



Cover Story



The Potential Value of West Wits' Strategic Position within a Renowned Goldfield is Reflected by its Substantial Progress over the Last 12 Months that has Strengthened its Position to Capitalize on Any Potential Upturn in the Market

West Wits Mining Limited is a gold and uranium mining exploration company that is strategically positioned within the renowned West Rand Goldfield located on the Witwatersrand Basin in South Africa. It is committed to delineating and potentially exploiting its rights and associated assets within this prime location.

Since the Company successfully listed on the ASX in December 2007 it has made a substantial amount of progress towards this goal as reflected by its recently released operational update that indicates the Company is in a strong position to capitalise on any potential upturn in the market.

Mr. Grant Ferguson, West Wits' Executive Director informed the Australian Investor, "We have made a significant amount of progress over the last 12 months in advancing West Wits from a gold and uranium explorer into a resource development company with a number of key resource milestones achieved since the beginning of 2009.

"Illustrating this progress, we have completed over 25 km of drilling and are presently at the stage where the majority of our short term targets have been drilled resulting in high interest areas that we will now be working on to progress further through the resource development stage."

One of the key developments for the Company's most recent quarter is its announcement of four separate JORC resource statements for near surface JORC resources at the Emerald, Princess and Marquise Targets, while the Radiant Target provided the first resources at an unmined 'virgin' section of Kimberley Reef on Rand Leases.

"At the beginning of the year we did not have a resource, whereas now we have just under half a million ounces of gold at a shallow depth," Mr. Ferguson commented.

Going forward, the Company intends to primarily focus on the Emerald Resource, moving it into a prefeasibility stage. The Emerald Resource achieved 160,000 ounces of gold to a maximum depth of 85m below surface.

"Given the current economic climate we have paused exploration on other projects within our pipeline because we believe it is important to concentrate on a project, such as Emerald, that has the potential to convert into a mining operation in a timely fashion," Mr. Ferguson explained to the Australian Investor, "We intend to progress it further into prefeasibility studies and then feasibility studies with the ultimate aim (depending on study outcome) of commencing production in late 2009 or early 2010."

According to Mr. Ferguson, West Wits has a number of key strengths that will aid its future growth and development.

"We have been one of the few companies in South Africa that has recently been able to delineate half a million ounces of gold at shallow depths within the short span of around 12 months," Mr. Ferguson told the Australian Investor, "In addition to these shallow targets –

which our are initial focus – we also have the advantage of larger, more significant underground targets that still need to be investigated.

“The results to date have confirmed out previously released conceptual targets summary. We believe there is potential for 5 million ounces of gold.”

Additionally, West Wits has the logistical advantage of being located near existing processing facilities and established mining infrastructure, which will aid its goal of maintaining low cost capital expenditure through possible toll treating arrangements and underground access.

“Another positive feature of our location is that our next door neighbour Central Rand Gold (CRG) has 37 million ounces of gold in resources and is currently commencing in the underground mining stage,” Mr. Ferguson noted, “Our tenements have a similar geology and mining history as their area’s.”

Speaking of the mining history of the area, historically the West Wits leases alone have produced around 61 million ounces of gold and 37 million pounds of uranium and West Wits work to date indicates that further significant gold and uranium mineralization remain on its leases, which further increases the potential upside for the Company.

“We have only scratched the surface and have already found around half a million ounces of gold, so we believe there is a substantial amount of blue sky opportunities in this region, especially considering its potential for uranium in addition to the gold,” Mr. Ferguson commented.

West Wits’ potential for future growth and development is further strengthened by its strong cash position of approximately \$7 million and no debt.

“In light of what is going on in the financial markets we have reduced our exploration and continue to maintain a cautious cash management approach to keep costs down,” Mr. Ferguson explained to the Australian Investor, “We intend to maintain this strategy and advance our Emerald target into production as soon as possible to generate a cash flow that will then fund the exploration of our additional more significant underground targets.”

The Company also has high profile shareholders such as DRD and Mintails who provides it with strong support and synergies.

Mr. Ferguson concluded, “We are in a very exciting stage of our development, with the half a million ounces of gold at a shallow depth across 20km of reef strike in one of the greatest gold fields in the world. We intend to continue to utilise this position to achieve our ultimate aim of creating a long term sustainable growth through profitable, gold mining operations, which will generate value for our shareholders.”

Article written by <http://australianinvestor.com.au>

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