

# WITS GOLD

## Entering the production era

Hethen Hira

Executive: Investor Relations

Precious Metals Summit

September 15, 2011



The new gold option

[www.witsgold.com](http://www.witsgold.com)

# Forward looking statements

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This presentation is incomplete without reference to the information provided by Wits Gold to the public pursuant to the requirements of the Johannesburg Stock Exchange (the “JSE Filings”), particularly the 2011 Annual Report.

The information in this presentation and in the JSE Filings is based upon the beliefs and assumptions of Wits Gold management and reflects prevailing conditions and management’s views as of the date of each such document, all of which are subject to change.

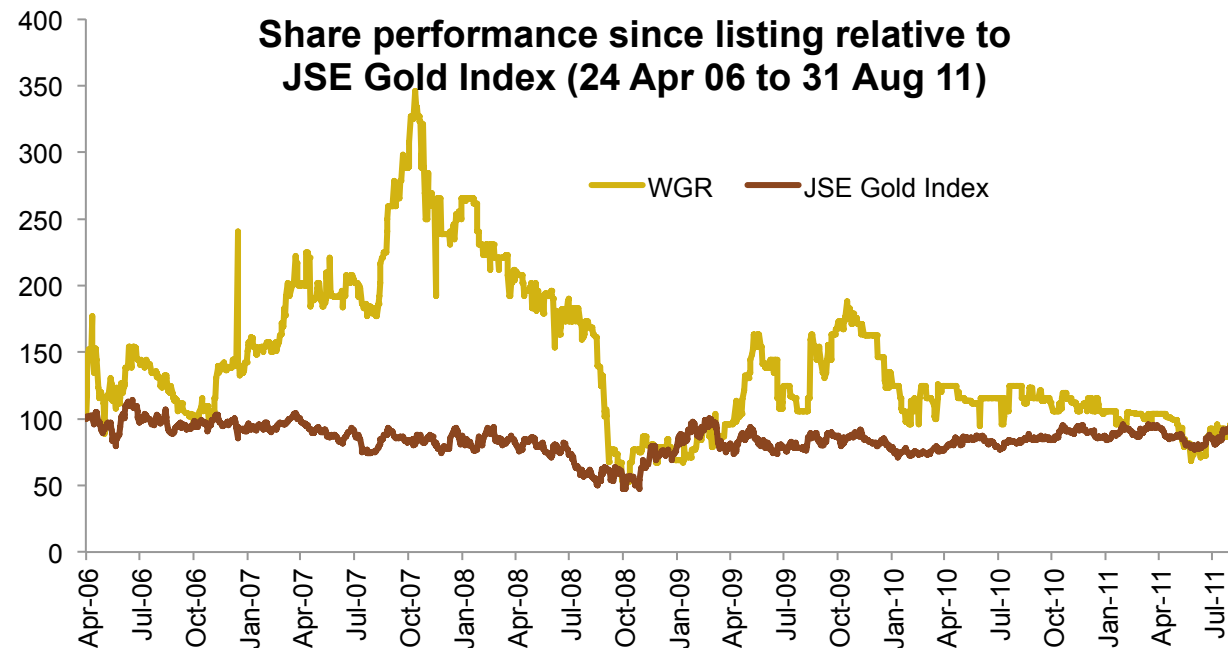
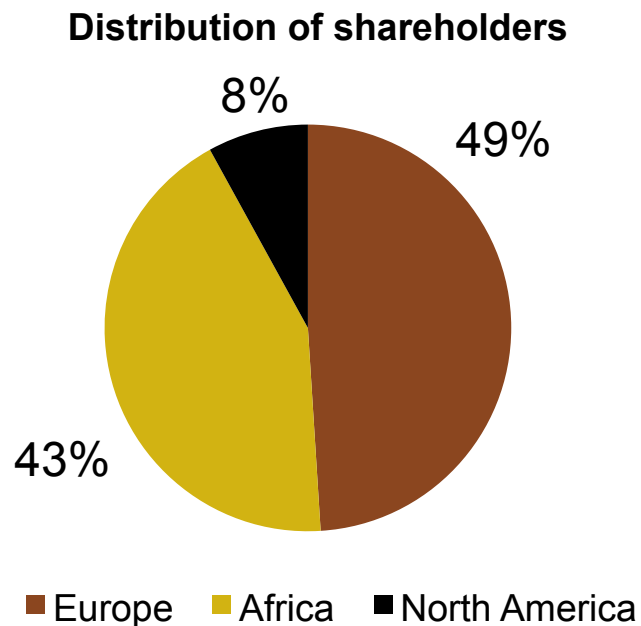
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Such forward looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the company to be materially different from the future results, performance or achievements expressed or implied by such forward looking statements. Such risks, uncertainties and other important factors include among others: economic, business and political conditions in South Africa; decreases in the market price of gold; hazards associated with underground and surface gold mining; labour disruptions; changes in laws and government regulations, particularly environmental regulations and mineral rights legislation; changes in exchange rates; currency devaluations and inflation and other macro-economic factors. These forward looking statements speak only as of the date of this document.

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# At a glance

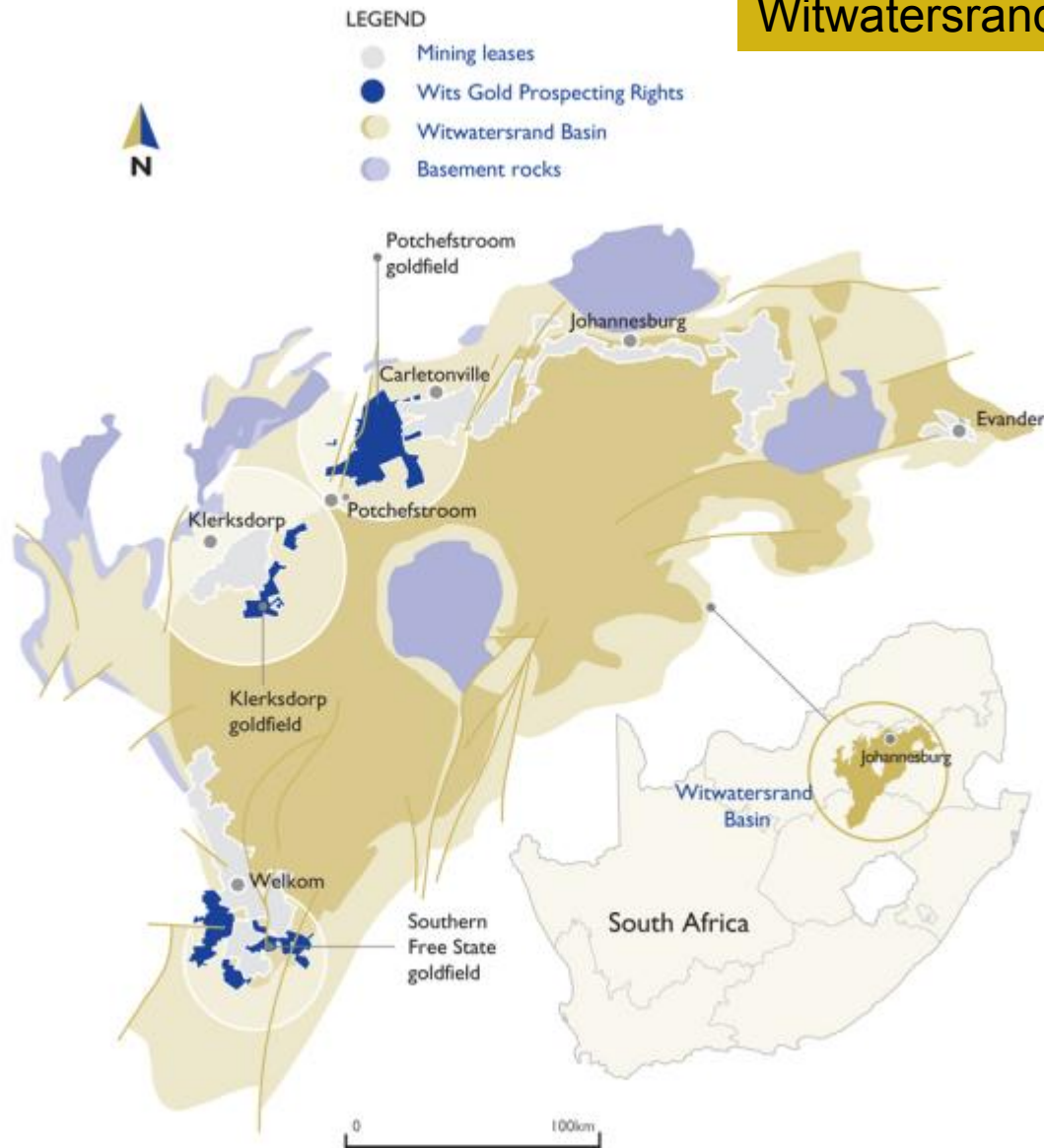
- Listed on JSE; TSX (WGR)
  - market cap: C\$235m (1 Sept 2011)
- 5th largest global gold resource
  - total resources of 156 Moz gold and 268 Mlbs  $U_3O_8$  in South Africa's Wits Basin



# The world's premier gold location

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Witwatersrand Basin - 1.5 billion oz mined to date

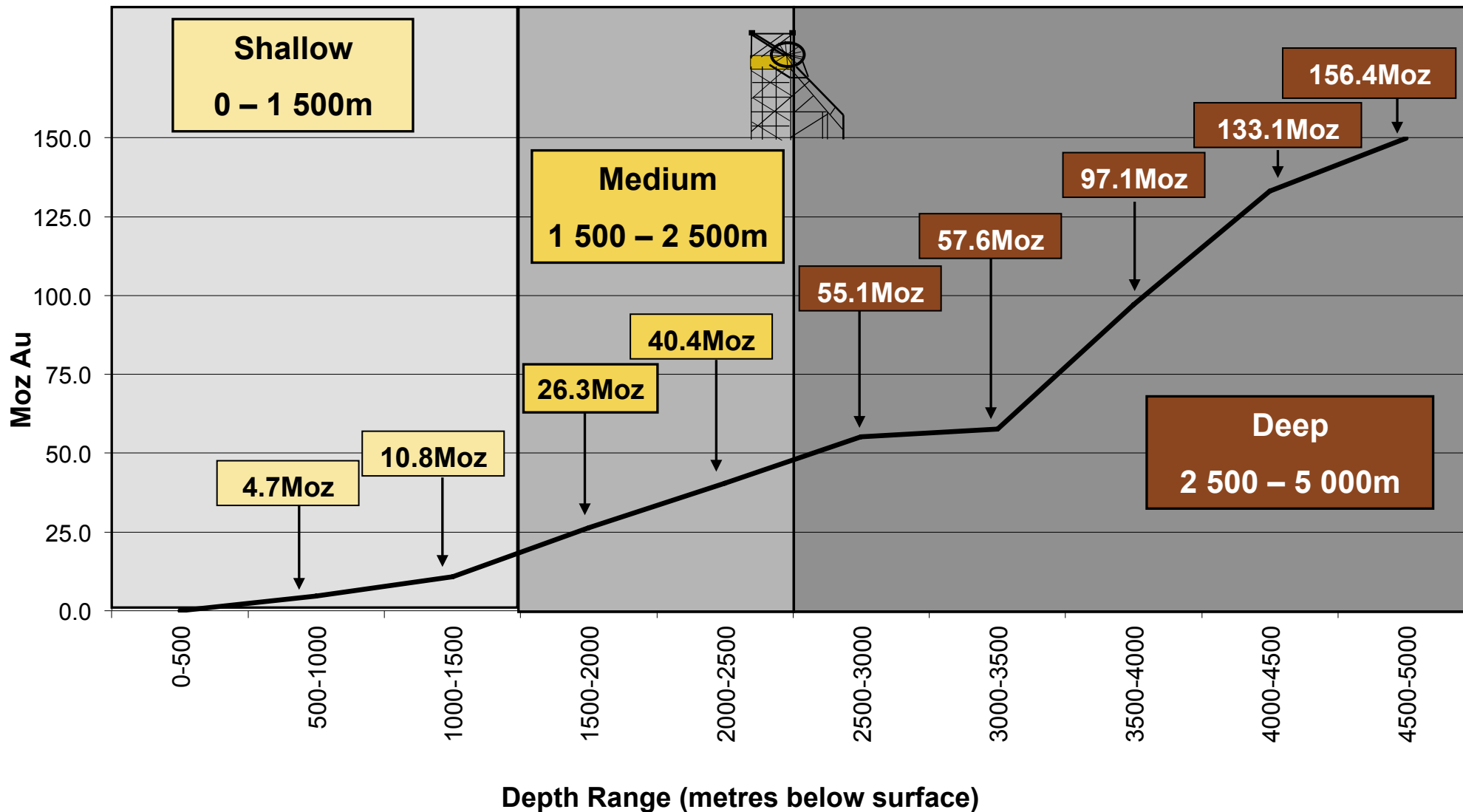


# Growing value to 2011

- **Formed in 2003** in advance of unused mineral rights reverting to the State in terms of new MPRDA
- **Clawback agreements** signed with majors (AngloGold Ashanti, Gold Fields and Harmony) to secure mineral rights outside their mine lease areas, including borehole core and data
- **Lease areas consolidated on commercial basis** and **resources quantified** for the first time
- **Extensive**, in-depth **exploration** database established
- Identification of **potential projects** to take them **up the value curve**

# Range of resource depths

## 40Moz SHALLOW – MEDIUM DEPTH RESOURCES



# Creating the new gold option

- SA gold industry in crucial state of flux
  - majors evaluate offshore options, juniors examine consolidation
- Three pronged approach:

## Exploration

Maintain exploration activity to maximise development potential – significant Wits geology expertise and database in place

## Project building

New skills on board to fast track building the shallow DBM and Bloemhoek projects in the southern Free State

## Acquisition

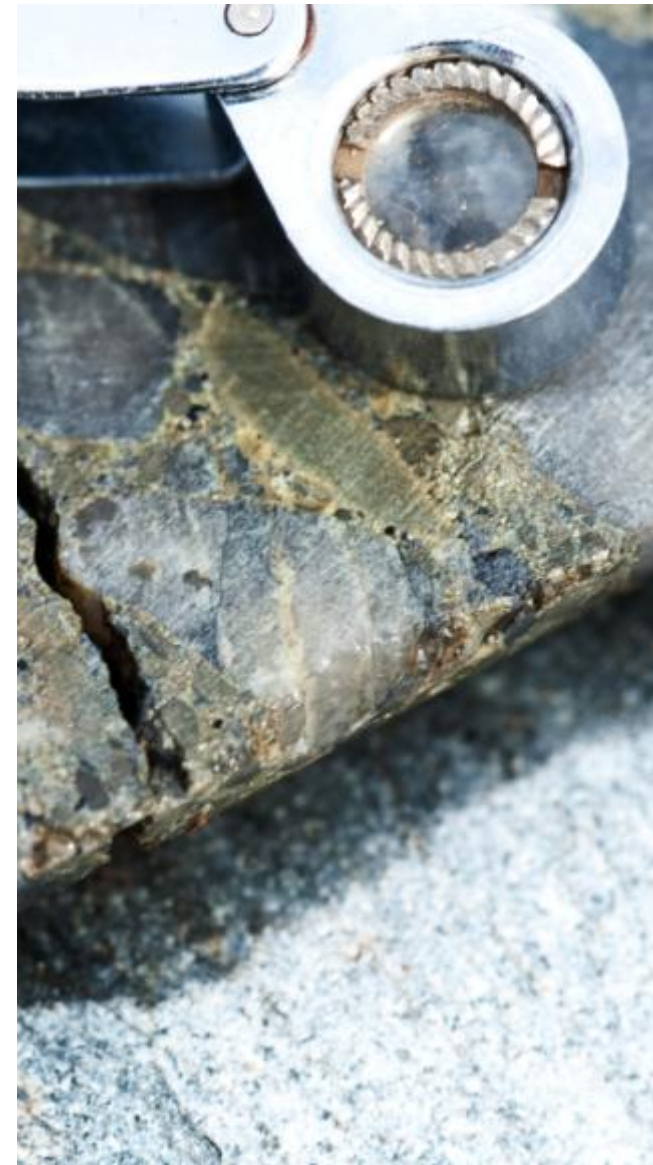
Acquire producing assets with turn around potential – cash generative with expansion opportunities

... repositions **WGR as emerging producer**



# 2011: the new strategy in action

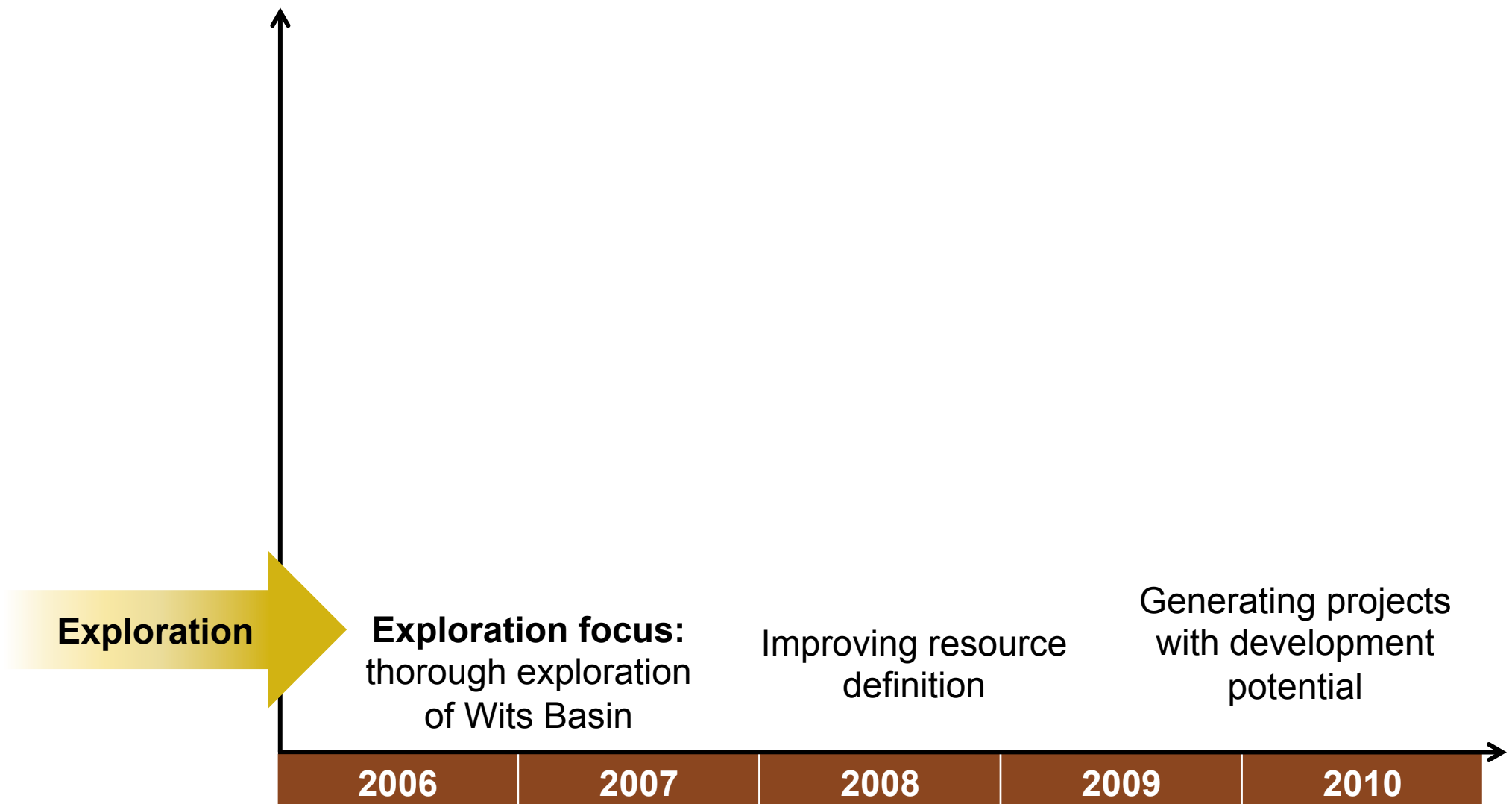
- New CEO appointed
  - established track record
  - experienced turn around specialist
- Criteria for acquisition targets
  - immediate production with established production team
  - high cost producer with turn around potential
  - expansion opportunities
  - contiguity to existing projects is preferable
  - minimal capex requirements
  - cash flow positive
- Focal acquisition point: southern Free State operating assets
- Consolidate internal and acquired assets
  - contiguity will facilitate 100% capex write off, potential synergies
- Refocus investment community:
  - **“moving to development and production mode”**





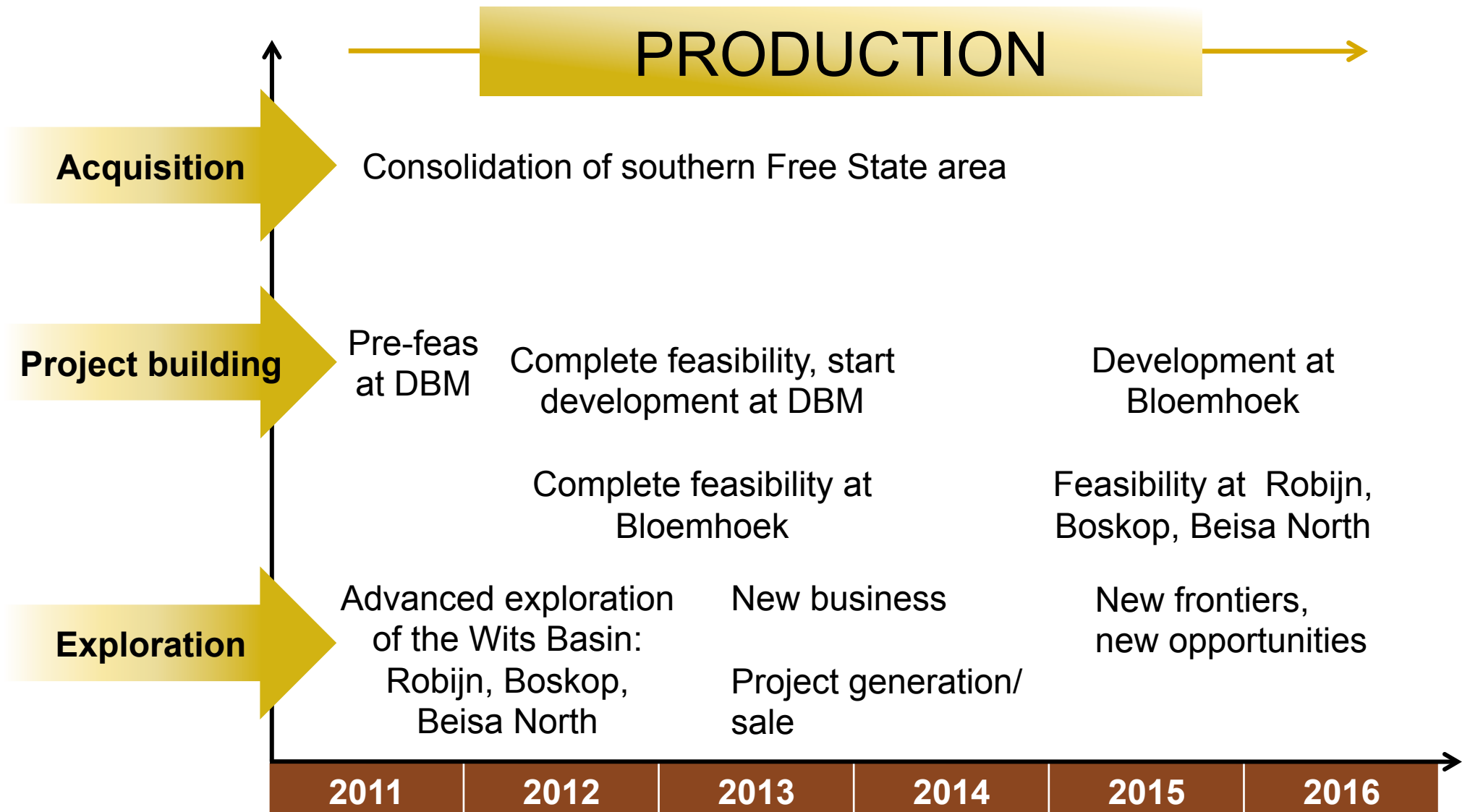
# Building shareholder value

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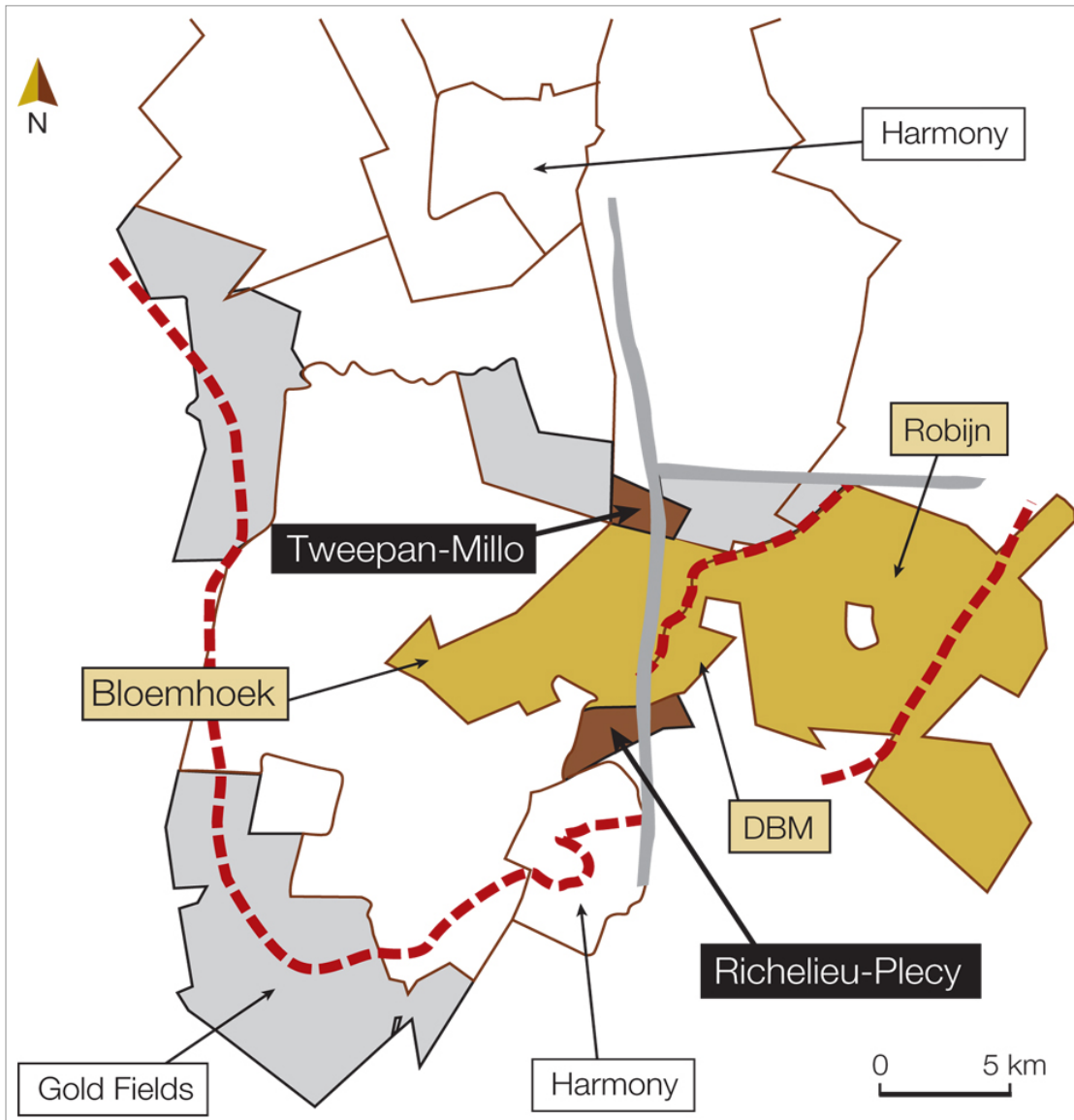
# Building shareholder value

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# Southern Free State goldfields: the right address

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## Mineral Reserves

|                        | Mt          | g/t        | Moz        |
|------------------------|-------------|------------|------------|
| Joel (HAR)             | 3.1         | 5.6        | 0.6        |
| Beatrix (GFI)          | 41.0        | 4.9        | 6.4        |
| <b>Bloemhoek (WGR)</b> | <b>31.6</b> | <b>5.3</b> | <b>5.4</b> |
| Total                  | 75.7        | 5.1        | 12.4       |

## Mineral Resources

|                        | Mt          | g/t        | Moz         |
|------------------------|-------------|------------|-------------|
| Joel (HAR)             | 20.5        | 6.5        | 4.3         |
| Beatrix (GFI)          | 93.0        | 5.9        | 17.6        |
| <b>Bloemhoek (WGR)</b> | <b>63.1</b> | <b>6.9</b> | <b>14.0</b> |
| <b>DBM (WGR)</b>       | <b>59.5</b> | <b>5.3</b> | <b>10.1</b> |
| Total                  | 236.1       | 6.1        | 46.0        |

As of June 2009, All SAMREC Compliant

# Rationale for acquiring production

- DBM resource forms basis for mega-mine in southern Free State
  - ability to re-engineer DBM through experienced team on site
- Provides access to mining skills and infrastructure for further development at Bloemhoek and Robijn
- Provides additional geological information for developing an understanding of the regional complexity of the Beatrix and Kalkoenkrans reefs
  - from DBM to Robijn, into Bloemhoek and Hakkies
- Ability to participate in regional consolidation as producer
  - exploit synergies



# DBM project – near-term ounces

- Shallow gold mineralisation in multiple reefs – safer, more efficient, lower cost, hybrid of mechanised and conventional mining method
  - 500m – 1,200m below surface
- Pre-feasibility to be completed by Q2 2012
- Definitive feasibility by Q2 2013
- First production Q2 2016

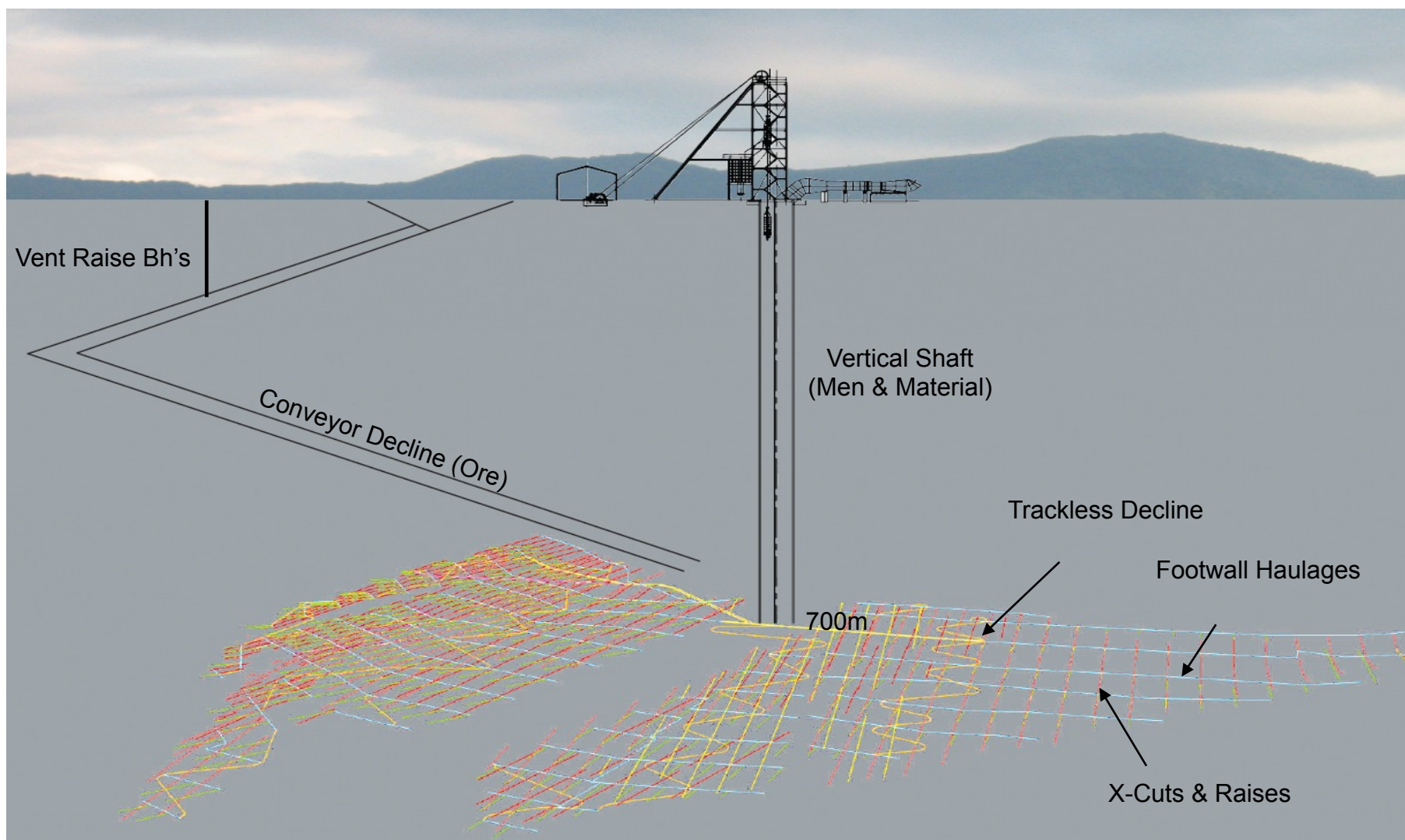
| Key statistics     |  |
|--------------------|--|
| Total resource     | 10.1 Moz                                     |
| Average production | 135 000oz/year @ 4.4g/t Au (recovered grade) |
| LOM                | 25 years                                     |
| Total production   | 20.8 Mt @ 4.4g/t Au (2.9 Moz)                |
| Average cash costs | \$569/oz                                     |
| Capex              | \$227 million (R1 590 million @ R/\$7)       |

# DBM project – financial model

|             |               |  |               |
|-------------|---------------|--|---------------|
| Gold price  | R275 000/kg   | R325 000/kg                            | R375 000/kg   |
| @R7/US\$    | US\$1 222/oz  | US\$1 444/oz                           | US\$1 666/oz  |
| Pre-tax IRR | 25.8%         | 35.2%                                  | 43.9%         |
| NPV (10%)   | \$298 million | \$506 million                          | \$714 million |
| Payback     | 6 years       | 5 years                                | 5 years       |
|             |               | Base case scenario<br>=<br>high return |               |



# Scoping study – preliminary mine design



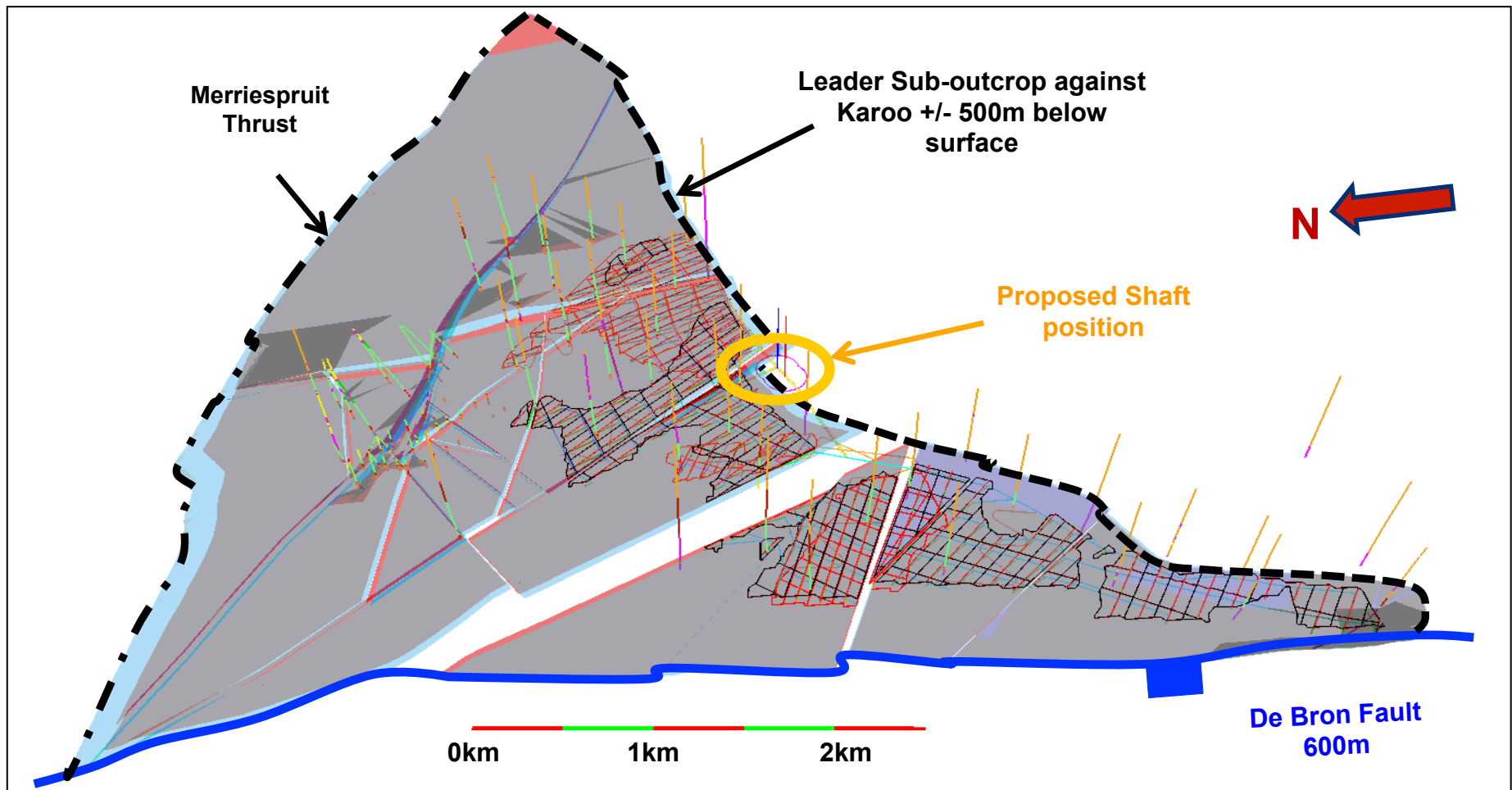


# DBM Project Highlights

## Key features

- 80 000 tpm
- 4.4 g/t LOM recovered grade
- Average 135koz/yr
- \$569/oz cash costs
- Total extraction of 2.9 Moz over 25 years
- Initial mining of higher grades at shallow 500m depth
- Provides springboard for Bloemhoek project
- Significant capex saving on second outlet, air and water reticulation

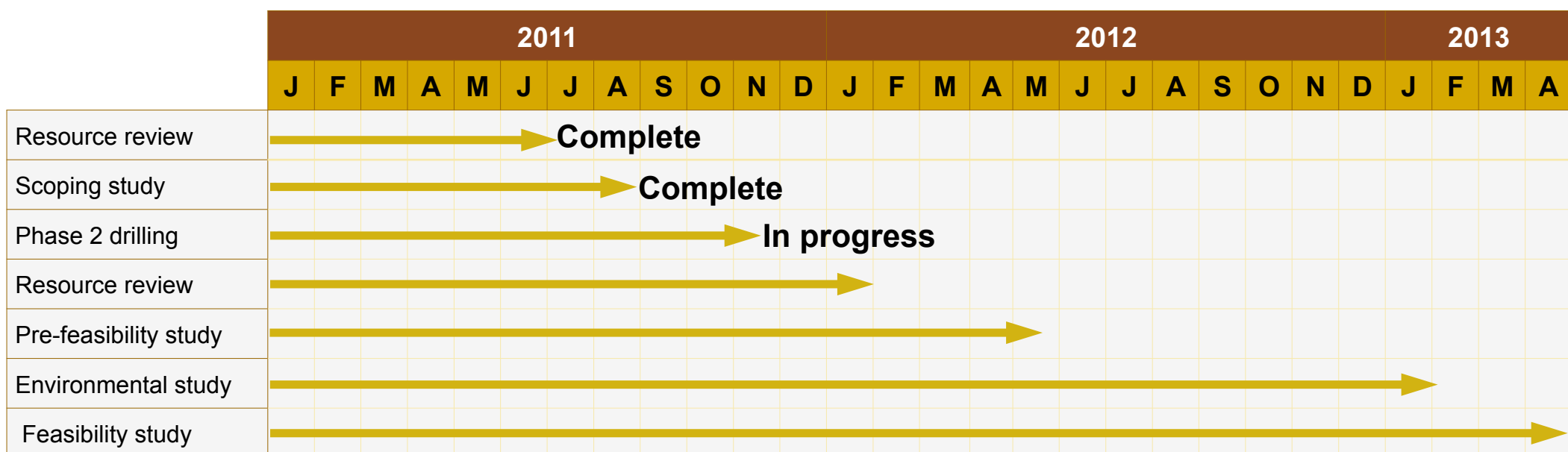
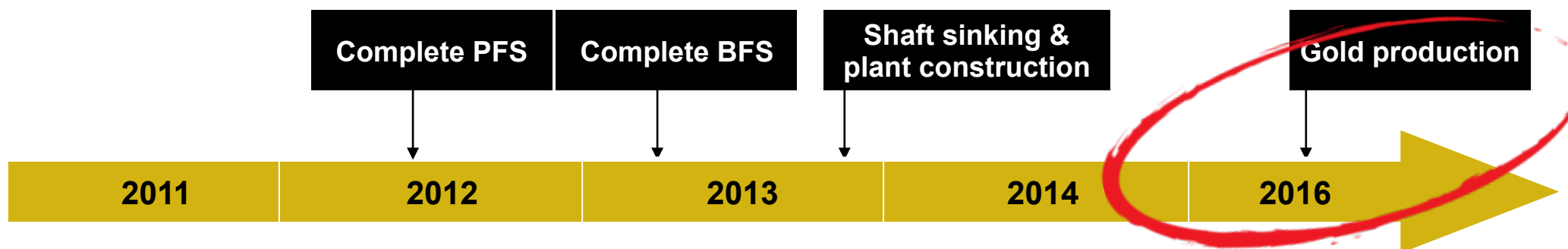
# DBM – oblique view



An oblique view of the De Bron/Merriespruit Project area indicating geological limits and the proposed shaft positions as well as multiple stacked stope outlines

# DBM – fast track into production

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# Bloemhoek – medium-term project

| Key statistics: pre-feasibility study |                              |
|---------------------------------------|------------------------------|
| Reserve                               | 31.6 Mt @ 5.34g/t (5.4 Moz)  |
| Average production                    | 224 000 oz/year              |
| Peak funding                          | \$663 million (R4.6 billion) |
| Average cash costs                    | \$615/oz                     |
| Mine establishment period             | 6 years                      |
| LOM                                   | 23 years                     |

# Bloemhoek – prime location

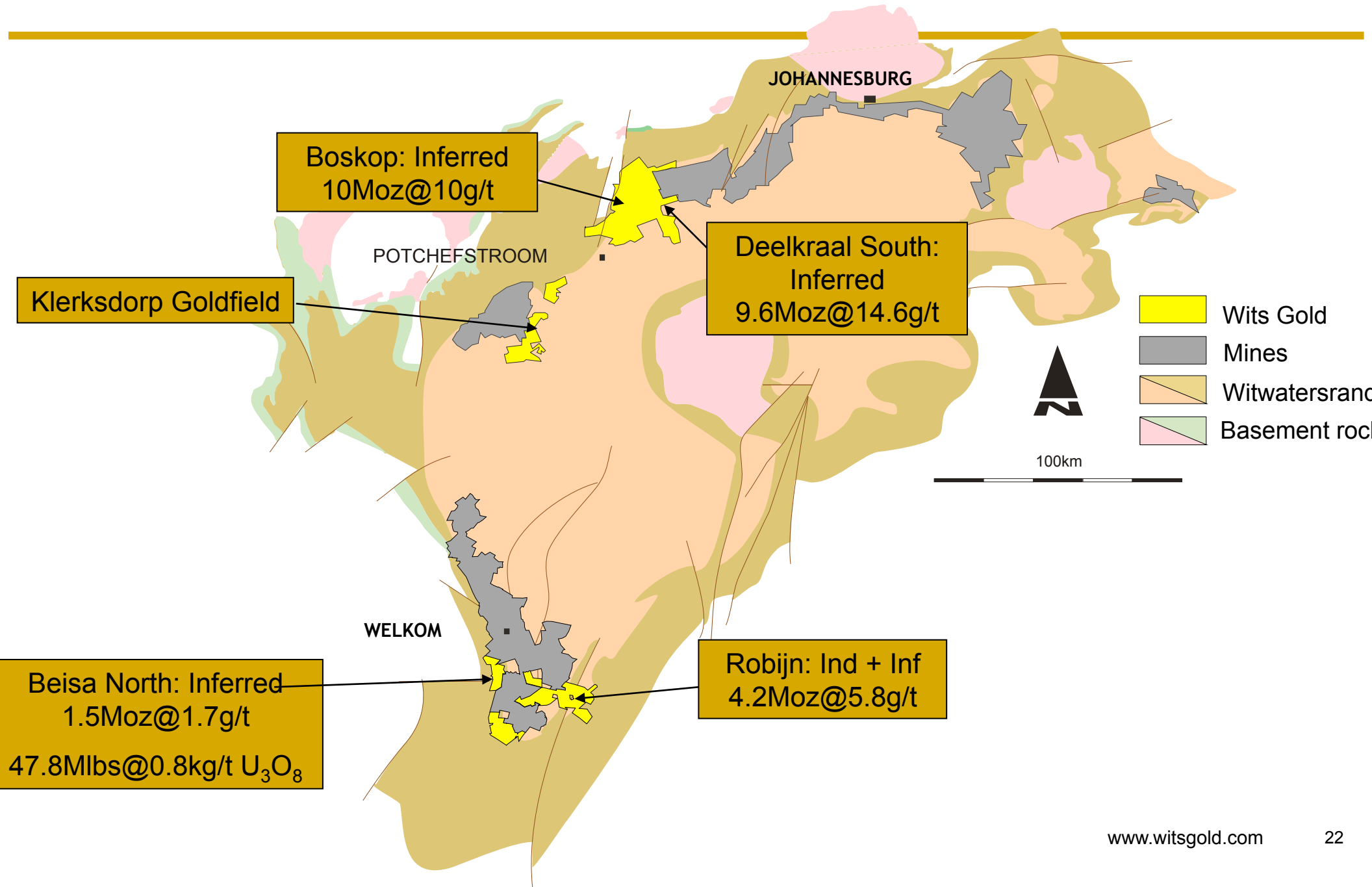


# Bloemhoek – financial model

|             |              |               |               |
|-------------|--------------|---------------|---------------|
| Gold price  | R275 000/kg  | R325 000/kg   | R375 000/kg   |
| @R7/US\$    | US\$1 222/oz | US\$1 444/oz  | US\$1 666/oz  |
| Pre-tax IRR | 12.5%        | 18.4%         | 23.2%         |
| NPV (10%)   | \$96 million | \$376 million | \$654 million |
| Payback     | 10 years     | 9 years       | 8 years       |

# Advanced projects

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# Development milestones

- Strong board and management
  - key technical skills
- Significant resource
  - 5<sup>th</sup> largest gold resource in the world
- Upgrading the reserve base
  - seeking new short term operational opportunities
  - near-term ounces at DBM
  - medium-term ounces at Bloemhoek/Robijn
  - long-term gold option remains
- Potential revenue from sale of assets
- BEE compliant



# The investment case

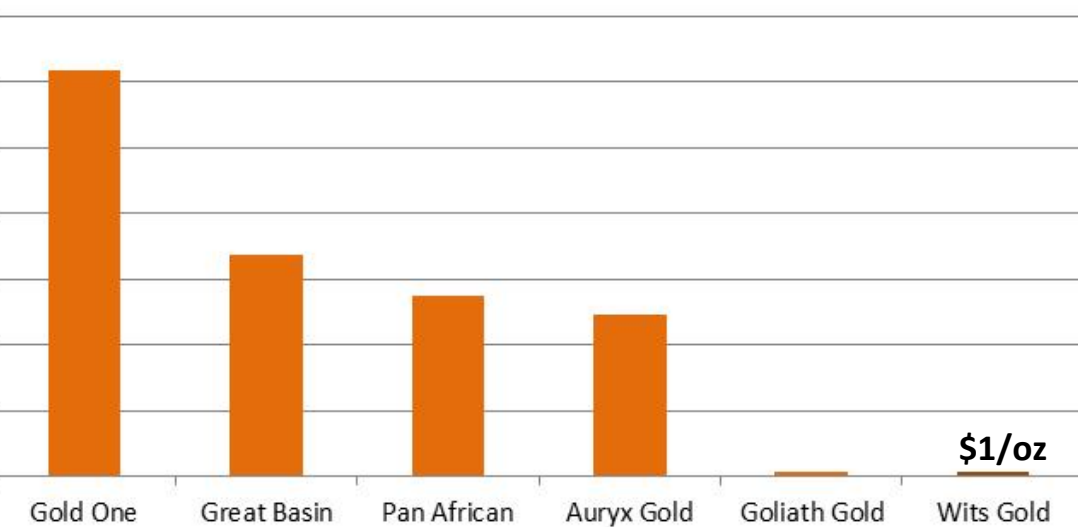
- New CEO in place to focus on operating and building mines
- Clearly delineated resource in well-known gold and uranium mining district
  - DBM project has high base case valuation at scoping level
- Focus on key southern Free State area
  - significant consolidation potential in area
  - examine cash flow potential of nearby operations
- Migrating from explorer to emerging and immediate gold producer
- Indications of interest from strategic investors
- Gold price story in correct space and targeting > \$2 000/oz

## The new gold option

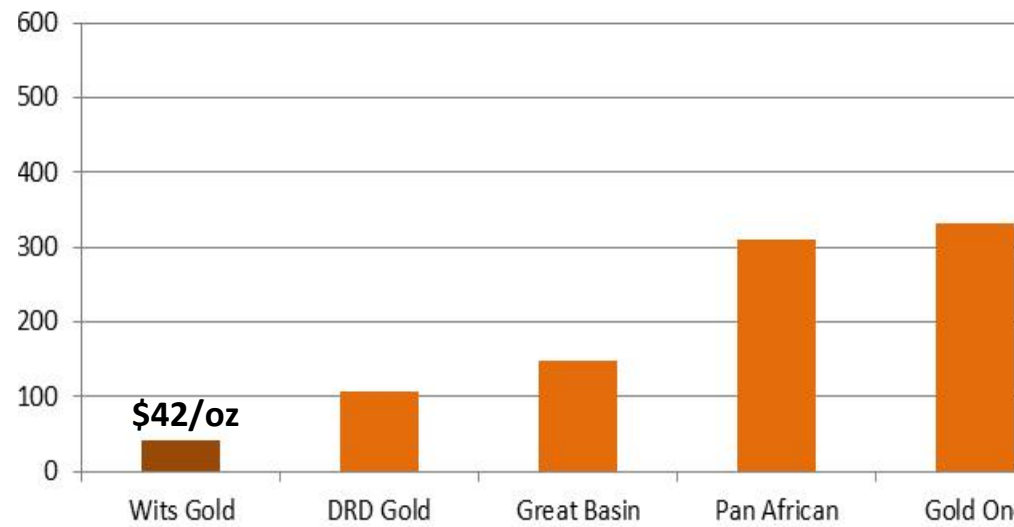


# The investment case

MCap/ Total Resource (\$/oz) incl. Explorers



Mcap/ Reserve (\$/oz) - Producers



Significantly **undervalued** compared to peers

**The new gold option**

# Near Mine Prospecting

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# Corporate information



- Listings: JSE & TSX (WGR)
- Shares outstanding (fully diluted): 34.5m
- Share price: C\$6.80
- Annual price range: C\$5.10 – 10.64
- Cash available: C\$19m
- BEE shareholders as of 31 August 2011 (25%): Tranter Kismet Holdings,  
Continental Africa

# Board and management

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- Adam Fleming: Chairman
- Taole Mokoena: Deputy Chairman
- Philip Kotze: Chief Executive Officer
- Humphrey Mathe: Non Executive Director
- Gayle Wilson: Non Executive Director
- Derek Urquhart: Financial Director
- Hethen Hira: Executive: Investor Relations
- Dirk Muntingh: Executive: Reserves and Resources

# Reserves and Resources

## Mineral Reserves\*

Based on a gold price of US\$975/oz and an exchange rate of R8.00/US4 (R250 000/kg)

### Bloemhoek Project (SOFS goldfield)

*Probable Reserves*

| Mt   | Grade (g/t) | Moz |
|------|-------------|-----|
| 31.6 | 5.3         | 5.4 |

\*Mineral Resource and Reserve estimates are compliant with the NI-43-101 and SAMREC reporting codes



# Reserves and Resources cont

## Mineral Resources\*

(at a cut-off grade of 3 g/t Au)

|                | Indicated Gold Resources |             |      | Indicated Uranium Resources |              |     | Inferred Gold Resources |             |     | Inferred Uranium Resources |              |      |
|----------------|--------------------------|-------------|------|-----------------------------|--------------|-----|-------------------------|-------------|-----|----------------------------|--------------|------|
|                | Mt                       | Grade (g/t) | Moz  | Mt                          | Grade (kg/t) | Mlb | Mt                      | Grade (g/t) | Moz | Mt                         | Grade (kg/t) | Mlb  |
| SOFS Goldfield |                          |             |      |                             |              |     |                         |             |     |                            |              |      |
| DBM Project    | 34.5                     | 5.3         | 5.9  | 17.0                        | 0.16         | 6.1 | 25.0                    | 5.2         | 4.2 | 11.9                       | 0.14         | 3.7  |
| Bloemhoek      | 47.8                     | 6.9         | 10.6 |                             |              |     | 15.3                    | 6.9         | 3.4 | 63.1                       | 0.15         | 20.9 |

Probable Mineral Reserves are contained in the Indicated Resources of the Bloemhoek Project.

\*Mineral Resource and Reserve estimates are compliant with the NI-43-101 and SAMREC reporting codes

# Reserves and Resources cont



## Total Mineral Resources\*

|               | Indicated Gold Resources |             |             | Indicated Uranium Resources |              |            | Inferred Gold Resources |             |              | Inferred Uranium Resources |              |              |
|---------------|--------------------------|-------------|-------------|-----------------------------|--------------|------------|-------------------------|-------------|--------------|----------------------------|--------------|--------------|
|               | Mt                       | Grade (g/t) | Moz         | Mt                          | Grade (kg/t) | Mlb        | Mt                      | Grade (g/t) | Moz          | Mt                         | Grade (kg/t) | Mlb          |
| Goldfield     |                          |             |             |                             |              |            |                         |             |              |                            |              |              |
| SOFS          | 114.6                    | 6.0         | 21.9        | 17.0                        | 0.16         | 6.1        | 127.2                   | 4.7         | 19.1         | 194.2                      | 0.23         | 98.7         |
| Potchefstroom |                          |             |             |                             |              |            | 333.6                   | 7.1         | 75.8         | 250.0                      | 0.30         | 163.6        |
| Klerksdorp    |                          |             |             |                             |              |            | 85.1                    | 14.5        | 39.5         |                            |              |              |
| <b>Total</b>  | <b>114.6</b>             | <b>6.0</b>  | <b>21.9</b> | <b>17.0</b>                 | <b>0.16</b>  | <b>6.1</b> | <b>545.9</b>            | <b>7.7</b>  | <b>134.5</b> | <b>444.2</b>               | <b>0.27</b>  | <b>262.3</b> |

\*Mineral Resource and Reserve estimates are compliant with the NI-43-101 and SAMREC reporting codes