



# **Sanbrado: A high-grade gold discovery**

Presentation – 2 May 2018

Macquarie Australia Conference 2018



# IMPORTANT NOTICE

## IMPORTANT NOTICE AND DISCLAIMER

This news release contains “forward-looking information” within the meaning of securities legislation, including information relating to West African's future financial or operating performance. All statements in this news release, other than statements of historical fact, that address events or developments that West African expects to occur, are “forward-looking statements”. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words “expects”, “does not expect”, “plans”, “anticipates”, “does not anticipate”, “believes”, “intends”, “estimates”, “projects”, “potential”, “scheduled”, “forecast”, “budget” and similar expressions, or that events or conditions “will”, “would”, “may”, “could”, “should” or “might” occur. All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to important risk factors and uncertainties, many of which are beyond West African's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. In the case of West African, these factors include their anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs. Statements concerning mineral resource estimates are also considered forward-looking information as the estimation involves subjective judgments about many relevant factors. Mineral resource estimates may have to be re-estimated based on, among other things: fluctuations in the gold price; results of future exploration activities; results of metallurgical testing and other studies; changes to proposed mining operations, including dilution; and the possible failure to receive required permits, approvals and licenses.

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obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to West African, please refer to West African's financial statements and related MD&A, all of which are filed on SEDAR at [www.sedar.com](http://www.sedar.com).

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## NI 43-101 QUALIFIED PERSONS AND COMPETENT PERSONS STATEMENT

Information in this presentation 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 presentation and consents to the inclusion in this presentation of all technical statements based on his information in the form and context in which they appear.

Information in this presentation that relates to Ore Reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Cruickshanks, an independent specialist mining consultant. 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 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 presentation and consents to the inclusion in this presentation of all technical statements based on his information in the form and context in which they appear.

WAF has filed on SEDAR (at [www.sedar.com](http://www.sedar.com)) a technical report titled “NI 43-101 Definitive Feasibility Study Sanbrado Gold Project, Burkina Faso Technical Report” and dated 7 April 2017 2016, which contains, among other things, detailed information about assay methods, data verification and QA/QC procedures related to the Sanbrado Gold Project.



# INVESTMENT HIGHLIGHTS

## HIGH-GRADE TIER 1 PROJECT

- Sanbrado Gold Project redefined by transformational exploration success
- Extreme grades at M1 growing at depth, large under-explored gold system at M5
- Over 2.1Moz Indicated Resources with significant upside

## LOW COST, COMPELLING ECONOMICS

- High grade resource supports low cost operation,
- 2017 FS +150Kozpa, US\$708/oz AISC first 3 years, US\$131 million capex, 2 yr pay back at US\$1200
- 2018 FS concurrent open pit + underground mining, significant improvement to 2017 mine plan

## SIGNIFICANT EXPLORATION UPSIDE POTENTIAL

- Substantial mineral endowment with all zones open along strike and at depth
- M1 significantly under-explored along mineralised zones to north and south
- M5 and M3 extension targets still to be drilled out

## NEAR-TERM DEVELOPMENT READY

- Upgraded Feasibility Study in Q2 2018, adding underground to open pit
- Mining and environmental approvals obtained, updates expected Q2 2018
- Ongoing work to further grow reserves and mineral inventory, aiming for first gold by Q3 2020

## SIGNIFICANT BELT POTENTIAL

- +1,000km<sup>2</sup> of 100% owned tenements over prospective greenstone belts
- Sanbrado is key to unlocking an underexplored region with further consolidation potential

## STABLE JURISDICTION

- One of West Africa's most stable gold mining jurisdictions hosting a number of Africa's largest gold mines

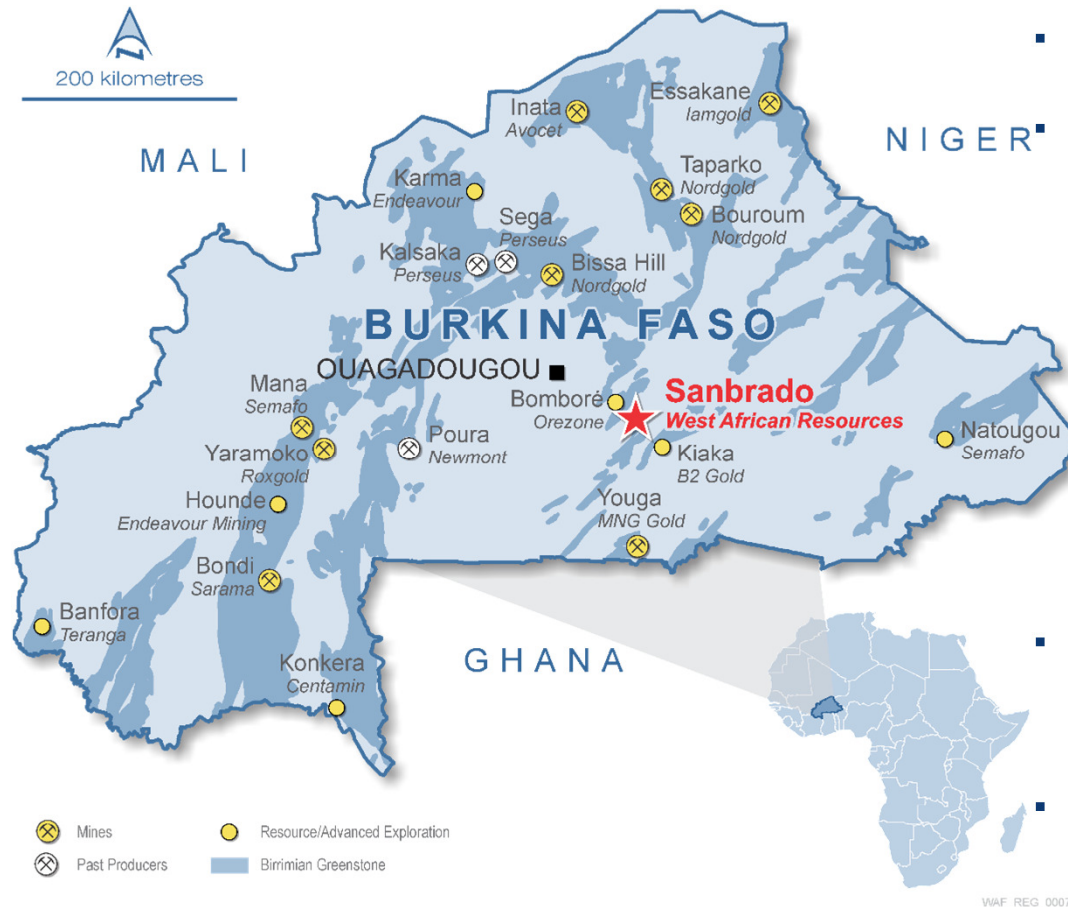
## EXPERIENCED MANAGEMENT

- Experienced management and operational teams in Burkina Faso and Perth
- Proven track record in the discovery, development and delivery of major gold projects in West Africa



# SANBRADO GOLD PROJECT – BURKINA FASO

## SANBRADO: A HIGH GRADE GOLD PROJECT



- Recent transformational exploration success has underpinned a planned CIL development
- High-grade discovery March 2016:
  - TAN17-DD111: 21m at 53.13 g/t Au from 408.5m including 0.5m at 1,613.41 g/t Au
  - TAN17-DD109: 29.5m at 20.7g/t Au from 349.5m including 1.5m at 250.3g/t Au
  - TAN16-RC122: 12m at 53.11g/t Au, including 1m at 534.45g/t Au
  - TAN16-DD044: 18m at 82.3g/t Au from 98m including 1m at 1107g/t Au
  - TAN16-DD055: 16m at 69.1g/t Au including 2m at 315.3g/t Au from 209m
- 2017 feasibility study: 2Mtpa SAG CIL - First 3 years at 150Kozpa at AISC US\$708 - optimisation underway with additional high grade mineralisation - open pits only
- 2018 feasibility study: SABC 2Mtpa CIL - Significantly improved mine plan, prioritising high grade from M1 South underground and M5 open pits



# CORPORATE OVERVIEW

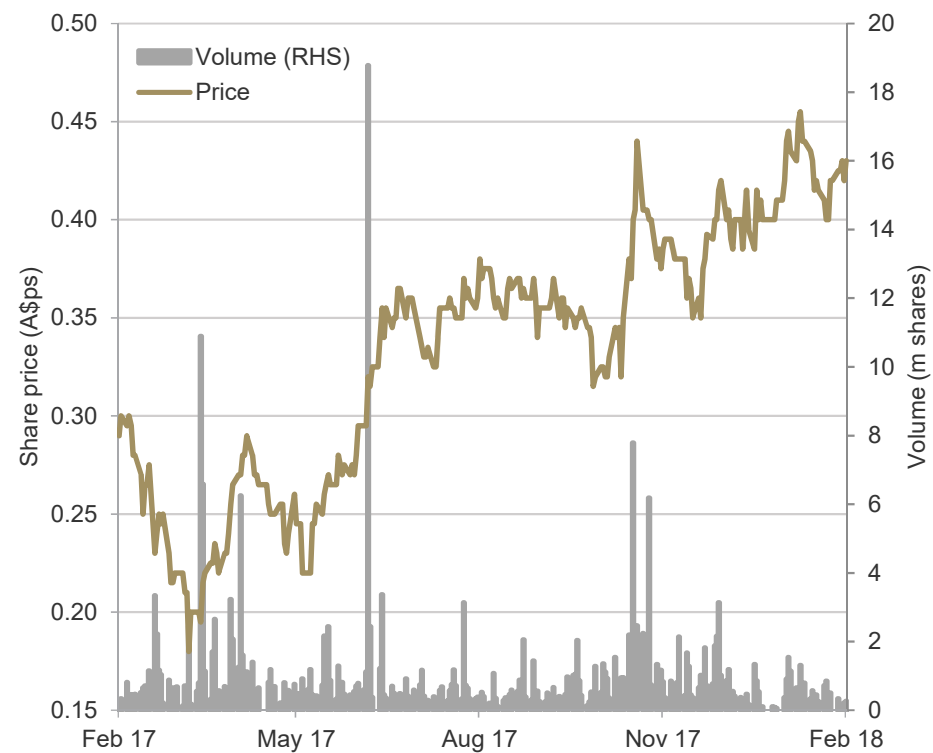
## ASX & TSX-V: WAF

Total Ordinary Shares on Issue	581.2m
Options on issue	16.2m
Top 20 Shareholders	56%
Cash (31 March 2018)	A\$15.8m
Market Capitalisation (at A\$0.35/share)	A\$203m

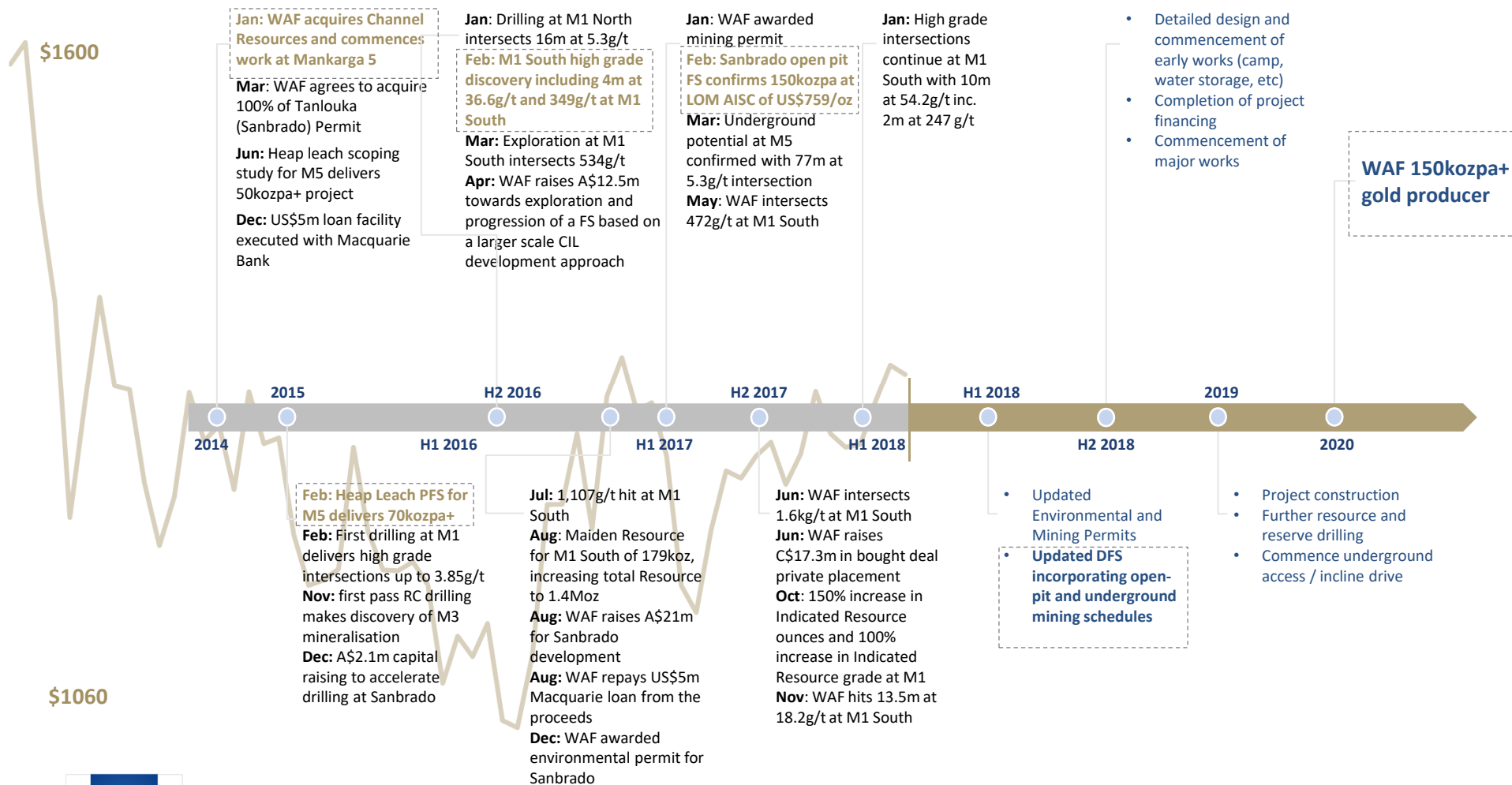
## SUBSTANTIAL SHAREHOLDERS

Board and Management	4.1%
1832 Asset Mgt (Dynamic Funds)	7.9%
Sprott Asset Mgt	5.7%

## SHARE PRICE (ASX)



# PROJECT TIMELINE



# EXPERIENCED BOARD & MANAGEMENT

## BOARD OF DIRECTORS

### **RICHARD HYDE** Founder, Managing Director & CEO

Geologist with 20 years of experience in the minerals industry and more than 15 years of experience in West Africa. Founding shareholder and Director of WAF.

### **MARK CONNELLY** Non-Exec Chairman

Director with over 27 years experience in the mining industry, former MD & CEO of both Papillon Resources, a Mali-based gold developer which merged with B2Gold, and Adamus Resources, a Ghana gold producer which merged with Endeavour Mining

### **SIMON STORM** Non-Exec Director

Chartered accountant with more than 25 years of Australian and international experience in the accounting profession and commerce.

## MANAGEMENT TEAM

### **LYNDON HOPKINS** Chief Operating Officer

More than 20 years of experience in gold exploration, development and production. Former COO of Equigold NL's Ivory Coast operations and Mine Manager for the construction of Regis Resources Ltd's Rosemont Gold Mine.

### **NICK HARCH** Advisor – Project Finance

More than 15 years with Macquarie Bank, experienced in initiating and leading equity, quasi-equity, project finance and structured hedging transactions for a broad range of resource projects, across many countries.

### **VINCENT MOREL** Exploration Manager

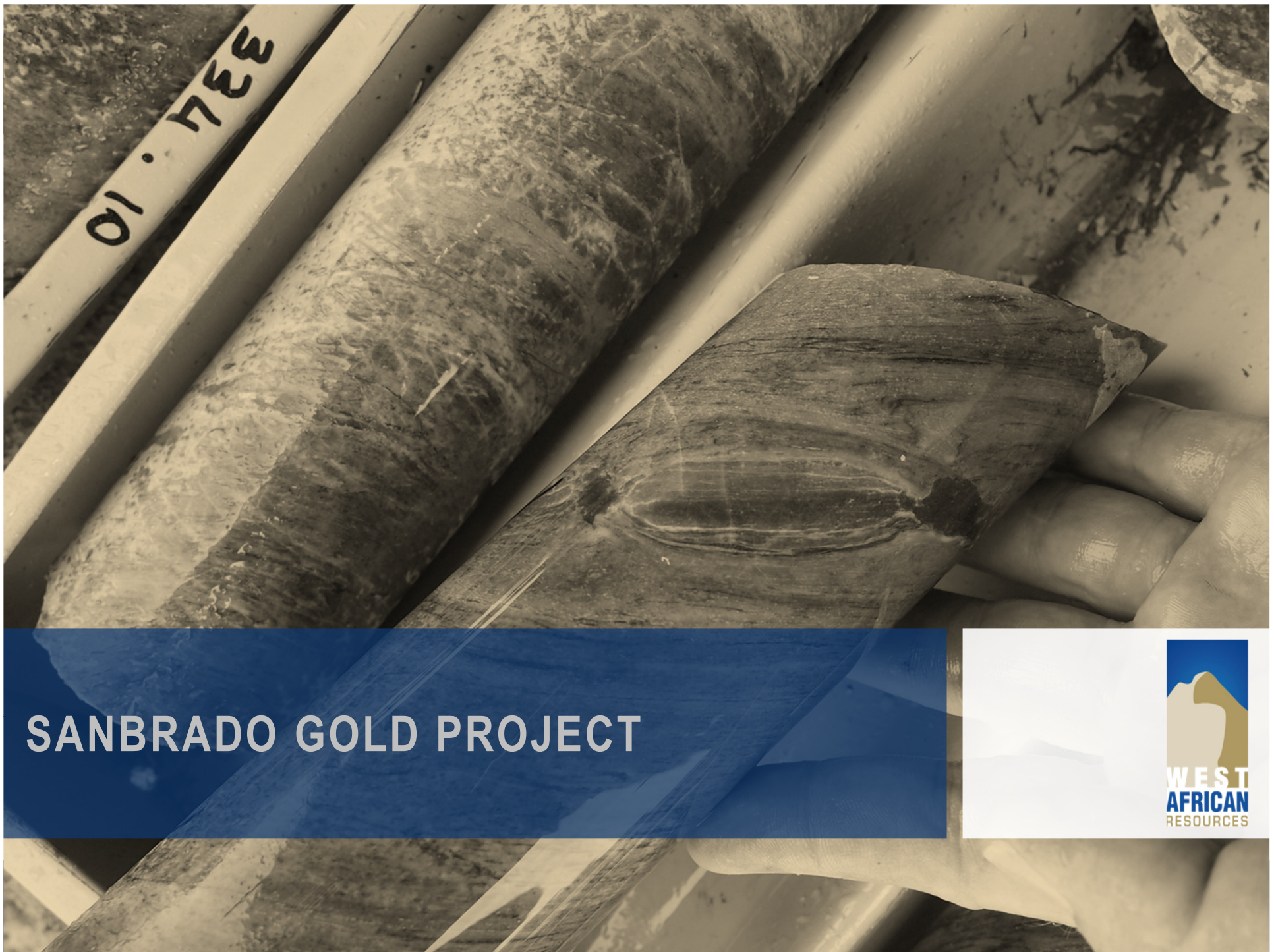
Geologist with 25 years of experience in mining, over 20 years of experience in Africa. Involved with discovery of Randgold's +10Moz gold Morila gold mine in Mali.

### **PIERRE TAPSOBA** National Director

Dr Tapsoba is a Burkinabe' national. PhD trained geologist with over 40 years or experience. Former government minister, with strong local relationships.

### **JOANNE THOMPSON** Sustainability Manager

More than 10 years of experience in mining. Has held positions including Senior Closure and Reclamation Planner, Mine Operations Environmental Officer, and Environmental Officer with Newmont, SRK and Knight Piésold.

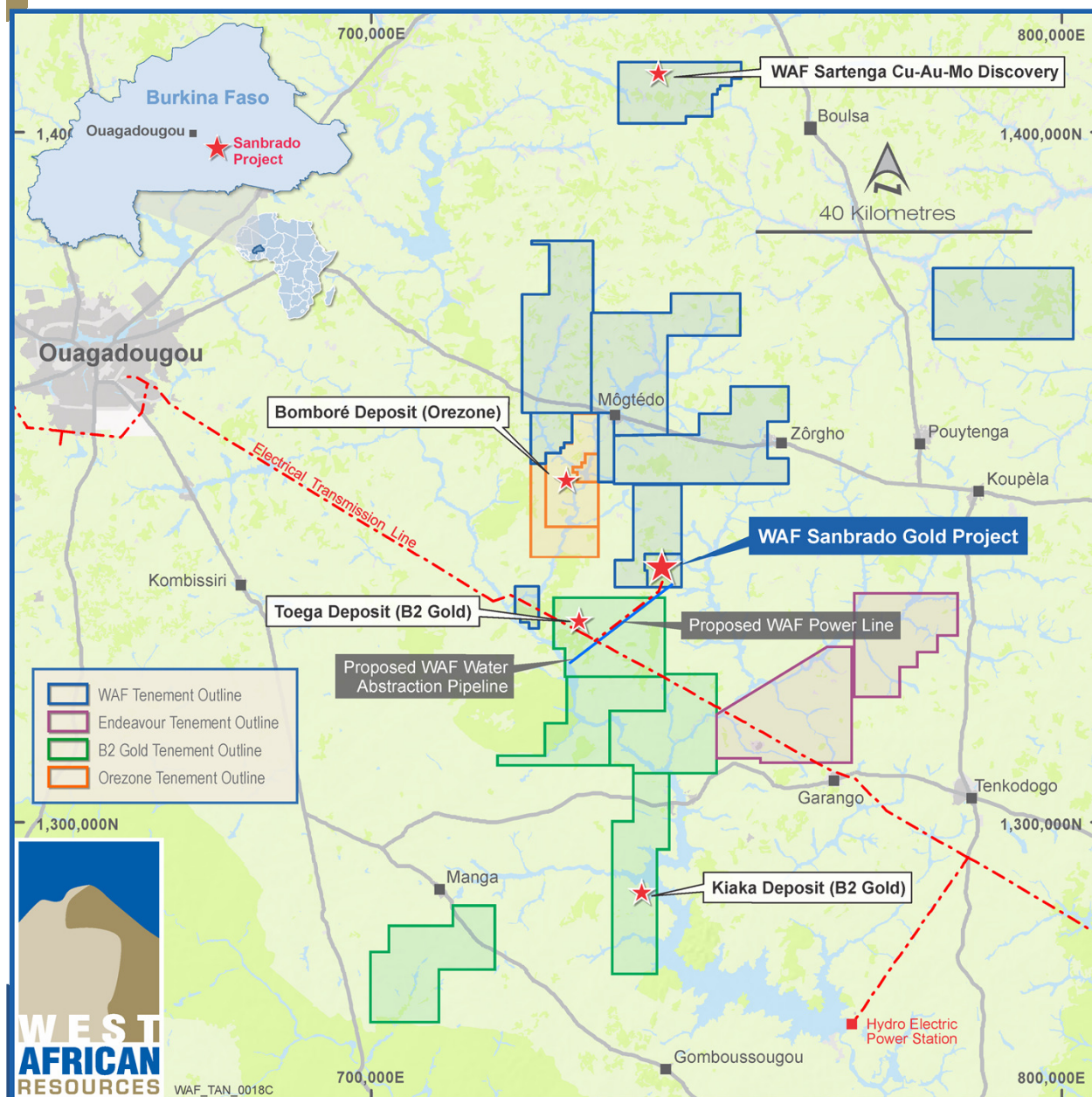


# SANBRADO GOLD PROJECT





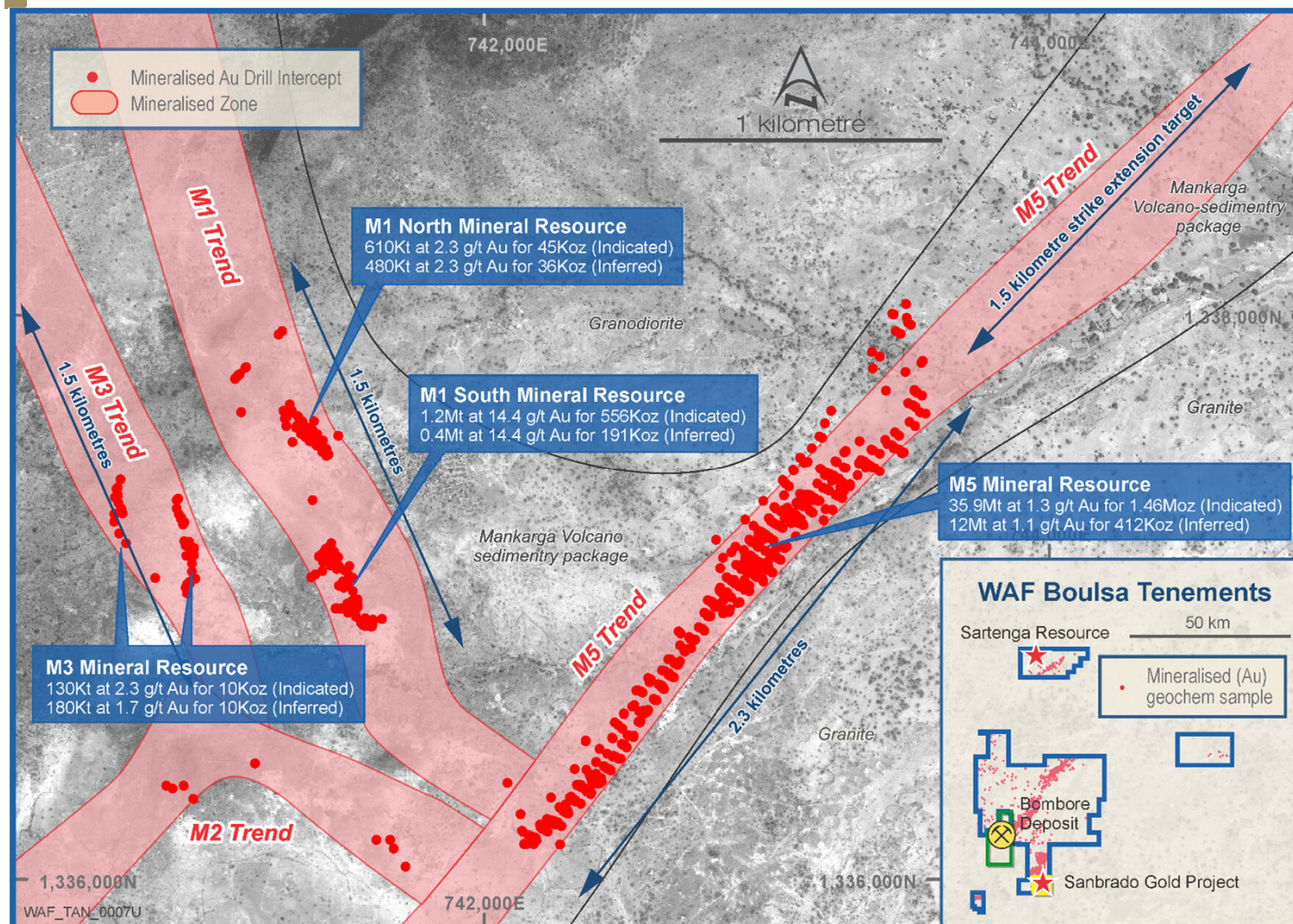
# SANBRADO GOLD PROJECT



- Located in central Burkina Faso
- 110km, 1.5 hrs southeast of Ouagadougou
- Excellent infrastructure
  - 20km from sealed highway
  - All weather access road
  - Excellent mobile phone coverage
  - LV grid power on site
  - 15km from HV grid power
  - 18km from stable water source (White Volta River)
- Low population density area, limited relocation required
- Granted mining and environmental licences
- Key project in emerging gold district

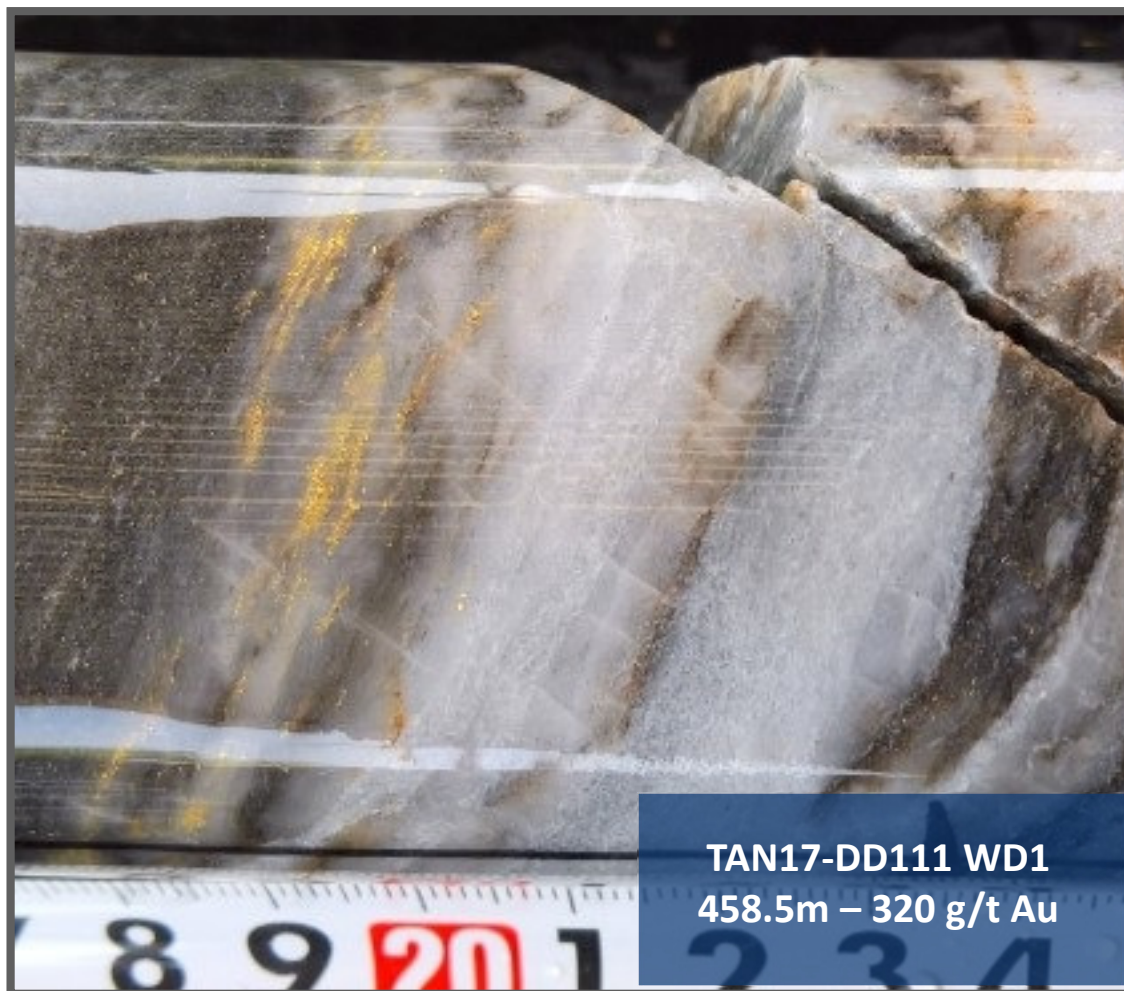


# SANBRADO GOLD PROJECT OVERVIEW



- Project resource of 2.1Moz (Ind) & 0.7Moz (Inf)
- Resources include over 200,000m of DD & RC
- All deposits within 3km
- Conventional open-pit and underground mining
- Conventional CIL processing methods – >91% recovery at 90 µm grind
- Still adding ounces - all zones open at depth, along strike

# M1 SOUTH HIGH GRADE DISCOVERY



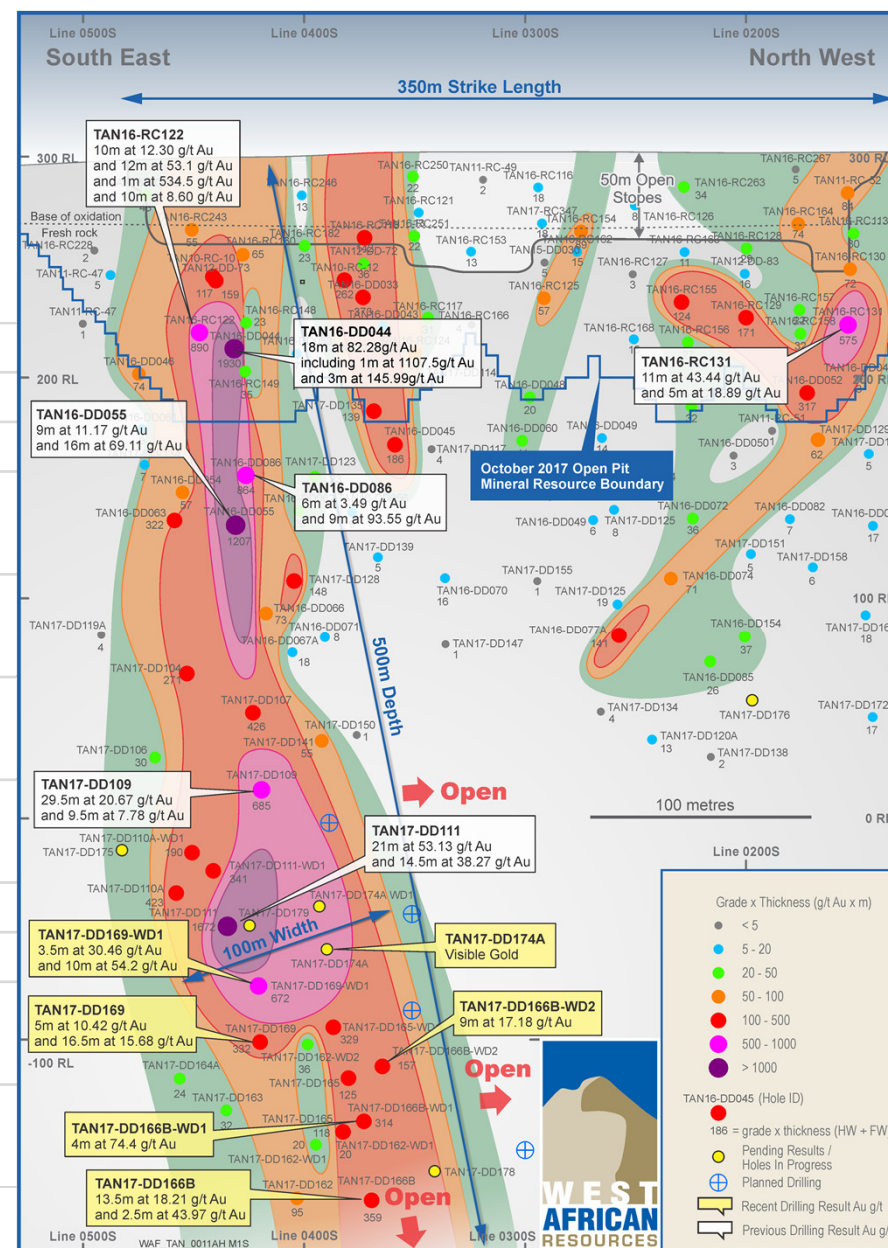
- At least 3 high grade shoots across 350m strike
- Southern shoot best developed, up to 100m strike, up to 45m true width, drilled to 500m
- Fertile system, open at depth
- Extreme grades up to 1.6kg/t
- >1,500oz per vertical metre from surface to 500m vertical
- Abundant visible gold, high recoveries >96%



# RECENT M1 SOUTH DRILLING RESULTS

## DRILLING NOW TARGETING +550M VERTICAL:

TAN17-DD104	11m at 20.4g/t Au from 286m, including 2m at 101.7 g/t Au
TAN17-DD107	8.5m at 38.0 g/t Au from 296.5m, including 1m at 260.9 g/t Au
TAN17-DD109	29.5m at 20.7 g/t Au from 349.5m, including 1.5m at 250.3 g/t Au
TAN17-DD110A	22m at 10.5 g/t Au from 373.5m, including 1.5m at 61.7 g/t Au 15m at 12.4 g/t Au from 431.5m, including 2.5m at 57.6 g/t Au
TAN17-DD111	21m at 53.1 g/t Au from 408.5m, including 0.5m at 1,613 g/t Au 14.5m at 38.3 g/t Au from 459m, including 4.5m at 104.2 g/t Au
TAN17-DD110A-WD1	4m at 21.45 g/t Au from 421.5m, including 0.5m at 79.7 g/t Au 3m at 29.52 g/t Au from 434m, including 0.5m at 127 g/t Au
TAN17-DD111-WD1	3m at 14.49 g/t Au from 417m, including 0.5m at 73.9 g/t Au 16.5m at 14.8 g/t Au from 446.5m, including 2.5m at 79.9 g/t Au
TAN17-DD166B-WD1	4m at 74.4 g/t Au from 567.5m, including 0.5m at 520 g/t Au
TAN17-DD166B-WD2	9m at 17.18 g/t Au from 551.5m, including 1m at 111 g/t Au
TAN17-DD169	5m at 10.42 g/t Au from 486m, including 1m at 44 g/t Au 16.5m at 15.68 g/t Au from 511m, including 0.5m at 154 g/t Au
TAN17-DD169-WD1	3.5m at 30.46 g/t Au from 469m, including at 0.5m at 198 g/t Au 10m at 54.2 g/t Au from 499m, including 2m at 247 g/t Au





# M1 SOUTH MINERAL RESOURCE

- Independently prepared resource and mining studies
- Resource modelling includes OK and MIK estimation
- OK high grade domains, hard boundaries, 250g/t Au top cut
- MIK low grade domains, enveloping high grade zones
- Depth of mineralisation from 170m to 500m in 2017
- Updated Mineral Resource Q2 2018

## October 2017 Open-pit resource:

(0 - 120m depth, reported at 0.5 g/t Au cut off)

- 0.73Mt at 6.8 g/t Au for 161,000 ounces gold (Indicated)
- 0.07Mt at 5.1 g/t Au for 11,000 ounces gold (Inferred)

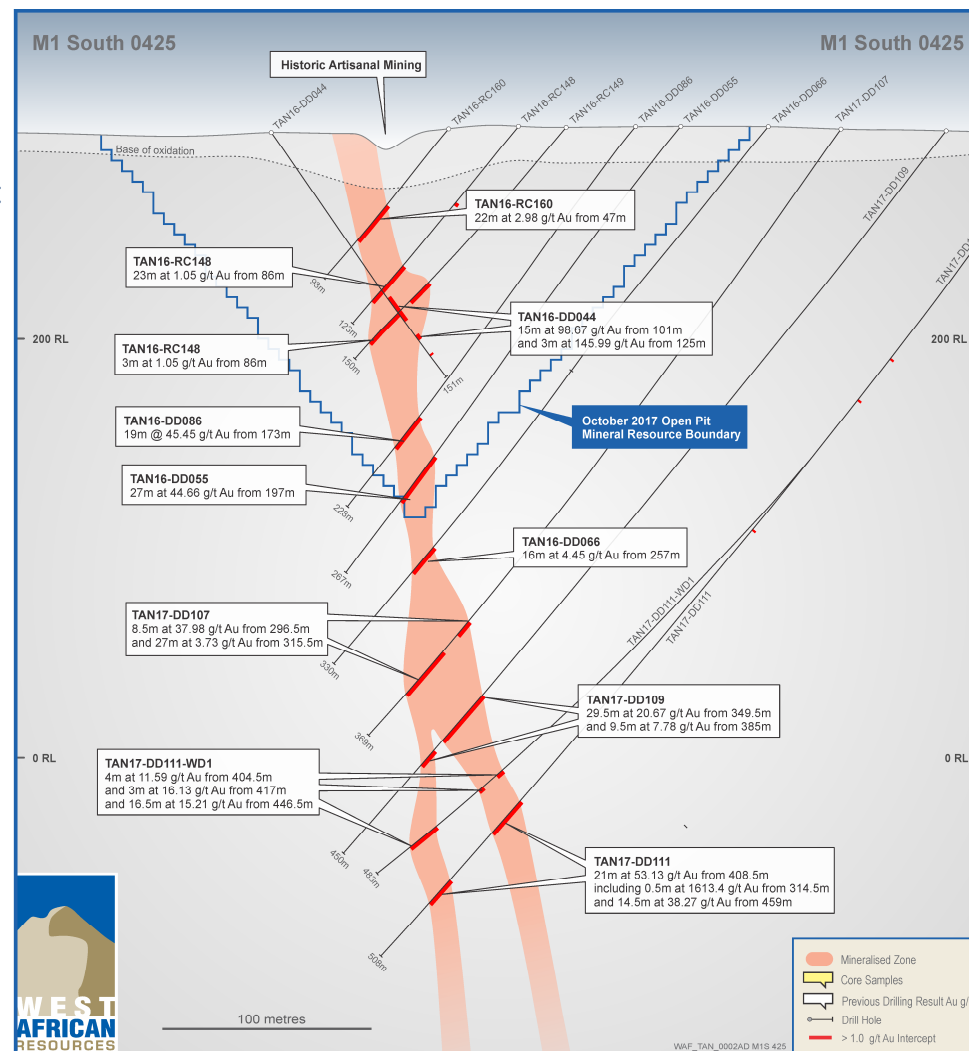
## October 2017 Underground resource:

(+120m depth, reported at 3 g/t Au cut off)

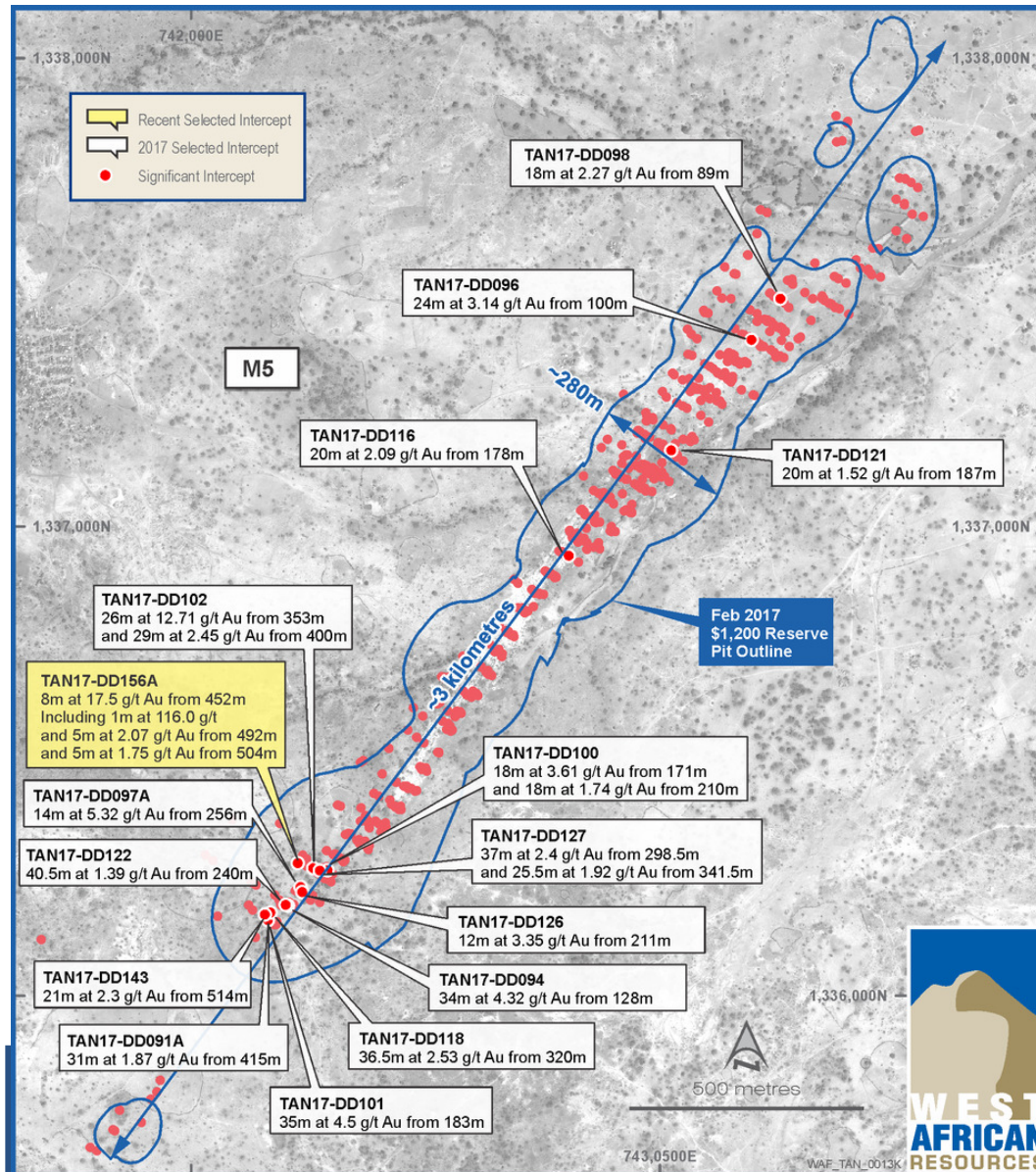
- 0.47Mt at 26.4 g/t Au for 395,000 ounces gold (Indicated)
- 0.35Mt at 16.1 g/t Au for 180,000 ounces gold (Inferred)

## Total resource:

- 1.2Mt at 14.4 g/t Au for 556,000 ounces gold (Indicated)
- 0.41Mt at 14.4 g/t Au for 191,000 ounces gold (Inferred)

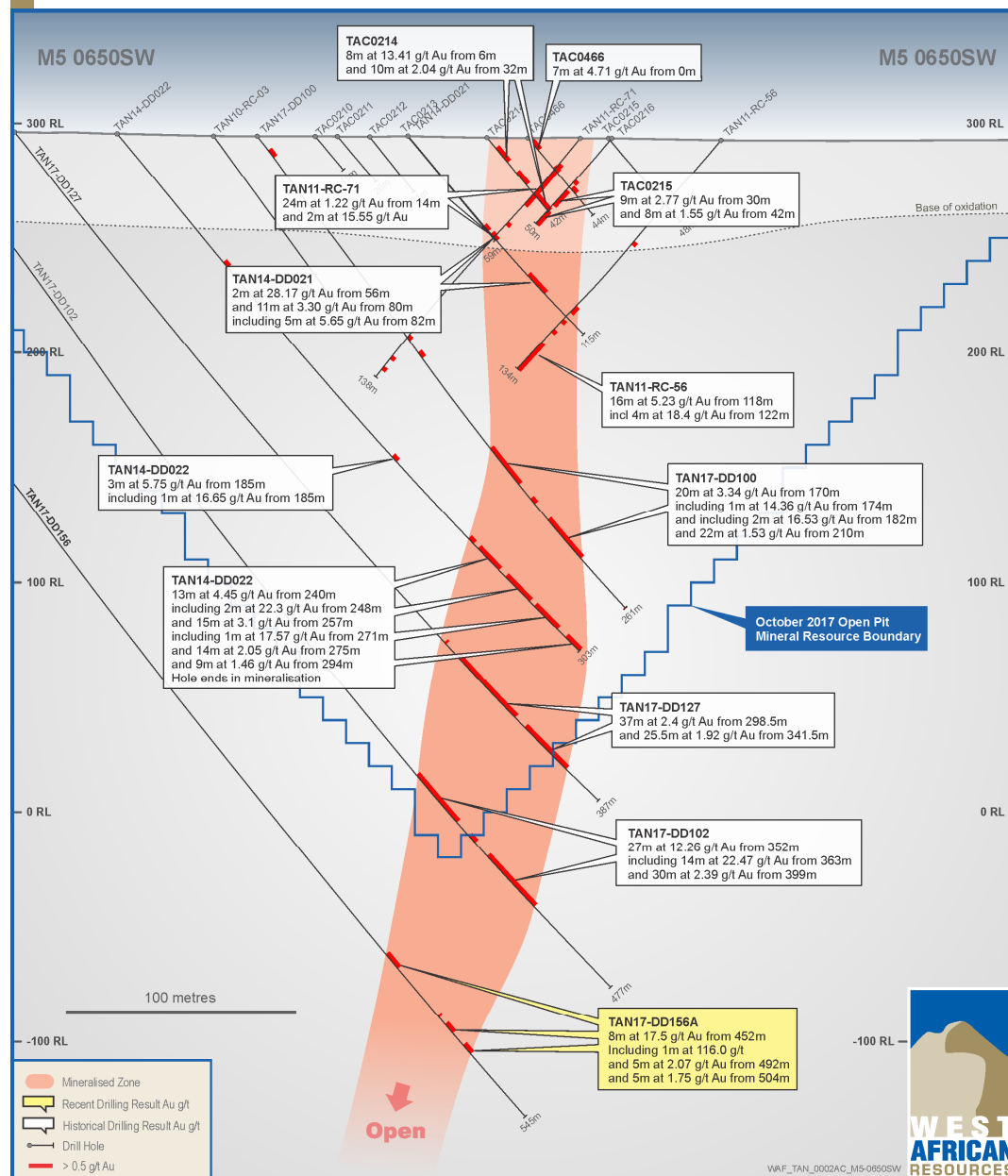


# M5 TONNES OF OPTIONS, OPEN AT DEPTH



- 3km strike, up to 300m true width, open at more than 300m depth, low strip ratio
- 35.9Mt at 1.3 g/t Au for 1,461,000 ounces of gold (Indicated) and 12.0Mt at 1.1 g/t Au for 412,000 ounces of gold (Inferred)
- Over 10Mt oxide and transitional material
- Ore shoots open at depth plunge steeply to northeast
- Southwestern 1km of deposit higher grade at depth
- Open at depth and along strike
- 2 rigs on site targeting mineralization beneath open pit shell, confirming underground potential beneath TAN17-DD156A - 8m at 17.5 g/t Au from 452m, including 1m at 116 g/t Au (currently not in resource !)

# M5 2017 DRILLING RESULTS

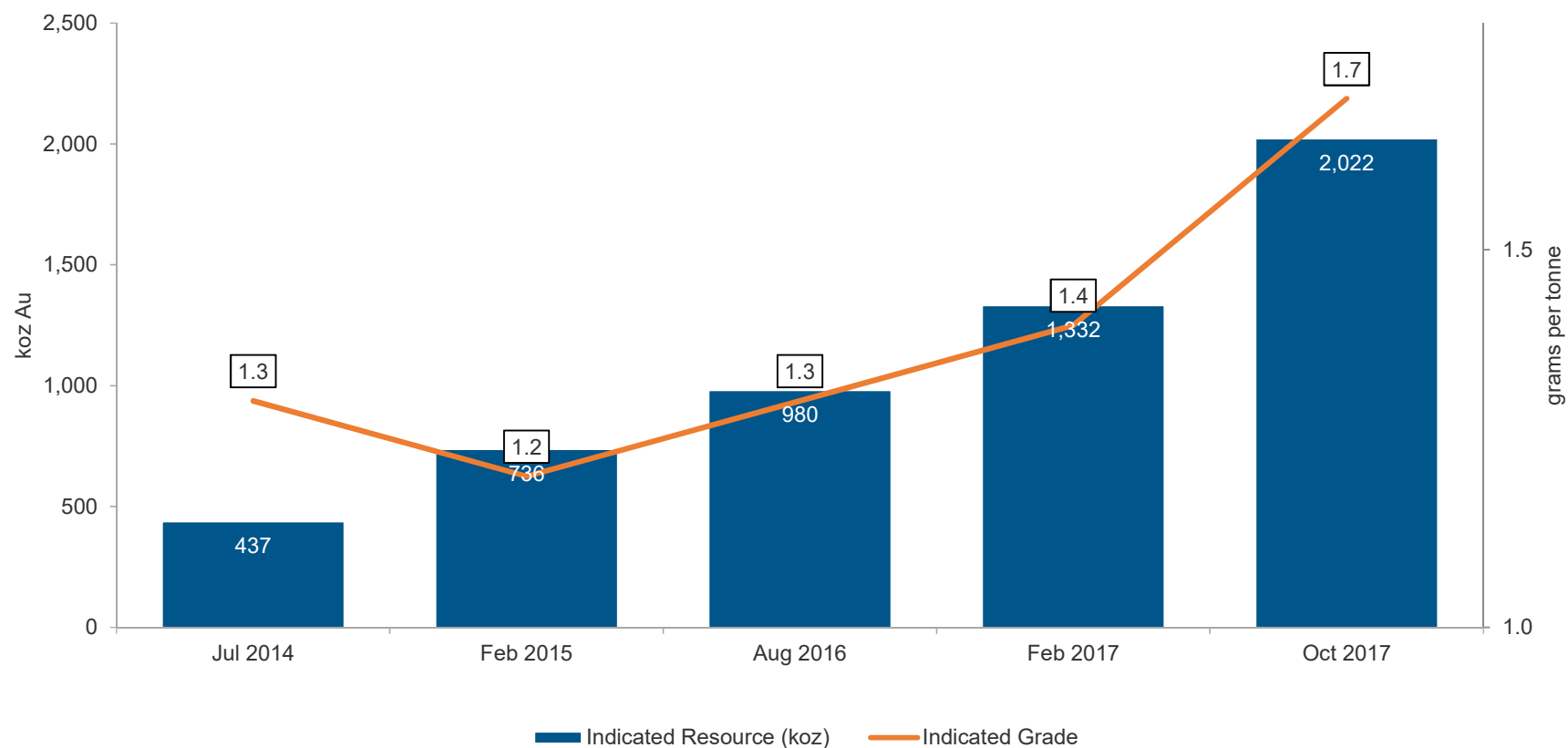


## DRILLING NOW TARGETING +400M VERTICAL:

TAN17-DD094	29m at 4.96g/t Au from 128m, including 9m at 10.6g/t Au
TAN17-DD097A	15m at 5.03g/t Au from 256m, including 2m at 27.3g/t Au
TAN17-DD100	20m at 3.34g/t Au from 170m, including 2m at 16.5g/t Au
TAN17-DD101	42m at 3.89g/t Au from 176m, including 14m at 5.41g/t Au
TAN17-DD102	77m at 5.3g/t Au from 352m, including 27m at 12.3g/t Au
TAN17-DD156A	8m at 17.5 g/t Au from 452m, including 1m at 116 g/t Au

# RESOURCE GROWTH 2014-2018

## “VALUE CREATION THROUGH THE DRILL BIT”





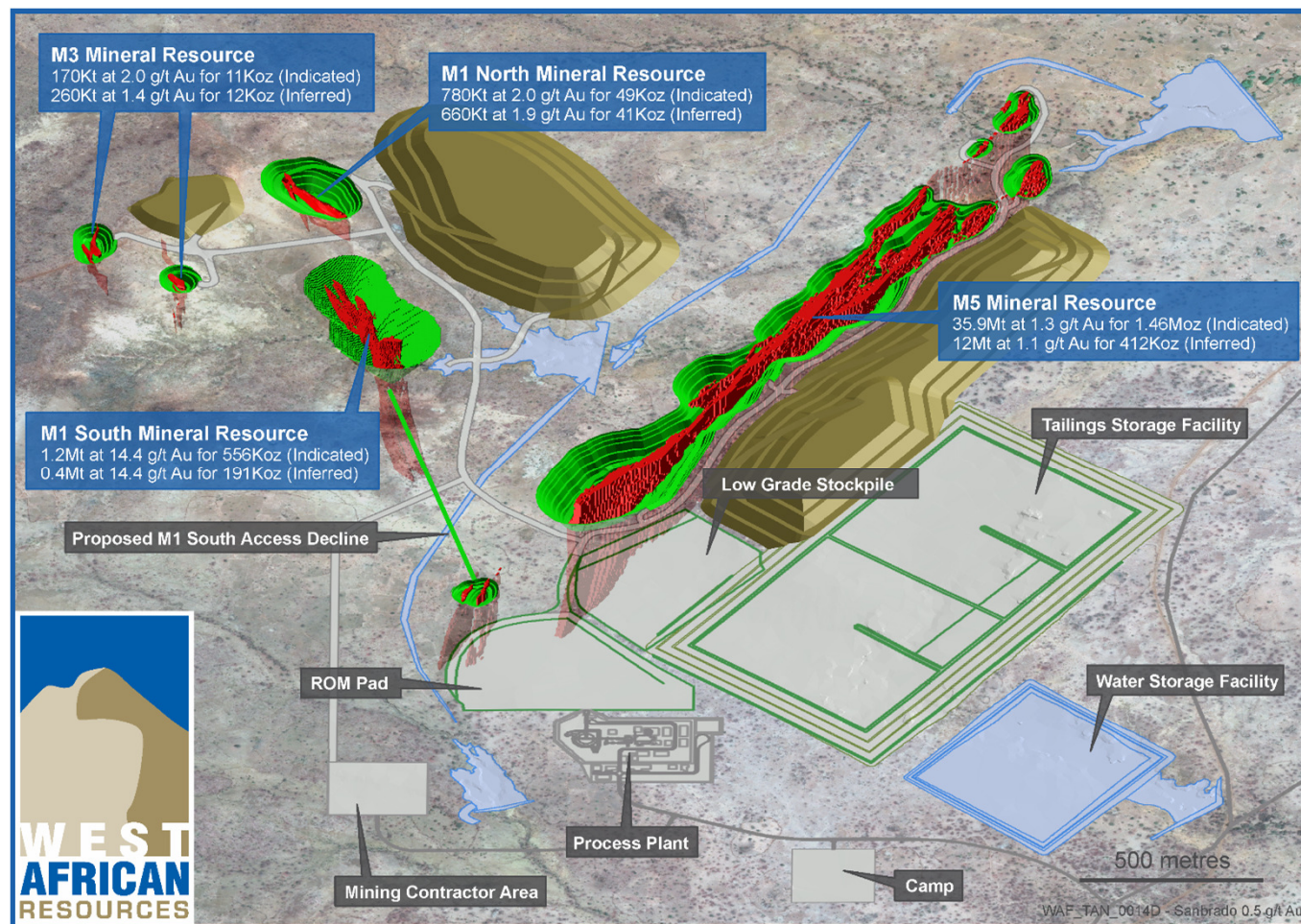
# 2017 VS 2018 FEASIBILITY STUDY OVERVIEW

## 2017 FEASIBILITY STUDY

+150Kozpa over first 3yrs with AISC of **US\$708/oz**, 90Kozpa over 9 years with US\$759/oz at **91% LOM recoveries** utilising single stage SAG milling from **US\$131m capex**

## 2018 FEASIBILITY STUDY SNAPSHOT

Increased production over early years, expanded mine schedule c. 10 years concurrent o/p & u/g mining, improved recoveries utilising two stage SABC milling, capex increases to include preprod. UG mine development



# EXPLORATION POTENTIAL & UPSIDE AREAS

## 1 NEAR MINE EXPLORATION

### <5km from Sanbrado

- Continue to chase M1 South below 500m depth, deposit has maintained 1,500oz/vm from surface mostly over only 100m strike
- M1 extensions south-west towards intersection with M5 trend (drilling in progress)
- M5 high grade underground potential – DD102 beneath Ore Reserve pit shell 77m at 5.3g/t Au including 14m at 22.5g/t Au Structural targets northern side of granite dome

## 3 REGIONAL POTENTIAL

### Sanbrado is key to unlocking an under-explored region with further consolidation potential

- Burkina Faso is the third largest gold producing nation in West Africa after Ghana and Mali
- In 2016, the country produced 1.2Moz Au and has the third largest reserve and resource base of 14.95Moz and 35.01Moz Au respectively
- Burkina Faso also accounted for 24% of all mineral exploration budgets in 2016, the highest of any country in West Africa

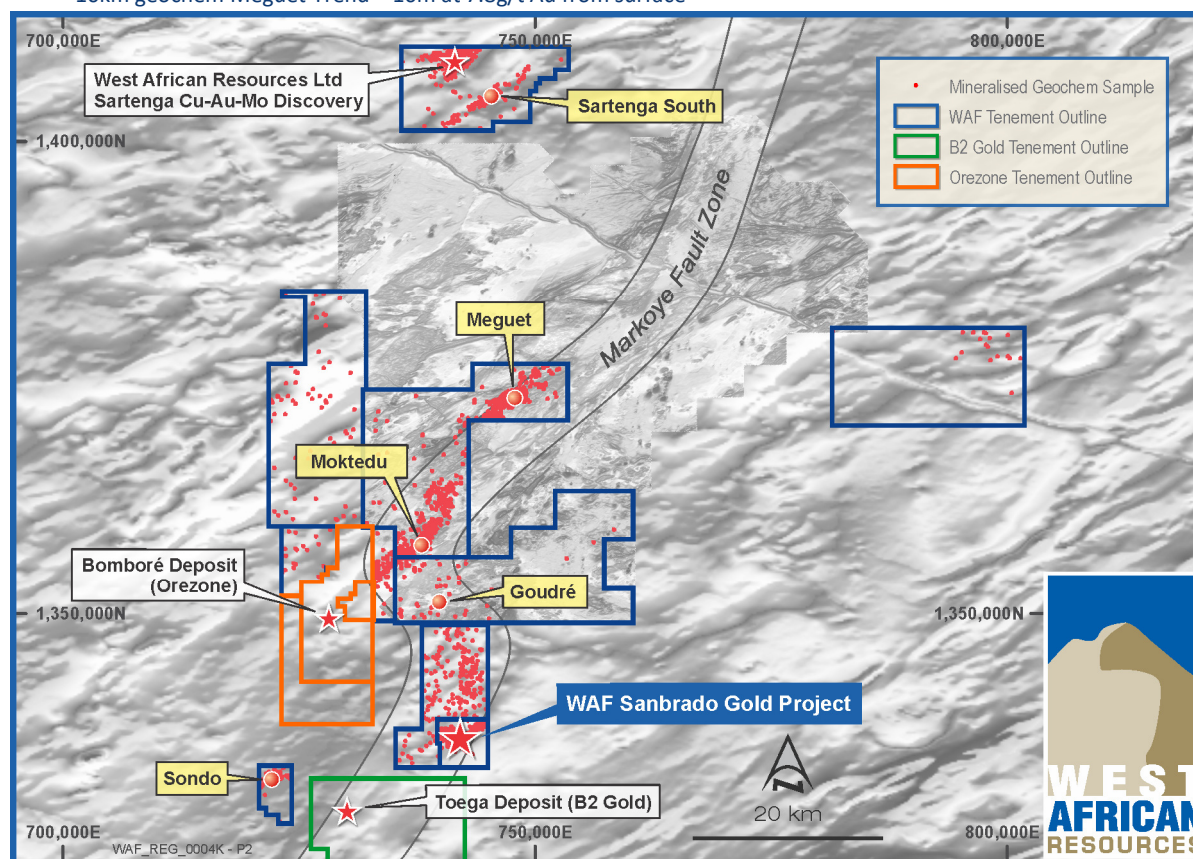
### WAF has identified a number of highly prospective regional targets

- 70Mt Sartenga Bornite-Gold-Molybdenum Porphyry ~1g/t Au eq, low strip, excellent flotation test work results, rail within 40km
- 8km Sartenga South Trend – 20m at 2.5g/t Au from 36m
- WAF is the largest ASX landholder in Burkina Faso with +1,000km<sup>2</sup> of exploration permits

## 2 SURROUNDING EXPLORATION

### <30km from Sanbrado

- 10km geochem Moktedu Trend – 28m at 9.2g/t Au from surface
- 10km geochem Meguet Trend – 10m at 7.8g/t Au from surface
- Goudré rock chips +60 g/t Au



# NEAR TERM MILESTONES

## CURRENT DEVELOPMENT PLAN FOR 2018 AND BEYOND

	2017	2018				2019				2020			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Resource upgrade	✓												
Further resource / reserve and definition drilling													
Updated mining and environmental permits			•										
Updated DFS incorporating open pits & underground			•										
Detailed design and commencement of early works					•								
Project financing					•								
Commencement of major works						•							
Processing plant construction									•				
Underground and decline development									•				
Open pit mining commences									•				
Commencement of UG ore development and mining										•			
First gold and commissioning											•		
Commercial production												•	





# MILESTONES

## 2018 and beyond

- ✓ Continue aggressive drilling programs - +60,000m per annum
- ✓ +800m holes at M1 and M5 – in progress
- ✓ Enhance metallurgy - review mill design and further test work to improve current +90% recoveries
- ✓ Update permitting - mining and environmental permits to CIL
- ✓ Feasibility update H1 2018 - underground mining and additional inventory from M1 and M5
- ✓ Maximise project value before decision to mine
- ✓ Well-funded - existing cash of A\$16m and no debt





## APPENDIX: ADDITIONAL SLIDES



# MINERAL RESOURCES

## SANBRADO GOLD PROJECT MINERAL RESOURCES | February & October 2017

		Cutoff (Au g/t)	INDICATED RESOURCES			INFERRED RESOURCES		
			Tonnes	Grade (Au g/t)	Au Oz	Tonnes	Grade (Au g/t)	Au Oz
M1 South	O/P <120m	0.5	730,000	6.8	161,000	70,000	5.1	11,000
	U/G >120m	3.0	470,000	26.4	395,000	350,000	16.1	180,000
	<b>Total</b>	<b>Combined</b>	<b>1,200,000</b>	<b>14.4</b>	<b>556,000</b>	<b>410,000</b>	<b>14.4</b>	<b>191,000</b>
M5	O/P	0.5	35,890,000	1.3	1,461,000	11,950,000	1.1	412,000
M1 North	O/P	0.5	780,000	1.9	49,000	660,000	1.9	41,000
M3		0.5	170,000	2	11,000	260,000	1.4	12,000
<b>Total</b>			<b>38,040,000</b>	<b>1.7</b>	<b>2,077,000</b>	<b>13,280,000</b>	<b>1.6</b>	<b>656,000</b>



Mineral Resource estimate by International Resource Solutions Pty Ltd, Perth, reported as per press releases 20<sup>th</sup> February 2017 and 30<sup>th</sup> October 2017.

# OVERVIEW OF THE OPEN PIT FEASIBILITY STUDY

## SANBRADO OPEN PIT FEASIBILITY STUDY – PRODUCTION AND FINANCIAL HIGHLIGHTS

Base case is stated on a 100% basis and a gold price of \$1,200/oz (all amounts in US\$)

<b>Production Y1-3</b>	Average of 150,000oz/yr
<b>Production LOM</b>	Average of 93,000oz/yr
<b>Production Costs<sup>1</sup> Y1-3</b>	Average Cash Costs of \$672/oz (including royalties) Average All-in Sustaining Costs (AISC) of \$708/oz
<b>Production Costs LOM</b>	Average Cash Costs of \$717/oz (including royalties) Average All-in Sustaining Costs (AISC) of \$759/oz
<b>IRR</b>	Pre-tax IRR of 27% and 2.1 year payback on initial capital After-tax IRR of 21% and 2.3 year payback on initial capital
<b>NPV</b>	Pre-tax NPV (5%) of \$143M After-tax NPV (5%) of \$100M
<b>Capex</b>	Pre-Production capital of \$131 million (including pre-production mining and contingency)
<b>Study Mine Life</b>	8.75 years
<b>Probable Mineral Reserves<sup>2,3</sup></b>	16.8Mt at 1.7g/t gold containing 894,000 ounces of gold (strip ratio of 5:1)
<b>LOM Recoveries</b>	90.7% for 810,000 ounces of gold recovered

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

2 Based on Indicated Resources only, in-pit Inferred Resources treated as waste in the study mining schedule.

3 The average strip ratio of 5.0:1 is inclusive of a strip ratio of 35.6:1 for the M1 South pit.



Full details reported in ASX/TSXV announcement on 20th February 2017 and can be viewed on [www.asx.com.au](http://www.asx.com.au), [www.sedar.com](http://www.sedar.com) and [www.westafricanresources.com](http://www.westafricanresources.com)



# West African Resources Ltd - ASX TSXV: WAF

