMS and BIF hosted orogenic gold opportunities. Through the extrapolation and resultant understanding from developing a district-scale exploration litho-structural map, Manganese deposits such as those locally related to the Baramine series of deposits ~8km to the south-west are hosted within a form-surface related to the synformally folded sequence of Pinjian Chert Breccia units.

Application of the resolution of structural controls to the E45/5045 tenement area suggests that the host horizon sequence is likely folded akin to the Baramine prospects. Thus, the upside potential for one or more economic deposits is highly likely with the expectation of a focus of economic quantities proximal to the hinge axial planar location.

Suffice to say, the potential of a new orogenic gold play, determination of VMS prospective host units and Manganese potential provides significant upside exploration opportunity to the region.

#### **INDONESIA**

No significant activity was reported during the period from the Indonesian subsidiary with local stakeholders continuing efforts to secure the IUP's.

#### **CORPORATE**

## **Shareholders Meeting**

The Extraordinary General Meeting held on 29<sup>th</sup> February 2020 was strongly supported with an overwhelming proxy vote for all resolutions<sup>4</sup>.

The Company issued the following securities during the quarter:

- 1,000,000 convertible notes in the Company (Notes) at an issue price of USD\$1 per Note for an aggregate USD\$1,000,000 capital raising pursuant to a subscription agreement as announced to ASX on 20 December 2019<sup>1</sup>.
- 5,500,000 unlisted options in recognition of the assistance and support provided by Mr Peter O'Malley of Kenosis Capital LLC ("Kenosis") in connection with recent strategic planning and development in the lead up to the issue of convertible. The options have an exercise price of \$0.015 (1.5 cents) and expire two years after issue<sup>3</sup>.

#### **COVID-19 Update**

The Company continues to monitor restrictions associated with the COVID-19 outbreak in both South Africa and Australia.

On 23<sup>rd</sup> April 2020, the South African Government announced that COVID-19 lockdown would be eased to Level 4 restrictions from the 1st May 2020. The restrictions have not had a significant impact on the Company's South African employees and contractors who are able to work from home, progressing feasibility, exploration & administrative activity. However, the DMR advised that applications will not be approved whilst the more severe restrictions are in place which may cause delay to the mining right application approval.

West Wits' Australian based staff and contractors have also been able to work from home during the COVID-19 restrictions with no significant disruption to activities to date. The main impact on Australian operations is the inability to access the Mt Cecelia tenement area for exploration field trips.

West Wit's has restrained discretionary expenditure and to date, COVID-19 restrictions have not had a material impact on the Company's costs or cash forecast.

Approved for release by the Managing Director (Jac van Heerden) on behalf of the Board,

Jac van Heerden

**Managing Director** 

West Wits Mining Limited

#### **Investor Relations:**

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- 1. ASX Release 02/03/2020 ("Issue of Tranche 2 Convertible Notes Completes Capital Raise")
- 2. ASX Release 22/04/2020 ("Mt Cecelia Exploration Identifies Three Distinct Targets")
- 3. ASX Release 03/02/2020 ("Issue of Tranche 1 Convertible Notes and Options")
- 4. ASX Release 19/02/2020 ("Results of Meeting")

#### Summary of expenditure on substantive exploration, development & production activities:

- Mining Right Application \$122k
- Rehabilitation of Kimberley Central Open Pit \$75k
- Feasibility Studies \$35k

## **Related Party Payments:**

- \$34k for historical director fees (Mr Quinert & Mr Tunks)
- \$21k to Quinert Rodda & Associates, a related entity to Mr Quinert, for legal fees attributed to the drafting of agreements and documents for the issue of securities and other ASX listing requirements

#### **Interests in Mining Tenements**

Tenements	Location	Held at end of	Acquired during the	Disposed during the
		Quarter	Quarter	quarter
GP183PR (WBP)	Witwatersrand Basin, West Rand, South Africa	66.6%*	-	-
Mining Lease – M45/988 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Mining Lease – M45/990 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Mining Lease – M45/991 (Tambina)	Pilbara region, Western Australia	80%*	-	-
Exploration License – EL 45/5045 (Mt Cecelia)	Pilbara region, Western Australia	100%		
Production IUP – NO. 47/2010 (Derewo)	Paniai Regency, Indonesia	29%*	-	-
^ Exploration IUP – NO. 76/2010 (Derewo)	Paniai, Indonesia	64%*	-	-
^ Exploration IUP – NO.31/2010 (Derewo)	Intan Jaya, Indonesia	64%*	-	-
^ Exploration IUP – NO. 543/142/SET (Derewo)	Nabire, Indonesia	64%*	-	-

<sup>\*</sup> Minority positions are held by local parties in compliance with local legislation in relation to foreign ownership and mineral and production rights.

<sup>^</sup> Exploration IUP's may no longer be within the compliance period and could be subject to cancellation