

---

## Wits Basin signs iron ore definitive purchase contract

Wednesday, 13 Aug, 2008

Wits Basin Precious Minerals Inc is pleased to announce the signing of purchase contracts for the acquisition of a producing iron ore mine, a separate, nearby drill indicated iron ore resource, and a processing plant located near Maanshan, Anhui Province in China.

The producing mine and the drill indicated resource total more than 94 million tonnes of magnetite iron ore. The processing plant is now producing up to 1,700 tonnes per day of iron ore concentrate that averages 62% total iron. All concentrate now being produced is sold directly to nearby steel mills at negotiated spot prices. Wits Basin is planning a staged increase in production.

The purchase price and terms materially conform to previously announced terms and conditions. The payments are subject to confirmation of permits and ore rights and other such ordinary and customary required due diligence rights.

In related news, Basin Precious has engaged Mr Loong Keat Tan, a former Rio Tinto mining executive on an exclusive, full time basis. Mr Tan served Rio Tinto for 21 years, serving as GM of world class projects including Hamersley Iron's Mount Tom Price Operations in Western Australia and Bougainville Copper Limited's mine in Papua New Guinea. He also served as head of Rio Tinto Asia's Hong Kong office and Rio Tinto's Beijing Representative Office.

Mr Stephen D King CEO of Wits Basin said that "Wits Basin continues to make significant progress in securing a project that is revenue producing and cash flow positive. We are excited to be moving to the next step in acquiring this China based iron ore business."

For more news visit at [www.steelguru.com](http://www.steelguru.com)