Press Release

29th July 2014

WEST AFRICAN SCOPING STUDY DELIVERS HIGH MARGIN, LOW CAPITAL COST STAGE 1 GOLD PROJECT

West African Resources Limited (ASX, TSXV: WAF) is pleased to announce the results of its technical and financial assessment of a heap leach starter project on its Mankarga 5 project, Burkina Faso. This assessment constituted an independently managed scoping study (Australian JORC Code term) and a preliminary economic assessment (Canadian NI 43-101 term) and is herein for convenience referred to solely as the "Scoping Study". It was prepared in accordance with the requirements of both the 2012 JORC Code and NI 43-101.

Highlights

Base case is stated on a pre-tax basis assuming 100% project at a gold price of $1,300/oz. All amounts are in US dollars unless otherwise stated.

- IRR of 57% with a 16 month payback on capital costs
- Free cash flow of $103 million after capital costs
- $NPV^{5\%}$ of $84 million
- Pre-production capital of $35 million plus working capital and contingency of $9 million
- Estimated average annual gold production of 59,400 ounces for first three years
- Estimated average annual gold production of 44,100 ounces for life of mine
- Current study mine life of 5.4 years
- Life of mine strip ratio 1:1
- Cash costs of $614/oz
- All-in sustaining cash costs of $685/oz (including cash costs, royalties, refining & sustaining capital)

Managing Director Richard Hyde said "The study has shown that Stage 1 of the development of Mankarga 5 has a very short payback, high internal rate of return and NPV two and a half times capital costs".

"The study marks an important milestone for us as we can now transition from explorer to a low capital cost developer, which is an excellent achievement only six months after acquiring the Mankarga 5 project."

Cautionary Statements

The Company advises the Scoping Study results and production targets reflected in this announcement are preliminary in nature as conclusions are drawn partly from Indicated Mineral Resources (77%) and Inferred Mineral Resources (23%).

The Scoping Study is based on lower-level technical and economic assessments, and is insufficient to support estimation of Ore Reserves or to provide assurance of an economic development case at this stage, or to provide certainty that the conclusions of the Scoping Study will be realised. There is a low level of geological confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

In discussing 'reasonable prospects for eventual economic extraction' in Clause 20, the Code requires an assessment (albeit preliminary) in respect of all matters likely to influence the prospect of economic extraction including the approximate mining parameters by the Competent Person. While a Scoping Study may provide the basis for that assessment, the Code does not require a Scoping Study to have been completed to report a Mineral Resource.

Scoping Studies are commonly the first economic evaluation of a project undertaken and may be based on a combination of directly gathered project data together with assumptions borrowed from similar deposits or operations to the case envisaged. They are also commonly used internally by companies for comparative and planning purposes. Reporting the general results of a Scoping Study needs to be undertaken with care to ensure there is no implication that Ore Reserves have been established or that economic development is assured. In this regard it may be appropriate to indicate the Mineral Resource inputs to the Scoping Study and the processes applied, but it is not appropriate to report the diluted tonnes and grade as if they were Ore Reserves.

While initial mining and processing cases may have been developed during a Scoping Study, it must not be used to allow an Ore Reserve to be developed.

Additional details will be provided in NI 43-101 technical report to be filed on SEDAR within 45 days.

Mankarga 5 – Positive Scoping Study Results

West African Resources Limited (ASX, TSXV: WAF) is pleased to announce the results of its technical and financial assessment of a heap leach starter project on its Mankarga 5 project, Burkina Faso. The Scoping Study evaluation was managed by engineering consulting firm Mintrex Pty Ltd based in Perth, Western Australia, with input from a range of specialist consultants, and was completed to ± 35% input cost estimate.

The scoping study assumes annual throughput of 1.6Mtpa, which is in line with the capacity of the second hand plant the Company purchased earlier in 2014 (ASX TSXV: 20/02/2014). The base case is stated assuming 100% project basis and a gold price of $1,300/oz. All amounts are in US dollars unless otherwise stated.

Table 1 - Economic Summary			
Pre-Tax (100%)	**$1100/oz**	**$1300/oz**	**$1500/oz**
NPV$^{0\%}$ ($M)	$58	$103	$145
NPV$^{5\%}$ ($M)	$45	$84	$119
IRR %	37%	57%	71%
Payback (Months)	25	16	12
After-Tax (90%*)	**$1100/oz**	**$1300/oz**	**$1500/oz**
NPV$^{0\%}$ ($M)	$47	$80	$111
NPV$^{5\%}$ ($M)	$35	$64	$90
IRR %	32%	49%	62%
Payback (Months)	26	18	14

* Allows for 10% free carried Government interest

This Scoping Study has demonstrated positive results for a starter project focussing on the oxide portion of the Mankarga 5 resource. **There is immediate potential to improve project economics by upgrading the existing resource incorporating the 14,000m drilled since April 2014, and from optimising the mining schedule further, focussing on processing higher grade ore in year one and two of the project.**

Potential Stage Two Sulphide Project: The Company believes that significant potential also exists to define additional sulphide resources proximal to the existing resource area. Recent metallurgical test work confirms sulphide mineralisation is non-refractory and amenable to conventional milling and CIL processing, with gold recoveries of up to 98.5% and averaging 93.8% in direct cyanidation test work (ASX TSXV: 9/7/2014). **The Company intends to conduct a Scoping Study into a Stage Two sulphide project in 2015.**

We also have a number of drill-ready targets in a short trucking distance from the starter project, which will be targeted with an aggressive drilling campaign following the current wet season later this year.

We intend to transition directly into Feasibility Studies on the low capital cost stage one project, expanding on the components of the Scoping Study. The Company has already received a number of proposals from reputable consulting firms for the Environment and Social Impact Assessment (ESIA) portion of the study, and we will appoint a Study Manager in the near future.

Scoping Study Details

The Scoping Study was managed by Mintrex Pty Ltd with additional input from a range of specialist mining consultants (Table 2). Mintrex has current experience in West Africa and has undertaken Scoping and Feasibility Studies on gold deposits in Burkina Faso and West Africa.

The Scoping Study was completed with a ±35% accuracy on operating and capital cost estimates.

Table 2 – Mining Consultants	
Consultant	**Study Item**
Mintrex	Study Manager, process plant design, capital and operating cost estimates
Ravensgate Mining	Mineral Resource Estimate
Crosscut Consulting	Mining studies, mining cost estimate
Aurifex Pty Ltd, ALS Metallurgy	Metallurgical test work

Tenure

West African Resources Ltd holds a 90% interest in the Tanlouka Permit, which hosts the Mankarga 5 Mineral Resource, the subject of this Scoping Study. The Company entered into an agreement in March 2014 to acquire the remaining 10% of the Tanlouka Permit (ASX, TSXV: 5/3/2014) which is conditional on completion of a positive feasibility within 18 months. The Tanlouka Permit (Arrêté No 2012- 000321/ MCE/SG/DGMG) was renewed in 2012 for a further three years. West African Resources Ltd intends to apply for a mining permit in the second half of 2014. The Burkina Faso Government has a right to a 10% free-carried interest in all mining projects. The payment of gross production royalties are payable for gold price ranges from <US$1000 (3%), $1000-1300 (4%) and >$1300 (5%) as defined by the Burkina Faso Mining Code.

Mineral Resources

The Mankarga 5 Mineral Resources estimate used for the Scoping Study was prepared by Ravensgate Mining Consultants and was reported in accordance with NI 43-101 standards and JORC (2012) guidelines. The Mankarga 5 Mineral Resource contains:

- Indicated Resource (at a 0.5g/t cut-off) estimated at 10.8 million tonnes grading 1.3g/t gold containing 437,000 ounces gold
- Inferred Resource (at a 0.5g/t cut-off) estimated at approximately 32.7 million tonnes grading 1.0 g/t gold containing 1,050,000 ounces gold
- 29% of the Mankarga 5 Deposit classified as Indicated and 77% of the oxide and transitional mineralisation classified as Indicated
- Near-surface oxide and transition Indicated Resources (at a 0.5 g/t cut-off) estimated at 6.6 million tonnes at a grade of 1.2g/t gold containing 252,000 ounces gold; remaining near-surface oxide and transitional Inferred Resources (at a 0.5 g/t cut-off) estimated at approximately 2.7 million tonnes grading 0.9 g/t gold containing 75,000 ounces gold

Table 3 - Mankarga5 April 2014 Resource									
	Cut-off (Au g/t)	Indicated Resource				Inferred Resource			
		Vol (m^3)	Tonnes	Grade (Au g/t)	Au Oz	Vol (m^3)	Tonnes	Grade (Au g/t)	Au Oz
Oxide	0.5	2,520,000	5,500,000	1.2	214,000	910,000	2,000,000	0.8	52,000
	1	1,210,000	2,700,000	1.7	145,000	160,000	400,000	1.5	17,000
Transitional	0.5	420,000	1,100,000	1.1	38,000	260,000	700,000	1.1	23,000
	1	180,000	500,000	1.6	23,000	70,000	200,000	2.2	13,000
Fresh	0.5	1,550,000	4,200,000	1.4	184,000	11,120,000	30,000,000	1.0	974,000
	1	970,000	2,600,000	1.7	146,000	4,020,000	10,800,000	1.5	538,000
Total	0.5	4,490,000	10,800,000	1.3	437,000	12,290,000	32,700,000	1.0	1,050,000
	1	2,360,000	5,700,000	1.7	315,000	4,250,000	11,400,000	1.6	568,000

The Mankarga 5 Mineral Resource was drilled using Reverse Circulation (RC), Aircore (AC) and Diamond drill holes (DD) on a nominal 100m x 25m grid spacing with infill on 50m spaced lines in several areas. A total of 116 AC holes (4601m) and 8 DD holes (1283.2m) were drilled by West African Resources (WAF) in 2013-2014. A total of 60 RC holes (7296.2m) and 71 DD holes (15439.6m) were drilled by Channel Resources (CHU) in 2010-2012. Holes were angled towards 120° or 300° magnetic at declinations of between -50° and -60°, to optimally intersect the mineralised zones.

The existing Mineral Resource is based on drilling data up until March 2014. The company has completed some 14,000m of drilling since this time, and intends to upgrade the resource during the December quarter 2014.

Further information on the resource estimate can be found in the NI 43-101 Technical Report on the Tanlouka Project located under the Company's profile on SEDAR (www.sedar.com) and on the Company's website.

Mining

The Scoping Study proposes the development of the Mankarga 5 deposit via conventional truck and excavator open pit mining methods, including drill and blast, load and haul, using mining contractors. The mine design was completed in Surpac based on modified Whittle optimisation shells derived from the Ravensgate resource model. Various mining rates were considered however the optimal result was achieved based on the assumption of the open pit being mined out over a 26 month period using a mining contractor and a 100 tonne hydraulic excavator. Mining is proposed to advance continuously with ore stockpiled according to gold grade and oxidation state. The final open pit footprint will be approximately 2,800m long by up to 300m wide and up to a maximum depth of 60 vertical metres.

Total material movement over the life of mine is estimated at 16.8Mt including 8.5Mt of ore for a 1:1 LOM strip ratio. Over 90% of the material is classified as oxide. Strongly oxidised material is expected to be free dig and paddock scale drill and blast, required for the remainder of the material.

Further improvement with regard to ore scheduling is expected to be made following the updated Mineral Resource estimate expected in the December quarter.

Processing

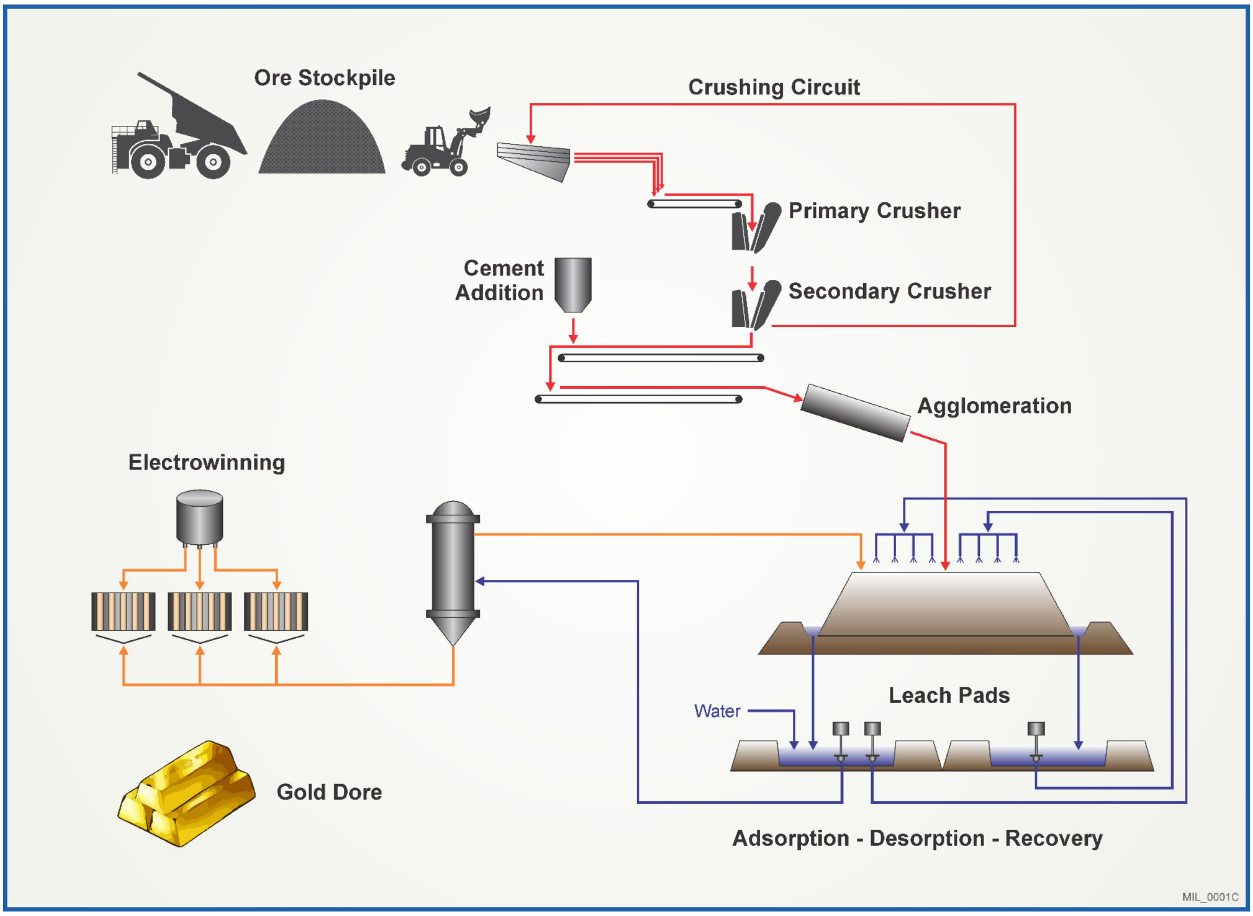
The Scoping Study assumes Mankarga 5 material will be processed by conventional heap leach processing with an initial production throughput of 1.6Mtpa. Test work completed to date confirms heap leach potential of oxide material with recoveries of up to 91.5% and averaging 82.5% returned in coarse feed size heap leach amenability cyanidation test work (ASX, TSXV: 09/05/2014). Test work also demonstrated low cyanide consumption of 0.3-0.4kg/t.

The process design proposes utilising existing plant and equipment purchased by West African earlier in 2014 with the installation of a new secondary crusher. The design proposes two stage crushing, cement addition and agglomeration, and overland conveying to heap leach pads. The pad area is designed with full plastic HDPE lining; conveyor stacking in three six metre lifts; and drip irrigation with dilute sodium cyanide solution. The adsorption plant is based on the purchase of new equipment which would be a modular design with gold recovery via elution, electrowinning and smelting to produce gold doré.

The relative proportion of plant feed over the LOM by Mineral Resource category is shown in Table 4 below.

Table 4 – Plant feed by resource category			
Plant Feed Mineral Resource Category	Tonnes (Mt)	Grade (g/t Au)	Contained Gold (Oz)
Indicated	6.5	1.10	231,000
Inferred	2.0	0.74	47,000

Figure 1 – Simplified Process Flow Sheet



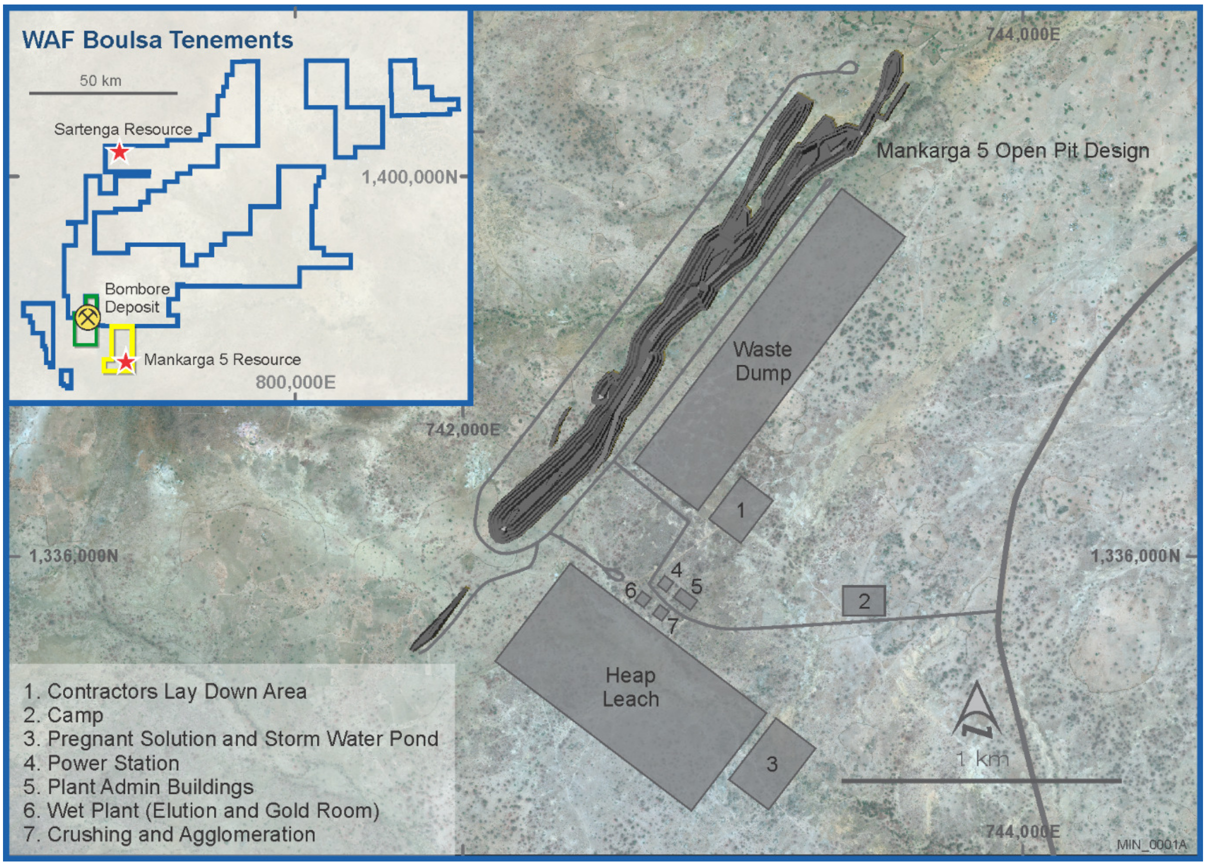
Infrastructure

There are no existing services currently available to support the proposed development of the Mankarga 5 heap leach project, as such the development project will require investment in a number of areas.

Site Development

The development plan proposes the plant ROM pad and primary crusher to be located approximately 600m from the northern side of the Heap Pad to minimise conveying distance from the agglomerate. The ADR, reagents, elution and gold room will be located close to the crushing and agglomeration area. Pregnant solution and storm water ponds will be located southeast of the heap utilising natural fall of the surface from northwest to southeast. Plant administration buildings will be located close to the crushing and agglomeration area. The study assumes that the mining contractor will be responsible for establishing all of the facilities required for all mining and maintenance.

Figure 2 – Project Location and Site Layout



Power Supply

The study proposes 3 x 750kW diesel-fired generators which will be modular and complete with acoustic enclosures and cooling systems. A Build Own Operate (BOO) contract will be adopted for the supply of this facility.

Operational Water Supply

The plants raw water will be supplied from a Water Storage Facility (WSF) which will be supplied from rain water runoff into nearby drainage system. It is intended to construct the WSF prior to the wet season to ensure sufficient water is stored when the plant goes into production. Potable water will be drawn from water bores.

Accommodation

The study proposes building a camp suitable to accommodate 65 personnel (with a financing agreement being used for provision of the camp) and assumes that the mining contractor will be responsible for the provision of their own camp.

Roads

The project area is located approximately 90km east southeast of the Capital Ouagadougou, and is accessed via bitumen highway (RN4) towards Koupela. Approximately 25km of existing dirt road will need to be upgraded from the town of Zempasgo to the proposed site. The development plan also accounts for general site access and haul roads.

Capital Costs

The capital cost estimate has been prepared to a level equivalent of a scoping study, and is presented in US dollars to an accuracy level of ± 35%. The pre-production capital cost for the heap leach starter project is $35.3M plus working capital of $2.8M and contingency of $5.7M, for a total pre-production capital cost of $43.9M. A summary of the capital cost estimate is presented below.

Table 5 - Capital Cost Estimate	
Cost Area	Total US$M
Process Plant	$21.6
Infrastructure	$6.1
Owner's Costs	$7.7
Capital Cost	**$35.3**
Working Capital	$2.8
Contingency	$5.7
Total Pre-production Capital	**$43.9**

A further $3.3M in sustaining capital costs are estimated over the LOM.

Operating Costs

Mine operating costs for processing, maintenance, mining and administration have been estimated for a number of sources including:

- First principle estimates
- Consumption rates as provided in the Process Design Criteria
- Mintrex database of costs for similar operations the West African region

The LOM total cash costs for the project are estimated to be $671/oz and a breakdown is presented below in Table 6.

Table 6 – LOM Operating Costs		
Operating Costs	US$/t ore (processed)	US$/Oz (produced)
Mining	$5.70	$206
Processing	$9.18	$332
G & A	$2.10	$76
Cash Operating Cost	**$16.98**	**$614**
Royalties	$1.58	$57
Total Cash Cost	**$18.56**	**$671**
Sustaining Capital	$0.39	$14
All-in sustaining Cash Cost	**$18.95**	**$685**

Sensitivity Analysis

Sensitivity analysis was completed on the Mankarga 5 starter project based on +/- 10% changes in capital cost, operating cost and gold price.

Table 7 - Project Sensitivity $NPV^{5\%}$ (Pre Tax)			
Item	**10%**	**0%**	**-10%**
Capital Costs ($M)	$80	$84	$88
Operating Costs ($M)	$71	$84	$96
Gold Price ($M)	$106	$84	$59

Work Program

This scoping study supports the development of a starter project focussing on the heap leachable, predominantly oxide portion of the Mankarga 5 Mineral Resource. West African will now be focussing on the upcoming Feasibility Study, which will expand upon the Scoping Study and target areas where there are opportunities to improve economics, including a resource upgrade incorporating the 14,000m drilled since the April resource estimate.

The Company has recently completed detailed auger drilling over the entire Tanlouka Permit (16,000m), results from which will be reviewed over the current wet season. Drilling will commence in earnest following the current wet season targeting high priority prospects, and following up significant historic results outside the current resource area.

Our focus since completing the merger with Channel Resources in January 2014 has been on improving the Mankarga 5 Mineral Resource and demonstrating that a stand-alone project is a viable proposition. We can now focus on adding additional near-surface resources by following up targets at historic prospects including Mankarga 1 - 4 and tackling untested targets at Manesse and Tanwaka, in addition to existing targets at Goudre and Moktedu. The proposed project development schedule for Mankarga 5 is shown below.

Timeline of Key Deliverables for the Mankarga 5 Project								
	2014				2015			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Drilling								
Resource upgrade	✓			•				
Scoping Study Heap Leach (Stage 1)			✓					
Metallurgical Tests		✓		•				
Feasibility Study				•				
Permitting					•			
Scoping Study CIL (Stage 2)						•		
Construction								•
Production								•

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Competent Person's Statement

Information in this announcement that relates to mineral resources is based on, and fairly represents, information and supporting documentation prepared by Mr Don Maclean, a consultant of Ravensgate Mineral Industry Consultants, an independent consultancy group specialising in mineral resource estimation, evaluation and exploration. Mr Don Maclean is a Member of the Australian Institute of Geoscientists and a Registered Professional Geologist (Exploration and Mining). Mr Maclean has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Maclean has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to exploration results and exploration targets is based on, and fairly represents, information and supporting documentation prepared by Mr Richard Hyde, a Director, who is a Member of The Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Hyde has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or "CP") as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Hyde has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Regulatory Disclaimer and Related Information

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. This announcement has been prepared in compliance with the JORC Code 2012 Edition, the ASX Listing Rules and Canadian National Instrument 43-101 (*Disclosure Standards for Mineral Projects*). The information relating to the historic Mankarga 5 Mineral Resource Estimate is extracted from Channel's NI43-101 report dated August 17, 2012 and is available to view on www.westafricanresources.com and on profile of Channel Resources Ltd (now a subsidiary of the Company) on www.sedar.com .

Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including information relating to West African's future financial or operating performance may be deemed "forward looking". All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. In the case of West African, these facts include their anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralization that will be encountered if a mineral property is developed.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including, without limitation: exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in West African's ability to obtain funding; gold price fluctuations; recent market events and conditions; risks related to the uncertainty of mineral resource calculations and the inclusion of inferred mineral resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licenses and permits; risks related to their business being subject to environmental laws and regulations; risks related to their mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to their directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect West African's forward-looking information. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information.

West African's forward-looking information is based on the reasonable beliefs, expectations and opinions of their respective management on the date the statements are made and West African does not assume any obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to West African, please refer to West African's financial statements and related MD&A, all of which are filed on SEDAR at www.sedar.com.