AUSTRALIAN
RESEARCH
INDEPENDENT INVESTMENT RESEARCH

West Wits Limited

(ASX: WWI, OTCQB: WMWWF)

June 2022

INDEPENDENT
INVESTMENT RESEARCH

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3) Our research does not provide a recommendation, in that, we do not provide a "Buy, Sell or Hold" on any stocks. This is left to the Adviser who knows their client and the individual portfolio of the client.
4) Our research process for valuation is usually more conservative than what is adopted in Broking firms in general sense. Our firm has a conservative bias on assumptions provided by management as compared to Broking firms.
5) All research mandates are settled upfront so as to remove any influence on ultimate report conclusion;
6) All staff are not allowed to trade in any stock or accept stock options before, during and after (for a period of 6 weeks) the research process.

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Initiation - June 2022

Note: This report is based on information provided by the Company as of May 31, 2022.

Investment Profile	
Share Price May 31, 2022	A$0.028
Risked valuation per share	A$0.053
12 Month L/H	A$0.024/ A$0.103
Issued Capital:	
Ordinary Shares	1,842 m
Listed Options	110.1 m
Unlisted Options	146.4 m
In the Money Options	2.5 m
Performance Rights	10.2 m
Fully Diluted	2,109 m
Market Capitalisation UD	A$51.58 m
Cash - March 31, 2022	A$5.61 m
Cash on In the Money Options	A$0.03 m

Board
Mr Michael Quinert: Chairman
Mr Jac van Heerden: Managing Director
Mr Peter O'Malley: Non-Executive Director
Mr Tim Chapman: Non-Executive Director
Mr Hulme Scholes: Non-Executive Director

Major Shareholders	
Wingfield Capital	10.97%
Sibanye Stillwater	2.60%
Mr Michael Quinert	2.35%
Board	4.0%
Top 20	39.53%

Share Price Performance

The investment opinion in this report is current as at the date of publication. Investors and advisers should be aware that over time the circumstances of the issuer and/or product may change which may affect our investment opinion.

REJUVENATION OF A HISTORIC PRODUCER

Since being granted the Mining Right ("MR") in July 2021, West Wits Limited ("West Wits" or "the Company") has not wasted any time in commencing operations on the Qala Shallows underground development of the overall Witwatersrand Basin Project ("WBP"), in the highly productive Central Rand of the Witwatersrand Goldfields ("Wits", or "Rand").

The WBP MR covers parts of the historically mined Rand and Durban Roodeport Deep ("DRD") leases, which between them produced some 41 Moz of gold from the late 1800s until 2001, and for which the Company now has a Mineral Resource Estimate ("MRE") of 4.28 Moz at 4.58 g/t Au.

The Qala Shallows, with an underground inventory of 722 Koz of gold at 3.06 g/t Au, forms a low peak funding (US$50 million), medium life operation, planned to produce 663 koz over 17 years at a competitive, for underground operations, AISC of US$1,144/oz. This comprises the first stage of the planned four stage broader WBP, with planned production of 1.48 Moz over 27 years (including construction), at an estimated AISC of US$1,198/oz, and for which a positive updated Scoping Study has recently been released, with a pre-tax $NPV_{7.5}$ of US$227 million and IRR of 33% and an after tax $NPV_{7.5}$ of US$160 million and IRR of 29%.

As part of development of the Stage 1 Qala Shallows, West Wits has undertaken an "Early Mining Initiative", (as well as accelerating the production ramp up) in which easily accessible remnant mineralisation has been extracted, and stockpiled for future treatment. This was undertaken as a "proof of concept" initiative to demonstrate the viability of the planned larger scale operation, and provide some cash flow to put towards development following rehabilitation of the existing box cut and decline.

Low up-front capital costs are due to the location in what is historically the world's largest gold producer and a metropolitan area, having access to utilities, services, personnel with the requisite skills, and importantly, processing plants with spare capacity. This latter factor is vital in the economic viability of the Project, as well as significantly cutting permitting requirements and timeframes.

What is not often remembered is that the Wits has historically been a significant producer of uranium with this in areas associated with the gold mineralisation. The Bird Reef Central portion of the Project has a uranium Exploration Target of between 12 and 16 Mlb U_3O_8, which the Company plans to upgrade to a JORC compliant Resource, and which provides possible future upside.

Since commencing work in the Wits in 2007, the Company, which is staffed by personnel with the requisite technical and corporate experience, has worked closely with local communities and authorities, developing strong ESG credentials, with this also supported by having a Black Economic Empowerment ownership of 33.4%, higher than the current mandated level of 26%.

The Company also has the Mt Cecelia Project in the East Pilbara/Paterson Provinces in Western Australia, prospective for gold and base metals. West Wits has recently entered into an earn-in and JV agreement with Rio, whereby Rio can earn up to 80% through the staged expenditure of A$10 million over seven years.

We would expect ongoing positive news flow from West Wits, largely from South Africa (including success in securing funding), and also on the commencement of field work in Western Australia.

VALUATION

We have a base case risked valuation of West Wits of A**$0.053/share**, or an overall company valuation of **A$154 million**. This is based on a share structure diluted for a conceptual funding scenario for the WBP, and a gold price of US$1,800/oz. We see upside in this to close to A$0.10/share, dependent upon the successful implementation of the Project as planned.

The valuation is most sensitive to costs and the gold price - a gold price of US$2,000/oz (with all other things being equal) will increase the risked valuation to A$0.0.77/share, and the unrisked per share valuation to A$0.143/share. There is also potential future value in the uranium mineralisation.

Additional upside would also come from exploration success at the Mt Cecelia JV with Rio.

SWOT ANALYSIS

Strengths

- **Historic mining area:** The Wits has been the world's pre-eminent gold producer, with ready access to the required skills and services with the right experience
- **Experienced people with skin in the game:** Company personnel have significant experience in the resources sector, including in South Africa, both corporately and technically. In addition insiders hold, directly and indirectly, some 4.0% of the stock, thus aligning their interests with those of other shareholders.
- **Low capex:** The estimated capex requirements for both the Stage 1 and full WBP are relatively low, potentially making financing easier and strengthening project economics.
- **Nearby mills:** The potential to treat mineralisation through nearby mills with available capacity is the key factor that makes the Project.
- **Well understood geology, mineralisation and metallurgy:** Given the Wits mining history, all aspects of operations are well understood, and the Project should throw up no surprises.

Weaknesses

- **South Africa**: Australian investors are generally wary of South Africa when compared to several other African destinations - this will make funding more difficult in the local market.
- **Project stage:** The Company is currently at the stage of a project where value stalls and the share price tends to go sidewards, and only recovers when successful operations are demonstrated; in facing this the Company has undertaken the Early Mining Initiative as discussed previously.
- **Flooded historic workings:** Although the planned operations are planned for areas that are not flooded, or else the Company is confident that an engineering solution will allow access (Qala Deeps), a significant portion of the resources are in flooded areas, that may only have a slight chance of any access solution being found. Workings in the separate leases on the Rand are generally interconnected, and thus any dewatering of individual segments is generally not viable.

Opportunities

- **Funding:** The Company is currently looking at debt funding options - the Company has now sourced an equity facility.
- **Successful ramp up of operations:** This will be the key to driving value in the Company.
- **Uranium upside** As mentioned, the Company is looking at options on how to return and grow shareholder value at Bird Reef Central - these include continuing to go it alone, else bring in another party.

Threats/Risks

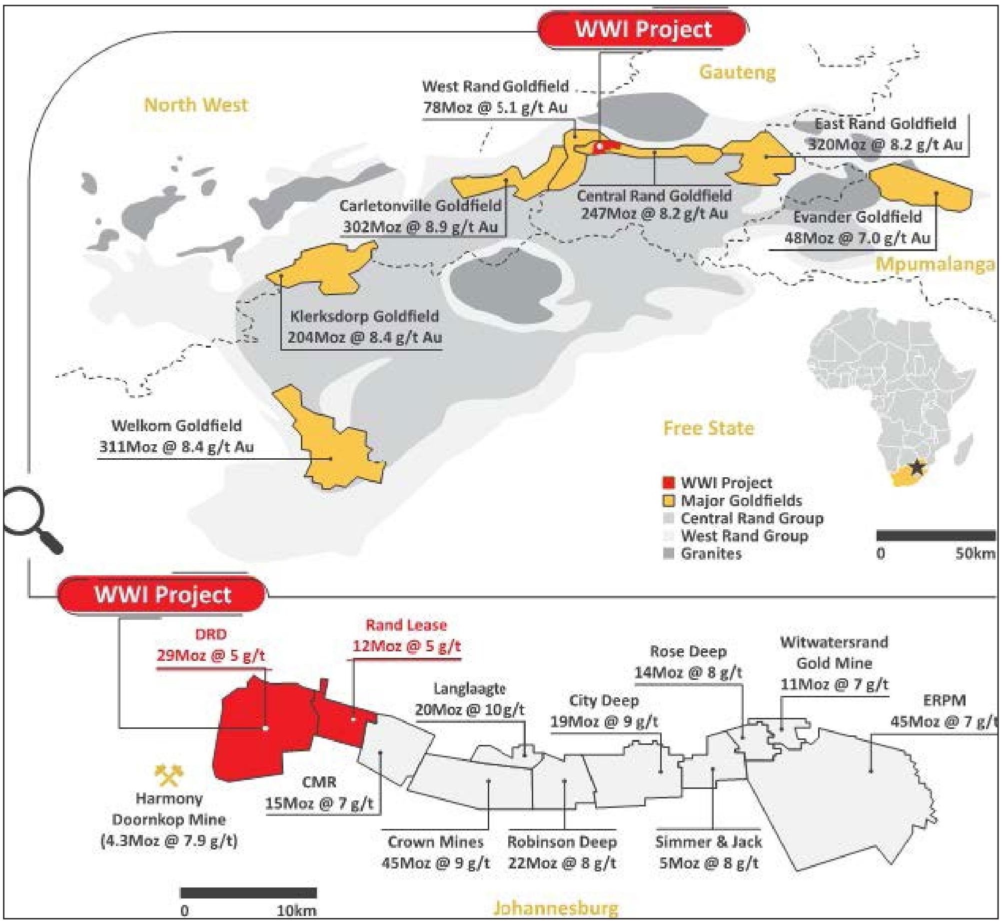
- **Markets and funding:** These are major threats for resource companies and can turn on a dime – adverse markets and sentiment can make it hard to raise cash, and, with depressed share prices make equity raisings more dilutionary and debt harder to access.
- **Gold sentiment:** Gold stocks are being left behind in the general market, with the "hot" money flowing into the battery metals sector. That being said, good hits are still being rewarded in the market.

OVERVIEW

BACKGROUND AND PROJECT OVERVIEW

- West Wits is in the process of developing operations at their 66.6% owned Witwatersrand Basin Project ("WBP"), located over the historic Durban Roodepoort Deep ("DRD") and Rand leases of the Central Rand area of the Witwatersrand goldfields in South Africa (Figure 1).
- The Witwatersrand ("White Waters Ridge") is historically the world's largest gold producer, having produced over 1,500 Moz , or ~1/3 of the total gold mined (at a grade of ~8.2 g/t Au), since operations commenced in the late 1800s - it is estimated that there could still be resources of at least 1,200 Moz remaining in the Witwatersrand Basin.
- The Wits has also historically been a producer of uranium as a by-product to the gold, with some 71,000 t of U_3O_8 being produced at an average recovered grade of ~280 ppm U_3O_8 since 1952; it is estimated that there are some 570 kt U_3O_8 in insitu resources, and over one million tonnes in tailings dumps.

Figure 1: West Wits project location map

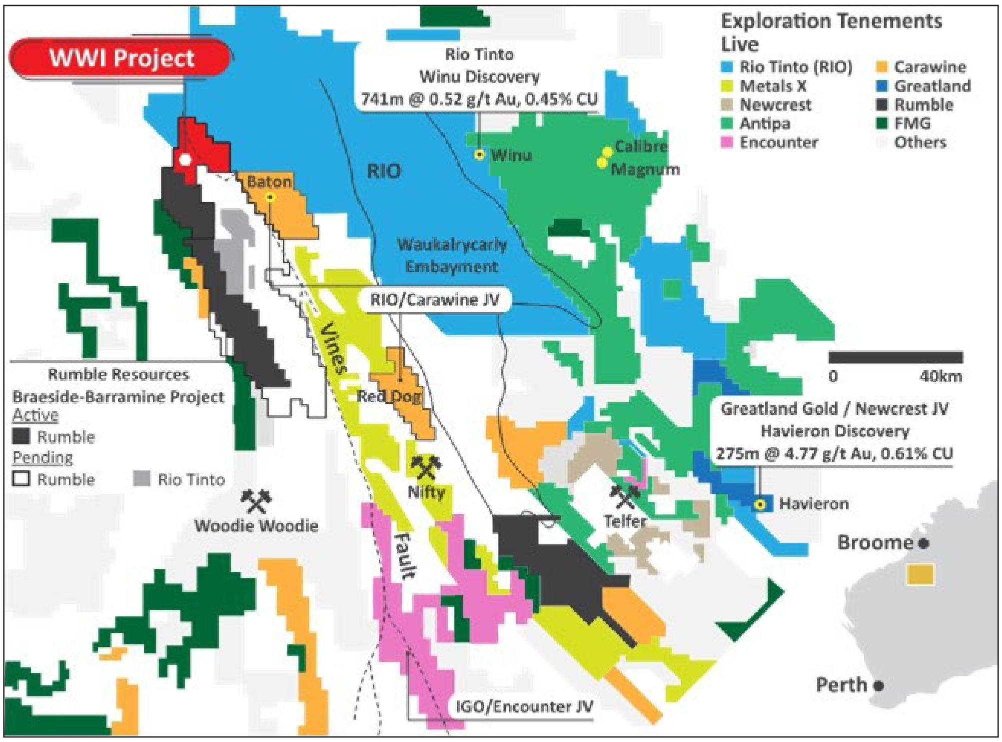


Source: West Wits

- West Wits has an overall four stage development strategy at the Project, for which an updated Scoping Study was completed in March 2022, and which envisages a 27 year life (construction through to end of treatment) recovering 1.49 Moz from 16.15 Mt of ore at a ROM grade of 3.11 g/t Au, and recovered grade of 2.86 g/t Au.
- The Company has also completed a DFS on the Qala Shallows development, which forms the first stage of the overall four stage project, and for which work commenced in September 2021, following award of the Mining Right ("MR") - this is largely concentrated on a contiguous area of undeveloped mineralisation in the well understood Kimberley Reefs at the eastern end of the MR.
- Stage 1 envisages a 17 year mine life, underpinning production of the overall project production through producing a total of 663,000 oz of gold - this will have a steady state production of 53,000 ozpa for 10 years which is expected to be reached in year five.
- The strategy is underpinned by an overall MRE of 4.28 Moz (29.05 Mt @ 4.58 g/t Au), and defined reserves thus far of 278,000 oz for the Stage 1 Qala Shallows operation.

- The "Early Mining Initiative", a small scale operation (5,000 tpm to 10,000 tpm) which accessed shallow previously developed stopes in conjunction with the Qala Shallows development, has been completed and established the proof of concept.
- The Company is now positioned to ramp up operations with a tolling agreement in place, an Equity Placement Agreement being secured (see below) and the sourcing of debt financing progressing.
- The Company also holds the Mt Cecelia project on the border of the East Pilbara and Paterson Provinces of Western Australia, in which Rio Tinto Exploration ("RTX") has entered into a staged Farm-In and JV agreement to earn up to 80% through the expenditure of A$10 million over a maximum of seven years.

Figure 2: Mt Cecelia project location map



Source: West Wits

FINANCIAL POSITION

- As of March 31 the Company had $5.616 million in the bank and no debt - in the December 2021 quarter the Company raised A$9.446 million through a 1 for 6 rights issue and placement.
- The A$7.86 million, 97% underwritten rights issue was undertaken at A$0.03/share, with all shares, including the A$2.062 million shortfall being allotted; management and the two eligible Directors took up A$132,420.62 in the issue.
- This was preceded by a A$1.6 million placement to sophisticated investors, which comprised 50 million shares at A$0.032/share, with the placement shares accompanied by a single free attaching option with an exercise price of A$0.12 and expiry date of August 10, 2022.
- Over the twelve months to March 31, 2021 the Company spent A$7.894 million on development and production, and A$3.096 million on staff and administration.
- The conversion of options has the potential to bring in ~A$22.288 million, however with all but A$30,000 being in out of the money options - the average exercise price is A$0.087.

Equity Placement Agreement

- On May 27, 2022, the Company announced that it had entered into an Equity Placement Agreement ("The Agreement") for up to US$75 million with SBC Global Investment Fund ("SBC"), which is intended to operate as a standby facility and allow felxible capital management through progressive drawdowns at WWI's sole discretion.
- Key aspects include:
  - Aggregate maximum of $75 million - note WWI has no obligation to make any drawdown on the facility,

- Investor commitment period of 24 months from execution of the agreement,
- Purchase price equal to the higher of 95% of the average 7 daily VWAPs of Shares chosen by the Investor during the Pricing Period (in AUD and rounded down to the nearest #$0.001) or the price nominated by WWI in a placement notice, which must not be less than any minimum price required under the Listing Rules,
- The Investor's obligations to subscribe for the placement shares are conditional upon the satisfaction, fulfilment or waiver of a number of conditions, including but not limited to WWI being admitted to the official list of ASX, WWI being able to issue the placement shares either under its available placement capacity or with shareholder approval (or both), WWI not being in breach of the Agreement and compliance with the limits on the maximum numbers of placement shares noted above. Details of the limits on the size of placements are set out in the announcement,
- The size of a placement and therefore quantum of proceeds can be adjusted down in increments of 1/30th upon the occurrence of certain adverse events during the pricing period such as suspension in trading of WWI shares or substantially reduced average trading volumes,
- WWI will pay an initial establishment fee of $100,000 in Shares at a deemed issue price of $0.025, being 95% of the VWAP on the trading day immediately prior to the date of the Agreement and to issue the Investor 25,000,000 unlisted options to acquire fully paid ordinary WWI shares, each option having an exercise price of $0.041 (being 150% of the average 5 daily VWAPs for the 5 trading days immediately prior to the date of the Agreement) and expiring 3 years from issue,
- The remaining establishment fee is $300,000 which will be paid progressively in $75,000 instalments from proceeds of future drawdowns. An additional fee of 0.5% becomes payable if aggregate placement amounts exceed $25,000,000
- WWI will also issue 5,000,000 unlisted options (exercise price of 150% of the average 5 daily VWAPs for the 5 trading days immediately prior to closing of the placement and expiring 3 years from issue) for each of the first three placements under the Agreement (aggregate 15,000,000),
- Any part of the establishment fee and the remaining number of options not paid are to be delivered to the Investor at expiry, however, WWI may elect to terminate the facility earlier and may thereby be entitled to a reduction in the quantum of the overall fees payable and options to be allotted depending upon the date of termination
- The Investor may terminate the Agreement upon an event of default, which include but are not limited to the occurrence of a material adverse event, WWI suspending payment of its debt, an administrator or controller being appointed to WWI or any representation or warranty made by WWI being found to have been false or misleading,
- As indicated above WWI may at its election decide to terminate the agreement upon written notice to the Investor, subject to payment of any outstanding fees after allowing for any early termination fee reduction entitlement (refer prior row in this table); and,
- The Agreement otherwise contains terms typical for an arrangement of this kind, including representations and warranties given by WWI and mutual warranties given by WWI and the Investor, indemnity provisions. share issue requirements and other arrangements for the provision of information.

CAPITAL STRUCTURE

- West Wits currently has 1,842 million shares, 110.07 million listed options, 146.35 million unlisted options and 10.20 million performance rights on issue - all, except for 2.5 million A$0.012 options are out of the money.
- The largest shareholder is Wingfield Capital, with 10.97%, with the next largest shareholders being Sibanye Stillwater with 2.60% and the Chairman, Michael Quinert, with 2.35% - the Board collectively holds 4.0%, with the Top 20 holding 39.53%.
- The Wingfield shareholding is the result of the full conversion of a US$1 million note subscription (and capitalised interest) - the agreement was entered into in late 2019 when the Company's share price was ~A$0.008, with the conversion price being US$0.007/share, at the time being equivalent to ~A$0.01/share.
- In addition to be listed on the ASX, West Wits has recently listed on the US OTCQB market, providing current and future US investors direct and real time access to trading in the Company's stock - this also provides West Wits with direct access the world's largest investment market.

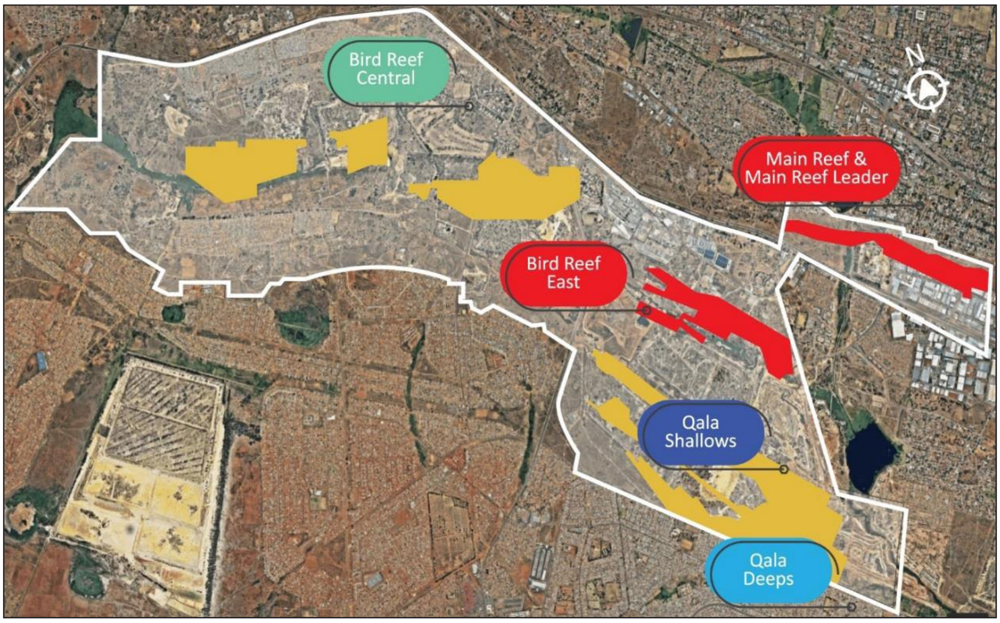
PROJECT DESCRIPTIONS

WITWATERSRAND BASIN PROJECT (WEST WITS 66.6%)

Location and Tenure

- West Wits's current granted MR <GP 30/5/1/2/2/10073> was granted on July 16, 2021, and is located adjacent to the areas of Roodepoort and Soweto in the greater Johannesburg metropolitan area, some 16 km west of the Johannesburg CBD (Figures 1, 3 and 4).

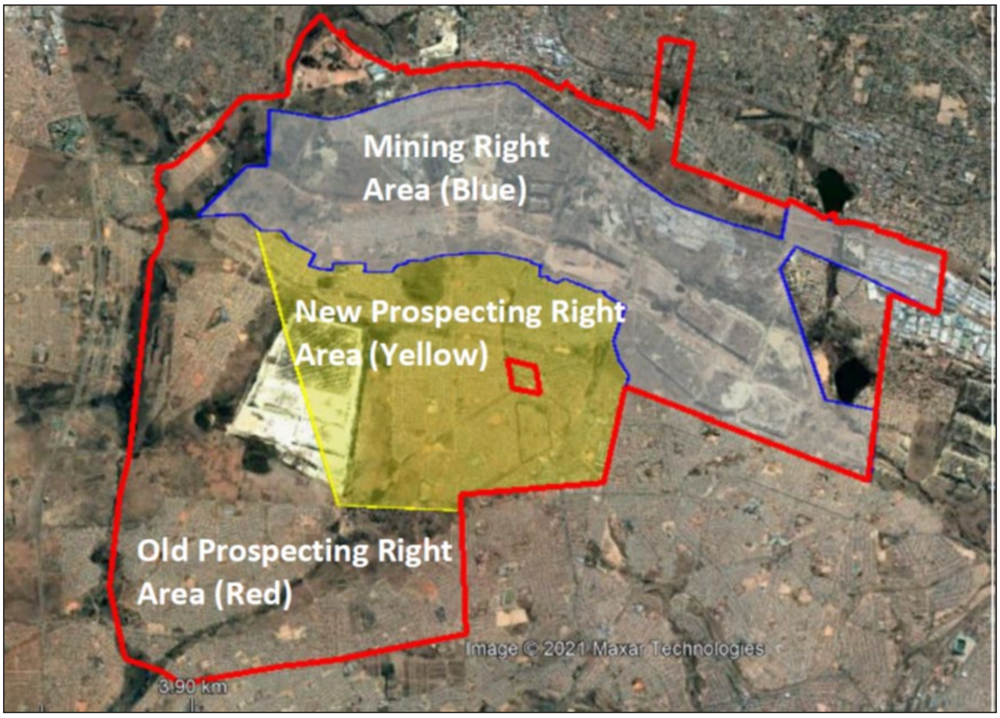
Figure 3: Mining Right and Resources



Source: West Wits

- The MR was granted with the relinquishment of the pre-existing Prospecting Right ("PR") <GP 30/5/1/1/2/183 (10035) PR> being a condition - the PR was originally held by DRDGold Limited ("DRDGold", JSE: DRD, a listed subsidiary of Sibanye-Stillwater, JSE: SSW), and which formed part of the West Wits IPO in 2007.

Figure 4: Tenement history



Source: West Wits

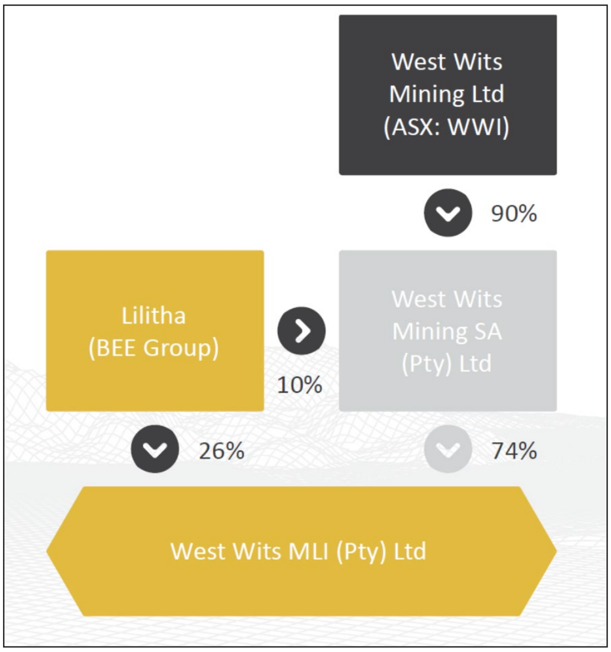
- The previous PR covers the original DRD and Rand mine leases, which between them produced some 41 Moz of gold at a grade of 5 g/t Au until the closure of the DRD operation in 2001.

- The relinquishment of the original PR led to the removal of a proportion of West Wit's resources, however the Company has more recently applied for a new PR, which, on grant, should allow for the restatement of substantial part of these.
- The previous PR abuts Harmony's Doornkop operation to the west, which in 2021 produced ~118,000 ounces of gold.

Ownership Structure

- One of the requirements of the resources sector in South Africa is to have at least 26% of any project owned by a recognised Black Economic Empowerment ("BEE") organisation, with this potentially rising to 30% under a Mining Charter that is currently under consideration.
- Under the current structure (Figure 5), the WBP is effectively owned 33.4% by Lilitha, which exceeds the mandated BEE ownership requirements.
- The Company has stated that the BEE partner has proven to be strong and supportive, and has been instrumental in the permitting processes.
- Rather than being free carried, Lilitha's direct interest is loan carried to commencement of production - under this agreement Lilitha will need to repay their share of pre-production costs through foregoing a proportion of their share of dividends from when the Project reaches profitability - full dividends also won't be payable until all project debt is paid off.

Figure 5: Ownership structure



Source: West Wits

History to 2007

- As mentioned earlier, the Rand and DRD Leases between them produced some 41 Moz of gold from the late 1800s until closure of the Durban Deeps Mine in 2001 following an unsuccessful merger with Johannesburg Consolidated Investments ("JCI").
- There was extensive mining over most reefs at DRD to a maximum depth of ~3,100 m, including the Kimberley and Main Reef groups, however the uraniferous Bird Reef was largely not mined.
- The Bird Reef however had been successfully mined on all other leases in the West Wits, and it appears that the corporate strategy of not being uranium miners was one of the reasons that DRD did not mine the Bird Reef.
- The Bird Reef was assessed, including with drilling, in the 1990s, however no uranium assaying was undertaken - there were also plans for trial mining.
- The Bird Reef Central project of the Company covers the Bird Reef within the historic DRD Lease area (Figure 3).
- Mining on the Rand Leases started in the early 1900s, and continued through to the early 1990s after several changes of ownership in the 1980s - the latest phase of mining was open cut on the Main Reef and Main Reef Leader by Severin Mining and Development (Pty) Ltd.

- Most reefs in the Rand Lease were extensively mined, including the Main Reef; although having patchy grades it was mined across the extent of the lease and down to the 41 level (~2,000 mbs), the deepest part of the mine within the lease.
- There are areas of both undeveloped and developed resources that West Wits is targeting in the Rand Lease (Figures 1 and 3), including the undeveloped eastern Kimberley Reefs (part of the Qala Shallows), developed but unmined panels of the Kimberley Reefs (Qala Shallows and Deeps) and planned production from Bird Reef East and the Main Reef.
- Historic operations were intensively documented, and it is this that has provided the majority of the data used in planning the Company's operations - this data includes grade sampling of developed but unmined panels that has been used in Mineral Resource Estimates ("MRE").
- This has resulted in only limited drilling being required - this includes at the Qala Shallows and some areas of the Bird Reef on the DRD lease area.

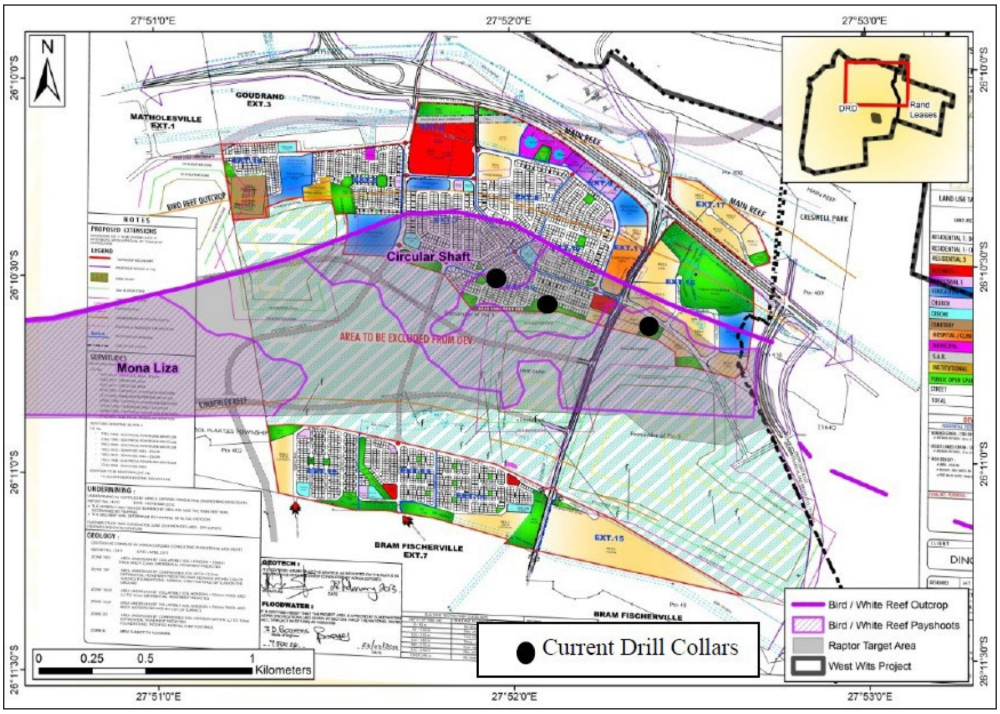
History From 2007 - Pre- Current Development Studies

- This section will provide a brief overview of the post-2007 activities - these will be further detailed later in this report.
- West Wits was listed on the ASX in 2007 as the results of the consolidation of the gold and uranium assets of three companies, namely DRDGold (SA), Mintails Limited ("Mintails") and Geotorm Investments Limited ("Geotorm").
- The assets included tenements covering the historic:
  - Rand,
  - Durban Roodepoort Deep,
  - East Champ D'Or,
  - Luipardsvlei,
  - West Wits; and,
  - West Rand Consolidated Leases.
- The former two form the western part of the Central Rand (the Soweto Cluster), with the others (the Randfontein Cluster) being within the West Wits Goldfield; these latter areas were subsequently sold to Mintails in 2012 for ~A$9 million, with the proceeds from staged payments being used to fund activities at the Derewo River Gold Project ("Derewo") in the Papua Province in Indonesia - Derewo had been acquired in 2011 and was the main focus of the Company from then until ~2016.
- The initial strategy of the Company was to look at the open cut mining opportunities (including crown pillars of previous underground operations), and following open cut mining, look to developing underground operations on both clusters.
- Early work at the WBP included shallow drilling of the 3.7 km of un-mined strike of the Bird Reef within the DRD Lease area ("Bird Reef Central"), including assessing the uranium potential), and initial drilling of ~1,200 m of strike of the un-developed eastern block of the Kimberley Reef within the Rand Lease area.
- The Bird Reef drilling included 16 RC/DD holes that were initially completed, and eight RC pre-collars for a total of 6,767 m, with the reef being tested to a depth of ~500 mbs - it is planned to complete the pre-collar holes in an upcoming programme that will also include confirmatory (twin) drilling as selected by the CP.
- The 2008 drilling of the Kimberley Reefs (then called the "Radiant" target) included three RC, eight RC/DD and 13 DD holes for 5,204 m; this was followed up in 2021 by a further 14 DD holes for 2,626 m, with drilling to a maximum vertical depth of ~300 m.
- From 2008 until the sale in 2012 work was largely focussed on the Randfontein Cluster.
- On November 6, 2013 the Company advised the market that the South African Department of Mineral Resources and Energy ("DMRE") had made the decision not to extend the term of the Prospecting Rights over the Soweto Cluster - this decision did not affect the Randfontein Cluster for which the Company was still receiving ongoing instalment payments (totalling A$4 million) from the sale to Mintails.
- In late 2014 the Company initiated proceedings in the High Court of South Africa against this decision, with the rights subsequently being reinstated for a further three year term as announced on April 14, 2014.
- Following the reinstatement, West Wits commenced targeting developing open cut mining to provide cash flow to support ongoing development studies and associated activities.

Circular Shaft

- Initially one such area was at Circular Shaft (one of 17 high priority targets at that time), on the Bird Reef within the DRD Lease area - the Company completed three diamond holes (to a depth of ~125 m) and trenching in this area, that was funded by Dino Properties, the land owner, as well as being a local land developer.
- Given that Dino Properties was planning to build a township on the area (Figure 6), the parties came to an agreement that they would look at the viability for underground mining using existing infrastructure for access, whilst the Company would not undertake open cut mining in the defined area (Figure 6).

Figure 6: Circular Shaft and Dino Properties exclusion area



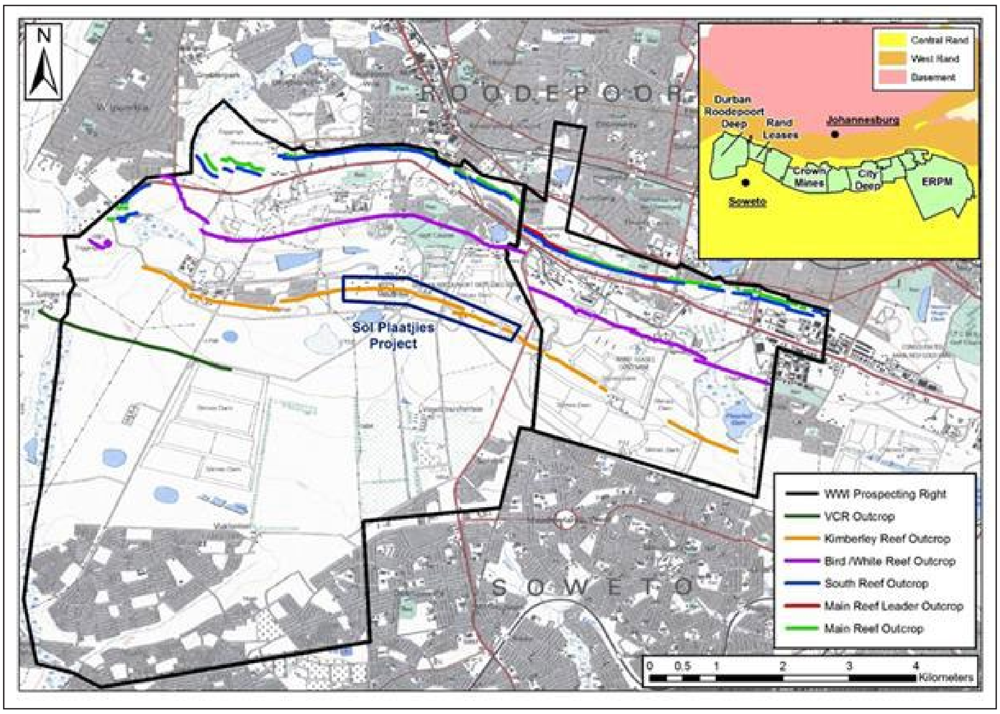
Source: West Wits

- The next drilling included 14 shallow DD holes for 442 m, testing a strike of 700 m of the Bird Reef group in the Central part of the Rand Lease, with 13 of the 14 holes intersecting the targeted White Reef, the main gold bearing reef in the Bird Reef group.

Sol Plaatjies

- Subsequent activities were undertaken at Sol Plaatjies, which involved the mining of ~1,500 m of strike of the Kimberley Reef in the eastern part of the DRD Lease area (Figure 7).
- Sol Plaatjies was a collaboration between the Company, the DMRE and the local community:
  - The key aim was to remove and process some 1,500 metres of the Kimberley Reef in the vicinity of Sol Plaatjies village on the northern fringe of Soweto,
  - The section of reef was the focus of activities by illegal miners ("zama zamas"), which led to significant social challenges in the area; and,
  - On completion of mining (to a depth of ~30 m), the area was to be rehabilitated, with the ground then to be used for new housing developments.
- In addition to undertaking social development activities, the Company was also hopeful of positive cash flow from the work.
- Mining commenced in August 2016 (on an MRE of 346,000 t @ 4.3 g/t Au for 48,000 oz Au), with the final material being treated in July 2019.
- Initially, the Company was paid 0.6 g/t up front (with a further reconciling payment) from ore treated under a profit share agreement with a local contractor, with ore being trucked for treatment at the nearby Mogale plant, then owned by Mintails.
- Later developments including changing contractors, and moving onto a standard operating contract on the mining activities, and getting ore treated at Sibanye's Ezelwini plant at the Cooke operations, located some 20 km southwest of the WBP - the recovered grade (paid) at Ezulwini was 1.9 g/t Au.

Figure 7: Sol Plaatjies project location



Source: West Wits

- The open-pit project, which produced some 15,000 oz, had positive cash-flow overall, with distributions in the first half, however with the tail end proving problematical from a cash flow perspective, which led to the winding up.
- Overall key KPIs were achieved, including:
  - The site was successfully rehabilitated, with the positive aspects for the local communities, as well as reinforcing ESG credentials of the Company, with successful co-operation between all stakeholders; and,
  - It also effectively resulted in the treatment of a metallurgical bulk sample, with the ore performing as expected in the commercial plants.

Mining Right Application and Grant

- The termination of Sol Plaatjies also coincided with the expiry of the PR, with the Company subsequently applying for the current MR.
- As shown in Figures 3 and 4, the MR application had a smaller area than the pre-existing PR, with this being a condition of application and eventual grant, with the grant being announced to the market on July 20, 2021.
- The grant was delayed by various factors, including COVID-19, and appeals against the Department of Environment Fisheries and Forestry's ("DEFF") approval of the Environmental Authorisation ("EA") by third parties, with these appeals eventually dismissed by the DEFF - the grant had the full support of the DMRE.
- The Company however was able to continue both site and off-site activities, with these including Phase 2 drilling at the eastern part of the Kimberley Reef in 2021 (refer earlier), ongoing MRE upgrades and work on the development studies.

Mineral Resource Updates

- Since acquisition the Project has seen continual MRE upgrades, with these presented in Table 1, and the latest MRE summarised in Table 2.
- This has largely resulted from ongoing collation, digitising and interpretation of the extensive historical hard copy database (including underground sampling results); in addition, as discussed earlier, the Company has undertaken some drilling over un-mined areas including crown pillars.
- What needs to be noted is that resources extend below the current water level of ~200 mbs - mines are allowed to flood following cessation of operations, and it is often the case that the separate mines along the Rand are connected, so de-watering individual sectors in many cases is not an option.

- This is not an issue with the Qala Shallows, with, largely being an un-developed area, can be developed with no connection to flooded areas though the use of water pillars; the Company's consultants (who have extensive experience in the Rand goldfields) are also of the view that there is an engineering solution that will allow the remaining coherent areas of the Qala Deeps to be mined, and hence the inclusion in the current Scoping Study.
- The current Scoping Study however restricts planned operations at the Bird and Main Reef groups to above 200 mbs, although resources are stated on remaining stope blocks to 1,000 mbs - any chance of future extraction would be dependent upon an engineering solution to allow mining below the water level in these areas.
- The Company is of the view that certain areas of the deeper resources not included in the Scoping Study will be accessible and economical by leaving water pillars in place, and that dewatering remains an option with a business case to be investigated when required.

Table 1: MRE history

MRE history				
Date	**Tonnes (Mt)**	**Grade (g/t)**	**Ounces**	**Notes**
2/19/2009	4.9	1.71	271,000	"Radiant" - Shallow Kimberley Reef open cut resources - now part of Qala Shallows
8/28/2015	87.9	4.6	12,820,000	Restated DRD Resources from 2000 Annual Report - covers the Rand and DRD releases, JORC 1997 compliant
1/22/2016	1.1	3.45	1,218,700	Restatement of DRD MRE to 400 m depth
5/10/2016	12.3	3.36	1,326,700	Kimberley Reef re-evaluated, still 400 m depth
9/14/2016	12.7	3.38	1,374,000	Additional material at Sol Plaatjies (Kimberley Reef Central) - open cut mineralisation
12/18/2017	29.6	3.4	3,261,000	Kimberley Reef depth increased to 1,500 m from 400 m following further historic data capture and engineering assessment regarding access below water level. KR MRE is 16.8 Mt @ 3.5 g/t for 1,877,000 oz
7/16/2018	34.1	3.4	3,673,000	Further data capture for the K9B Reef
10/21/2020	35.1	3.88	4,375,000	Further data capture and assessment for Kimberley Reef, also upgrade in confidence
7/5/2021	32.8	4.24	4,469,000	Upgrade following 2021 infill drilling at Kimberley Reef East
7/23/2021	25.91	4.26	3,551,000	Reduction following granting of Mining Right and co-incident relinquishement of larger Prospecting Right. Some ounces could be reinstated should current PR application be approved
12/3/2021	29.05	4.58	4,276,000	Extension of Bird Reef, Main Reef and Main Reef Leader resources to 1,000 m depth from 400 m depth

Source: West Wits

Table 2: Current MRE summary

Current MRE summary			
Category	**Tonnes (M)**	**Grade (g/t Au)**	**Ounces**
Measured	8.81	4.6	1,449,000
Indicated	11.26	4.19	1,517,000
Measured & Indicated	21.06	4.38	2,967,000
Inferred	7.98	5.1	1,309,000
Total	29.05	4.58	4,276,000

Source: West Wits

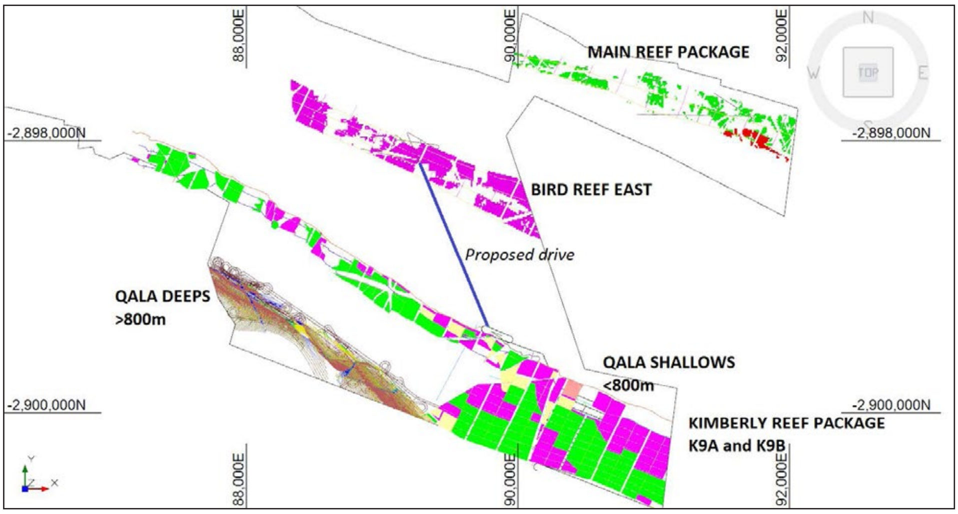
Current Development Studies

- The Company has completed development studies, including a Scoping Study on a four stage, long term plan (released to the market on March 9, 2022), and a DFS for Stage 1 (released on September 2, 2021), with the latter including mining of the Qala Shallows, largely comprised of an un-developed area of the Kimberley Reefs in the eastern part of the Rand Leases, as well as shallow remnants to the west (Figures 8 and 9).
- The "Early Mining Initiative" and a planned accelerated ramp up (both not included in the DFS) is forecast to produce ~260,000 tonnes in the first 21 months, ramping up initially to 12,500 tpm and then 17,500 tpm before reaching production as forecast in the studies - this provides ~70,000 tonnes more over this period than envisaged in the DFS.
- The Scoping study stages include:
  - Stage 1 - Qala Shallows to 800 m depth - 721 Koz RoM,
  - Stage 2 - Main Reef remnant stopes to 200 mbs - 64 Koz RoM,

- Stage 3 - Bird Reef East group remnant stopes to 200 mbs - 96 Koz; and,
- Stage 4 - Qala Deeps undeveloped areas from 800 to 1,500 mbs - 732 Koz RoM.

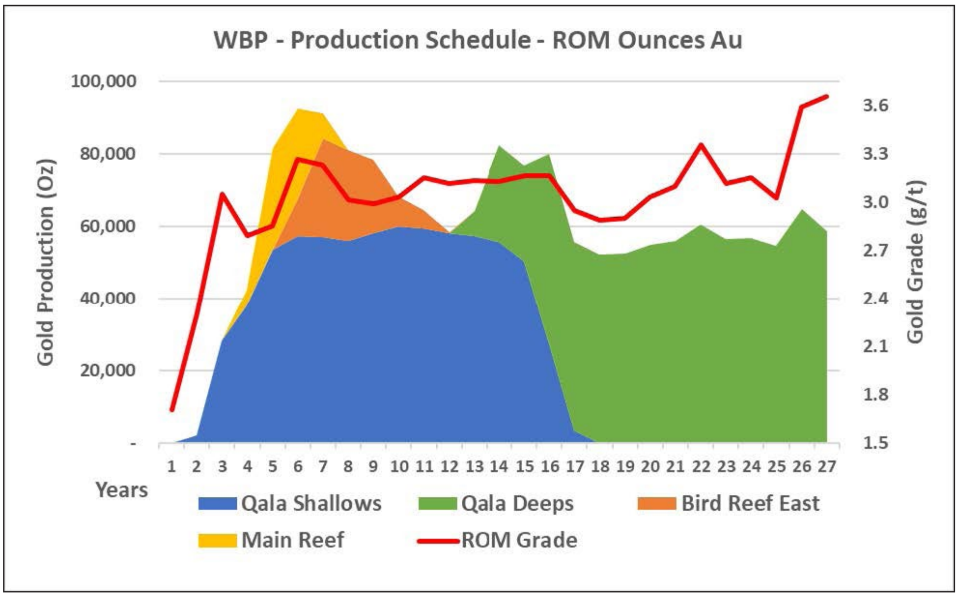
- Overall, the Kimberley Reef (Qala Shallows and Deeps) would produce the base load of ~ 60,000 ozpa, with the Main Reef and Bird Reef remnants to provide higher grade, easily accessible blending mill feed in early years (Figure 9).
- Each of Stages 2 to 4 will be subject to a separate DFS, however it needs to be noted that Stage 1, Qala Shallows, for which development has commenced, provides a medium term, close to 60,000 ozpa standalone project, with successful implementation allowing for flexibility in planning of the subsequent stages.

Figure 8: Planned mining areas



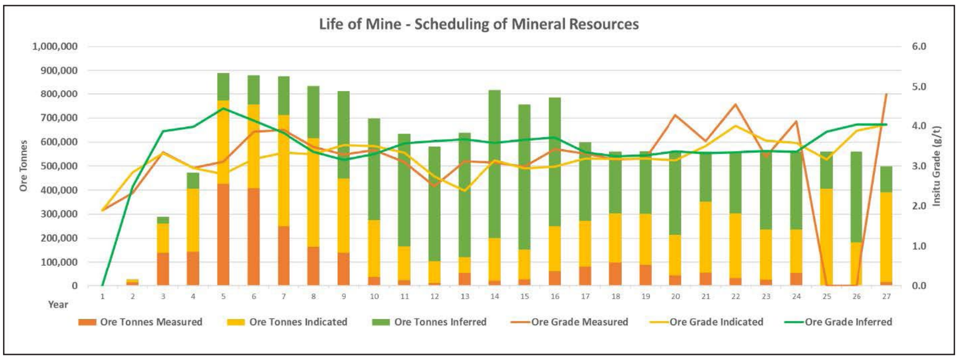
Source: West Wits

Figure 9: WBP planned production profile - ROM ounces



Source: West Wits

Figure 10: WBP planned Mineral Resources scheduling



Source: West Wits

- Table 3 presents a summary of inputs and outcomes for both the full four stage project, and the Stage 1 Qala Shallows operation, which is currently under development.
- Financial outcomes are on a 100% basis, and not those attributable to the Company, which will be less, due to the BEE ownership.

Table 3: Development study outcomes

Development study outcomes			
Metrics	**Units**	**Scoping - Four Stage Scenario Four**	**Qala Shallows - Total Mining Inventory**
Physicals			
Tonnes Mined	tonnes	16,150,000	7,366,000
RoM Grade	g/t	3.11	3.06
RoM Gold	Oz	1,615,000	721,000
Metallurgical Recovery	%	92	92
Recovered Grade	g/t	2.86	2.82
Gold Produced	Oz	1,480,000	663,000
Average LoM Annual Gold Production	Ozpa	65,000	39,000
Average Annual Steady State Production	Ozpa	Variable	52,500 (10 years)
Max Gold Production	Ozpa	92,500 (Year 6)	55,000 (Year 10)
Life of Mine (incl. Construction)	years	27	16.3
Time to First Gold	Months	22	22
Capital Cost			
Start up Capital Cost	US$'m		32
Project Capital Cost	US$'m	107	64
Sustaining Capital Cost	US$'m	325	82
Total Capital Cost	US$'m	432	145
Operating Cost			
Total Operating Cost	US$'m	1,377	642
C1 Cash Cost	US$ / tROM	85	87
C1 Cash Cost	US$ / oz	928	967
C3 Cash Cost	US$ / tROM	90	92
C3 Cash Cost	US$ / oz	982	1022
AISC	US$ / tROM	110	103
AISC	US$ / oz	1,198	1,144
Economics			
Revenue	US$'m	2,597	1,161
Free Cashflow	US$'m	511	241
Pre-Tax Project $NPV_{7.5}$	US$'m	227	151
Post-Tax Project $NPV_{7.5}$	US$'m	160	106
Post-Tax Project NPV_{10}	US$'m	113	80
Post-Tax Project $NPV_{12.5}$	US$'m	80	61
Pre-Tax Project IRR	%	33	35
Post-Tax Project IRR	%	29	30
Operating Margin	%	47	45
Profitability Index	ul	2.1	
Peak Funding Requirement	US$'m	77	48
Payback Period	years	5	5.5

Source: West Wits, IIR analysis

Mining Inventories - Development Studies

- Tables 4 to 6 present mining inventories and Ore Reserves for the various studies, with these using a minimum grade of 2.11 g/t for mineralisation above 800 m depth, and 2.68 g/t for deeper material - a minimum mining width of one metre (plus 10 cm dilution has also been used.

- Modifying factors for the conversion of resources to the run of mine inventory have been included in Table 7.
- We note the high proportion of Inferred Resources in the inventory for Stage 1, however the Reserves cover all but 16% of the payback period of 5.5 years for the Qala Shallows operation.
- Also, Inferred Resources should be steadily upgraded along with the development of the currently undeveloped blocks through sampling along the development drives and exposed faces of the future stope blocks.
- The majority of Measured and Indicated Resources are from un-mined stope blocks in areas of historical development, as well as from the drilling undertaken by the Company at the Qala Shallows.

Table 4: WBP scoping mining inventory

WBP scoping mining inventory					
Parameter	**Reef**	**Total**	**Measured**	**Indicated**	**Inferred**
Ore Tonnes (M)	K9A	6.88	0.76	1.48	4.63
Grade (G/T)		2.75	3.1	2.67	2.71
Gold Content (Oz)		607,000	76,000	127,000	404,000
Ore Tonnes (M)	K9B	7.78	0.74	4.21	2.84
Grade (G/T)		3.39	3.16	3.06	3.93
Gold Content (Oz)		847,000	75,000	414,000	358,000
Ore Tonnes (M)	BRE	0.9	0.42	0.33	0.15
Grade (G/T)		3.34	3.15	3.46	3.63
Gold Content (Oz)		96,000	43,000	36,000	17,000
Ore Tonnes(M)	MR	0.53	0.46	0.02	0.04
Grade (G/T)		3.23	3.01	4.8	4.75
Gold Content (Oz)		55,000	45,000	4,000	7,000
Ore Tonnes (M)	MRL	0.06	0.03	0.02	0.02
Grade (G/T)		4.41	3.46	4.42	5.8
Gold Content (Oz)		9,000	3,000	3,000	3,000
Ore Tonnes(M)	**Total**	**16.15**	**2.41**	**6.06**	**7.68**
Grade (G/T)		**3.11**	**3.11**	**3**	**3.2**
Gold Content (Oz)		**1,615,000**	**241,000**	**584,000**	**789,000**

Source: West Wits

Table 5: Qala Shallows DFS mining inventory

Qala Shallows DFS mining inventory				
Resource category	**Tonnes (t)**	**Grade (g/t)**	**Au Content (kg)**	**Au Content (oz)**
Measured	880,000	3.08	2,713	87,000
Indicated	2,614,000	2.75	7,184	231,000
Inferred	3,855,000	3.26	12,569	404,000
Totals	**7,349,000**	**3.06**	**22,466**	**722,000**

Source: West Wits

Table 6: Qala Shallows DFS Ore Reserves

Qala Shallows DFS Ore Reserves					
Reef	**Ore Reserve Category**	**Tonnage (Mt)**	**Grade (g/t)**	**Content (kg)**	**Content (oz)**
K9A	Proved	0.37	3.38	1 260	40 400
	Probable	0.45	2.32	1 040	33 400
	Total K9A	0.82	2.8	2 300	73 800
K9B	Proved	0.46	2.94	1 340	43 200
	Probable	1.72	2.91	4 990	160 600
	Total K9B	2.17	2.92	6 330	203 800
Grand Totals	**Proved**	**0.83**	**3.13**	**2 600**	**83 600**
	Probable	**2.17**	**2.79**	**6 000**	**194 000**
	Total	**3.00**	**2.88**	**8 600**	**277 600**

Source: West Wits

Table 7: Modifying factors

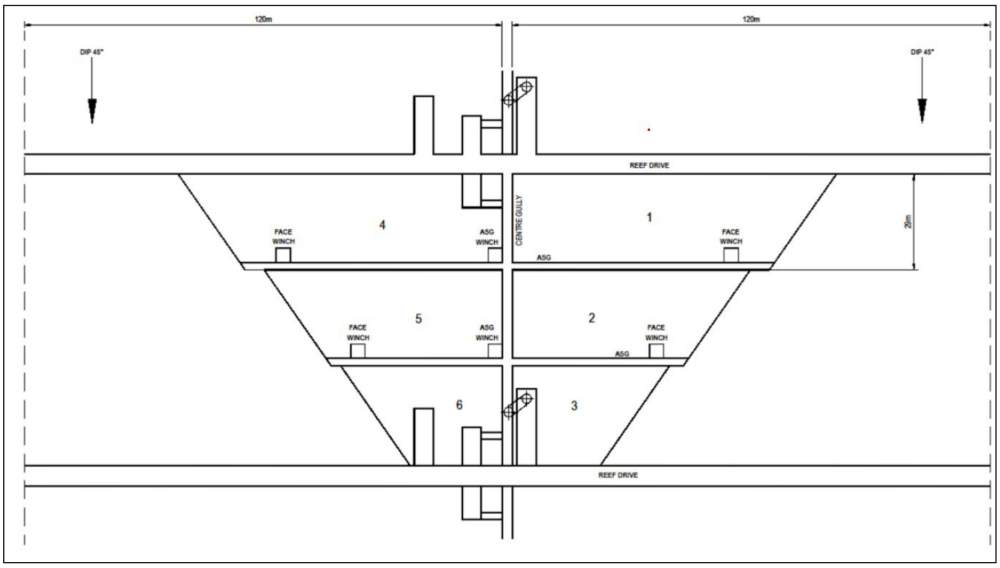
Modifying factors						
Modifying Factor	**Reef**					**Unit**
	K9A	**K9B**	**MR**	**MRL**	**BRE**	
Minimum mining width	1.33	1.48	1.24	1.1	1.1	m
Planned dilution	4.6	3.6	5.2	6.2	6.2	cm
Unplanned dilution	20	20	15	15	15	cm
Mine call factor	90	90	90	90	90	%

Source: West Wits

Mining and Development, and the Early Mining Initiative

- Given the dip of ~35° for most of the mineralisation, mining will be by hand held underhand breast stoping as shown in Figure 11, with mining to be undertaken by contract miners.
- Stopes, with a total dimension of 240 m along strike and 90 m down dip (~45 m vertically), will be mined by air legs, with broken ore retrieved by winches and scraper, widely used and understood mining methods in the Witwatersrand mines.
- The decline (4.8 m x 4.5 m) and strike (4.0 m x 4.2 m) development will be by mechanised means, using drill rigs, load-haul-dump units ("LHDs" or "boggers") and articulated dump trucks.
- Given the steeper dip of the Qala Deeps, it may be feasible to use mechanised stoping when mining commences in that area.

Figure 11: Planned stope design

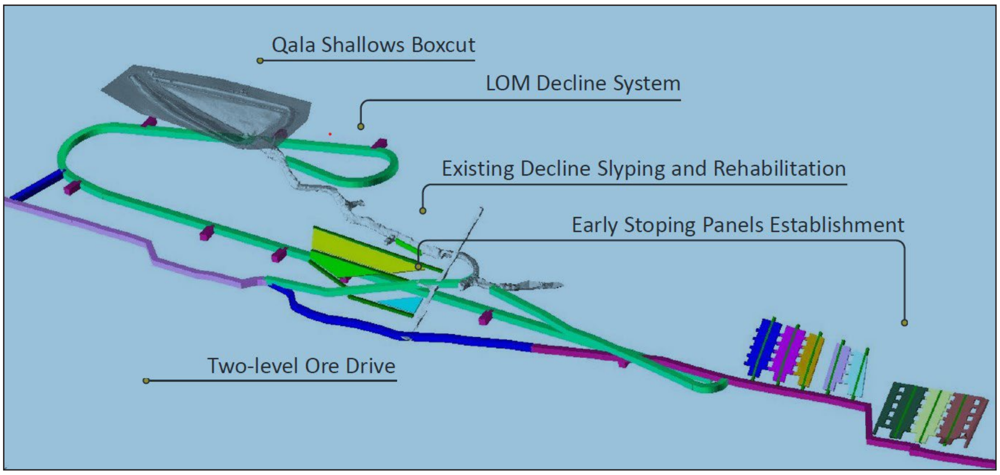


Source: West Wits

- The Company has recently rehabilitated a current box cut and decline in the Qala Shallows area (Figure 12), which was used to recover shallow mineralisation under the "Early Mining Initiative".
- The ongoing rehabilitation works have shown that ground conditions are generally very good, with little development support required; however, support, including by timber poles, will be required in the stopes given the large spans - again this is a typical operating procedure in the Wits.
- The "Early Mining Initiative" has demonstrated the proof of concept for the designed mining method - development operations are currently being undertaken by mining contractor Modi Mining (Pty) Ltd ("Modi"), however the Company is currently reviewing the mining contract in view of the planned increases in production, and is looking at procuring a new fleet of underground mining equipment to replace the currently underperforming rental fleet.
- The Company is also developing twin early access on reef declines to 2 level to allow for early ore tonnes for the revised production profile outside of the scope of the DFS as discussed earlier.

- A new decline will then be established from the box cut, to be used to access the Qala Shallows, and eventually the Qala Deeps, with a ~1 km drive also being planned to access the Bird Reef (Figures 8 and 12).
- It is planned to access the Main Reef material through a separate access, however the Company is investigating the possibility of driving from Bird Reef to the Main Reef group.
- Strike development at Qala Shallows will be in the lower K9B reef, with both the K9A (where mined) and K9B stopes accessed from the single drives.
- The amount of separation between the K9A and K9B reefs will determine whether K9A will be mined - in places the reefs combine, with the K9A forming channels in the K9B.

Figure 12: Qala Shallows decline and early stoping



Source: West Wits

Treatment

- Treatment will be standard CIP/CIL cyanidation, with nearby mills potentially available for toll treating including:
  - Goldplat's processing plant at Benoni, in the East Rand,
  - Sibanye's Ezulwini plant; and,
  - Harmony Gold's Doornkop plant.
- The Company has signed a toll treating agreement with Goldplat, and has previously successfully treated ore at the Ezulwini plant, which has also historically treated uranium mineralisation, although the uranium circuit has now been converted to gold.

Infrastructure

- Given the planned toll processing, on-site infrastructure requirements are reasonably low.
- It is planned to use grid power, with a maximum demand of 6.6 MW required for the Stage 1 operation.
- Bulk water can be pumped from the flooded workings, with excess water returned to the same - potable water can be supplied by the local reticulation system.
- Surface infrastructure will include the normal facilities required for an underground operation - a full list is provided in the September 2, 2021 and March 9, 2022 announcements - several elements have been installed following commencement of works in September 2021, with this including works being undertaken by civils contractor Siyabhowa-Humba JV.

Capital Costs

- Estimated capex costs are presented in Table 8 - as expected up-front requirements are reasonably low given that there is no requirement to build a treatment plant and associated infrastructure, including tailings storage facilities.
- In addition, being in a metropolitan area, there is no requirement for the development of utility infrastructure or accommodation camps.
- As expected, the highest proportion of costs are in the mine development, which largely includes declines and planned drives between the different reefs - we would expect that in-ore development is expensed, and included in mining costs.
- Most costs have been sourced from quotes, and hence we would expect them to be reasonable, and also, being in a historical mining region, there is a good understanding of the mineralisation and operational parameters.

Table 8: Estimated Capex

Estimated Capex						
Area	**Full Project**	**Qala Shallows**	**Full Project**	**Qala Shallows**	**Full Project**	**Qala Shallows**
	Project (US$ m)		**Sustaining (US$ m)**		**Total (US$ m)**	
Surface Infrastructure	18.9	13.0	1.0	-	19.9	-
Underground Infrastructure	11.9	4.3	13.4	7.9	25.3	12.2
Mine Development	20.4	4.7	242.4	46.6	262.8	51.2
Mining Equipment	39.7	25.2	15.7	1.8	55.4	26.9
Indirects	4.9	3.5	31.7	0.0	36.6	-
Contingency	11.5	5.2	20.6	5.6	32.1	10.8
Total	**107.3**	**55.8**	**324.8**	**61.9**	**432.1**	**117.7**

Source: West Wits

Operating Costs

- Table 9 lists the estimated direct operating costs (C1) for the Qala Shallows DFS - as expected those for the overall project are similar, and hence are not displayed in detail here.
- The costs as presented below are based on production from Measured and Indicated Resources only - the lower overall cost per tonne figures as presented in Table 3 are based on higher tonnages, taking into account of the Inferred Resources in the mining inventory.
- This does not include royalties, with rates based on the EBIT and allowable capex redemption under the regulations - those for the Qala Shallows operation alone are estimated by the Company at 1.3% of gross sales, with those for the combined operation being estimated at 2.9% of gross sales.

Table 9: Estimated Opex

Estimated Opex			
Activity / Area	**LOM Total USD**	**Cost per ROM Tonne USD/t**	**Cost per gram Recovered USD/oz**
Mining			
Mining Contractor	141,314,600	47.33	560
Diesel	9,058,600	3.33	41
Maintenance	11,869,467	4.00	41
Power	31,030,933	10.67	124
Water	343,000	0.00	0
Mining Total	**193,616,600**	**64.67**	**767**
Processing			
Toll Treatment	52,928,333	18.00	207
Ore Transportation	12,709,800	4.00	41
Processing Total	**65,638,133**	**22.00**	**249**
General and Administration			
Labour	9,221,333	3.33	41
SLP and Compliance	1,980,000	0.67	0
Outside Contractors and Costs	14,227,067	4.67	62
G&A Total	**25,428,400**	**8.67**	**104**
Total	**284,683,067**	**95.33**	**1,120**

Source: West Wits, converted from figures quoted in ZAR at an exchange rate of 15:1

- We have reviewed the costs, and our view is that they are generally reasonable, with these generally sourced from quotes from various contractors:
  - The Company should have a good understanding of toll treatment and processing costs, given previous and current dealings with nearby operators - this figure is also in line with our database of Australian CIP/CIL processing costs appropriately scaled for throughput,

– Our database of underground mining costs for Australian operations, scaled, and escalated for inflation where necessary, gives a value in the order of US$80/tonne for largely mechanised mining - labour intensive handheld costs will be more expensive, however in the case of South Africa, this should be more than offset with the lower overall labour costs, even with higher numbers of miners,

– We have also reviewed and analysed the costs of current Wits operators, with underground operations having a weighted cost of production of ~US$1,200/ounce - these however have an average grade of double that of West Wits, but are significantly deeper, thus incurring significantly higher per tonne costs; and,

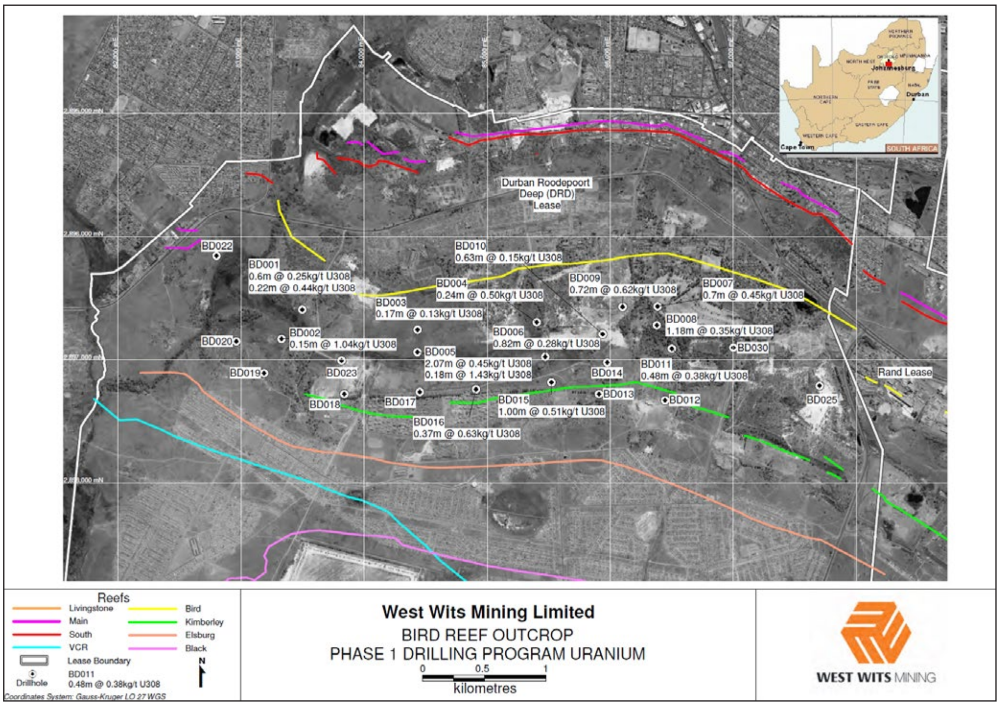
– These operations also have significantly larger workforces per unit of production - these are commonly a legacy from the past.

- We could expect that there be pressure on the upside for costs however, but overall, the Company, consultants and contractors, with their relevant experience, should have a good handle on costs in the Wits.

Project Upside

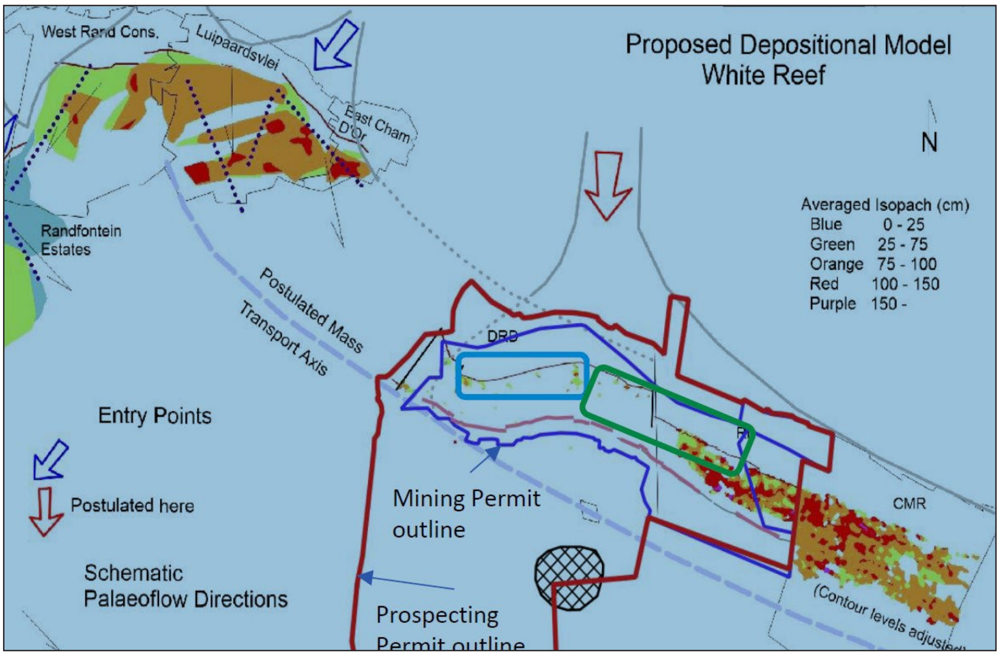
- As mentioned earlier, the Company has included deep mineralisation (to 1,000 mbs) at the Bird and Main Reef groups in the Resources, with a chance that they could be mined in the future if a solution is found to mining below the current water level of ~200 mbs.
- Our view is that this may prove to be difficult.
- In the shorter term the Company is investigating the uranium potential of Bird Reef Central - this was excluded from the current proposed gold operations given that it was considered that it was not economically viable on gold resources alone, however the uranium potential could change this.
- Drilling by the Company in 2008 intersected significant uranium at Bird Reef Central, including 2.07 m @ 450 ppm U_3O_8 and 0.18 m @ 1,430 ppm U_3O_8 (Figure 13), with positive results from all holes that intersected the target reefs across the tenement which has a strike length of 3,700 m and a down dip extent of ~1,000 m (500 mbs).
- The Company has restated an exploration target to be JORC 2012 - compliant, with this being 10 to 22 Mt @ 300 to 550 ppm U_3O_8 for 12 to 16 Mlb of U_3O_8.
- An exploration programme is now being planned to allow this to be converted to JORC 2012-compliant Resources (Figure 14).
- As discussed earlier, several Wits operations have historically mined uranium with gold (with the Bird Reef being the main producer), and with Ezulwini being one of the plants that did recover uranium, although the uranium circuit has subsequently been converted to a gold circuit, there is the potential to reinstate the uranium capability in the future.

Figure 13: Bird Reef Central uranium drilling results



Source: West Wits

Figure 14: Bird Reef Central exploration targets - blue box is current exploration target, green box is the extended target area

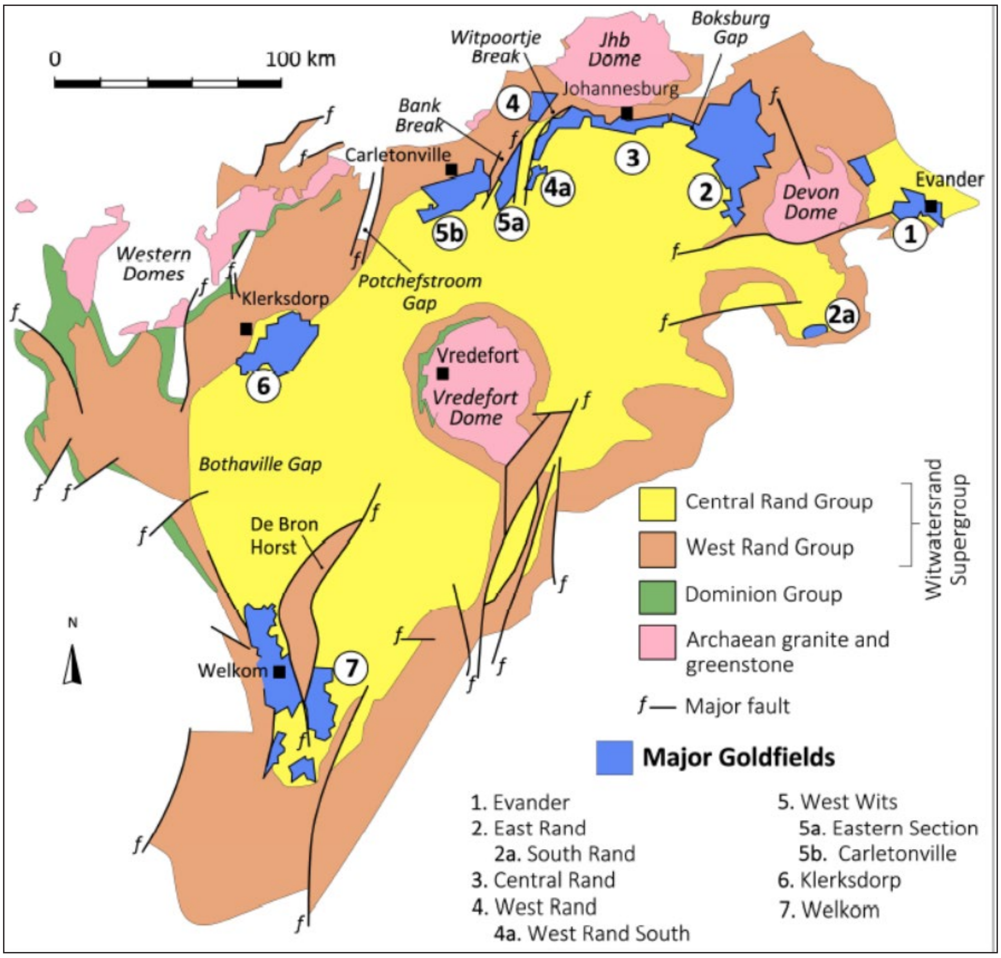


Source: West Wits

Regional Geology and Mineralisation

- The goldfields are hosted in units of the Witwatersrand Supergroup, a succession of Upper Archaean (~2,900 - 2,785 Ma) basin fill sediments, with a total thickness of ~7,000 m (Figures 15 to 17) - it is interpreted that the sediments were sourced from the north and northwest.

Figure 15: Witwatersrand geology



Source: Tucker et al, 2016

Figure 16: Geology of the Central Rand Group

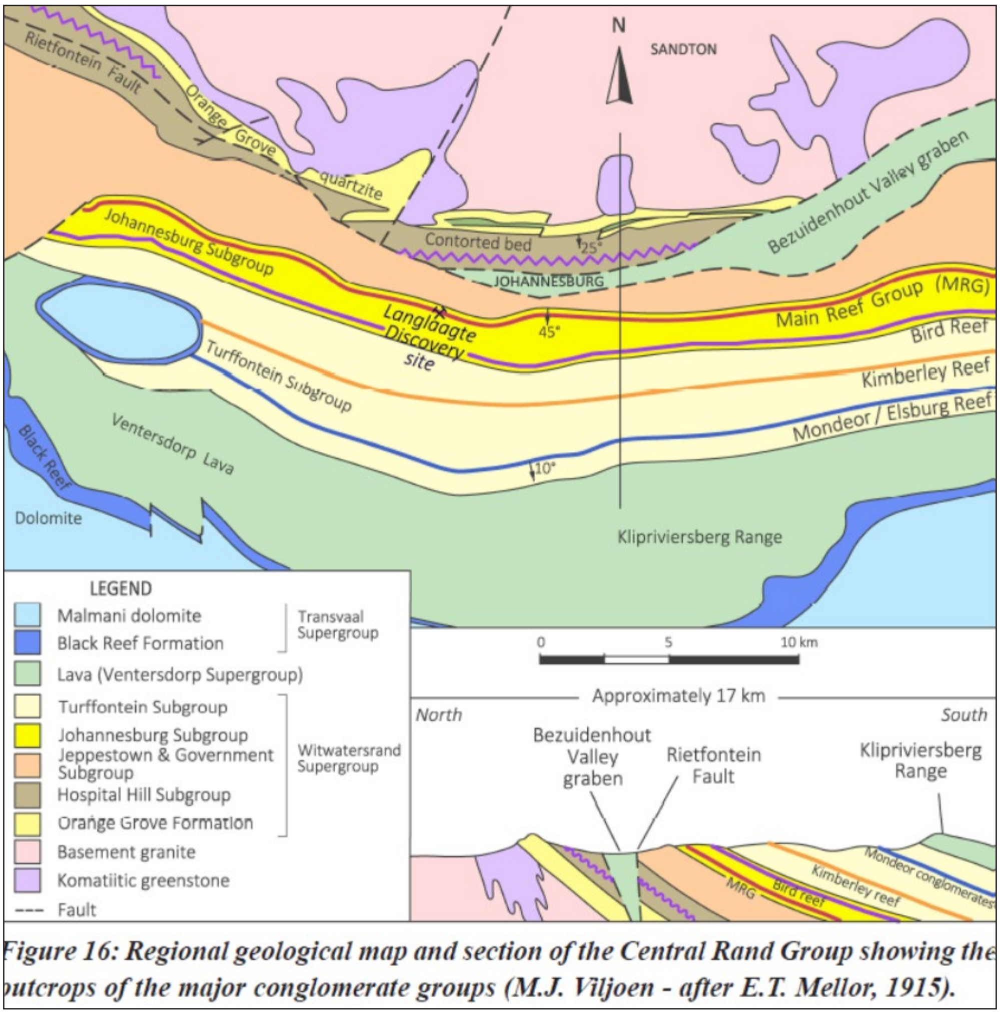
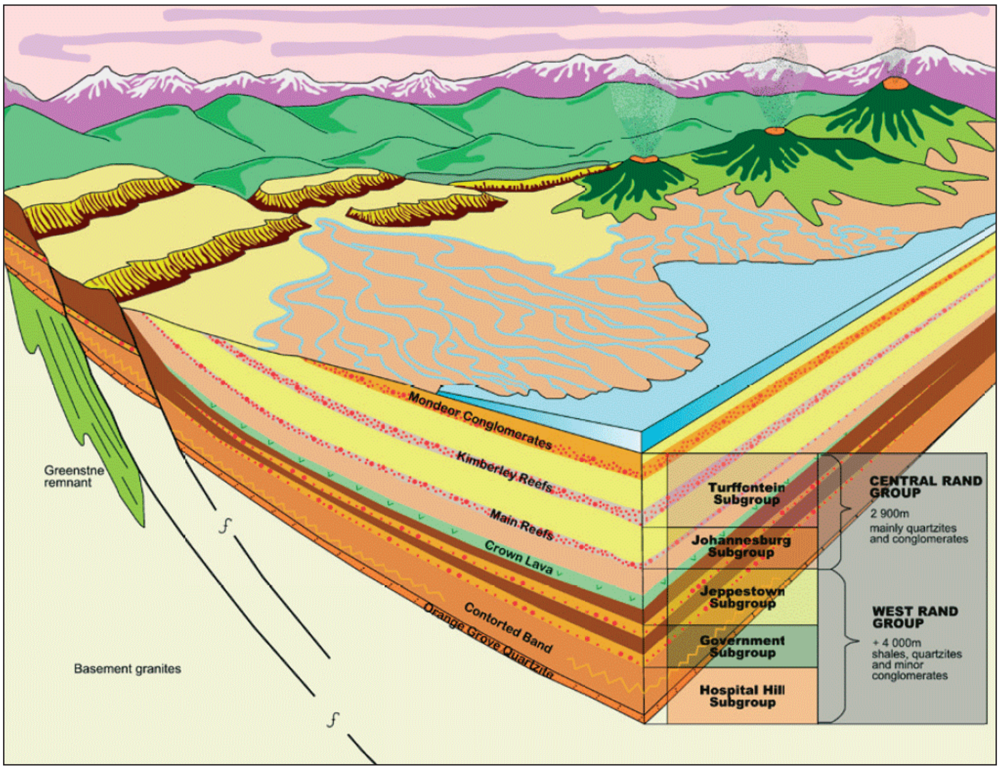


Figure 16: Regional geological map and section of the Central Rand Group showing the outcrops of the major conglomerate groups (M.J. Viljoen - after E.T. Mellor, 1915).

Source: Tucker et al, 2016

Figure 17: Paleotopography



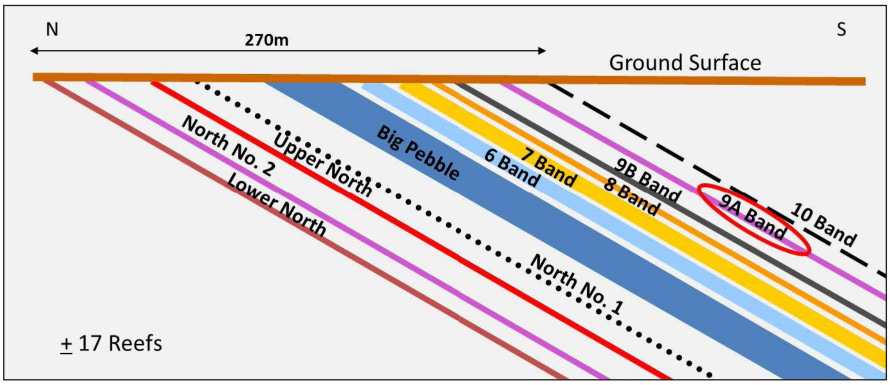
Source: Goldfields website, extracted 22/4/22

- The basin rocks consist of two main subdivisions, the marine shale dominated lower West Rand Group, and the upper Central Rand Group, which is largely a sandstone and conglomerate dominated fluvio-deltaic succession.
- The Central Rand Group has produced ~93% of the total gold (as well as the uranium), with this being from paleo-placers hosted in conglomerate beds at the base of separate sedimentary cycles generally separated by minor unconformities.
- However the style of mineralisation has been a source of debate for many years - although we have invoked the widely accepted "modified placer" model here (with some later hydrothermal remobilisation of the original placer gold over short distances) some authors have suggest a purely epigenetic hydrothermal model, possibly orogenic in style.
- It has been postulated that later epigenetic process may have been caused by increased fracture permeability as a result of the Vredefort impact event dated at 2,024 Ma.
- This impact, centred on what is now the Vredefort Dome, formed the largest verified impact crater on earth, with a diameter of between 150 km and 300 km.
- Other regional events that may have led to epigenetic process include the intrusion and formation of the ~2,000 Ma Bushveldt Complex.
- In the Central Rand area, the main reefs include the Main Reef, Main Reef Leader and Bird Reef within the Johannesburg Subgroup, and the Kimberley Reefs within the overlying Turffontein Subgroup (Figures 18 and 19).
- Mineralised reefs/conglomerate beds are commonly only 20 cm to 30 cm thick (with a maximum thickness generally of around two metres), with gold mineralisation having sharp upper and lower boundaries.
- The conglomerates are channelised and reworked (and can be considered a braided channel system), with the gold and uranium largely occurring within the channels, and hence there is significant variation in grades both laterally and along the paleo-flow direction.
- In some areas the gold (and uranium) is associated with kerogen, thought to be formed from syngenetic algal mats, in what are commonly termed carbon reefs.
- Uranium (with the main mineral being uraninite) is not ubiquitous throughout the Witswatersrand, with uranium not occurring in all gold deposits.
- Uranium, which like the gold is thought to be detrital, largely occurs in the Bird Reef, and was historically extracted by 28 separate operations; the Witswatersrand is one of the world's major uranium provinces, with estimated in-situ resources of +570 kt U_3O_8, however with an estimated +1 Mt of U_3O_8 within the voluminous tailings dams throughout the Rand goldfields.
- The source of the gold is thought to be Archaean greenstones which form the basement to the basin but are now largely covered by younger rocks, with granites being the source of the uranium mineralisation.
- There is also significant detrital pyrite, again sourced from the granite-greenstones, and again with epigenetic hydrothermal pyrite also present.

Local Geology and Mineralisation

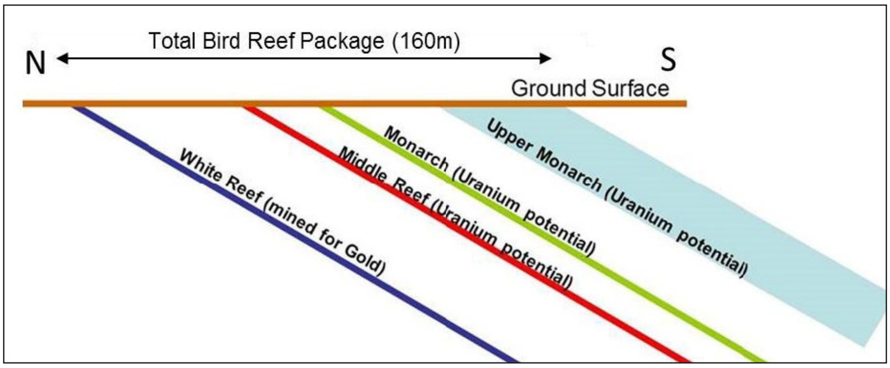
- Broadly, the geology within the Company's tenements is as that for the rest of the Witwatersrand Basin, with three main reef groups being present, namely the Main, Bird and Kimberley.
- Overall, the current MR covers ~9.5 km of strike of the host rocks, and include ~3 km strike of the Main Reef group, 7.5 km strike of the Bird and 2.5 km strike of the Kimberley.
- Each reef group is made up of several individual conglomerate bands, with examples as shown in Figures 18 and 19.
- Dips over most of the area are in the order of 35° to the southwest, however with them steepening to close to vertical in the Qala Deeps (Figure 20).

Figure 18: Kimberley Reef package



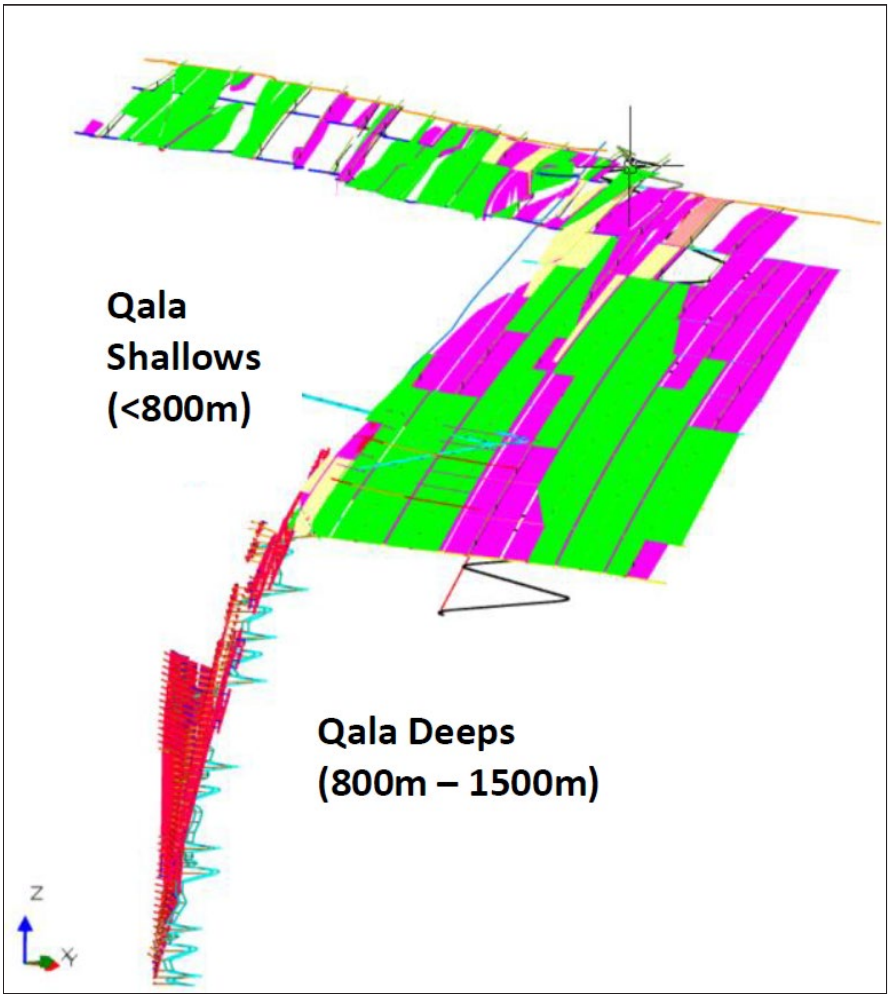
Source: West Wits

Figure 19: Bird Reef package



Source: West Wits

Figure 20: Kimberley reefs isometric view looking northwest



Source: West Wits

MT CECELIA PROJECT - WESTERN AUSTRALIA

Location and Tenure

- Mt Cecelia comprises a single 70 sub-block (~225 km^2) exploration licence E45/5045, located around 270 km ESE of Port Hedland and 200 km ENE of Marble Bar in Western Australia (Figures 2 and 21).
- The 100% owned tenement was granted on May 25, 2019 for a period of five years and is in good standing.
- In December 2021 the Company entered into an earn-in and JV agreement with Rio Tinto Exploration Pty Limited ("RTX") to explore E45/5045 - RTX is a wholly owned subsidiary of Rio Tinto Limited (ASX: RIO, "Rio"), with the terms of the agreement given below.
- Stage 1 – RTX to earn a 51% interest:
  - RTX must pay West Wits $150,000 up-front,
  - RTX has a sole and exclusive right to earn an initial 51% joint venture interest in the Tenement by sole funding exploration expenditure of A$4,000,000 within four (4) years after the Agreement's execution date; and,
  - RTX commits undertaking to sole fund a minimum of 800 m of diamond core and/or reverse circulation drilling on the Tenement before 31 December 2022; subject to no events of force majeure, including land access delays where RTX has made demonstrable reasonable efforts to obtain land access in an expeditious manner. (RTX Minimum Exploration Commitment).
- Stage 2 – RTX to earn an additional 29% interest (80% total RTX interest),
  - Once RTX has earned a 51% interest in the Tenement, a Joint Venture will be formed,
  - After obtaining the initial 51% interest, RTX has the right to sole fund a further A$6,000,000 of exploration expenditure within three years of the Joint Venture formation date to earn an additional 29% interest in the Joint Venture,
  - If RTX makes the Stage 2 sole fund election, RTX must pay West Wits a further $250,000,
  - Once the Joint Venture is formed and following either RTX earning an extra 29% interest through the achievement of the sole funding milestones or RTX not making the Stage 2 sole fund election, either party may elect to contribute to Joint Venture expenditure proportionate to its interest or have its interest diluted; and,
  - If either party's interest falls below 10% (being a diluting party), then the other party has a right to buyout the Joint Venture interest of the diluting party at fair market value (as agreed between Parties or by independent valuers) or the diluting party is deemed to have converted its interest into a 1.0% net smelter royalty payable on the first eight years of commercial production.
- The Company had previously signed an access agreement with Rio, allowing Rio to construct tracks on the tenement to provide access to surrounding tenements.

Rationale, Geology and Mineralisation

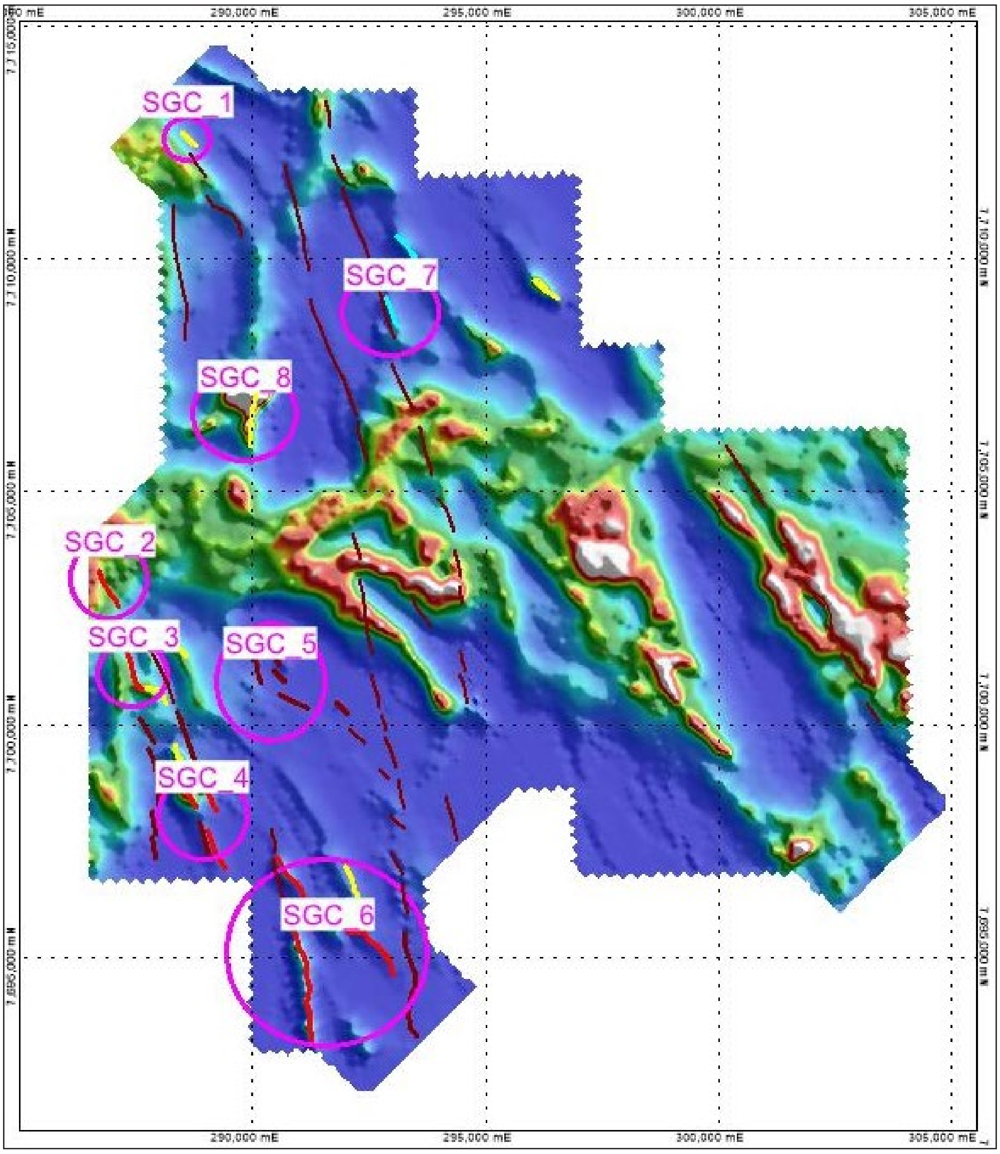
- The Pilbara and Paterson provinces have seen increases in exploration over recent years, with the majors being a large part of this, and holding significant tenure positions (Figure 2).
- There have been recent significant discoveries in the Paterson Province, including Greatland Gold/Newcrest's Havieron discovery (92 Mt @ 1.9 g/t Au and 0.24% Cu) and Rio's Winu discovery (608 Mt @ 0.41% Cu and 0.3 g/t Au) amongst others - both of these are considered geologically analogous to Newcrest's Telfer operation.
- In the Pilbara we have seen De Grey's 9 Moz Hemi gold discovery (229.8 Mt @ 1.22 g/t Au).
- The geology of Mt Cecelia includes Neoarchaean to Proterozoic units of both the Pilbara Craton (Gorge Creek Group) and those of the Fortescue Basin (Fortescue Group), with these including metasediments, intermediate to mafic volcanics, felsic intrusives and banded iron formation ("BIF"); another unit found is the Pinjian Chert Breccia, a host for manganese mineralisation in the region.
- The majority of the outcrop (a lot of the area is under shallow sand cover) is comprised of folded BIFs and black shales of the Nimingarra Formation, part of the Gorge Creek Group of the Pilbara Craton - these are considered prospective for orogenic gold, and have been intruded by felsic granitoids.

- Also present is the Kylena Formation, a sequence of mafic to felsic volcanics and volcaniclastics, as well as shallow marine chemical and clastic sediments, and is considered prospective for volcanogenic massive sulphide ("VMS") mineralisation, a regional example being Sulphur Springs west of Marble Bar.
- The Pinjian Chert Breccia presents manganese prospectivity, with this being the host unit for the Woodie Woodie deposits.

Work by West Wits

- Following an initial reconnaissance site visit in mid-2020, work by West Wits has included a tenement wide heliborne electromagnetic ("HEM") programme, completed in late 2020, which identified eight priority EM targets (Figure 21).
- This was followed up by moving loop time domain ground EM surveys ("MLTEM"), which tested targets SGC 1 to SGC 4 - this was completed in August 2021, and concluded that the four conductors tested were associated with legitimate bedrock conductors.
- No further work was completed between this survey and signing of the agreement with Rio.

Figure 21: Mt Cecelia HEM targets on SKYTEM CH15Z component image - magnetic lineaments are shown in brown



Source: West Wits

VALUATION

- We have undertaken a sum of the parts valuation for West Wits, with this including:
  - Separate DCF valuations for WBP Qala Shallows and full development,
  - A valuation for Mt Cecelia based on the Stage 1 earn-in only, including the up-front cash payment of $150,000, and the requirement for RTX to earn 51% through the expenditure of A$4 million over four years,
  - Cash as of March 31, 2022; and,
  - Potential option cash from those options with a strike price less than our unrisked valuation - this also results in the issue of 125 million options, which have been included in the diluted share structure as used in the per share valuations.

Table 10: WWI risked, after tax per share valuation - conceptual funding structure

WWI risked, after tax per share valuation - conceptual funding structure							
Asset	100%	Equity Share					
	Total AUD	Ownership	Equity Share	Per Share	Risk Factor	Risked AUD	Risked/ Share
Wits Basin Project - Phase 1	A$250 m	66.6%	A$167 m	A$0.058	60%	A$100 m	A$0.035
Wits Basin Project - Phases 2 to 4	A$149 m	66.6%	A$99 m	A$0.034	40%	A$40 m	A$0.014
Mt Cecelia - Based on Stage 1 Earn-in	A$8 m	49%	A$4 m	A$0.001	100%	A$4 m	A$0.001
Cash - 31/3/22	A$6 m	100%	A$6 m	A$0.002	100%	A$6 m	A$0.002
Option Cash	A$6 m	100%	A$5 m	A$0.002	100%	A$6 m	A$0.002
Total	**A$419 m**		**A$281 m**	**A$0.097**		**A$155 m**	**A$0.053**
Project modelling parameters	Shares - post finance	2,911 m	Post Tax	Funded	Equity Price	A$0.03	
	Discount Rate	5.00%	AUD/USD	0.70	Gold Price	US$1,800/oz	

Source: IIR analysis

DCF VALUATION

- Our modelling has included pre-tax, post-tax and post-tax funded DCF calculations for the WBP, with the pre-tax and post-tax results, using a 7.5% discount rate and inputs as used by the Company supporting the results as presented in West Wits releases (September 2, 2021 and March 9, 2022).
- In undertaking our company valuation, we undertook separate DCF analyses for the Qala Shallows (as presented in the DFS) and full projects (as presented in the Scoping Study), and used the difference to estimate as the unrisked value for Stages 2 to 4 of the full WBP.
- These have then been risked at the different multiples as shown in Table 10, to represent the confidence levels of the separate studies and the mining inventories as used in those studies - this provides a market valuation as compared to the unrisked technical valuation,
- Our usual risk multiplier for a project is 40% for one that is shovel ready, and with all permitting and financing in place; the overall risk factor for the two overall stages as presented above is ~45%,
- Key inputs in our valuations include:
  - Production profile, and operating and capital costs are as supplied by the Company,
  - We have used a gold price of US$1,800/oz, instead of US$1,750 as used by the Company,
  - We have used a discount rate of 5%, as compared to that of 7.5% as used by the Company in releases,
  - Exchange rates include USD/ZAR of 15, and AUD/USD of 0.70,
  - We have used a conceptual funding mix of 70% debt and 30% equity, with equity being issued at A$0.03/share - we have also assumed a project spend of ~A$8 million to date, which has been subtracted from the peak funding requirements as presented in Table 3; and,
  - The conceptual funding scenario has resulted in the issue of an additional ~1,000 million shares.

- As mentioned, this funding scenario is conceptual only, and will probably differ in reality in terms of mix and equity prices.
- We have also undertaken a sensitivity analysis of the WBP, with the conclusion that the Project is most sensitive to changes in gold prices and operating costs, as presented in:
  - Table 11 - the overall (100%) WBP valuation after tax, and using our conceptual funding scenario; and
  - Table 12 - West Wits's 66.6% WBP ownership per share valuation, again funded and after tax.

Table 11: Funded and unrisked WBP sensitivity - 100% basis (AUD)

Funded and unrisked WBP sensitivity - 100% basis (AUD)						
				Change in Opex		
WBP NPV		-20%	-10%	0%	10%	20%
Gold Price	US$1,700	A$472 m	A$395 m	A$319 m	A$242 m	A$165 m
	US$1,750	A$512 m	A$436 m	A$359 m	A$283 m	A$206 m
	US$1,800	A$553 m	A$476 m	A$400 m	A$323 m	A$246 m
	US$1,850	A$593 m	A$517 m	A$440 m	A$363 m	A$287 m
	US$1,900	A$634 m	A$557 m	A$480 m	A$404 m	A$327 m
	US$1,950	A$674 m	A$597 m	A$521 m	A$444 m	A$367 m

Source: IIR analysis

Table 12: Funded and unrisked WBP per share sensitivity - WWI equity basis (AUD)

Funded and unrisked WBP per share sensitivity - WWI equity basis (AUD)						
				Change in Opex		
WBP/Share		-20%	-10%	0%	10%	20%
Gold Price	US$1,700	A$0.108	A$0.090	A$0.073	A$0.055	A$0.038
	US$1,750	A$0.117	A$0.100	A$0.082	A$0.065	A$0.047
	US$1,800	A$0.126	A$0.109	A$0.091	A$0.074	A$0.056
	US$1,850	A$0.136	A$0.118	A$0.101	A$0.083	A$0.066
	US$1,900	A$0.145	A$0.127	A$0.110	A$0.092	A$0.075
	US$1,950	A$0.154	A$0.137	A$0.119	A$0.102	A$0.084

Source: IIR analysis

PEER GROUP ANALYSIS

- Table 13 presents a representative sample of ASX-listed gold explorers and developers with more than one million ounces of gold attributable to the relevant company - this also includes a selection of companies operating over previously mined deposits, which tend to be discounted relative to companies working on "fresh" discoveries.
- In addition to the enterprise value ("EV"), another metric that can be used to compare companies is the EV/ounce, although needs to be treated with caution and is indicative only as it will be affected by several factors.
- However, as can be seen, the lowest values in our list are for the South African focussed companies, namely West Wits and Theta Gold Mines, which have some other similarities, namely operating in previously mined goldfields, and having large resource bases with similar, relatively high grades.
- In considering value, we can see the "South African" effect here - most Australian investors, although investing in other areas of Africa, tend to steer clear of South Africa.
- Also, are the markets discounting some of the ounces - as we discussed earlier it could be considered that at least the deeper ounces at Bird Reef and Main Reef have only little chance of economic extraction?
- If that is the case the EV/ounce would be artificially low, but would still be below that of the other companies, thus presenting the potential for upside.

Table 13: ASX-listed advanced exploration and development companies

Gold explorers						
Company	**EV Undiluted (A$m)**	**Global Resource (Mt)**	**Global Au Grade (g/t)**	**Contained Au Moz Coy Share**	**EV/oz Au equity share**	**Project Stage**
Bellevue Gold	$746.4	9.5	9.82	3.00	$248.84	Development
Horizon	$70.3	20.7	1.73	1.15	$61.09	Production by July
Gascoyne	$90.1	48.5	0.95	1.48	$60.85	Development
Black Cat	$70.4	17.4	2.08	1.17	$60.22	Evaluation
Kin Mining	$73.1	31.1	1.27	1.27	$57.34	Resource Expansion/ Upgrade
Ausgold	$102.9	46.1	1.24	1.83	$56.18	Resource Expansion/ Upgrade
Vango Mining	$51.6	10.4	3.01	1.00	$51.34	Resource Expansion/ Upgrade
Breaker Resources	$67.3	27.9	1.51	1.35	$49.80	Resource Expansion/ Upgrade
Bardoc Gold	$146.5	54.6	1.73	3.04	$48.14	DFS Completed
Meeka Gold	$49.4	13.2	2.64	1.12	$44.34	Resource Expansion/ Upgrade
Barton Gold	$30.5	28.9	1.21	1.12	$27.24	Exploration, Resource Expansion
Kalamazoo	$44.7	20.8	2.47	1.65	$27.11	Resource Expansion/ Upgrade
GBM Resources	$44.1	46.4	1.21	1.70	$25.85	Resource Expansion/ Upgrade
Rox	$51.0	25.6	3.74	2.18	$23.35	Resource Expansion/ Upgrade
West Wits	$46.0	28.1	4.58	2.75	16.72	Development
Theta Gold Mining	$67.7	45.5	4.18	4.52	$14.98	Development

Source: IRESS, company reports and releases

BOARD

Extracted directly from Company website.

- **Michael Quinert - Chairman:** Mr Quinert is a founding partner of Quinert Rodda & Associates which was established in July 2009. He has over 30-years' experience as a commercial and corporate lawyer, including three years with ASX and over 20 years as a partner in a Melbourne law firm.

  Mr Quinert has extensive experience assisting and advising companies on IPOs, capital raising, cross border transactions, regulatory compliance and has regularly advised publicly listed mining companies.

  Michael is a Non-Executive Director of publicly listed First Au Limited (ASX:FAU) and Victorian Livestock Exchange Pty Ltd.

- **Jac Van Heerden - Managing Director:** Mr van Heerden holds an MBA and Bachelor of Engineering (Mining) and has over 20 years of mining experience. He is based in Johannesburg, South Africa.

  Prior to joining WWI, Mr van Heerden presided over a Cobalt (5,000tpa) and Copper (50,000tpa) operation in the Democratic Republic of Congo (DRC), overseeing the mining operation and two processing facilities, also including a medical centre and schooling program. A key achievement associated with the DRC role was the introduction of stricter capital controls, improved CAPEX and OPEX budget forecasting, KPI measurement and enhanced direct reporting lines to improve accountability and cash flow.

  Relevant to current project requirements, Jac's division at South African miner Aquarius Platinum was tasked with identifying and developing business cases for new mining opportunities through to feasibility. He was also the transition project manager that oversaw the switch from a contractor mining model to an owner miner model..

- **Peter O'Malley - Non-Executive Director:** Mr O'Malley worked at Credit Suisse for 13 years and later, while based in Hong Kong, managed Deutsche Bank's Natural Resources investment banking practice in Asia-Pacific for many years. Currently, he is Managing Partner of investment firm Kenosis Capital LLC, and has advised WestWits since early 2019.

  Peter has extensive experience advising companies and investors alike including M&A, debt/equity transactions, as well as capital optimisation strategies in multiple jurisdictions having resided in New York, Johannesburg and Hong Kong. Peter moved to Johannesburg in 1994 to assist with the first elections in South Africa post-apartheid. He spent over three years working in Johannesburg in the 1990s, which provided him with a deeper understanding of South Africa's operational environment where WWI's marquee project is located.

- **Tim Chapman - Non-Executive Director:** Mr Chapman is Melbourne based and has over 20 years' experience in financial services and capital markets. He is currently Director of Corporate Broking at PAC Partners which is a leading advisory, equity capital markets and research house focused on emerging and mid-cap companies with a strong track record in the resources sector.

  Tim's Australian investment banking experience assists the Board as West Wits embarks on the advancement of the Witwatersrand Basin and Mt Cecelia Projects.

- **Hulme Scholes - Non-Executive Director:** Mr Scholes is a founding director of Malan Scholes Inc., a Johannesburg based law firm and leader in the African mining sector. He was admitted as an attorney in 1995. His area of expertise is in mining and environmental law, as well as dispute resolution, having represented Tier 1 mining companies including Sibanye Stillwater Ltd. and DRDGold Ltd.

  Mr Scholes has in-depth knowledge of mineral rights and BEE transactions in this industry. He sits on as non-executive director on the boards of various mining companies and has a practical understanding of the industry, having begun his career as a Learner Official on the then Rand Mines Ltd. Harmony Gold Mine.

  Hulme is recognised by Best Lawyers® (2020) for his expertise in mining law.

BACKGROUND - SOUTH AFRICA

INTRODUCTION

- The close to 30 years since the transition from Apartheid to Majority Government has seen uncertainty and some tumultuous times in South African politics, which has deterred some foreign investment, including mining projects.
- This was particularly so over the close to 9 years to early 2018 under the leadership of Jacob Zuma, with his Presidency marred by allegations of corruption, nepotism and "State Capture" involving the Gupta family.
- There was widespread optimism following the elevation of Cyril Ramaphosa to the Presidency on February 15, 2018 - he is well respected, and amongst other things was instrumental in the drafting of the Constitution following the end of apartheid and is a supporter of a strong mining industry.
- The appointment of Gwede Mantashe as Minister of Mines has gave a boost in confidence to the industry - he replaced Mosebenzi Zwane, who was thought by some to be a puppet of the Guptas.
- However there has been general disappointment in overall progress made by the current Government in transforming the economy, although this has not been helped by COVID-19.
- One of the aims of the President is to attract US$100 billion in Foreign Direct Investment by 2023 - in 2018 this grew by 446% to US$7.1 billion, however fell to US$3.2 billion in 2020, possibly partly on the back of COVID-19, which has had severe effects on the South African economy.
- Another factor that may deter investors is the potential for forced land expropriation - a limited land expropriation programme is on the cards, largely aimed at land that is not being used else held for speculation, which would not affect West Wits if enacted.
- There are still a number of serious socio-economic and infrastructure issues facing the country, including crime, corruption, inflation and, importantly for the mining sector problems with a run-down electricity generation and distribution network - these issues

however are not unique to South Africa amongst other African jurisdictions that ASX-listed companies are operating in.

- Another factor affecting the South African mining sector, specifically bulk commodities, is a run down rail network that is also subject to crime, that is not meeting targeted rail movements - this however does not effect West Wits.
- On the positive side, amongst others, the country has a rigorous legal framework, including a Constitution, Bill of Rights and court system and a parliamentary system that has worked since the end of Apartheid.
- There is also strong freedom of the press, with assists in holding the government and institutions to account - this and the rigorous judicial system are standouts when compared to many other countries that seem to attract more investment and lesser international scrutiny.

MINING INDUSTRY

- South Africa is undeniably the industrial powerhouse of Sub-Saharan Africa, and a major global miner, with mining contributing 7.6% to GDP and 25% of exports.
- The country is a major global producer of PGE's, gold, coal, manganese and diamonds, being the world's single largest producer of PGE's (40%) and chrome (56%), and the 8th largest producer of gold, (4% of global production) – historically it has been the largest global producer, providing as much as 30% of global production in 1993, and historically producing over two billion ounces, more than any other country.
- Given the mining industry, skills and services are abundantly available at a reasonable cost, and there is no need for expensive FIFO expat expertise as is the case in a number of African countries.
- There has been media attention on mining, partly due to the decline in production from the gold and platinum operations – this has largely been due to increasing costs in the very deep mines. Also at times militant strike action by the National Union of Mineworkers ("NUM") and the Associated Mineworkers and Construction Union ("AMCU") has gained media attention – strike action has largely targeted the major miners and long established operations with legacy issues.
- The perception of creeping nationalism has challenged the mining industry, however the Mineral and Petroleum Resources Development Act (2002) and associated regulations (including the HDSA ownership requirements) now seem to be working, with the mechanics of the Act and royalty rates similar to those in a number of countries worldwide; it needs to be noted however that processing times for applications under the act can be slow.
- South Africa is a highly prospective country, however due to issues as mentioned above it has missed out on the recent global exploration boom, and thus there are many high quality areas that can benefit from the application of modern exploration techniques.
- The country also has relatively low unit labour costs and a readily available skilled workforce; this, allied with largely well-developed infrastructure means that it is a relatively cheap place to carry out exploration and mining activities compared to a number of third world and other African countries.
- However the 2021 Fraser Institute Survey of Mining Companies saw the country fall to a ranking of 75/84, the first time in the bottom 10.
- This followed on from a steady rise from 74/104 in 2016 to 40/76 in 2019, the falling to 60/77 in 2020.
- Some current issues raised as possible reasons for this by the Minerals Council South Africa ("MCSA", April 13, 2022) include the current backlog of more than 4,000 mining and prospecting right grant, renewal and transfer applications, as well as a failed SAMRAD cadastral system.
- Another issue that may have had an impact is the adoption of the Mining Charter III in 2019, however a recent High Court judgment in September 2021 that the charter is a policy, rather than regulatory document, that the continuing consequences of previous BEE deals should be recognised and that the specific provisions around procurement in the document should be removed has brought some certainty into the system - this also supports the earlier point regarding a strong judicial system.
- The charter is discussed later.

THE MRDPA AND ASSOCIATED ACTS

- The adoption of the MRPDA brought in the New Order Rights, where ownership of minerals is vested in the State and not with the landholder as was the case under the Old Order Rights – transitional arrangements were put in place at the time of change.
- Prospecting Rights are generally granted for an initial period of five years, and can be renewed for a further three year term, at the end of which they need to be relinquished or converted to a Mining Right.
- Should a feasible operation be delivered Mining Rights can then be applied for, which are granted for an initial term of up to 30 years, and renewable for additional 30 year terms; retention leases can also be granted for a single three year term only.
- As for the Old Order Rights, the boundaries of New Order Rights generally follow the boundaries of surface rights, with the rights described as per the names of the surface rights – this is different to the graticular system as used in Australia and many other jurisdictions.
- As part of the provisions of the MPRDA, the original Mining Charter was signed on October 12, 2002 between the Government, mining representatives and civil society, which defined additional conditions under which rights could be granted.
- One key provision regards the ownership of mining assets by HDSA's, with 15% ownership mandated by May 1, 2009, and 26% by May 1, 2014, as is the situation now. This ownership is commonly through the participation of BEE's. Other charter provisions relate to community development, human resources development and equitable employment.
- The Mineral and Petroleum Royalty Act embodies a formula based royalty regime, which takes into account revenue and EBIT, and thus accounts for capital expenditure through taking into recognising depreciation and amortisation, with two royalty formulae.
  - For refined minerals: 0.5% + [EBIT/(gross sales in respect of refined mineral resources x 12.5)]
  - For unrefined minerals: 0.5% + [EBIT/(gross sales in respect of unrefined mineral resources x 9)]
- The maximum royalty rate is 5% for refined minerals and 7% for unrefined, broadly in line with a number of jurisdictions, including Australia, and could be considered a fair system.

ENVIRONMENTAL LEGISLATION

- Environmental requirements relating to resource developments are broadly similar to those in other mining jurisdictions, and responsibility for implementation of the
- National Environmental Management Act ("NEMA") is vested in the relevant provincial administrations.
- Other acts and authorities affecting resources include the National Water Act and the National Heritage Resources Act amongst others.

MINING CHARTER III

- One issue that made the news in recent years (and made potential investors nervous) was the proposed new Mining Charter, unilaterally introduced by the Minister for Mines in June 2017, without any notice to or input from other industry stakeholders, including the South African Chamber of Mines.
- However, initially given the opposition by the industry and the onset of legal action by the Chamber of Mines (now MCSA,which represents 90% of miners in South Africa and was then headed by Mr Mxolisi Mgojo, and includes a number black mining company executives), implementation of the charter, which included several contentious and what could be considered retrograde measures, was suspended in July 2017; the proposed charter was also opposed by other members of the ANC.
- Also, following the change in Presidency the legal actions were placed on hold, with a more equitable charter being negotiated.
- Following the negotiation, the Charter was amended, with the following key points in the amended charter that came into force on March 1, 2019:
  - **Existing rights:** existing mining right holders that achieved a minimum of 26 per cent BEE shareholding will be recognised as compliant for the duration of the mining right. This is so irrespective of their current BEE shareholding. To remain compliant the Guidelines provide that such holders must submit annual reports on their current BEE shareholding, meaningful economic participation and their shareholders' rights.

- **Renewals and transfers of existing rights:** existing mining right holders' historical BEE transactions will not be recognised for the purposes of the renewal and transfer of existing mining rights and the applicant for renewal or the transferee, as the case may be, will likely be required to comply with the BEE ownership requirements applicable to new mining rights.
- **New rights:** applicants for new mining rights must have a minimum of 30 per cent BEE shareholding comprising: a minimum of 5% non-transferable carried interest to each of Qualifying Employees and Host Communities, and a 20 per cent efective ownership to BEE entrepreneurs (5% of which mus preferably be owned by women). The "carried interest" is essentially a free carried interest but arguably permits notional vendor financing without any form of security.
- **Pending applications:** will be processed under the 2010 Charter. Applicants must accordingly have a minimum of 26% BEE shareholding. However, after the mining right is granted, the holder of that right must increase its BEE shareholding to 30% within five years and possibly also meet the BEE shareholding requirements applicable to new mining rights.

- The charter also includes a number of conditions relating to black staffing levels and stipulates minimum amounts of goods and services to be sourced from South Africa - this last point potentially breaks World Trade Organisation (of which South Africa is a member) rules, in restricting trade, however there are exemptions for junior explorers.
- West Wits however is compliant under the charter, in that its procurement of goods and services is almost 100% local, and the effective BEE ownership is above the 30% level.
- The Company is already largely using South African consultants, and site staff are all South African nationals.
- As mentioned earlier a recent High Court judgement should allow for changes in some of these conditions.

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