

## DECEMBER 2020 QUARTERLY REPORT

### Key points

- Continuous operations were maintained during Q4 with sound management of COVID-19
- No significant social, health or safety incidents, over 5 million hours worked LTI free
- Gold production increased by 10% to 50,299 ounces at an all-in sustaining cost of US\$992/oz
- Unhedged gold sales of 51,688 ounces, at an average price of US\$1,923/ounce
- Underground mined ounces up by 184% with stopes being mined at M1 South underground
- A\$95m cash on hand, and A\$54m cash generated from operating activities
- Notional net debt decreased by US\$23 million to US\$101 million
- Early US\$25m debt repayment
- M1 South deep drilling has extended the depth of known mineralisation to +900m below surface
- Next quarter objectives:
  - Maintain continuous operations, continue to increase gold production, and reduce per-ounce costs
  - Report updated Resources and Reserves Estimates, 2021 costs and production guidance, and Sanbrado life-of-mine production profile
  - Continue drilling campaign for Toega feasibility study

West African Executive Chairman and CEO Richard Hyde commented:

*“The Sanbrado mine continued the ramp-up during Q4 2020 with high grade underground ore tonnages building, increasing production to over 50,000oz of gold poured for the quarter.*

*WAF generated A\$54m of operating cash flow for the quarter and made an early US\$25m debt repayment.*

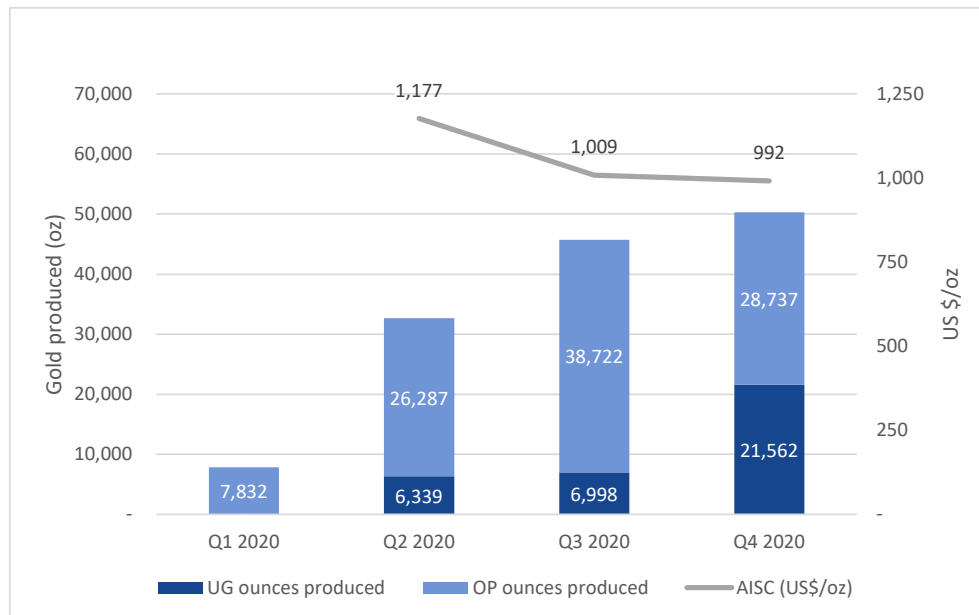
*High grade mineralisation was extended along strike at more than 900 vertical metres with 6.5m at 16.1 g/t gold and 6m at 20.6 g/t gold returned from deep drilling, confirming the strong vertical continuity of the M1 South deposit.*

*Reporting of resources, reserves, and the updated life of mine production profile for Sanbrado is on-track to be released in Q1 2021.”*

## Overview

Unhedged gold mining company West African Resources Limited (ASX: WAF) is pleased to present its activity report for the quarter ended 31 December 2020 (Q4). Production is from the Company's 90% owned Sanbrado Gold Operations (Sanbrado), Burkina Faso.

Sanbrado's ramp-up progressed in Q4 with gold produced up 10% to 50,299 ounces and mined ounces up 11%. The all-in sustaining cost (AISC) per ounce decreased from US\$1,009 to US\$992/oz while the gold sales price averaged US\$1,923/oz. Lower open pit mined ounces were offset with more ounces from underground mining, while 276kt of open pit ore was stockpiled on the ROM during the quarter.



## Operations review

### Health and safety

There were no significant health or safety incidents during the quarter. Sanbrado achieved 5 million manhours worked in Q4 and the operation has now been LTI free for 21 months.

### COVID-19

Continuous mining and milling operations were maintained at Sanbrado during Q4, and management has implemented measures to manage COVID-19 risks for the foreseeable future.

The COVID situation worsened in Burkina Faso during Q4 with an increase in the number of daily infections in the country. The Company has responded by increasing its vigilance in following health guidelines related to hygiene, masks, testing, monitoring, and isolation for staff, contractors, and site visitors. Additionally, the Social Responsibility team increased its efforts in working with the local host communities to provide education and training aimed at minimising the spread of COVID-19.

Freight continued arriving onto site as expected during the quarter, with no notable interruption in the delivery of key consumables. The booking of international flights continues to be challenging due to COVID-19 airline and government protocols, however WAF has been successful in providing regular rotations for expatriates to their point of hire for rest-break periods, and work rosters have been adjusted to provide for isolation requirements within certain countries.

<b>SANBRADO PHYSICALS</b>	<b>Unit</b>	<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>YTD 2020</b>
<b>OP mining</b>						
Total movement	BCM '000	1,414	2,376	2,459	<b>2,659</b>	8,909
Total movement	kt	2,933	5,600	6,209	<b>6,673</b>	31,415
Strip ratio	w:o	5.4	6.3	3.9	<b>5.7</b>	5.1
Ore mined	kt	458	769	1,264	<b>1,003</b>	3,494
Mined grade	g/t	1.2	1.2	1.3	<b>1.3</b>	1.3
Contained gold	oz	18,162	28,799	53,112	<b>45,730</b>	145,803
<b>UG mining</b>						
Ore mined	kt	3	27	23	<b>67</b>	119
Mined grade	g/t	15.7	7.9	10.7	<b>10.3</b>	10.0
Contained gold	oz	1,629	6,725	7,787	<b>22,091</b>	38,232
<b>Processing</b>						
Ore milled	kt	200	737	894	<b>785</b>	2,616
Head grade	g/t	1.3	1.5	1.7	<b>2.1</b>	1.7
Recovery	%	91.9%	92.0%	93.3%	<b>94.5%</b>	93.4%
Gold produced	oz	7,832	32,626	45,719	<b>50,299</b>	136,476
Gold poured	oz	4,779	33,028	45,338	<b>50,389</b>	133,534
Gold sold	oz	-	22,221	44,184	<b>51,688</b>	118,093
<b>Ore stockpiles</b>						
Stockpile ore	kt	270	329	722	<b>999</b>	
Stockpile grade	g/t	1.3	1.1	1.0	<b>1.2</b>	
Stockpile contained gold	oz	11,117	11,193	23,392	<b>37,814</b>	

<b>FINANCIAL SUMMARY (A\$'000)</b>		<b>Q1 2020</b>	<b>Q2 2020</b>	<b>Q3 2020</b>	<b>Q4 2020</b>	<b>YTD 2020</b>
Gold revenue		-	58,570	115,413	135,873	309,856
OP mining cost		-	12,534	21,422	21,561	55,517
UG mining cost		-	3,137	2,874	6,202	12,213
Processing cost		-	8,038	10,893	13,737	32,668
Site administration cost		-	4,822	7,231	8,085	20,137
Change in inventory		-	(1,923)	(5,324)	(8,103)	(15,350)
Royalties & production taxes		-	3,517	8,833	8,134	20,483
Refining and by-product		-	190	240	(0)	430
<b>Adjusted operating cost</b>		-	<b>30,314</b>	<b>46,169</b>	<b>49,614</b>	<b>126,098</b>
Rehabilitation		-	89	273	305	667
Capital development <sup>1</sup>		-	3,903	8,709	12,113	24,724
Sustaining capex		-	1,999	4,755	4,772	11,526
Sustaining leases		-	1,193	645	1,103	2,941
Corporate & share-based payments		1,193	2,310	1,767	2,187	7,457
<b>All-in sustaining cost</b>		<b>1,193</b>	<b>39,809</b>	<b>62,317</b>	<b>70,094</b>	<b>173,413</b>
Exploration non-sustaining		503	16,928	551	668	18,649
<b>All-in cost</b>		<b>1,696</b>	<b>56,737</b>	<b>62,868</b>	<b>71,035</b>	<b>192,336</b>
<b>Unit cost summary <sup>2</sup></b>	<b>Unit</b>					
Adjusted operating cost	A\$/oz	-	1,364	1,045	960	1,068
All-in sustaining cost	A\$/oz	-	1,792	1,410	1,356	1,468
All-in cost	A\$/oz	-	2,553	1,423	1,369	1,626
Average sales price	A\$/oz	-	2,636	2,612	2,629	2,624
Average FX rate used	A\$/US\$	-	0.6570	0.7151	0.7314	0.6907
Adjusted operating cost	US\$/oz	-	896	747	702	738
All-in sustaining cost	US\$/oz	-	1,177	1,009	992	1,014
All-in cost	US\$/oz	-	1,678	1,017	1,001	1,123
Average sales price	US\$/oz	-	1,732	1,868	1,923	1,812
<b>Cash, bullion, and borrowings at quarter end</b>						
Cash and cash equivalents	US\$m	49.7	57.4	73.5	73.1	
Bullion awaiting settlement	US\$m	7.9	8.2	12.3	10.4	
Project debt facility	US\$m	(200.0)	(200.0)	(200.0)	(175.0)	
Supplier loan facility	US\$m	(8.3)	(9.8)	(9.9)	(9.5)	
Notional net debt	US\$m	(150.7)	(144.2)	(124.1)	(101.0)	
Price used for bullion awaiting settlement		US\$1,700	US\$1,750	US\$1,850	US\$1,891	

Table notes:

1 Capital development includes underground capital development, open pit stripping, and capitalised reserve extension drilling.

2 'Adjusted operating cost', 'all-in sustaining cost' (AISC), and 'all-in cost' are performance metrics recommended by the World Gold Council and are calculated by ounce of gold sold.

**Underground mining**

Underground mined ounces were 184% above the previous quarter with the first stopes being mined from the M1 South underground. During the quarter 695m of underground development was completed versus 679m in the previous quarter. At quarter-end, the M1 South decline was 297m below surface.

Stoping from underground commenced at the end of the previous quarter and occurred in additional mineralised zones identified outside of the previous mine plan. Several of such mineralised zones are expected to come into the Ore Reserve Estimate as part of the update that is currently being completed.

The underground production crews saw efficiency improvements in stope mining over the course of Q4 as they obtained experience with the ore body. Further efficiency gains are expected from the introduction of RC drilling in Q2 2021 for grade control and better definition of the mineralised zones. The introduction RC drilling will provide greater density of data, improved precision and timeliness of grade control data for stope designs that will avoid delays caused by the reliance on diamond drilling and sludge drilling for ore zone definition. Also, the impact of COVID-19 on the underground contractor's shift changes and site manning levels in previous quarters was addressed during Q4 with an increase in underground contractor manning levels for the key affected positions.

**Open pit mining**

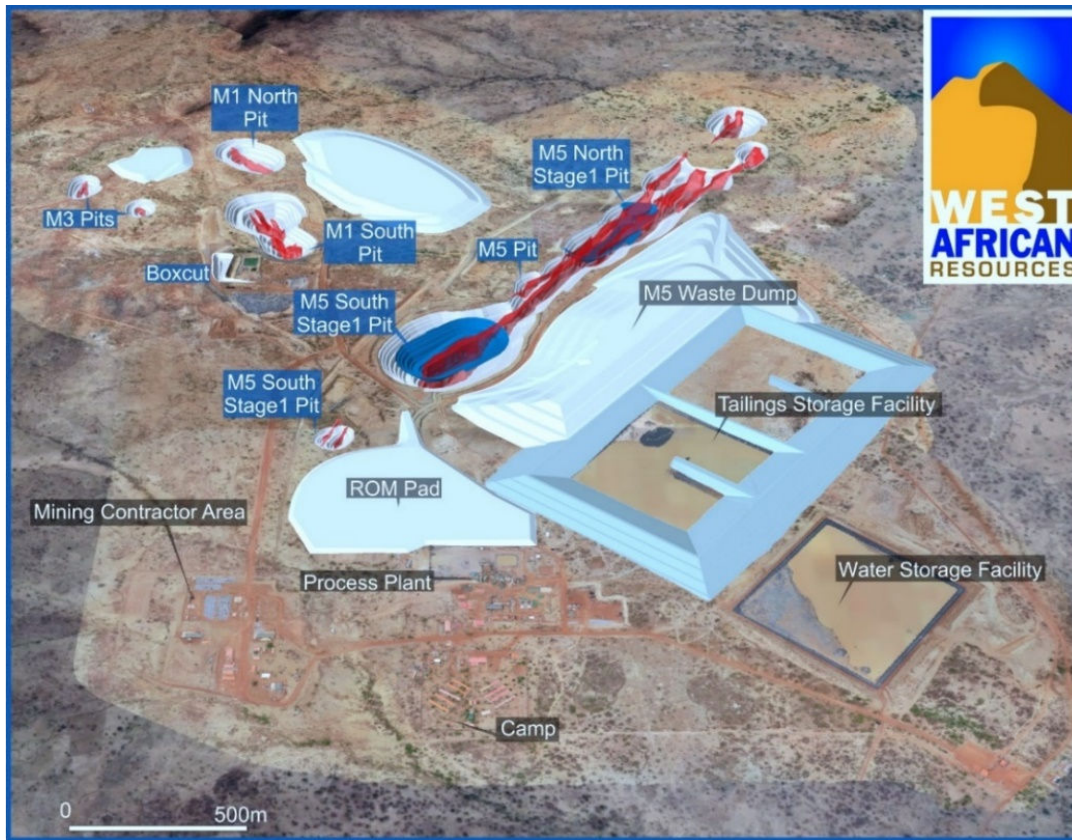
Total tonnes mined from open pits was 7% above the previous quarter with a higher waste-to-ore strip ratio resulting in 21% less ore tonnes. The grade of the open pit ore, however was 9% higher than the previous quarter and the quantity was more than adequate for mill feed, with stockpiles from open pit mining increasing by 38% in the quarter to 999kt.

Open pit mining during the quarter continued at the M5 South, M5 North and M1 South pits and commenced at the M1 North pit (refer to Figure 1). Construction of the second cell of the tailings storage facility (TSF) utilised waste material from the M5 pit. With substantial ROM stocks in place, the rate of open pit mining is being optimised with the aim of lowering costs and improving cash flows.

**Processing**

The process plant continued its steady performance. Gold produced in Q4 was 50,299 ounces, a 10% increase on the previous quarter, from 785kt of ore with a head grade of 2.1 g/t and recovery of 94.5%. Mill throughput was 12% below the previous quarter with harder fresh ore comprising more of the feed blend. The 24% higher milled Au grade mainly reflects a higher proportion of mill feed sourced from the M1 South ore body.

Figure 1: Sanbrado Gold Operation Layout



## Financial and corporate review

### Financial

The AISC per ounce continued its downtrend in Q4 to US\$992/oz mainly due to the increase in gold ounces produced versus the previous quarter, but partially offset by an increase in the all-in sustaining costs. Gold ounces sold in Q4 increased by 17% on the previous quarter to 51,688 ounces at an average price of US\$1,923 per ounce, and the Company remains unhedged. Notional net debt measured in USD decreased by US\$23m in Q4 to be US\$101m at the end of the year.

All-in sustaining costs in Q4 increased by 12% versus the previous quarter from A\$62m to A\$70m, mainly due to increases in underground mining costs and capital development expenditure, plus the accrual of annual staff performance related awards. The increase in underground mining costs reflects a full quarter of stope mining that commenced near the end of the previous quarter coupled with increased manning levels to maintain productivity due to COVID-19. The increase in capital development in the quarter was mainly due to continued underground decline development and deep exploration drilling at M1 South, and open pit waste stripping. Sustaining capex of A\$4.8m during the quarter relates to construction of the second cell of the tailings storage facility.

WAF ended Q4 in a healthy financial position with A\$95m cash on hand and strong cash generation from operating activities. Cash from operating activities was A\$54m during the quarter, cash used in investing

activities was A\$18m, and cash used in financing activities was A\$44 million, which included a US\$25m early debt repayment to Taurus.

### Corporate

During the quarter WAF completed a special grant of performance rights under the Company's Incentive Option and Performance Rights Plan to Executive Directors and other key management personnel who were directly involved in the discovery, development, and operation of the Sanbrado Gold Project (refer to announcement of 16 November 2020). The grant to the Executive Directors was approved at a General Meeting of Shareholders held on 17 December 2020.

## Growth

### M1 South Deep Drilling

Deep drilling at the M1 South Deposit has further intercepted high-grade gold and has extended the depth of known mineralisation greater than 900m below surface, and more than 400m below the current underground Ore Reserve (Figure 1 and Photo 1). Drill hole TAN20-DD238 has closed off high grade mineralisation on the north-western boundary of mineralisation at approximately 600m below surface. Drill holes TAN20-DD237 and TAN20-DD239 have extended mineralisation 40m and 80m, respectively, to the northwest of TAN20-DD235 at more than 900m vertical. After the end of the quarter TAN20-DD240 closed off mineralisation to the southeast and TAN20-DD241 intercepted one metre of mineralisation grading 33.9 g/t gold from 1106m. The M1 South resource update is currently being completed now that the final drilling results have been received.

Recent drilling results beneath the M1 South Probable Ore Reserve include;

- TAN20-DD237: 6.5m at 16.1 g/t gold from 1230m including;
  - 0.5m at 124 g/t gold from 1236m
- TAN20-DD238: 4.5m at 2.1 g/t gold from 831.5m including;
  - 0.5m at 9 g/t from 853m
- TAN20-DD239: 6m at 20.6 g/t gold from 1211.5m including;
  - 0.5m at 167 g/t gold from 1214.5m
- TAN20-DD240: No significant values
- TAN20-DD241: 1m at 33.9 g/t gold from 1106m

New drilling has reinforced WAF's geological model for M1 South and confirmed the predictable geometry of the main high-grade gold zone more than 900m below surface. A summary of previously reported drilling intercepts beneath the M1 South Probable Ore Reserve is presented below;

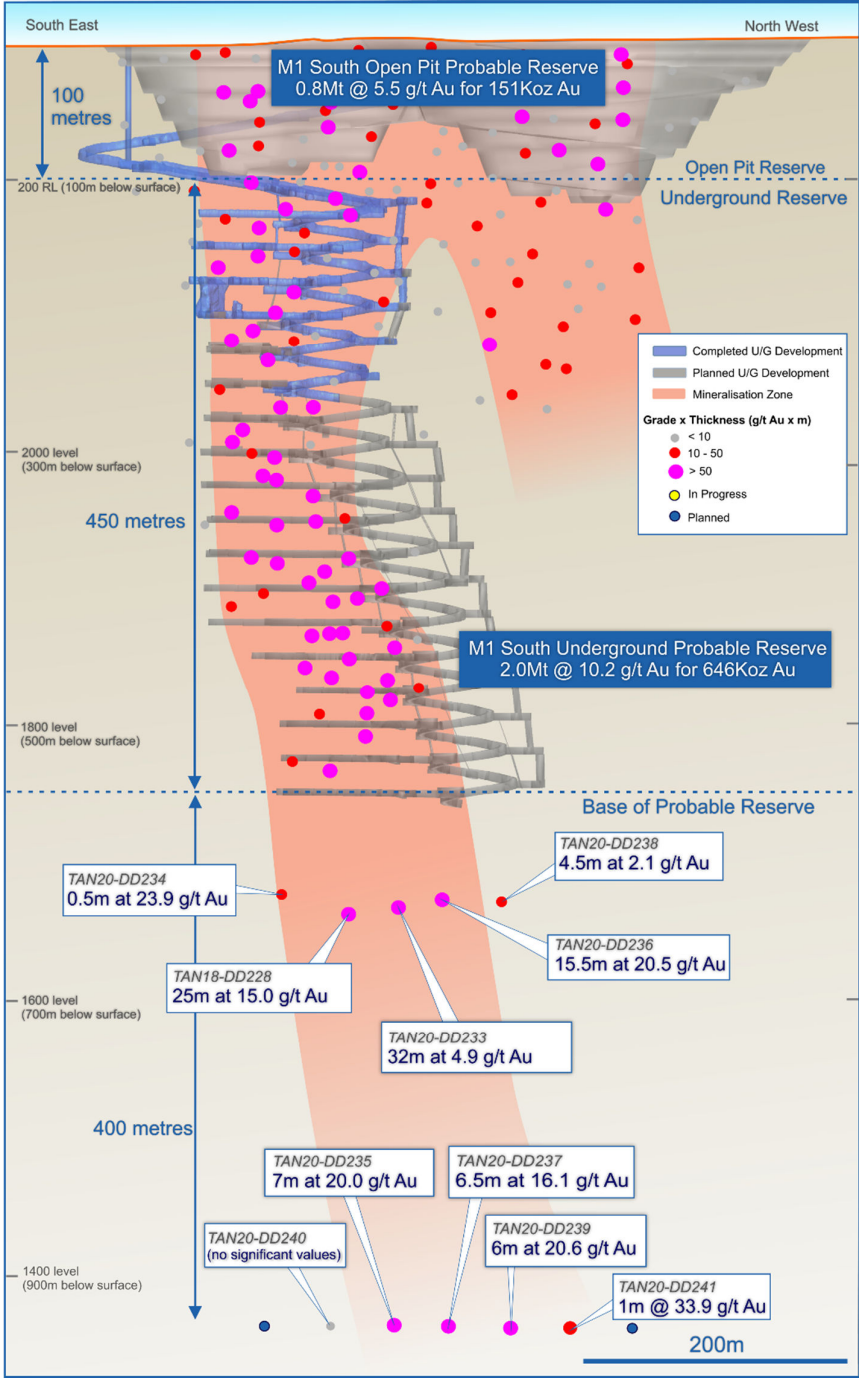
- TAN18-DD228: 25m at 15 g/t gold from 862m including;
  - 5.5m at 40.4 g/t gold from 863.5m
- TAN20-DD233: 32m at 4.9 g/t gold from 854.5m including;
  - 4m at 14.3 g/t gold from 856.5m and,
  - 4.5m at 18.7 g/t gold from 883m
- TAN20-DD234: 0.5m at 23.9 g/t gold from 842.5m
- TAN20-DD235: 7m at 20 g/t gold from 1238m including;
  - 1m at 71.8 g/t gold from 1238m

- TAN20-DD236: 15.5m at 20.5 g/t gold from 852m including;
  - 5m at 52.2 g/t gold from 854m and,
  - 4m at 10.4 g/t gold from 863.5m

Reporting of resources, reserves, and the updated life of mine production profile for Sanbrado is on-track to be released in Q1 2021.

A long section and summary of all results beneath the ore reserves at M1 South are presented below in Figure 2 and Table 1.

Figure 2: M1 South Long-section





Toega

Background

In April 2020 WAF announced it had signed a definitive agreement to acquire 100% of the 1.1 Moz Au Toega gold deposit from B2Gold Corp (B2Gold) and their partner GAMS-Mining F&I Ltd (GAMS) (ASX: 29/4/2020). Toega is located 14km southwest of the Sanbrado mine site (Figure 4). WAF is currently undertaking a feasibility study of Toega aimed at adding the Toega material into the Sanbrado mill feed within three years. It is anticipated that Toega material will partially displace lower grade ore from the M5 open-pit after the higher grade in the early years of the operation, potentially increasing the Sanbrado production profile and extending the mine life past 10 years.

Feasibility study progress

WAF continued feasibility study activities and permitting work during Q4. The refurbishment of the exploration camp and installation of a new fuel storage facility at the Toega site was also completed during the quarter. Feasibility drilling commenced during the quarter with the initial focus on geotechnical and metallurgical samples, which will be followed by in-fill drilling to increase the confidence level of the resource.

Figure 3: Toega Deposit Long-section

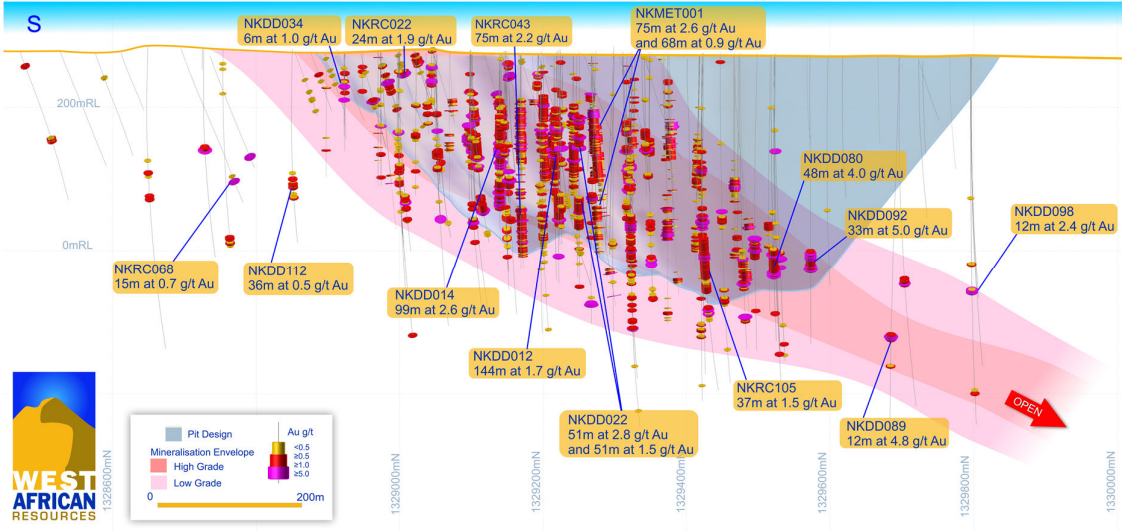
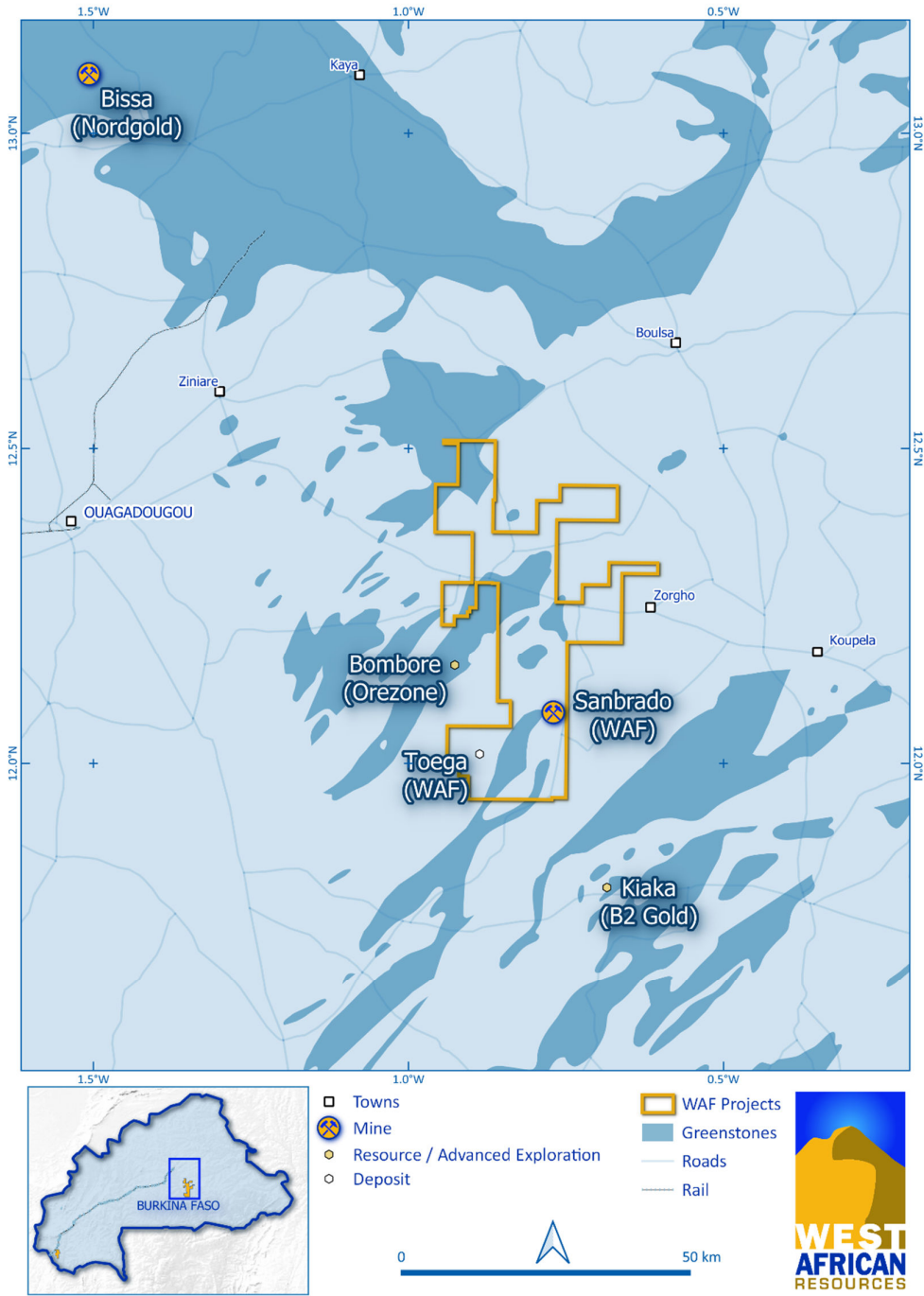


Figure 4: Sanbrado Regional Location Plan



**Environmental and social responsibility**

WAF acknowledges its responsibility to minimise adverse environmental impacts and contribute to sustainable community development. Its approach to environmental management is founded on having a thorough understanding of where it operates, and in assessing and managing risks across all stages of operations in consultation with host communities. WAF’s key ongoing environmental and social management activities include:

- Implementing a robust Environmental and Social Management System aligned with ISO 14001 and ISO 45001.
- Commissioning a comprehensive review of the Sanbrado Project against the IFC Environmental and Social Performance Standards and actively implementing outcomes of the review.

### Environmental

Ongoing environmental management activities include:

- Maintaining an ongoing environmental monitoring program to ensure compliance with environmental obligations and commitments.
- Providing opportunities for host communities and wider stakeholders to provide feedback on performance through a Grievance Redress Mechanism, accessible to all members of the public.

The environmental management activity areas for the quarter included:

- Quality and availability of community water supplies
- Water flow of natural river systems
- Dust and air pollution
- Vegetation programs
- Acid rock drainage controls
- Hazardous materials handling
- Garbage and waste disposal

There were no significant environmental incidents in the quarter.

### Social responsibility

WAF's social commitments focus on the key areas of:

- Equitable employment opportunities in skilled and labour positions with an emphasis on local procurement.
- Payment of taxes and royalties to help national and local economic development.
- Social investment initiatives, including:
  - Installation of arsenic extraction units on new water wells to provide drinking water to acceptable standards.
  - Supporting local youth in achieving different trades and driving qualifications.
  - Financial training and facilitating microfinance projects offered to men and women in resettlement communities.
  - Programs and initiatives centered around health and wellbeing, including donation of personal protective equipment and hand sanitizer in the fight against Covid-19, donation of medical equipment to national and local health care centres.
  - Agricultural initiatives to improve yield, crop diversity and to extend growing season.

The community relations activity areas for the quarter included:

- Livelihood programs
- Literacy and health
- Construction and maintenance of facilities related to health, education, livelihood, and regional infrastructure
- Cultural heritage

- Grievance management
- Workforce recruitment and supply procurement



Hand over of two new water wells



Distribution of feed for livestock



Inauguration of the medical centre of Pousguin



New medical centre of Pousguin



Official ceremony to hand over the police station



New police station



Livestock vaccination yard



Multifunctional platform

This announcement was authorised for release by Mr Richard Hyde, Executive Chairman and CEO.

Further information is available at [www.westafricanresources.com](http://www.westafricanresources.com)

**For further information, contact:**

Richard Hyde  
Executive Chairman and CEO  
Ph: 08 9481 7344  
Email: [info@westafricanresources.com](mailto:info@westafricanresources.com)

Nathan Ryan  
Investor Relations  
Ph: 0420 582 887

**Summary of Tenements in Burkina Faso as at 31 December 2020**

Summary of Tenements in Burkina Faso								
Tenement Name	Registered Holder	% Held	Tenement Number	Grant Date	Expiry Date	Tenement Type	Tenement Area km2	Geographical Location
Goudré <sup>1</sup>	Wura Resources Pty Ltd SARL	100%	No 2018-186/MMC/SG/DGCM	05/09/2018	23/03/2021	EL	175	Ganzourgou Province
Damongto <sup>2</sup>	Wura Resources Pty Ltd SARL	100%	No 2018-184/MMC/SG/DGCM	05/09/2018	1/03/2021	EL	26	Ganzourgou Province
Manessé II	Tanlouka SARL	100%	N2020-254/MMC/SG/DGCM	13/11/2020	12/11/2023	EL	86.87	Ganzourgou Province
Bollé <sup>1</sup>	Wura Resources Pty Ltd SARL	100%	No 17 – 223//MMC/SG/DGCM	21/11/2017	20/11/2020	EL	205.5	Ganzourgou Province
Zam Sud <sup>2</sup>	Wura Resources Pty Ltd SARL	100%	No 2018-183/MMC/SG/DGCM	05/09/2018	01/03/2021	EL	17.46	Ganzourgou Province
Diakora <sup>1</sup>	Jean Donessoune	100%	No 2017-140/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	58.66	Comoe Province
Dounougou <sup>1</sup>	Jean Donessoune	100%	No 2017-139/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	132.57	Comoe Province
Tieradeni I <sup>1</sup>	Jean Donessoune	100%	No 2017-138/MMC/SG/DGCM	07/09/2017	06/09/2020	EL	141.5	Comoe Province
Nakomgo <sup>1</sup>	Kiaka Gold SARL	100%	No 2017-179/MMC/SG/DGCM	24/10/2017	23/10/2020	EL	249.19	Bazega and Ganzourgou Provinces
Mankarga V3	Jacques Teegawëndé Zongo	100%	No 2020-170/MMC/SG/DGCM	16/07/2020	15/07/2023	EL	52.595	Ganzourgou Province
Sanbrado	Somisa SA (SOCIETE DES MINES DE SANBRADO SA)	90%	Décret No 2017 – 104/PRES/PM/MEMC /MINEFID/MEEVCC Arrêté No 2018-139/MMC/SG/DGCM	13/03/2017	12/03/2024	ML	25.9	Ganzourgou Province

1 Permit under renewal  
2 Permit relinquished

**Qualified/Competent Person's Statement**

Information in this announcement that relates to exploration results, exploration targets or mineral resources is based on, and fairly represents, information and supporting documentation prepared by Mr Brian Wolfe, an independent consultant specialising in mineral resource estimation, evaluation, and exploration. Mr Wolfe is a Member of the Australian Institute of Geoscientists. Mr Wolfe 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 Wolfe 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 open pit ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Cruickshanks, a fulltime employee of the Company. Mr Cruickshanks is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Cruickshanks 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 Cruickshanks 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 underground ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Wade, an independent specialist mining consultant. Mr Wade is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Wade 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 Wade 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.

Any other information in this announcement that relates to exploration results, exploration targets or mineral resources is based on information compiled 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 CP as defined in JORC Code and a QP under National Instrument 43-101. Mr Hyde has reviewed and approved the scientific and technical information and contents of this presentation, and consents to the inclusion in this presentation of the statements based on his information in the form and context in which they appear.

### **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 that 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 Resources Ltd, these facts include their anticipated operations in future periods, the expected enhancement to project economics following optimisation studies, planned exploration and development of its properties including project development commencing in Q4 2018 with an 18 month construction schedule, and plans related to its business and other matters that may occur in the future, including the availability of future funding for the development of the project. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource and ore reserve estimates may also be deemed to constitute forward-looking information to the extent that they involve estimates of the mineralisation that will be encountered if a mineral property is developed.

As well, all of the results of the feasibility study constitute forward-looking information, including estimates of internal rates of return, net present value, future production, estimates of cash cost, assumed long term price for gold, proposed mining plans and methods, mine life estimates, cashflow forecasts, metal recoveries, and estimates of capital and operating costs. Furthermore, with respect to this specific forward-looking information concerning the development of the Sanbrado Gold Project, the company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others:

- i. the adequacy of infrastructure;
- ii. unforeseen changes in geological characteristics;
- iii. metallurgical characteristics of the mineralization;
- iv. the price of gold;
- v. the availability of equipment and facilities necessary to complete development and commence operations;
- vi. the cost of consumables and mining and processing equipment;
- vii. unforeseen technological and engineering problems;
- viii. accidents or acts of sabotage or terrorism;
- ix. currency fluctuations;
- x. changes in laws or regulations;
- xi. the availability and productivity of skilled labour;
- xii. the regulation of the mining industry by various governmental agencies; and
- xiii. political factors.

This release also contains references to estimates of Mineral Resources and Mineral Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability. The accuracy of any such estimates is a function of the quantity and quality of available data, and of the assumptions made and judgments used in engineering and geological interpretation (including estimated future production from the project, the anticipated tonnages and grades that will be mined and the estimated level of recovery that will be realized), which may prove to be unreliable and depend, to a certain extent, upon the analysis of drilling results and statistical inferences that may ultimately prove to be inaccurate. Mineral Resource estimates may have to be re-estimated based on:

- i. fluctuations in gold price;
- ii. results of drilling;
- iii. metallurgical testing and other studies;
- iv. proposed mining operations, including dilution;
- v. the evaluation of mine plans subsequent to the date of any estimates; and
- vi. the possible failure to receive, or changes in, required permits, approvals and licenses.

Mineral Reserves are also disclosed in this release. Mineral Reserves are those portions of Mineral Resources that have demonstrated economic viability after taking into account all mining factors. Mineral Reserves may, in the future, cease to be a Mineral Reserve if economic viability can no longer be demonstrated because of, among other things, adverse changes in commodity prices, changes in law or regulation or changes to mine plans. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

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 materialise, 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 other filings all of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Production Targets**

The information and production target presented in this announcement is based on a feasibility study for the Sanbrado Gold Project, Burkina Faso ("Feasibility Study").

The Company has concluded that it has a reasonable basis for providing the forward-looking statements (including the production targets) included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and all material assumptions, including the JORC modifying factors, upon which the forecast financial information is based were disclosed in the ASX announcement on 16 April 2019. This announcement has been prepared in accordance with the JORC Code (2012) and the ASX Listing Rules.

100% of the production target referred to in this announcement is based on Probable Reserves category.

The stated production target is based on the Company's current expectations of future results or events and should not be relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish further confidence that this target will be met.



**Toega Deposit - Foreign Estimates – clarifying statements as required by ASX Listing Rule 5.12**

The estimates of Mineral Resources for Toega deposit are qualifying foreign estimates under the ASX Listing Rules reported in accordance with the National Instrument 43-101 (NI 43-101) by B2Gold and filed on SEDAR ([www.sedar.com](http://www.sedar.com)) on 22 February 2018.

The categories of Mineral Resource classification used are in accordance with NI 43-101 and the CIM Standards. NI 43-101 is a 'qualifying foreign estimate' (Chapter 19, ASX Listing Rules) and has similar categories of resource classification as the JORC Code (Appendix 5A, ASX Listing Rules).

West African considers these estimates to be both material and relevant to West African given that Toega has the potential to be a material mining project to West African.

In accordance with NI 43-101 and CIM Standards, Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of Mineral Resources will be converted to Mineral Reserves. Additional drilling will be required to verify geological and mineralisation continuity, and there is no certainty that all of the Inferred Resources will be converted to Measured and Indicated Resources. Quantity and grades are estimates and are rounded to reflect that the estimates are an approximation.

West African has experience in developing similar deposits to Toega. West African's key technical and operational personnel conducted a site visit as part of the due diligence process. B2 Gold provided information on Mineral Resources and Metallurgical Test Work for West African to review.

West African believes that the information provided is the most recent publicly available information on Toega. Following completion of Stage One of the transaction it is West African's intention to conduct a work program, including additional exploration and resource definition drilling, resource optimisation for a potential open pit mining scenarios and feasibility studies to define the high value optimum plan for potential conversion of the Mineral Resource to Ore Reserves. This is anticipated to be completed within two years and will be funded using internal cash reserves.

**Cautionary statement Toega Deposit**

The estimates of Mineral Resources for the Toega deposit are qualifying foreign estimates under the ASX Listing Rules and are not reported in accordance with the JORC Code. Competent persons have not done sufficient work to classify the qualifying foreign estimates as Mineral Resources in accordance with the JORC Code. It is uncertain, that following evaluation and further exploration, the foreign estimates will be able to be reported as Mineral Resources in accordance with the JORC code. The financial metrics used to determine the reporting limits of the Mineral Resources were compiled by B2 Gold and may not be applicable to West African Resources. The B2Gold financial assumptions should not be relied upon as they were based on the assumptions made by B2Gold at the time they were reported and do not apply to WAF.

**Competent Persons Statement Toega Deposit**

In accordance with ASX listing rule 5.12.2 to 5.12.7, Mr Richard Hyde confirms the information in this market announcement that relates to the Mineral Resources for the Toega NI 43-101 qualifying foreign estimate is an accurate representation of the available data and studies based on data provided to West African by B2 Gold. Mr Hyde a director and employee of the Company and 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). 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.