

## Press Release

6<sup>th</sup> August 2018



### West African Appoints Chief Development Officer for Sanbrado Gold Project Build

Gold developer West African Resources Limited (ASX, TSXV: WAF) is pleased to announce a key management appointment and a project update as it moves into the development phase for its 90%-owned Sanbrado Gold Project ('Sanbrado') in Burkina Faso.

Mr Matthew Wilcox will join the West African executive team as Chief Development Officer in September and will directly manage the construction of Sanbrado. Mr Wilcox is highly experienced in the gold mining construction industry in West Africa, having spent the past eight years working for Nord Gold SE, which operates nine gold mines globally, including three mines in Burkina Faso and one mine in Guinea.

Mr Wilcox was Project Director for the construction of Nord Gold's 4Mtpa Bissa Gold Project and 8Mtpa Bouly Gold Project, both located in Burkina Faso. He was General Manager of the 6Mtpa LEFA Gold Project in Guinea, and most recently was Project Director for the construction of the 12Mtpa Gross Gold Project in Siberia, Russia.

Mr Wilcox has also worked with engineering firms Lycopodium and Minproc based in Perth. He holds Bachelor of Science (Applied Chemistry) and Bachelor of Engineering (Chemical) degrees from Curtin University, Perth.

#### **Managing Director Richard Hyde commented:**

"Appointing a Chief Development Officer of Matthew's calibre is a key milestone for the Company as we progress our Sanbrado Gold Project to production. Matthew's hands-on experience, including managing the construction of two large gold mines in Burkina Faso, will translate well for a successful build for West African Resources."

"Both of the most recent projects Matthew led through to completion were successfully delivered on time, and on or below budget. We look forward to Matthew joining the company in early September 2018."

## **Sanbrado Project Update**

### **M5 Optimisation**

Initial work on the M5 underground Scoping Study indicates that bringing forward underground development on gold mineralisation directly beneath the proposed M5 open pit is unlikely to materially improve Sanbrado's economics over the early years. Therefore, the Company has elected to defer progressing the M5 underground Scoping Study until 2019, following further drilling.

Early stages of optimisation work with the Company's consultants has however identified that converting Inferred Resources within the Feasibility Study ('FS') pit design (c.200,000t), rerunning the pit optimisation process to include new drilling results including TAN18-DD202A which returned 18m at 4.82 g/t Au from 266m and 7m at 3.01 g/t Au from 295m (Figure 1) and deepening the pit by 20-25m may potentially add up to 100,000oz to 120,000oz of gold in the M5 open pit, without any additional project capital costs. Updated resource and open-pit reserve estimates are expected to be completed in Q1 2019.

### **M1 South Drilling**

M1 South drilling is ongoing during the frequent heavy rains of the wet season. Infill drilling beneath existing reserves and recently reported high grade mineralisation is expected to take a further three months to complete, after which step down drilling will recommence in Q4 2018. It is expected that infill drilling will extend the current underground mine life well past the current 4.5 years detailed in the June FS. Recently reported results intercepted some 80m beneath existing reserves include (Figure 2):

- TAN18-DD196: 8m at 7.0 g/t from 693 including 1.5m at 21.6 g/t Au and 1m at 9.2 g/t Au 705.5m
- TAN18-DD189: 11m at 11.2 g/t from 654 including 1m at 39.8 g/t Au and 6m at 24.4 g/t Au from 675m including 0.5m at 240 g/t Au
- TAN18-DD214A: 0.5m at 520 g/t Au from 578m and 23m at 7.3 g/t Au from 617m including 3.5m at 20.2 g/t Au, 4m at 24.4 g/t Au and 1.5m at 21.5 g/t Au
- TAN18-DD217A: 6.5m at 6.8 g/t Au from 603.5m including 0.5m at 35.7 g/t Au.

Updated resource and reserve estimates are expected to be completed in parallel with optimisation work described above by Q1 2019.

### **Process Plant Optimisation Studies**

Optimisation of the FS process plant is underway following completion of the updated Feasibility Study in June. The company has identified that by increasing the size and power of both the SAG and Ball Mills to 4MW each from 3MW and 3.2MW respectively, the throughput rate while feeding higher grade fresh (hard) ore can be increased to maintain a minimum feed rate of 2.0Mtpa, up from 1.6Mtpa detailed in the FS.

The benefit is a reduced mine life from 11 years to approximately 8 years and a reduction in capital spares requirements by utilising common spares. A substantial improvement in project economics is expected by reducing the FS mine schedule without a material change in capital requirements. Optimisation of the plant design is ongoing and will continue during detailed design which is expected to be completed by Q1 2019.

Figure 1: M5 South – Long Section

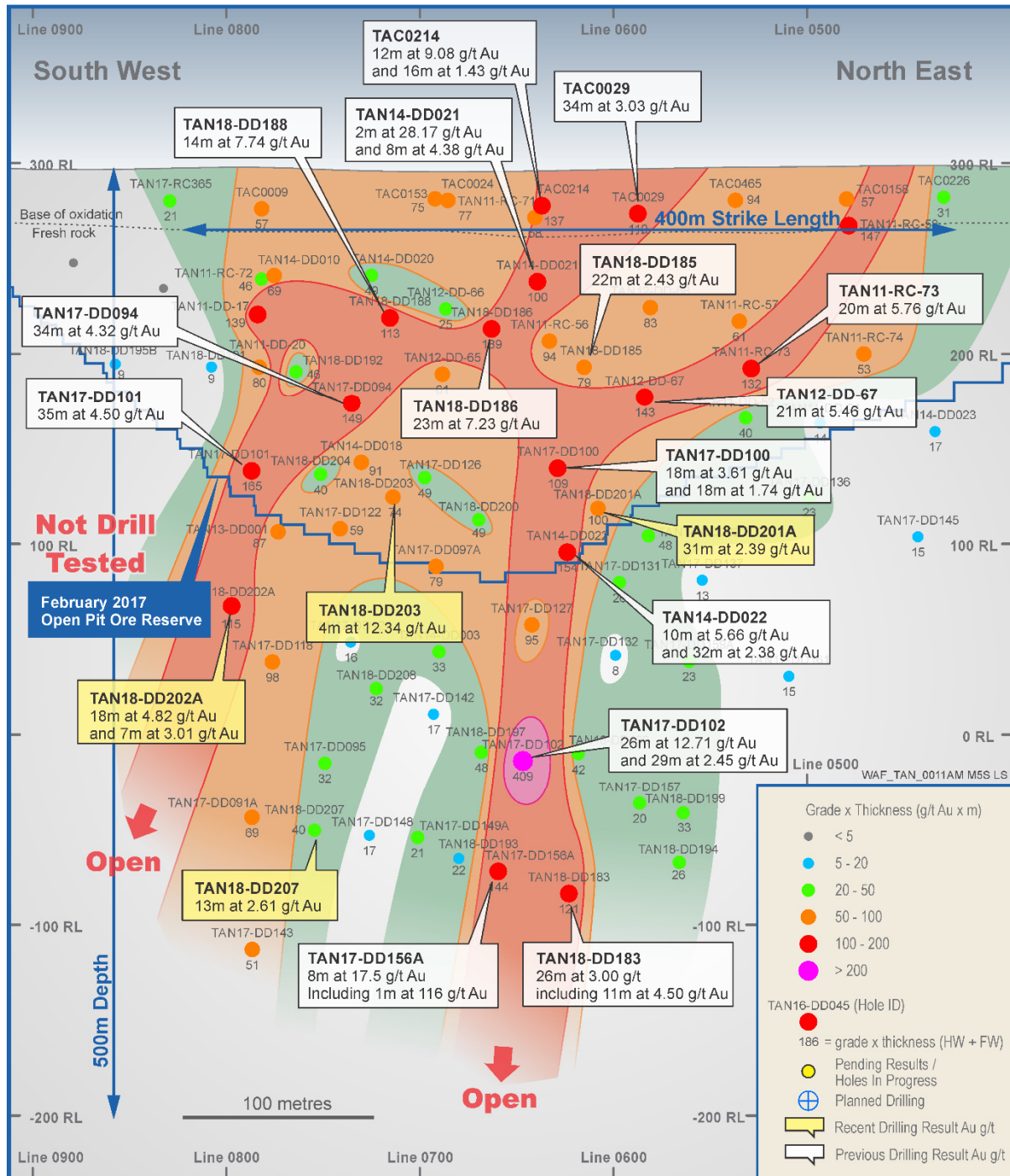
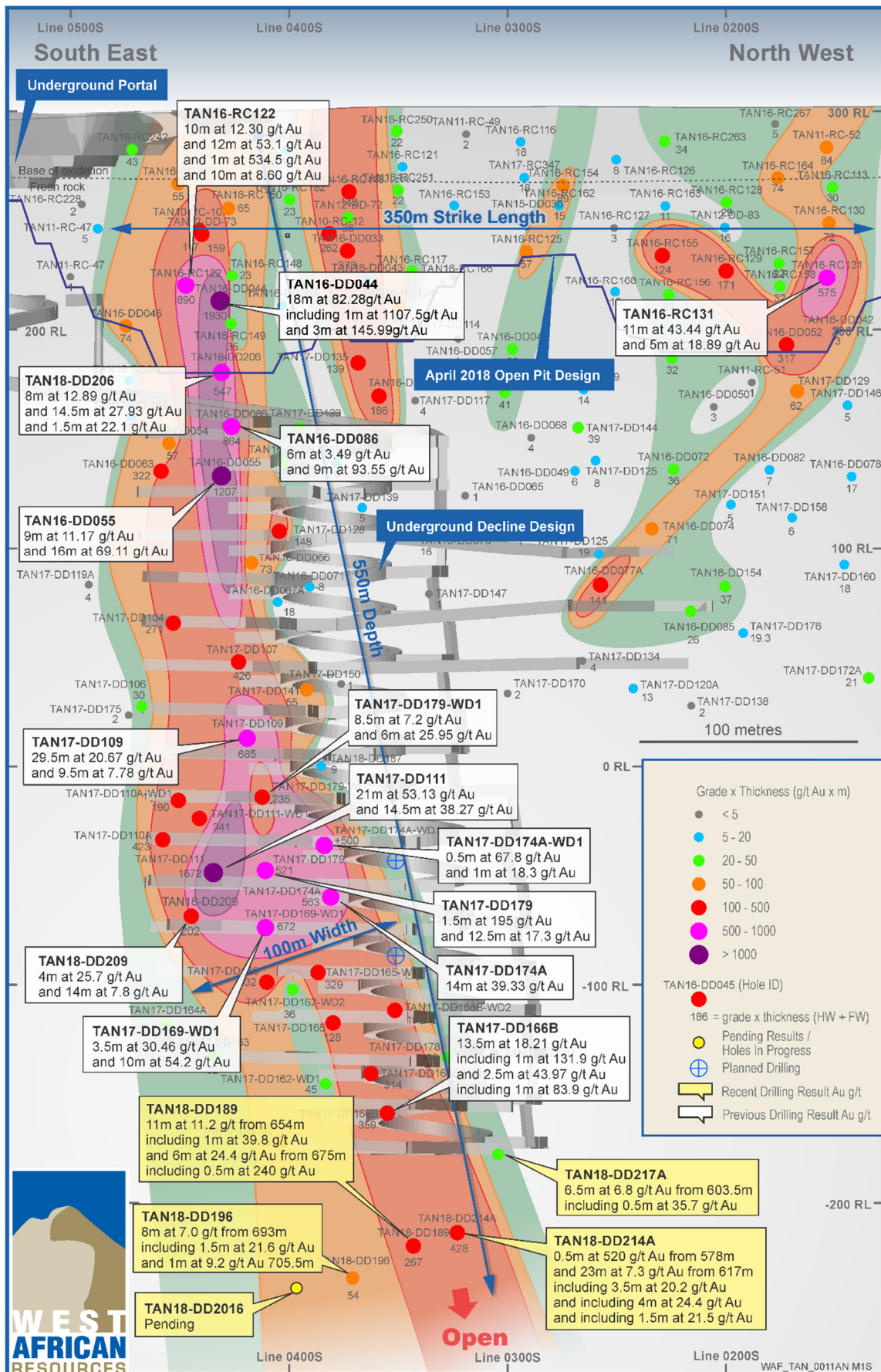


Figure 2: M1 South – Long Section





### Early Works

Early construction works have commenced at Sanbrado. The 150,000m<sup>3</sup> water storage pit located in the stage 2 M5 open pit has been completed and is filling up with surface water runoff from the current wet season. The location of the underground portal has been confirmed, and geotechnical drilling has been completed. As planned the Company expects to break ground on the underground portal in October following the wet season. Final site selection for the Stage 1 70 man construction camp has also been confirmed. Converted sea containers are being completed in Ouagadougou by a local contractor and will commence being installed on site in October.

**Photo 1: M5 Water Storage Pit filling up during recent rains**



West African has completed all major permitting milestones relating to Sanbrado and has received strong interest from international resource banks, debt funds and royalty companies to fund the majority of the project's capital requirements. The Company will review the finance proposals during Q3 2018 and intends to appoint a funding syndicate in Q4 2018.

### **About West African Resources**

West African Resources Limited (ASX, TSXV: WAF) recently announced the results of its updated Feasibility Study for the Sanbrado Gold Project in Burkina Faso. The study envisages an initial 11-year mine life, including 4.5 years of underground mining, and showed a 76% increase in Probable Reserves to 1.6 million ounces (20.4Mt at 2.4g/t gold). The project will have average annual production over the first 5 years of mine life of 211,000 ounces gold and a 16 month post-tax pay back on US\$185 million pre-production capital costs. Project economics are robust, with AISC of US\$551/oz over first 5 years and US\$640 over life of mine. The project returns a pre-tax NPV5% of US\$567m (A\$754m) and pre-tax IRR of 62%, and Post-tax NPV5% of US\$405m (A\$540m) and post-tax IRR of 49%. Mineralisation is open at depth and along strike and therefore value add drilling on the project is ongoing, with further resource and reserve updates expected later in Q1 2019.

### **Competent Persons and Qualified Persons Statement**

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

Information in this announcement that relates to open pit ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Stuart Cruickshanks, 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 a Competent Person (or “CP”) as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Cruickshanks has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

Information in this announcement that relates to underground ore reserves is based on, and fairly represents, information and supporting documentation prepared by Mr Peter Wade, an independent specialist mining consultant. Mr Wade is a Fellow of the Australian Institute of Mining and Metallurgy. Mr Wade has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person (or “CP”) as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code) and a Qualified Person under Canadian National Instrument 43-101. Mr Wade has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on his information in the form and context in which they appear.

### **Forward Looking Information**

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

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

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

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