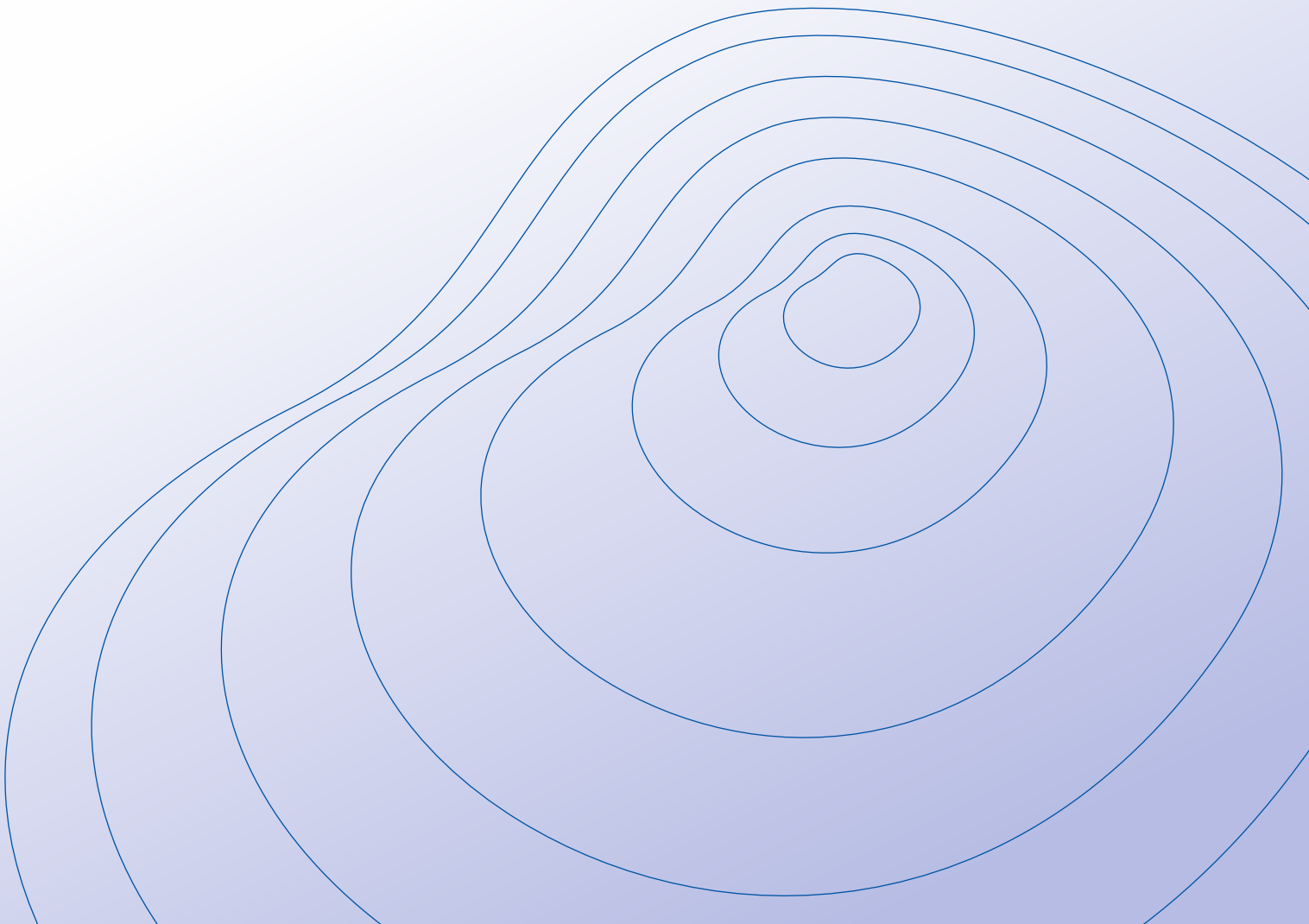




WEST AFRICAN  
RESOURCES LIMITED

# HALF-YEAR FINANCIAL REPORT

30 JUNE 2023



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## Mineral Resources, Ore Reserves, Production Targets and Exploration Results

The Company's estimates of Ore Reserves for the Toega Deposit referred to in this report are set out in the announcement titled "West African Increases Unhedged Reserves to 6.4 Million Ounces Gold" released on 5 April 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates of Ore Reserves for the Toega Deposit in that announcement continue to apply and have not materially changed.

The Company's estimates of Mineral Resources and Ore Reserves for the Kiaka Project referred to in this report are set out in the announcement titled "West African Increases Unhedged Reserves to 6.4 Million Ounces Gold" released on 5 April 2023. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement and that all material assumptions and technical parameters underpinning the estimates of Mineral Resources and Ore Reserves for the Kiaka Project in that announcement continue to apply and have not materially changed.

The production target referred to in this report for the Kiaka Project was set out in the Company's announcement titled "West African Increases Unhedged Reserves to 6.4 Million Ounces Gold" released on 5 April 2023. The Company confirms that all the material assumptions underpinning the production target and forecast financial information derived from it continue to apply and have not materially changed.

The Exploration Results referred to in this report for M1 South were set out in the Company's announcement titled "WAF intercepts 25m at 90 g/t gold M1 South M5 deep drilling and underground studies commenced" released on 15 December 2022. The Company confirms it is not aware of any new information or data that materially affects the information included in that announcement.

## Forward-looking Statement

This report may contain certain forward-looking statements and opinions including projections, forecasts and estimates (together forward looking statements) which may not have been based solely on historical facts, but rather may be based on the Company's current expectations about future events and results. Where the Company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, contingencies, assumptions and other factors, many of which are outside the control of the Company all which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Forward looking statements are inherently uncertain and may therefore differ materially from results ultimately achieved. The Company does not make any representations and provides no warranties concerning the accuracy of any forward looking statements or likelihood of achievement or reasonableness of any forward looking statements. Past performance is not necessarily a guide to future performance. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

# CORPORATE INFORMATION

**Company**

West African Resources Limited

**ABN**

70 121 539 375

**ASX**

ASX trading code: **WAF**

**Directors**

Richard Hyde (Executive Chairman and CEO)  
Lyndon Hopkins (Executive Director and COO)  
Libby Mounsey (Executive Director of HR)  
Rod Leonard (Lead Independent Director)  
Nigel Spicer (Non-Executive Director)  
Stewart Findlay (Non-Executive Director)  
Robin Romero (Non-Executive Director)

**Company Secretary and CFO**

Padraig O'Donoghue

**Share registry**

Computershare Investor Services Pty Ltd  
Level 11, 172 St George's Terrace  
Perth WA 6000 Australia  
T: +61 (8) 9323 2000

**Website**

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

**Principal place of business**

Level 1, 1 Alvan Street  
Subiaco WA  
Australia 6008

**SOMISA office**

Secteur 27, Quartier Ouayalghin,  
Parcelle 07, Lot 22, Section SL,  
Ouagadougou, Burkina Faso  
T: +226 2539 5845

**Kiaka SA office**

Secteur 53, Parcelle 06,  
Lot 12, Section 480, Zone A7  
Ouagadougou, Burkina Faso  
T: +226 2537 4974 / 75 / 76

**Auditors**

HLB Mann Judd (WA Partnership)  
Level 4, 130 Stirling Street  
Perth WA 6000 Australia

# DIRECTORS' REPORT

The Directors present their report together with the consolidated financial statements of West African Resources Limited (the 'Company') and its controlled subsidiaries (the 'Group', 'West African' or 'WAF') for the half year ended 30 June 2023.

## BOARD OF DIRECTORS

The Directors of the Company who held office during the half year and until the date of this report are presented below. All Directors were in office for the entire period.

Name	Title	Committee Memberships
Richard Hyde	Executive Chairman and Chief Executive Officer	Nomination, Risk, Technical
Lyndon Hopkins	Executive Director and Chief Operating Officer	Nomination, Risk, Technical
Libby Mounsey	Executive Director of Human Resources	Nomination, Risk
Rod Leonard	Lead Independent Non-Executive Director	Nomination, Risk*, Technical, Audit, Remuneration
Nigel Spicer	Non-Executive Director	Nomination, Risk, Technical*, Audit
Stewart Findlay	Non-Executive Director	Nomination*, Risk, Audit, Remuneration*
Robin Romero	Non-Executive Director	Nomination, Risk, Audit*, Remuneration

\* Denotes the committee chair

## COMPANY SECRETARY

Padraig O'Donoghue                      Company Secretary and Chief Financial Officer

## PRINCIPAL ACTIVITIES

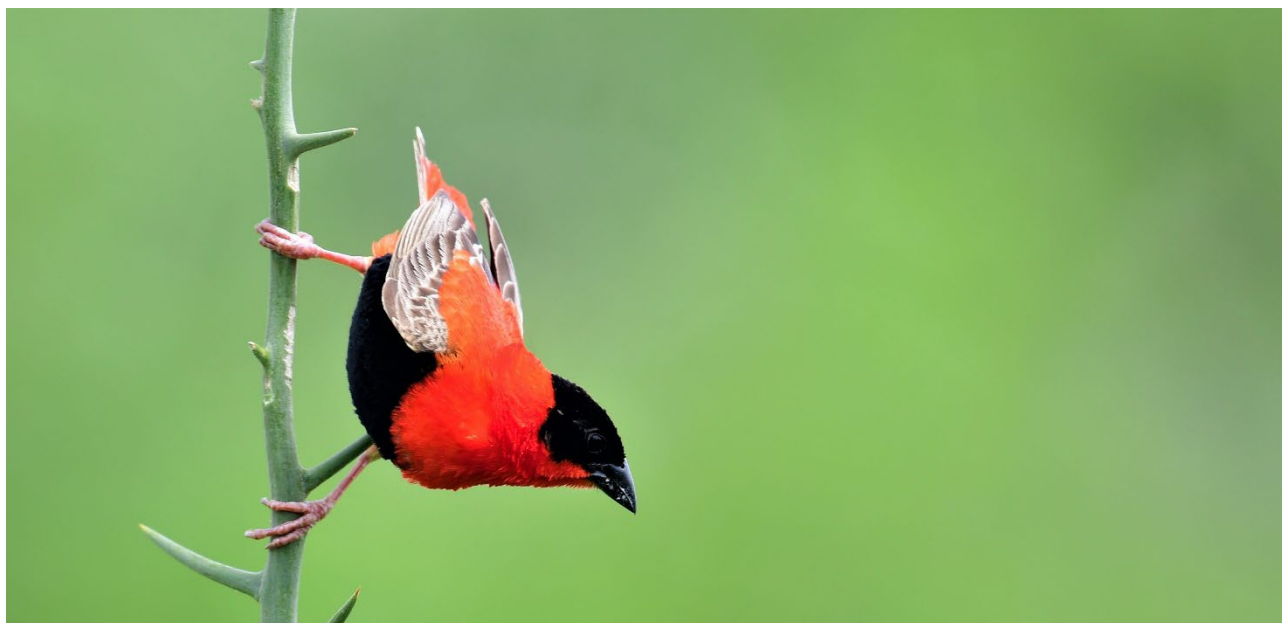
During the half year, the principal activities of the Group were comprised of:

- operation of the Sanbrado Gold Project ('Sanbrado');
- development of the Kiaka Gold Project ('Kiaka');
- advancement of the mining licence application of the Toega gold deposit ('Toega'); and
- mineral exploration on the Group's tenements located in Burkina Faso.

## SUSTAINABILITY

On 4 April 2023, WAF published its 2022 Annual Sustainability Report, which was prepared following the Global Reporting Initiative Sustainability Reporting Standards 2021 (GRI Standards). Interested parties are encouraged to obtain a copy of WAF's 2022 Sustainability Report from the Company's website.

*Northern red bishop at Sanbrado*



## REVIEW OF FINANCIAL RESULTS FOR THE HALF YEAR

### SUMMARY

		1 <sup>st</sup> half 2023 A\$'000	1 <sup>st</sup> half 2022 A\$'000	% difference
Revenue		309,675	322,324	-4%
Profit after tax		82,412	106,573	-23%
Operating cash flow		109,897	99,320	11%
Free cash inflow/(outflow)		(12,894)	41,272	-131%
Net cash/(debt) position		152,436	207,698	-27%
	<b>Unit</b>			
Gold ounces sold	oz	108,173	123,561	-12%
Average sales price per ounce	US\$/oz	1,929	1,866	3%
All in sustaining cost ('AISC') per ounce sold	US\$/oz	1,169	947	23%

### REVENUE, EXPENSES AND UNIT COST PERFORMANCE

Gold revenue from Sanbrado in the 1st half 2023 was 4% lower than the comparative period with 12% less gold ounces sold partially offset by a 10% higher average gold price in AUD. Refer to the 'Operating Review' section of this report for a detailed analysis of Sanbrado mining, processing and gold production.

	<b>Unit</b>	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022
Gold revenue	A\$'000	308,117	320,535
Gold ounces sold	oz	108,173	123,561
Average sales price per ounce AUD	A\$/oz	2,848	2,594
Average sales price per ounce USD	US\$/oz	1,929	1,866
Average FX rate used for USD conversion	AUD/USD	0.6772	0.7194

Cost of sales were 25% higher than the comparative period reflecting a higher cost per ounce of gold production partially offset by 12% fewer gold ounces sold. Refer to the 'Unit Cost Performance' section of this report for a detailed analysis of the Group's production costs and the cost per ounce of gold production.

Income tax expense of \$43,236,000 in the half year primarily relates to Burkina Faso corporate income taxes for Sanbrado.

*Pin-tailed whydah at Sanbrado*



## COST PER OUNCE PERFORMANCE

The 'Adjusted operating cost', 'all-in sustaining cost' ('AISC'), and 'all-in cost' are per-ounce cost performance metrics recommended by the World Gold Council for use in the gold mining industry, but they are not defined by Australian Accounting Standards Board rules (i.e. they are non-AASB measures). WAF follows the World Gold Council's guidelines in the calculation of these metrics.

The below table presents these non-AASB per ounce of gold performance metrics for the Group including the underlying absolute costs from which they are calculated.

Underlying measure	Unit	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022
Gold sold	oz	108,173	123,561
Gold revenue	A\$ '000	308,117	320,535
OP mining cost	A\$ '000	50,628	34,932
UG mining cost	A\$ '000	22,697	17,667
Processing cost	A\$ '000	49,566	37,470
Site administration cost	A\$ '000	16,586	14,653
Change in inventory	A\$ '000	(10,861)	(6,166)
Royalties & production taxes	A\$ '000	18,770	20,089
Refining and by product	A\$ '000	8	(158)
<b>Adjusted operating cost</b>	<b>A\$ '000</b>	<b>147,393</b>	<b>118,488</b>
Rehabilitation	A\$ '000	968	857
Capital development	A\$ '000	22,388	27,105
Sustaining capital	A\$ '000	7,134	6,986
Sustaining leases	A\$ '000	2,604	4,186
Corporate & share-based payments	A\$ '000	6,224	4,987
<b>All-in sustaining cost</b>	<b>A\$ '000</b>	<b>186,711</b>	<b>162,608</b>
Exploration non-sustaining	A\$ '000	3,117	10,563
Capex non-sustaining	A\$ '000	86,041	7,875
<b>All-in cost</b>	<b>A\$ '000</b>	<b>275,869</b>	<b>181,046</b>

Performance metrics per gold ounce sold			
Adjusted operating cost	A\$/oz	1,363	959
All-in sustaining cost	A\$/oz	1,726	1,316
All-in cost	A\$/oz	2,550	1,465
Average sales price	A\$/oz	2,848	2,594
Average FX rate used for USD unit costs	AUD/USD	0.6772	0.7194
<b>Adjusted operating cost</b>	<b>US\$/oz</b>	<b>923</b>	<b>690</b>
<b>All-in sustaining cost (AISC)</b>	<b>US\$/oz</b>	<b>1,169</b>	<b>947</b>
<b>All-in cost</b>	<b>US\$/oz</b>	<b>1,727</b>	<b>1,054</b>
<b>Average sales price</b>	<b>US\$/oz</b>	<b>1,929</b>	<b>1,866</b>

The AISC per ounce measured in AUD of A\$1,726 in the half year was 31% higher than the comparative period due to 15% higher all-in sustaining costs in AUD absolute terms and 12% fewer gold ounces sold. The AISC per ounce measured in USD of US\$1,169 was 23% higher than the comparative period with a 6% lower average AUD/USD exchange rate in the period.

## RECONCILIATION OF NON-AASB MEASURES TO CONSOLIDATED FINANCIAL STATEMENTS

A reconciliation of the 'Adjusted operating cost' and AISC per ounce presented in the previous section of this report to the Group's Consolidated Financial Statements is provided below.

Description	Financial Statement reference*	1 <sup>st</sup> half 2023 \$'000	1 <sup>st</sup> half 2022 \$'000
Cost of sales	P/L	181,787	145,501
(Less)/plus items:			
Depreciation	Note 4	(42,809)	(30,363)
Non-cash inventory movements	Note 4	8,989	4,001
By-product credits	N/A	(574)	(651)
Adjusted operating cost		147,393	118,488
(Less)/plus items:			
Reclamation & remediation (accretion & amortisation)	N/A	968	857
Corporate and technical services	P/L	5,630	3,721
Share-based payments	P/L	594	1,266
Capital development	Note 10	22,388	27,105
Sustaining capital	N/A	7,134	6,986
Sustaining leases	CF	2,604	4,186
Total All-in sustaining cost (AISC)		186,711	162,608
Gold sold (ounces)		108,173	123,561
Adjusted operating cost per ounce (\$A/oz)		1,363	959
AISC per ounce (A\$/oz)		1,726	1,316

\* The Financial Statement references in the above table are abbreviated as follows:

- P/L = Consolidated Statement of Profit or Loss and Other Comprehensive Income
- CF = Consolidated Statement of Cash Flows
- N/A = A direct cross reference to the Financial Statements is not available. Sustaining capital excludes growth capital.

## BALANCE SHEET, CASH FLOW AND CAPITAL COMMITMENTS

Net assets increased by \$89,849,000 during the half year with a \$123,188,000 increase in total assets offset by a \$33,339,000 increase in total liabilities.

### Key asset movements:

Property, plant and equipment ('PP&E') increased by \$92,905,000 in the half year including \$81,530,000 of additions to 'mines under construction' for development of Kiaka. Inventory increased by \$22,016,000 in the half year with a \$15,800,000 increase in ore stockpiles and a \$6,182,000 increase in finished goods. Trade and other receivables increased by \$19,973,000 in the half year including a \$21,169,000 increase in value added taxes receivable from the Burkina Faso government.

### Key liabilities movements:

Trade and other payables increased by \$17,838,000 mainly due to higher Kiaka development expenditures. Taxes payable of \$31,180,000 mainly represents the Group's provision for Burkina Faso income taxes.

## CASH FLOW AND CAPITAL COMMITMENTS

	30 June 2023 \$'000	31 December 2022 \$'000
<b>NET CASH POSITION</b>		
Cash and cash equivalents	166,972	173,393
Loans and borrowings	(14,536)	(14,106)
Net cash/(debt)	152,436	159,287

Net cash inflows from operating activities of \$109,897,000 exceeded \$108,647,000 of net cash outflows from investing activities which included \$71,751,000 for Kiaka construction and \$35,248,000 for Sanbrado mine development and capital projects. Cash outflows from financing activities of \$14,152,000 included \$10,443,000 of minority interest profit distributions to the Government of Burkina Faso on their 10% ownership of Sanbrado.

The Group's net cash position was a healthy \$152,436,000 at 30 June 2023, with loans and borrowings remaining at a consistent low level over the half year.

### CAPITAL COMMITMENTS

The Group's capital expenditure commitments for property, plant and equipment were \$71,200,000 at 30 June 2023 (31 December 2022: \$61,200,000), with \$69,700,000 related to the Kiaka project and the \$1,500,000 related to Sanbrado.

## OPERATING REVIEW

### HEALTH AND SAFETY

There were no significant health or safety incidents during the quarter, and WAF's Total Reportable Injury Frequency Rate (TRIFR) at the end of June was 2.18 (versus West Australian Gold Industry average of 7.1<sup>1</sup>).

### SANBRADO PRODUCTION STATISTICS

The 1<sup>st</sup> half 2023 production statistics for Sanbrado are contained in the following table, along with the comparative period.

	Unit	1 <sup>st</sup> half 2023	1 <sup>st</sup> half 2022
<b>OP mining</b>			
Total movement	BCM '000	4,026	4,481
Total movement	kt	10,475	11,212
Strip ratio	w:o	4.1	6.5
Ore mined	kt	2,059	1,485
Mined grade	g/t	1.3	1.5
Contained gold	oz	83,474	73,732
<b>UG mining</b>			
Ore mined	kt	245	198
Mined grade	g/t	7.3	9.9
Contained gold	oz	57,585	62,952
<b>Processing</b>			
Ore milled	kt	1,604	1,527
Head grade	g/t	2.4	2.8
Recovery	%	93.2	93.7
<b>Gold produced</b>	oz	113,009	130,021
Gold poured	oz	112,752	128,362
Gold sold	oz	108,173	123,561

<sup>1</sup> Department of Mines, Industry Regulation and Safety, 2021, Safety performance in the Western Australian mineral industry — accident and injury statistics 2020-21: Department of Mines, Industry Regulation and Safety, Western Australia, page 29.



*Sanbrado site layout*



### OPEN-PIT MINING

Contained gold from open pit mining at Sanbrado was 13% higher than the comparative period with 39% more ore tonnes mined partially offset by a 13% lower grade. The higher ore tonnes mined reflect a 37% lower strip ratio versus the comparative period due to completion of the M5 South cut back in late 2022.

### UNDERGROUND MINING

Contained gold from underground mining at Sanbrado was 9% lower than the comparative period with 24% more ore tonnes mined offset by a 26% lower grade.

### PROCESSING

Gold production at Sanbrado was 13% lower than the comparative period with 5% more ore tonnes milled offset by a 14% lower head grade. The gold recovery percentage was in-line with the comparative period.

## GROWTH REVIEW

### RESOURCES, RESERVES AND 10-YEAR PRODUCTION UPDATE

During the half year WAF released its annual Resources, Reserves and 10-year production outlook for Sanbrado and Kiaka. Full details can be found in the ASX release dated 5 April 2023 entitled: “West African Increases Unhedged Reserves to 6.4 Million Ounces Gold”.

Highlights of the release included:

- Mineral Resources increased by 1.0 million ounces to 12.6 million ounces of gold over the year since 31 December 2021.
- Ore Reserves increased by 4.7 million ounces to 6.4 million ounces of gold over the year since 31 December 2021.
- A 10-year production plan averaging 208,000 oz gold per annum from 2023 to 2024 and 400,000 oz gold per annum from 2025 to 2032 when Kiaka commences.

### KIAKA DEBT FUNDING

In June 2023 WAF mandated Sprott Resource Lending Corp. and Coris Bank International SA (the ‘Syndicate’) to provide a US\$265 million syndicated corporate loan facility for the development of Kiaka. The Syndicate provided a credit approved committed offer of finance after undertaking thorough technical and environmental due diligence of Sanbrado and Kiaka. Conditions precedent to WAF’s drawdown of the proposed loan facility include execution and delivery of the loan facility documents, lodgement of security documents and other conditions customary for a facility of this nature. WAF is targeting first drawdown of the proposed loan facility in the fourth quarter of 2023. Further details including a summary of the loan terms can be found in the ASX release dated 29 June 2023 entitled: “Kiaka Development Fully Funded Via US\$265m Syndicated Corporate Loan Facility”.

### KIAKA GOLD PROJECT

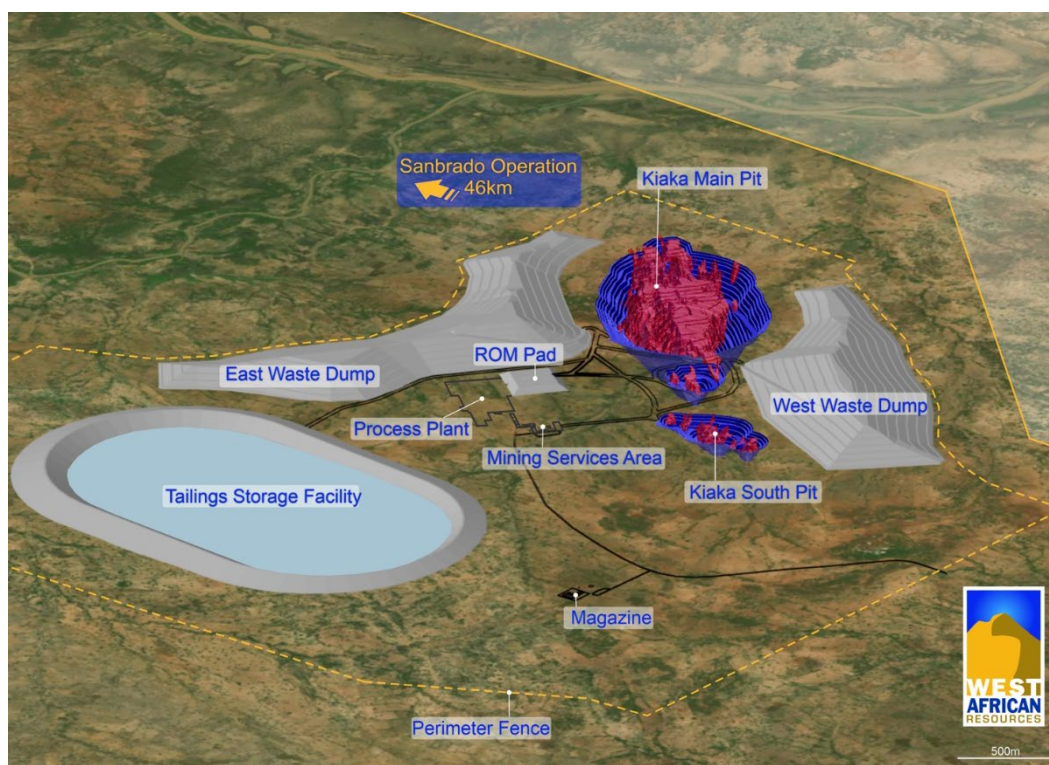
#### Background

Kiaka is a fully permitted gold mining project located 110km southeast of the Burkina Faso capital, Ouagadougou, and 45km south of WAF’s Sanbrado Gold Operations. It is accessed from Ouagadougou via 100km of sealed road, and then by 40km of all-weather dirt road to site.

#### Kiaka Feasibility Study

On 3 August 2022, WAF announced the results of its feasibility study for Kiaka along with Kiaka’s maiden Ore Reserve. Kiaka will be a low strip-ratio conventional open-pit mining operation with a conventional carbon-in-leach process circuit.

*Layout plan of Kiaka*



Highlighted physical and financial metrics from the 3 August 2022 announcement entitled “Kiaka Feasibility Delivers 4.5moz Gold Ore Reserve & 18.5 Year Mine Life” are contained in the following two tables.

**Kiaka Feasibility Study announcement 3 August 2022 – Key Physical Metrics**

Base case, stated on a 100% basis	
<b>Production Years 1 to 5</b>	Average 233,000 oz/year
<b>Production life of mine</b>	Average 219,000 oz/year
<b>Strip Ratio</b>	1.8 : 1 (waste : ore)
<b>Mineral Resource Estimate</b>	279.2Mt at 0.9 g/t for 7.7Moz gold (5.8Moz Indicated, 1.7Moz Inferred, open pit constrained at US\$1,800/oz)
<b>Probable Mineral Reserves</b>	155Mt at 0.9 g/t for 4.5Moz gold (at US\$1,400/oz)
<b>Life of mine gold recovery</b>	90% average, recovering 4.1Moz gold
<b>Mine Life</b>	<b>18.5 years</b>

**Kiaka Feasibility Study announcement 3 August 2022 – Key Financial Metrics**

Base case: stated on a 100% basis, and assumed average gold price per ounce of US\$1,750	
<b>Pre-production capex</b>	US\$430 million of pre-production capital expenditure (including pre-production mining & development costs, contingencies, duties & taxes)
<b>AISC<sup>1,2</sup> Years 1 to 5</b>	Average All in Sustaining Costs (AISC) of US\$953/oz (A\$1,361/oz)
<b>AISC life of mine</b>	Average All in Sustaining Costs (AISC) of US\$1,052/oz (A\$1,503/oz)
<b>Life of mine free cashflow</b>	Pre-tax free cashflow of US\$2,361 million (A\$3,373 million) Post-tax free cashflow of US\$1,723 million (A\$2,462 million)
<b>NPV at 5% discount rate</b>	Pre-tax NPV of US\$1,231 million (A\$1,758 million) Post-tax NPV of US\$856 million (A\$1,223 million)
<b>IRR and pay-back period</b>	Post-tax internal rate of return (IRR) of 21.4% and 3.25 year pay back on pre-production capital

1) At assumed AUD/USD FX rate of 0.70.

2) AISC includes all mining and processing costs, site administration, royalties, refining and site rehabilitation costs, sustaining capital, closure costs but excludes head office corporate costs.

**Construction Progress**

Kiaka development continues to track on budget and on schedule. Approximately 30% of the overall project costs are committed and fixed as at date of this report, with no material cost inflation observed since the capex estimate reported in the August 2022 feasibility study. Major long lead items including the crushing and grinding circuit equipment, reinforcing steel and mesh, and CIL tank steel have been ordered and the focus of the project team is turning towards undertaking the major works at site.

The projected Kiaka construction timeline is presented below.

**Kiaka Construction Timeline**

	2022	2023	2024	2025
ESIA & RAP Update				
Award EPCM and long lead items				
Detailed design and early works				
Construction major works				
Project commissioning				
Commercial gold production				



## SANBRADO GROWTH

WAF's growth projects for Sanbrado include:

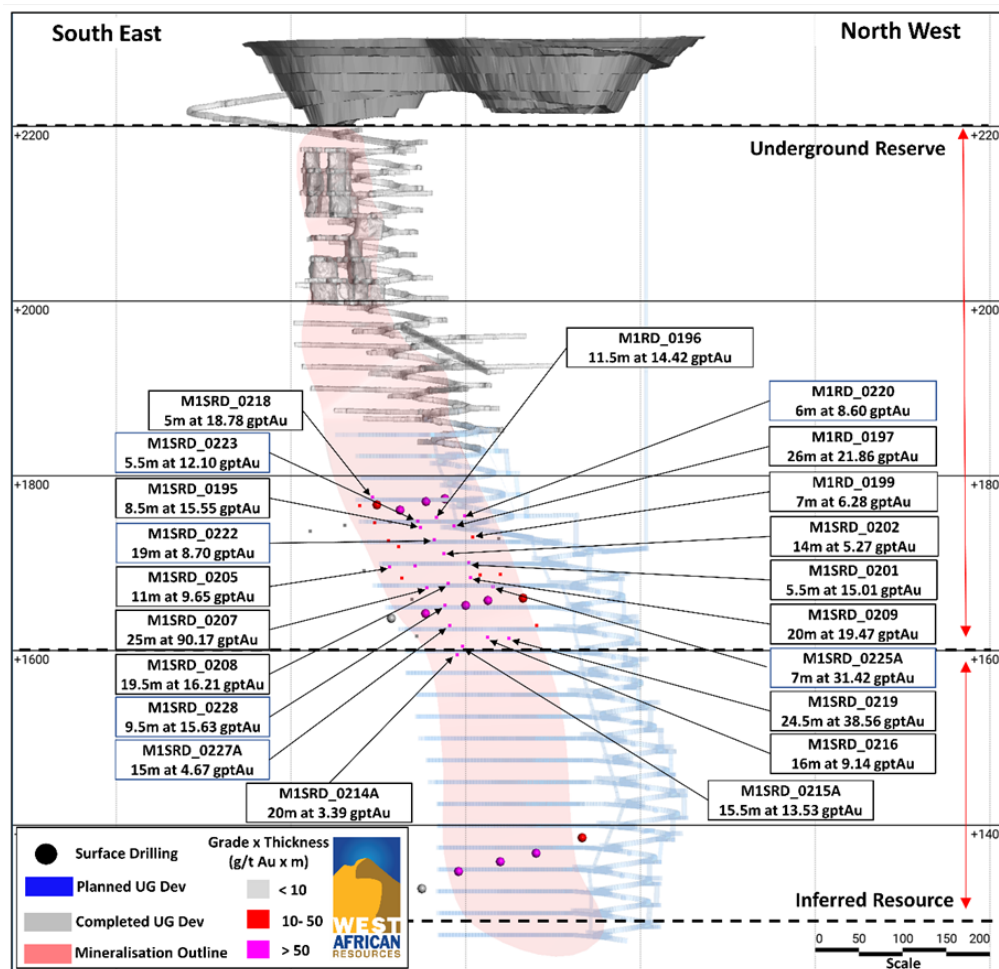
- M1 South underground extension;
- Toega gold deposit;
- M5 underground scoping study; and
- MV3 East prospect

### M1 South Underground

WAF's resources and reserves ASX announcement on 5 April 2023 reported an increase to M1 South underground Ore Reserves from 490,000 to 778,000 ounces over the year-ended 2022 net of mining depletion of 110,183 contained ounces during 2022.

Infill drilling conducted in 2022 confirmed the continuation of consistent high-grade mineralisation between 1800mRL to 1600mRL (500m to 700m BSL) beneath the current Ore Reserve with high-grade mineralisation continuing to display predictable geometry and grade. At approximately 1600mRL, the deepest line of infill drilling, mineralisation remains open to the northwest. The positive drilling results underpin continued strong underground gold production from M1 South. Further details on the M1 South exploration drilling results noted in the below diagram are provided in the ASX announcement dated 15 December 2022 entitled "WAF intercepts 25m at 90 g/t gold M1 South M5 deep drilling and underground studies commenced".

*Cross section of M1 South Underground*



### **Toega Gold Deposit**

The Toega gold deposit (Toega) is held under an exploration licence 100% owned by WAF. Toega is located 14km northeast of the Sanbrado processing plant and will be a satellite mining operation for Sanbrado. On 22 February 2022, WAF announced the maiden Ore Reserve for Toega of 9.7 million tonnes at a grade of 1.9 g/t gold for 580,000 contained ounces with a strip ratio (waste : ore) of 5.4 : 1.

The ESIA and RAP for Toega have been completed and approved by the Government of Burkina Faso and on 1 June 2023 the Toega gold deposit was granted its Environmental Permit. This was followed by submission of the mining licence application and WAF will now be progressing the resettlement and compensation programs.

### **M5 Underground Scoping Study**

A scoping study is being carried out for a second underground mine at Sanbrado beneath the existing M5 open pit. The study is expected to be completed in the second half of 2023.

### **MV3 East Prospect**

The MV3 East Prospect (MV3) located 6km northwest of the Sanbrado mine site is held under an exploration licence 100% owned by WAF. Exploration drilling in 2022 delivered a maiden Resource Estimate of 257,000 oz gold at MV3 as announced on ASX on 5 April 2023. Wet season environmental studies are in progress and future exploration drilling is planned to advance MV3 towards completion of a feasibility study and submission of a mining licence application.

*Aerial view of mines at Sanbrado*



## DIVIDENDS

No dividends have been paid or declared since the start of the half year and the Directors do not recommend the payment of a dividend in respect of the half year.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No significant changes in the state of affairs of the Group occurred in the half year.

## SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

## ROUNDING OF AMOUNTS

The Company is of a kind referred to in 'ASIC Corporations (Rounding in Financial/Directors' Report) Instrument 2016/191', issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' Report and accompanying financial statements. Amounts in the Directors' Report and accompanying financial statements have been rounded off in accordance with that Rounding Instrument to the nearest thousand dollars, or in certain noted cases, to the nearest dollar. All amounts are in Australian dollars, unless otherwise stated.

## AUDITOR INDEPENDENCE

Section 307C of the Corporations Act 2001 requires our auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the review of the financial report. This written Auditor's Independence Declaration is set out on page 30 and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**RICHARD HYDE**  
Executive Chairman & CEO  
Perth, 28 August 2023

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 30 June 2023

	Note	Half-year 2023 \$'000	Half-year 2022 \$'000
Revenue from continuing operations	3	309,675	322,324
Cost of sales	4(a)	(181,787)	(145,501)
Exploration and evaluation expenses		(1,632)	(4,174)
Corporate and technical services		(5,630)	(3,721)
Share-based payments		(594)	(1,266)
Other expenses	4(b)	(7,276)	(7,534)
Finance expenses		(1,016)	(1,056)
Net foreign exchange gain/(loss)		13,908	(7,782)
<b>Profit before tax</b>		<b>125,648</b>	<b>151,290</b>
Income tax expense	5(a)	(43,236)	(44,717)
<b>Profit after tax</b>		<b>82,412</b>	<b>106,573</b>
<b>Other comprehensive income:</b>			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences for foreign operations		16,420	(5,739)
<b>Other comprehensive income/(loss), net of income tax</b>		<b>16,420</b>	<b>(5,739)</b>
<b>Total comprehensive income for the period</b>		<b>98,832</b>	<b>100,834</b>
Profit attributable to:			
Owners of the parent		74,351	94,765
Non-controlling interest		8,061	11,808
		<b>82,412</b>	<b>106,573</b>
Total comprehensive income attributable to:			
Owners of the parent		90,771	89,026
Non-controlling interest		8,061	11,808
		<b>98,832</b>	<b>100,834</b>
Basic earnings per share (cents per share)	6	7.3	9.3
Diluted earnings per share (cents per share)	6	7.2	9.2

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	30 June 2023 \$'000	31 December 2022 \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	7	166,972	173,393
Restricted cash		2,803	10,272
Trade and other receivables	8	63,341	43,367
Inventories	9	90,047	68,031
<b>Total current assets</b>		<b>323,163</b>	<b>295,063</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	610,965	518,060
Right-of-use assets	11	4,994	7,469
Exploration and evaluation assets	12	61,261	57,581
Other non-current assets	13	1,510	532
<b>Total non-current assets</b>		<b>678,730</b>	<b>583,642</b>
<b>TOTAL ASSETS</b>		<b>1,001,893</b>	<b>878,705</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	70,245	52,408
Loans and borrowings	15	14,536	14,106
Lease liabilities		5,172	6,624
Current tax payable		31,180	14,440
<b>Total current liabilities</b>		<b>121,133</b>	<b>87,578</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		-	1,450
Provisions	16	13,609	14,376
Deferred tax liabilities	17	36,734	34,734
<b>Total non-current liabilities</b>		<b>50,343</b>	<b>50,560</b>
<b>TOTAL LIABILITIES</b>		<b>171,476</b>	<b>138,138</b>
<b>NET ASSETS</b>		<b>830,417</b>	<b>740,567</b>
<b>EQUITY</b>			
Issued capital	18	335,622	335,630
Reserves	19	33,675	15,785
Retained earnings		421,695	349,083
Equity attributable to owners of the parent		790,992	700,498
Non-controlling interest	22	39,425	40,069
<b>TOTAL EQUITY</b>		<b>830,417</b>	<b>740,567</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2023

	Issued capital \$'000	Retained earnings \$'000	Foreign currency translation reserve \$'000	Share- based payments reserve \$'000	Non- controlling interest \$'000	Total \$'000
<b>Balance at 1 January 2022</b>	335,334	185,540	(8,361)	12,534	29,359	554,406
Profit after tax	-	94,765	-	-	11,808	106,573
Other comprehensive income/(loss) for the period	-	-	(5,739)	-	-	(5,739)
Total comprehensive income/(loss) for the period	-	94,765	(5,739)	-	11,808	100,834
Shares issued net of transaction costs	(221)	-	-	-	-	(221)
Transfer to non-controlling interest	-	1,010	-	-	(1,010)	-
Share-based payments	-	-	-	1,322	-	1,322
Subsidiary minority interest profit distribution	-	-	-	-	(7,292)	(7,292)
<b>Balance at 30 June 2022</b>	335,113	281,315	(14,100)	13,856	32,865	649,049
<b>Balance at 1 January 2023</b>	<b>335,630</b>	<b>349,082</b>	<b>689</b>	<b>15,097</b>	<b>40,069</b>	<b>740,567</b>
Profit after tax	-	74,351	-	-	8,061	82,412
Other comprehensive income/(loss) for the period	-	-	16,420	-	-	16,420
Total comprehensive income/(loss) for the period	-	74,351	16,420	-	8,061	98,832
Shares issued net of transaction costs	(8)	-	-	-	-	(8)
Transfer to non-controlling interest	-	(1,738)	-	-	1,738	-
Share-based payments	-	-	-	1,469	-	1,469
Subsidiary minority interest profit distribution	-	-	-	-	(10,443)	(10,443)
<b>Balance at 30 June 2023</b>	<b>335,622</b>	<b>421,695</b>	<b>17,109</b>	<b>16,566</b>	<b>39,425</b>	<b>830,417</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2023

	Note	30 June 2023 \$'000	30 June 2022 \$'000
<b>OPERATING ACTIVITIES</b>			
Receipts from customers		308,690	321,175
Payments to suppliers and employees		(174,563)	(137,839)
Income tax paid		(24,989)	(84,750)
Interest received		974	1,136
Interest paid		(215)	(402)
<b>Net cash inflow from operating activities</b>		<b>109,897</b>	<b>99,320</b>
<b>INVESTING ACTIVITIES</b>			
Payments for property, plant and equipment		(107,000)	(38,885)
Capitalised exploration and evaluation expenditure		(1,647)	(7,032)
<b>Net cash outflow from investing activities</b>		<b>(108,647)</b>	<b>(45,917)</b>
<b>FINANCING ACTIVITIES</b>			
Proceeds from issue of shares		-	120
Subsidiary minority interest profit distribution		(10,443)	(7,292)
Payments for share issue costs		(8)	(341)
Payments for lease liabilities		(2,604)	(4,186)
Interest paid on borrowings		(700)	(653)
Transaction costs related to loans and borrowings		(397)	-
<b>Net cash outflow from financing activities</b>		<b>(14,152)</b>	<b>(12,352)</b>
<b>Net (decrease)/increase in cash held</b>		<b>(12,902)</b>	<b>41,051</b>
Cash at the beginning of the financial period		173,393	183,374
Effects of exchange rate changes on the balance of cash held in foreign currencies		6,481	(2,678)
<b>Cash at the end of the financial period</b>	7	<b>166,972</b>	<b>221,747</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the half-year ended 30 June 2023

## 1 BASIS OF PREPARATION

### A. BASIS OF ACCOUNTING

This general-purpose financial report for the interim half-year reporting period ended 30 June 2023 is presented in Australian dollars and has been prepared in accordance with Accounting Standard AASB 134 Interim Financial Reporting and the Corporation Act 2001. Compliance with AASB 134 ensures compliance with IAS 34 Interim Financial Reporting.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2022 and any public announcements made by West African Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and ASX Listing Rules.

### B. ROUNDING OF AMOUNTS

The Company is of a kind referred to in Rounding Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the “rounding off” of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Rounding Instrument to the nearest thousand dollars (\$000's), unless otherwise stated.

### C. PRINCIPLES OF CONSOLIDATION

The consolidated interim financial statements comprise the financial statements of the Group. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which West African Resources Limited had control.

### D. ADOPTION OF NEW AND REVISED STANDARDS

There have been no new or amended accounting standards or interpretations issued by the Australian Accounting Standard's Board (AASB) that have been applied for the first time in the current reporting period.

There are no forthcoming standards and amendments that are expected to have a material impact on the Group in the current or future reporting periods, or on foreseeable future transactions.

### E. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES

The preparation of this financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### Exploration and evaluation costs

On a case-by-case basis, assessing whether the acquisition costs and exploration and evaluation expenses of particular mineral properties will be expensed or whether it is appropriate to capitalise them as exploration and evaluation (E&E) assets. In addition, an assessment of the existence of any impairment indicators is considered at each reporting date.

#### Valuation of rehabilitation provision

- Estimating the future cash flows to settle mine restoration obligations.
- Setting the discount rate and inflation rate used in the calculation of the rehabilitation provision.

#### Property, plant and equipment

- Estimating future life of mine costs and gold mineralisation for amortisation of mine development assets.
- Setting the useful lives and depreciation rates for plant and equipment.
- Assessing assets for impairment of their carrying value.

## 1 BASIS OF PREPARATION (CONTINUED)

### E. SIGNIFICANT ACCOUNTING JUDGEMENTS AND KEY ESTIMATES (CONTINUED)

#### Group consolidation

Setting the functional currency used for each entity in the Group.

#### Income tax

- Interpreting tax legislation in a number of countries.
- Estimating future tax outcomes.

#### Share-based payments

- Estimating the fair value of share-based payments at the date at which they are granted.
- Estimating number of share-based payment awards to employees that will ultimately vest at each reporting date.

#### Value added tax (VAT) receivable

Estimating the amount recoverable and timing of recovery of VAT receivable from the Burkina Faso government.

## 2 SEGMENT REPORTING

### A. DESCRIPTION OF SEGMENTS

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board and the executive management team in assessing performance and in determining the allocation of resources. The operating segments of the Group are:

**Mining Operations:** represents the Sanbrado Gold Project operations located in Burkina Faso.

**Construction and E&E:** represents the Kiaka Gold Project, which is under construction, and the Group's exploration and evaluation (E&E) projects.

### B. SEGMENT INFORMATION

	Mining operations \$'000	Construction and E&E \$'000	Other \$'000	Total \$'000
<b>Half-year 2022</b>				
Total segment revenue	322,286	17	21	322,324
Total segment expenses	145,179	4,496	3,721	153,396
Total segment results	177,107	(4,479)	(3,700)	168,928
Segment assets at 30 June 2022	584,017	136,409	138,933	859,359
Segment liabilities at 30 June 2022	177,755	2,448	30,107	210,310
<b>Half-year 2023</b>				
Total segment revenue	309,534	36	105	309,675
Total segment expenses	181,787	1,632	5,630	189,049
Total segment results	127,747	(1,596)	(5,525)	120,626
Segment assets at 30 June 2023	645,352	234,235	122,306	1,001,893
Segment liabilities at 30 June 2023	147,306	13,346	10,824	171,476

## 2 SEGMENT REPORTING (CONTINUED)

### B. SEGMENT INFORMATION (CONTINUED)

Segment result is reconciled to the profit before income tax as follows:

	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>Total segment results</b>	<b>120,626</b>	<b>168,928</b>
Share-based payments	(594)	(1,266)
Finance expenses	(1,016)	(1,056)
Other expenses	(7,276)	(7,534)
Net foreign exchange gain	13,908	(7,782)
<b>Profit before income tax</b>	<b>125,648</b>	<b>151,290</b>

All metal sales in the period were made to MKS PAMP SA.

## 3 REVENUE

	Half-year 2023 \$'000	Half-year 2022 \$'000
Metal sales	308,690	321,187
Interest received	975	1,136
Other income	10	1
	<b>309,675</b>	<b>322,324</b>

## 4 EXPENSES

	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>(a) Cost of sales</b>		
Production expenses	125,885	92,819
Personnel costs	13,592	11,903
Royalties and other selling costs	19,351	20,583
Depreciation and amortisation	42,809	30,363
Changes in inventory (cash)	(10,861)	(6,166)
Changes in inventory (non-cash)	(8,989)	(4,001)
	<b>181,787</b>	<b>145,501</b>
<b>(b) Other expenses</b>		
Accretion of rehabilitation provision	270	167
Depreciation and amortisation	88	322
Withholding tax expense	6,918	7,045
	<b>7,276</b>	<b>7,534</b>
<b>(c) Other required disclosures</b>		
Employee benefits (excluding share-based payments)	<b>18,984</b>	<b>15,647</b>

## 5 INCOME TAX

### A. INCOME TAX RECOGNISED IN PROFIT OR LOSS

	Half-year 2023 \$'000	Half-year 2022 \$'000
Current tax	33,130	41,677
Deferred tax	2,000	5,708
Over/(Under) provided in prior years	8,106	(2,668)
	<b>43,236</b>	<b>44,717</b>

### B. NUMERICAL RECONCILIATION OF INCOME TAX EXPENSE TO PRIMA FACIE TAX PAYABLE

	Half-year 2023 \$'000	Half-year 2022 \$'000
Accounting profit before tax	125,648	151,290
Income tax expense at 30%	37,694	45,387
<b>Add/(Deduct):</b>		
Non-deductible expenses	(69)	1,643
Under/(Over) provision for prior year	8,106	-
Effect of differences in foreign tax rates	(3,298)	(3,335)
Effect of differences in foreign exchange	1,386	(665)
Deferred tax movement re borrowing costs	-	6,230
Other permanent adjustment	1,451	(3,587)
Movement in unrecognised deferred tax assets	(2,034)	(956)
<b>Income tax expense</b>	<b>43,236</b>	<b>44,717</b>

### C. UNRECOGNISED DEFERRED TAX BALANCES

	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>(a) Unrecognised deferred tax assets</b>		
Annual leave provision	121	113
Accrued expenses	107	-
Long service leave provision	46	28
Borrowings	12,801	14,098
Leases	26	55
Tax losses	20,447	20,447
Section 40-880 undeducted losses	-	555
<b>(b) Unrecognised deferred tax liabilities</b>		
Cash and short-term deposits	(3,553)	-
Prepayments	(2)	(1)
Right-of-use assets	(22)	(49)
<b>Net unrecognised deferred tax asset</b>	<b>29,971</b>	<b>35,246</b>

## 6 EARNINGS PER SHARE

	Half-year 2023 \$	Half-year 2022 \$
Basic earnings per share (cents per share)	7.3	9.3
Diluted earnings per share (cents per share)	7.2	9.2
The profit and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Attributable profit for the period	74,350,416	94,765,123
Weighted average number of shares outstanding during the period used in calculations of basic profit per share	1,023,511,092	1,020,965,934
Weighted average number of diluted shares outstanding during the period used in calculations of diluted profit per share	1,034,585,286	1,032,087,079

## 7 CASH AND CASH EQUIVALENTS

	30 June 2023 \$'000	31 December 2022 \$'000
Cash at bank	166,876	173,298
Cash in hand	96	95
	166,972	173,393

## 8 TRADE AND OTHER RECEIVABLES

	30 June 2023 \$'000	31 December 2022 \$'000
<b>Current</b>		
Interest receivable	1	-
Prepayments	843	2,856
Other receivables	62,497	40,511
	63,341	43,367

Other receivables include value added tax receivable from the Burkina Faso government of \$61,272,000 (2022: \$40,103,000). The full balance was assessed to be collectible and no provision for doubtful receivables was applied.

## 9 INVENTORIES

	30 June 2023 \$'000	31 December 2022 \$'000
Ore stockpiles – cost	50,030	34,230
Finished goods – cost	11,982	5,800
Gold in circuit – cost	3,575	3,510
Consumable supplies and spares – cost	24,460	24,491
	90,047	68,031

## 10 PROPERTY, PLANT AND EQUIPMENT

	Mine development assets	Mines under construction	Capital in progress	Land and buildings	Office equipment	Plant and equipment	Light vehicles	Total
Cost and accumulated depreciation	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>31 December 2022</b>								
Gross carrying amount at cost	202,930	142,580	32,593	34,729	734	236,451	6,093	656,110
Accumulated depreciation	(66,754)	-	-	(9,939)	(657)	(55,629)	(5,071)	(138,050)
Net carrying amount	136,176	142,580	32,593	24,790	77	180,822	1,022	518,060
<b>30 June 2023</b>								
Gross carrying amount at cost	233,026	228,184	25,568	36,101	763	265,752	6,334	795,728
Accumulated depreciation	(96,513)	-	-	(12,154)	(703)	(69,535)	(5,858)	(184,763)
Net carrying amount	136,513	228,184	25,568	23,947	60	196,217	476	610,965
<b>Carrying value</b>								
<b>31 December 2022</b>								
At the beginning of the period	101,386	28	1,238	26,499	50	198,293	2,062	329,556
Transfers to property, plant and equipment	-	-	(3,230)	569	74	2,136	451	-
Transfers from E&E assets	-	134,093	-	555	-	-	-	134,648
Additions	64,002	7,639	34,577	-	-	-	-	106,218
Depreciation expensed for the period	(30,000)	-	-	(2,886)	(46)	(20,052)	(1,338)	(54,322)
Depreciation capitalised for the period	-	-	-	-	-	(30)	(114)	(144)
Change in rehabilitation provision	1,311	-	-	-	-	-	-	1,311
Effects of movement in foreign exchange	(523)	820	8	53	(1)	475	(39)	793
<b>Net of accumulated depreciation</b>	136,176	142,580	32,593	24,790	77	180,822	1,022	518,060
<b>30 June 2023</b>								
At the beginning of the period	136,176	142,580	32,593	24,790	77	180,822	1,022	518,060
Transfers to property, plant and equipment	-	-	(19,958)	-	-	19,958	-	-
Additions	22,388	81,530	11,645	-	-	-	-	115,563
Depreciation expensed for the period	(26,486)	-	-	(1,780)	(20)	(11,424)	(530)	(40,240)
Depreciation capitalised for the period	-	-	-	-	-	(10)	(42)	(52)
Change in rehabilitation provision	(1,197)	-	-	-	-	-	-	(1,197)
Effects of movement in foreign exchange	5,632	4,074	1,288	937	3	6,871	26	18,831
<b>Net of accumulated depreciation</b>	136,513	228,184	25,568	23,947	60	196,217	476	610,965



## 11 RIGHT-OF-USE ASSETS

	Property \$'000	Equipment \$'000	Total \$'000
Balance at 1 January 2022	209	12,504	12,713
Depreciation charge for the year	(90)	(5,034)	(5,124)
Effects of movement in foreign exchange	-	(120)	(120)
Balance at 31 December 2022	119	7,350	7,469
<b>Balance at 1 January 2023</b>	<b>119</b>	<b>7,350</b>	<b>7,469</b>
Depreciation charge for the period	(45)	(2,657)	(2,702)
Effects of movement in foreign exchange	-	227	227
<b>Balance at 30 June 2023</b>	<b>74</b>	<b>4,920</b>	<b>4,994</b>

The component of the 30 June 2023 balance will be depreciated over the remaining unexpired period of the respective lease agreements, which currently end in 2024 pending possible extension.

## 12 EXPLORATION AND EVALUATION ASSETS

	30 June 2023 \$'000	31 December 2022 \$'000
Balance at 1 January	57,581	175,455
Additions	1,484	13,455
Transfer to property, plant and equipment	-	(134,648)
Effects of movement in foreign exchange	2,196	3,319
<b>Balance at 30 June</b>	<b>61,261</b>	<b>57,581</b>

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective areas.

## 13 OTHER NON-CURRENT ASSETS

	30 June 2023 \$'000	31 December 2022 \$'000
Transaction costs	1,510	532
	<b>1,510</b>	<b>532</b>

The transaction costs represent amounts directly attributable to establishing the corporate loan facility for Kiaka mine construction prior to drawdown of the loan facility.

## 14 TRADE AND OTHER PAYABLES

	30 June 2023 \$'000	31 December 2022 \$'000
<b>Current</b>		
Trade payables	38,617	23,853
Accruals	30,615	27,528
Other payables	1,013	1,027
	<b>70,245</b>	<b>52,408</b>

## 15 LOANS AND BORROWINGS

	30 June 2023 \$'000	31 December 2022 \$'000
Current	14,536	14,106
	<b>14,536</b>	<b>14,106</b>

The loans and borrowings balance represents the loan facility that was entered into with Byrnegut Burkina Faso SARL in 2019 as a component of the Sanbrado underground mining services contract. The unsecured facility has a limit of US\$10 million and interest is charged at a rate of 9.75% per annum. Interest is payable half-yearly and the principal is due 6 months before termination of the 5-year services contract. The balance outstanding under the facility at 30 June 2023 was US\$9.7 million inclusive of accrued interest (2022: US\$9.6 million).

## 16 PROVISIONS

	30 June 2023 \$'000	31 December 2022 \$'000
<b>Non-current</b>		
Long service leave provision	154	110
Rehabilitation provision	13,455	14,266
	<b>13,609</b>	<b>14,376</b>
<b>Reconciliation of movements in rehabilitation provision:</b>		
Balance at the start of the period	14,266	12,512
Change in rehabilitation provision during the period	(1,323)	1,675
Effects of movement in foreign exchange	512	79
<b>Balance at the end of the period</b>	<b>13,455</b>	<b>14,266</b>

The Group's rehabilitation provision has been calculated with an inflation rate of 3.0% (2022: 2.5%) and by discounting the cash flows at a rate of 4.0% (2022: 2.75%).

## 17 DEFERRED TAX LIABILITIES

	30 June 2023 \$'000	31 December 2022 \$'000
<b>Deferred tax liabilities</b>		
Trade and other receivables	935	2,840
Property, plant and equipment	28,881	24,999
Trade and other payables	(211)	(549)
Borrowings	2,945	3,130
Borrowing costs	4,184	4,314
<b>Net deferred tax liabilities</b>	<b>36,734</b>	<b>34,734</b>
<b>Movements:</b>		
Opening balance	34,734	19,967
Charged/(Credited) to profit and loss	640	11,220
Under/(Over) provision in prior years	1,360	3,547
<b>Closing balance</b>	<b>36,734</b>	<b>34,734</b>

## 18 ISSUED CAPITAL

	30 June 2023 \$'000	31 December 2022 \$'000
Fully paid ordinary shares	335,622	335,630
<b>(a) Number of shares</b>	<b>No.</b>	<b>No.</b>
At start of period	1,022,841,993	1,020,773,845
Issue of shares on exercise of options	735,754	1,972,148
Issue of shares from capital raising	-	96,000
<b>Balance at end of period</b>	<b>1,023,577,747</b>	<b>1,022,841,993</b>
<b>(b) Value of shares</b>	<b>\$'000</b>	<b>\$'000</b>
At start of period	335,630	335,334
Issue of shares on exercise of options	-	526
Issue of shares from capital raising	-	120
Share issue costs	(8)	(350)
<b>Balance at end of period</b>	<b>335,622</b>	<b>335,630</b>

## 19 RESERVES

	30 June 2023 \$'000	31 December 2022 \$'000
Foreign currency translation reserve	17,109	689
Share-based payments reserve	16,566	15,096
	<b>33,675</b>	<b>15,785</b>

### Nature and purpose of reserves

#### (a) Foreign currency translation reserve

The foreign currency translation reserve is used to record the Group's exchange differences arising from the translation of loans to foreign subsidiaries that are expected to be repaid in the long term and the translation of the financial statements of foreign subsidiaries.

#### (b) Shared-based payments reserve

The shared-based payments reserve is used to recognise the fair value of options and rights issued by the Company to Directors, employees and other suppliers or consultants that are not exercised or expired.

## 20 DIVIDENDS

No dividends were paid or declared payable during the half year (2022: nil).

## 21 CONTINGENT LIABILITIES

### (i) Royalty agreements

During 2021, the Group entered into royalty agreements with third parties in respect of the acquisition of the Kiaka Gold Project ('Kiaka') and the Toega Gold Project ('Toega'). Royalties will become payable under the agreements when refined gold is produced from ore extracted from the physical areas covered by the agreements.

- Royalty agreements in respect of gold produced from Kiaka comprise:
  - a 3% net smelter return ('NSR') royalty on the first 2.5 million ounces; and
  - a 0.5% NSR royalty on the next 1.5 million ounces.
- Royalty agreements on the first 1.5 million gold ounces produced from the Nakomgo exploration permit area were provided in respect of Toega comprising:
  - a 3% NSR royalty to a value of US\$25 million; and
  - thereafter a 0.5% NSR royalty.

### (ii) Other contingent liabilities

There were no other material contingent liabilities at 30 June 2023 (2022: nil).

## 22 INTEREST IN SUBSIDIARIES

### A. SUMMARISED FINANCIAL INFORMATION FOR SOCIETE DES MINES DE SANBRADO BEFORE INTRAGROUP ELIMINATIONS

	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Revenue	309,534	322,286
Profit for the period:		
Attributable to owners of the parent	72,551	106,281
Attributable to non-controlling interest	8,061	11,809
	80,612	118,090
<b>STATEMENT OF CASH FLOWS</b>		
Net cash from operating activities	91,424	111,422
Net cash used in investing activities	(34,899)	(41,125)
Net cash used in financing activities	(80,231)	(72,517)
	(23,706)	(2,220)
	Half-year ended 30 June 2023 \$'000	Year ended 31 December 2022 \$'000
<b>STATEMENT OF FINANCIAL POSITION</b>		
Assets		
Current assets	250,911	225,100
Non-current assets	389,755	393,097
	640,666	618,197
Liabilities		
Current liabilities	180,725	152,055
Non-current liabilities	64,725	64,521
	245,450	216,576
Equity		
Attributable to owners of the parent	355,694	361,458
Attributable to non-controlling interest	39,522	40,162
	395,216	401,620

## 22 INTEREST IN SUBSIDIARIES (CONTINUED)

### B. SUMMARISED FINANCIAL INFORMATION FOR KIAKA SA BEFORE INTRAGROUP ELIMINATIONS

	Half-year 2023 \$'000	Half-year 2022 \$'000
<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Revenue	-	-
Profit for the period:		
Attributable to owners of the parent	-	(8)
Attributable to non-controlling interest	-	(1)
	-	(9)
<b>STATEMENT OF CASH FLOWS</b>		
Net cash from operating activities	-	-
Net cash used in investing activities	(70,930)	(2,827)
Net cash used in financing activities	75,988	3,691
	5,058	864
<b>STATEMENT OF FINANCIAL POSITION</b>		
	Half-year ended 30 June 2023 \$'000	Year ended 31 December 2022 \$'000
Assets		
Current assets	6,310	1,244
Non-current assets	184,253	98,818
	190,563	100,062
Liabilities		
Current liabilities	12,470	1,824
Non-current liabilities	179,058	99,166
	191,528	100,990
Equity		
Attributable to owners of the parent	(868)	(836)
Attributable to non-controlling interest	(97)	(93)
	(965)	(929)

## 23 SUBSEQUENT EVENTS AFTER THE BALANCE DATE

There has not arisen in the interval between the end of the reporting period and the date of this report, any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect substantially the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial years.

## DIRECTORS' DECLARATION

In the opinion of the Directors:

- a. The interim financial statements and notes of the Group are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year then ended; and
  - (ii) complying with AASB 134: Interim Financial Reporting, the Corporations Regulations 2001, and other mandatory professional reporting requirements.
- b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is signed in accordance with a resolution of the Board of Directors.



**RICHARD HYDE**  
Executive Chairman & CEO  
28 August 2023

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of West African Resources Limited for the half-year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
28 August 2023



M R Ohm  
Partner

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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of West African Resources Limited

### Report on the Half-Year Financial Report

#### *Conclusion*

We have reviewed the half-year financial report of West African Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration, for the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of West African Resources Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### *Basis for Conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia.

We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### *Responsibility of the Directors for the Financial Report*

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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*Auditor's Responsibility for the Review of the Financial Report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

*HLB Mann Judd*

**HLB Mann Judd**  
Chartered Accountants

**Perth, Western Australia**  
**28 August 2023**



**M R Ohm**  
Partner