

WAF RECEIVES STRONG INTEREST FROM DEBT FINANCIERS AWARDS EPCM CONTRACT AND ORDERS MILL PACKAGE FOR KIAKA

Highlights

- First stage of debt financing process complete for the Kiaka gold project
- Company has received strong interest from eight tier-one financiers for debt finance of US\$300m
- EPCM contract, commencing with engineering and procurement services, awarded to Lycopodium
- Grinding mill package awarded to Metso Outotec, order placed for 18MW SAG and 9MW ball mills
- Kiaka to be a long-life, low-cost project averaging 219,000ozpa for 18.5 years at AISC of US\$1,052/oz¹
- 2022 guidance remains on target to deliver 220,000 - 240,000oz of gold at AISC less than US\$1100/oz²
- West African aims to be a multi-project +400,000ozpa gold producer by 2025

Unhedged gold mining company West African Resources Limited ('West African' or the 'Company', ASX: WAF) is pleased to provide an update on its debt finance process, EPCM contract award and order mill package for the development of WAF's second gold mine, the 7.7Moz Kiaka gold project, in Burkina Faso ('Kiaka').

West African Executive Chairman Richard Hyde commented:

"We are extremely pleased with the strong interest from leading international resource financiers and their ongoing participation in the debt financing process for the 7.7Moz Kiaka gold project.

"Strong competitive bids support WAF's targeted debt of US\$300m and highlights Kiaka's high quality and strong early cashflow generation. Securing the debt will ensure WAF is very well positioned to fund Kiaka, particularly given our significant ongoing cashflow contribution from Sanbrado and our robust balance sheet.

"We are pleased to announce the EPCM contract award to Lycopodium and award and placement of the mill package with Metso Outotec. We are pleased to team up again with Lycopodium and Metso Outotec following our successful partnership on the construction of Sanbrado, which was completed ahead of schedule and under budget.

"WAF is in an exciting growth phase, as we aim to be a multi-project +400,000ozpa gold producer in 2025".

Strong Interested Received from Leading International Debt Financiers

WAF and our debt advisors Orimco, recently completed the first stage of the debt finance process with selected international resource financiers for debt funding packages for the construction of Kiaka. WAF received strong interest from eight tier-one financiers, with competitive non-binding offers supporting our target of US\$300 million debt.

¹ Refer ASX announcement dated 3 August 2022 titled "Kiaka Feasibility Delivers 4.5Moz Gold Ore Reserve"

² Refer ASX announcement dated 3 August 2022 titled "West African Updates Resources, Reserves and Production Target"

The Company and Orimco have moved the process to the second stage, short-listing the financing offers, with the aim of appointing the preferred financier or syndicate to arrange and underwrite debt facilities in Q1 2023. In parallel, we are progressing legal and technical due diligence and facility documentation. As part of this process Independent Technical Experts (ITE) successfully completed site visits of Sanbrado and Kiaka in Q3 2022.

WAF's feasibility study released in August 2022 (ASX: 3/8/22) outlined pre-production capital costs of US\$430 million and a rapid 2.5 year pre-tax pay back at a US\$1,750/oz gold price. The project is expected to average US\$953/oz AISC for the first five years and US\$1,052/oz over an 18.5 year life of mine (LOM) delivering US\$2.4b in pre-tax free cashflow at a US\$1,750/oz gold price.

Lycopodium EPCM Contract

West African signed a Notice of Award with engineering company Lycopodium Ltd (ASX: LYL) ('Lycopodium') based on their priced proposal for the engineering, procurement, and construction management ('EPCM') of a new carbon-in-leach ('CIL') treatment plant for Kiaka. The signed notice incorporated Lycopodium's early commencement of the Engineering & Procurement (EP) portion of the contract to complete the engineering and tendering of the long-lead mill package.

WAF and Lycopodium, who are both located in Perth Australia, worked extremely well together on the successful Sanbrado construction that was delivered ahead of schedule and under budget. WAF is very pleased to team up with Lycopodium again for Kiaka on a similar EPCM contract arrangement, which is expected to be finalised and signed in December 2022.

Lycopodium is a leading international engineering and project management consultancy for West African mineral gold processing plants, having completed the construction of more than a dozen gold projects in West Africa since 2009. Lycopodium's track record in Burkina Faso includes delivering EPCM projects at the Hounde and Karma Upgrade gold projects for Endeavour Mining (TSX: EDV), Natougou gold project for Semafo (now Endeavour mining), Bissa and Bouly gold projects for Nordgold, the Wahgnion gold project for Teranga Gold Corp. (now Endeavour Mining), West African's Sanbrado gold mine and most recently the Bombore gold project for Orezone Inc. (TSX: ORE).

Metso Outotec Mill Package Order

Lycopodium and WAF undertook a competitive tender process for the supply and delivery of the SAG and ball mill package for Kiaka. Following the evaluation of tenders, the Company selected Metso Outotec to supply the 18MW semi-autogenous grinding ('SAG') mill and 9MW ball mill due to their overall experience and reliability with supplying grinding mills of this size, and the positive outcome at Sanbrado where WAF's Metso Outotec SAG and ball mills have been performing very reliably above nameplate capacity.

WAF has signed the order with Mesto Outotec, which contains a firm pricing and delivery schedule for the mill package components that fits well into the Kiaka construction schedule.

Metso Outotec is a global mineral processing company that has extensive experience manufacturing and delivering over 200 grinding mills to sites worldwide over the last 20 years. More than 40 of these mills have been supplied to projects in West Africa. Metso Outotec's recent mill installations in West Africa also include West African's Sanbrado gold mine, Endeavour Mining's Ity (Côte d'Ivoire) and Hounde (Burkina Faso) gold projects and Perseus Mining's Yaoure Mine (Côte d'Ivoire). They have also recently installed and commissioned a similar sized mill configuration at the Northern Star owned Thunderbox Mine in Western Australia.

Owners Team

The Company has recruited further highly experienced expatriate and national employees for key positions on WAF's owner's construction team for Kiaka. They all have previous large gold mine start-up experience in Burkina Faso or similar jurisdictions in West Africa.

Early Works

WAF has mobilised earthworks equipment to the Kiaka project site. The initial areas to be cleared include the permanent camp area and the process plant area. Access road upgrades are also planned to be undertaken during the current dry season. The Company's Relocation Action Plan ('RAP') is progressing with planning well under way to begin construction of the new residences for project-affected households outside of the project area.

Updated Schedule

The updated development schedule to first gold production at Kiaka is presented below.

| | 2022 | | | 2023 | | | | 2024 | | | | 2025 | | | |
|--------------------------------------|------|----|----|------|----|----|----|------|----|----|----|------|----|----|----|
| | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Updated FS | | ✓ | | | | | | | | | | | | | |
| Award of EPCM and Order Mill Package | | | ✓ | | | | | | | | | | | | |
| Early Works | | | ✓ | | | | | | | | | | | | |
| RAP | | | | | | | | | | | | | | | |
| Commencement of Major Works | | | | | | | | | | | | | | | |
| Open Pit Mining Commences | | | | | | | | | | | | | | | |
| Commissioning Begins | | | | | | | | | | | | | | | |
| First Gold & Ramp Up | | | | | | | | | | | | | | | |

WAF's feasibility study (ASX: 3/8/2022) showed Kiaka to be a robust conventional open-pit project, with a very low strip ratio and simple free-milling gold ore.

The construction schedule for Kiaka remains on track, with major works expected to commence in Q1 2023 and first gold in 2025. The Company also remains on target to meet 2022 production and cost guidance of 220,000-240,000oz of gold produced at AISC less than US\$1,100/oz. WAF is in an exciting growth phase, as we aim to be a multi-project +400,000ozpa gold producer by 2025.

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

Further information is available at www.westafricanresources.com

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Forward Looking Information

This news release contains “forward-looking information” within the meaning of applicable Australian securities legislation, including information relating to WAF’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 WAF 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 WAF’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 WAF, 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 proposed to commence in H1 2023 with a 36 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 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 Kiaka Gold Project, the Company has based its assumptions and analysis on certain factors that are inherently uncertain. Uncertainties include among others:

1. the adequacy of infrastructure;
2. unforeseen changes in geological characteristics;
3. metallurgical characteristics of the mineralization;
4. the price of gold;
5. the availability of equipment and facilities necessary to complete development and commence operations;
6. the cost of consumables and mining and processing equipment;
7. unforeseen technological and engineering problems;
8. accidents or acts of sabotage or terrorism;
9. currency fluctuations;
10. changes in laws or regulations;
11. the availability and productivity of skilled labour;
12. the regulation of the mining industry by various governmental agencies; and
13. political factors.

This release also contains references to estimates of Mineral Resources and Ore Reserves. The estimation of Mineral Resources is inherently uncertain and involves subjective judgments about many relevant factors. Mineral Resources that are not Ore 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:

1. fluctuations in gold price;
2. results of drilling;
3. metallurgical testing and other studies;
4. proposed mining operations, including dilution;
5. the evaluation of mine plans subsequent to the date of any estimates; and
6. the possible failure to receive, or changes in, required permits, approvals and licenses.

Ore Reserves are also disclosed in this release. Ore Reserves are those portions of Mineral Resources that have demonstrated economic viability after taking into account all mining factors. Ore 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.

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 WAF’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 WAF’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.

WAF’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 WAF 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 WAF, please refer to WAF’s financial statements and other filings all of which are filed on the ASX at www.asx.com.au and the Company’s website www.westafricanresources.com.