



## **West African Resources Awards Engineering Contract** **Mill Package Order Placed**

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### **Highlights**

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- ✓ Key owner's construction team positions filled
- ✓ Construction of stage one 210 room camp started
- ✓ Box cut for underground access started
- ✓ Open-pit and underground contractors site visits completed
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Managing Director Richard Hyde commented:

"The award of the EPCM contract, the order of the mill package, and the key construction team hires keeps West African Resources on track to pour gold at Sanbrado in the second half of 2020.

"Infill drilling continues, which is expected to increase the current underground mine life past 5 years.

"Optimisation studies to be completed by Q1 2019 will include resource and reserve updates, and planned higher process plant throughput rates resulting in increased annual gold production."

### **EPCM Contract**

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Lycopodium is an Australian-headquartered engineering and project management consultancy that has completed the construction of more than a dozen gold development projects in West Africa since 2009. Lycopodium has a successful track record in Burkina Faso, recently delivering EPCM projects at the 3Mtpa Hounde and 4Mtpa Karma Upgrade gold projects for Endeavour Mining (TSX: EDV), 3Mtpa Natougou gold project for Semafo (TSX: SMF), 4Mtpa Bissa and 8Mtpa Bouly gold projects for Nordgold and currently building the 2.5Mtpa Wahgnion gold project for Teranga Gold Corp. (TSX: TGZ).

#### **Order of Critical Path Long Lead Mills**

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Outotec is a global mineral processing company that has extensive experience manufacturing and delivering over 200 grinding mills to sites worldwide over the last 20 years. More than 40 of these mills have been supplied to projects in West Africa. Outotec's recent mill deliveries in West Africa include Endeavour Mining's Ity (Côte d'Ivoire) and Hounde (Burkina Faso) gold projects and the Toro Gold's Mako gold project (Senegal).

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Optimisation of the process plant flowsheet has continued to advance since completion of the updated Feasibility Study in June (FS). The Company has confirmed that by increasing the size and power of both the SAG and ball mills to the levels being supplied by Outotec the throughput rate while feeding higher grade fresh (hard) ore can be increased to maintain a minimum feed rate of 250tph (2Mtpa), up from 200tph (1.6Mtpa) detailed in the June FS. For Sanbrado this mill package is will deliver a higher throughput than nameplate on a blend of oxide and fresh material. Optimisation of the mine schedule and plant design will incorporate the larger mill package and is on track to be completed by Q1 2019. A significant improvement in project economics versus the FS is expected by delivering more gold in the early years of the operation from an accelerated mine schedule with a relatively small change in the processing-plant capital requirements.

#### **Owners Team**

During the September quarter the Company hired a group of highly experienced expatriates for key positions in WAF's owner's construction team for Sanbrado. All new employees have previous gold mine start-up experience in Burkina Faso and are multi-lingual. The following key positions have been filled:

- ✓ General Manager - Ouagadougou
- ✓ Construction Manager
- ✓ Earthworks Manager
- ✓ Contracts Manager
- ✓ Safety and First Aid Officer/Registered Nurse

### **Early Works**

The Company has started constructing the first stage of the 210-room camp at the Sanbrado project site. The initial 60 rooms and common facilities for use during the construction phase are due to be completed by late March 2019.

Earthworks have commenced on the box cut for the underground access, which is being completed by the owner's team using locally hired equipment. This is forecast to deliver significant cost savings against the June FS, which envisaged outsourcing the box cut to external engineers and earthmoving contractors.

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**Photo 1: Stage One Camp Area Clearing**





**Photo 2: Box cut establishment**

### **Updated Schedule**

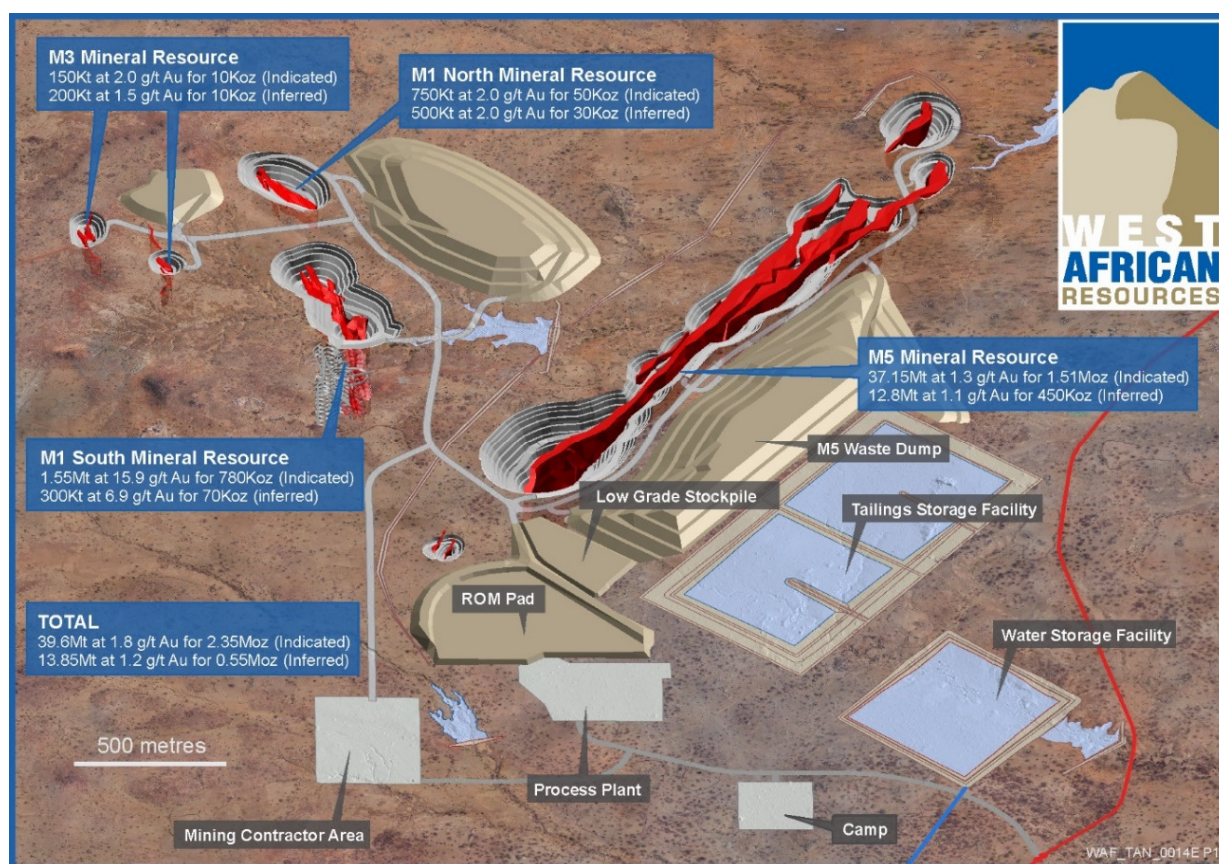
The updated development schedule to first gold production is presented below.

**Figure 1: Sanbrado Gold Project Development Schedule**

	2018				2019				2020			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Further resource / reserve and definition drilling												
Mining and environmental permits approved		✓										
Updated DFS		✓										
Award of EPCM and Order Mill Package				✓								
Detailed design and commencement of early works				✓								
Project financing												
Formal Investment Decision (FID) expected												
DFS Update resources, reserves and optimisation												
Debt drawdown												
Box-cut & portal establishment, decline development												
Commencement of major works												
Underground ore development and mining												
Open pit mining commences												
First gold and commercial production												

## About West African Resources

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## Forward Looking Information

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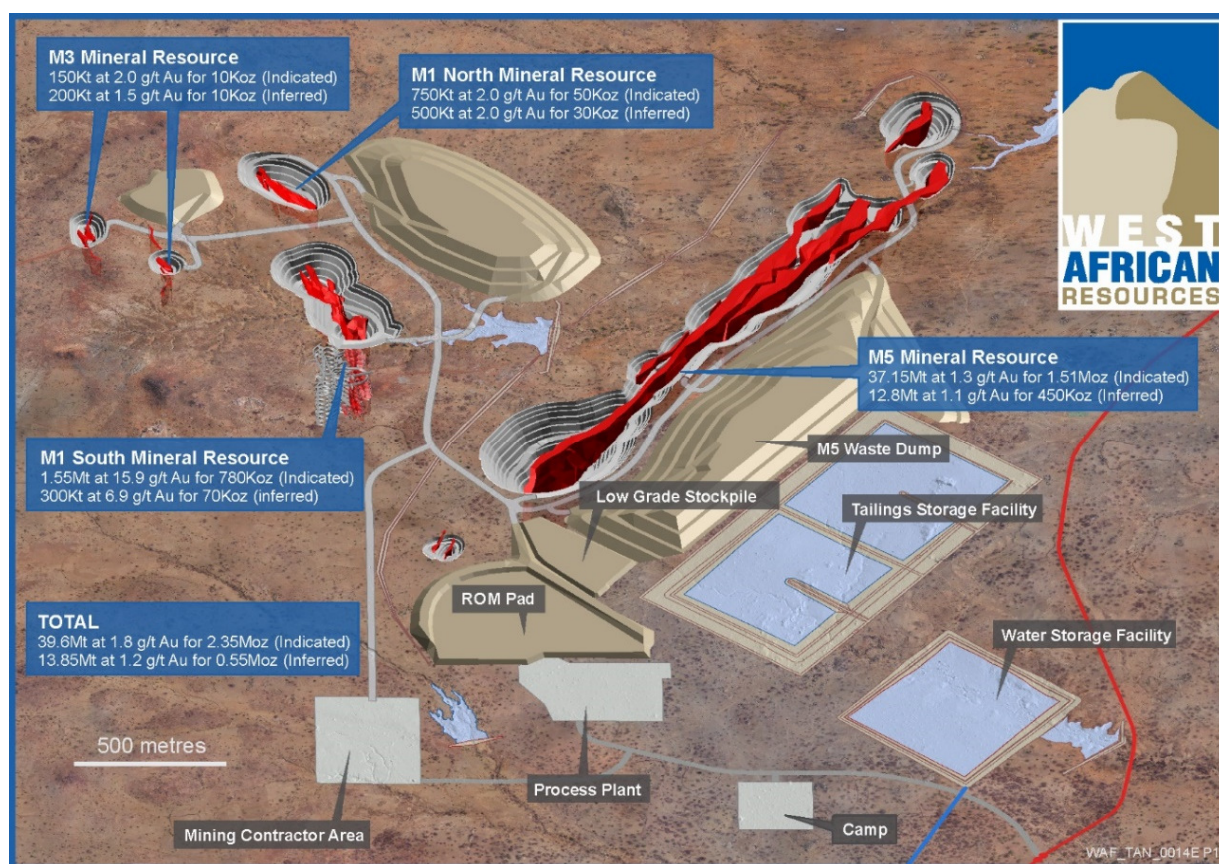
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