



West African Resources awards underground mining contract for M1 South to Byrnecut

Gold developer West African Resources Limited (ASX, TSXV: WAF) is pleased to announce it has awarded the underground mining contract for the Sanbrado Gold Project (Sanbrado), to highly experienced mining services contractor Byrnecut Burkina Faso SARL (Byrnecut), part of the Byrnecut group of companies.

Highlights

- Underground mining contract for M1 South awarded to Byrnecut
- Contract amount to be US\$110M over five years
- West African and Byrnecut to enter into a deferred payment plan of up to US\$10m
- Mobilisation activities to commence in December 2019
- Portal establishment expected to commence March 2019
- Debt funding package to develop Sanbrado to be finalised by end of Q4 2018

West African Managing Director Richard Hyde commented:

“The underground mining contract is a key operational contract for Sanbrado and its award follows the completion of a competitive tender process and extensive due diligence process examining safety, experience and capabilities.

“We are very pleased to award the underground mining contract to Byrnecut who have a long history providing underground mining services globally and have current operating experience in West Africa.”

Byrnecut Group Executive Chairman Steve Coughlan said:

“We are looking forward to partnering with West African on the exciting Sanbrado Gold Project. This project will be our second site in Burkina Faso and fifth project we have operated in the West African region.

“Byrnecut will bring more than 30 years of operational experience to Sanbrado and look forward to ensuring West African’s targets are met, while providing a safe operating environment for both client and contractor.”

The M1 South underground will kick-off WAF's mining development at Sanbrado with portal establishment set to commence in March 2019. The underground development will access high-grade, free-milling gold mineralisation located directly beneath the proposed M1 South open pit at approximately 120m vertical. Concurrent mining of the M1 South open pit ore from surface and underground will accelerate cash-flow over the early years of the Sanbrado mine life, as detailed in the

June Feasibility Study (ASX/TSXV:22/6/2018). Works under the Underground Mining Services Contract, which has an initial term of 5 years, include:

- Underground portal establishment for M1 South
- Decline and level development (7km)
- Ore driving (2km & 0.2Mt) and stope production (1.3Mt)
- Raise drilling
- Cemented rock back fill

The award of the underground mining contract follows the maiden M1 South underground Ore Reserve of 1.5Mt grading 11.7 g/t Au for 0.6Moz of contained gold, part of the Sanbrado Probable Mineral Reserve of 20.4Mt grading 2.4 g/t Au for 1.6Moz of contained gold (ASX/TSXV: 22/6/2018). Drilling completed since June 2018 has continued to intercept high grade mineralisation which has been extended more than 220m beneath underground reserves, with significant results including:

- TAN18-DD196: 8m at 7.0 g/t from 693 including 1.5m at 21.6 g/t Au
- TAN18-DD189: 11m at 11.2 g/t from 654 and 6m at 24.4 g/t Au from 675m
- TAN18-DD214A: 0.5m at 520 g/t Au from 578m
- TAN18-DD214A: 23m at 7.3 g/t Au from 617m including 4m at 24.4 g/t Au
- TAN18-DD189-WD1: 10m at 8.1 g/t Au from 646.5m, including 0.5m at 61.7 g/t Au
- TAN18-DD196-WD2: 10.5m at 8.8 g/t Au from 648m, including 0.5m at 138 g/t Au
- TAN18-DD214A-WD1: 21.5m at 15.3 g/t Au from 614m, including 0.5m at 115 g/t Au
- TAN18-DD214A-WD2: 14.5m at 19.9 g/t Au from 595.5m, including 1m at 219 g/t Au
- TAN18-DD228: 25m at 15 g/t Au from 862m including 5.5m at 40 g/t Au

About Byrnegut

The Byrnegut group comprises of a range of companies that specialise in mechanised underground mine feasibility, mine development and mine production and it has grown into one of the most experienced underground mining contractors across the globe. It offers its clients a range of services including:

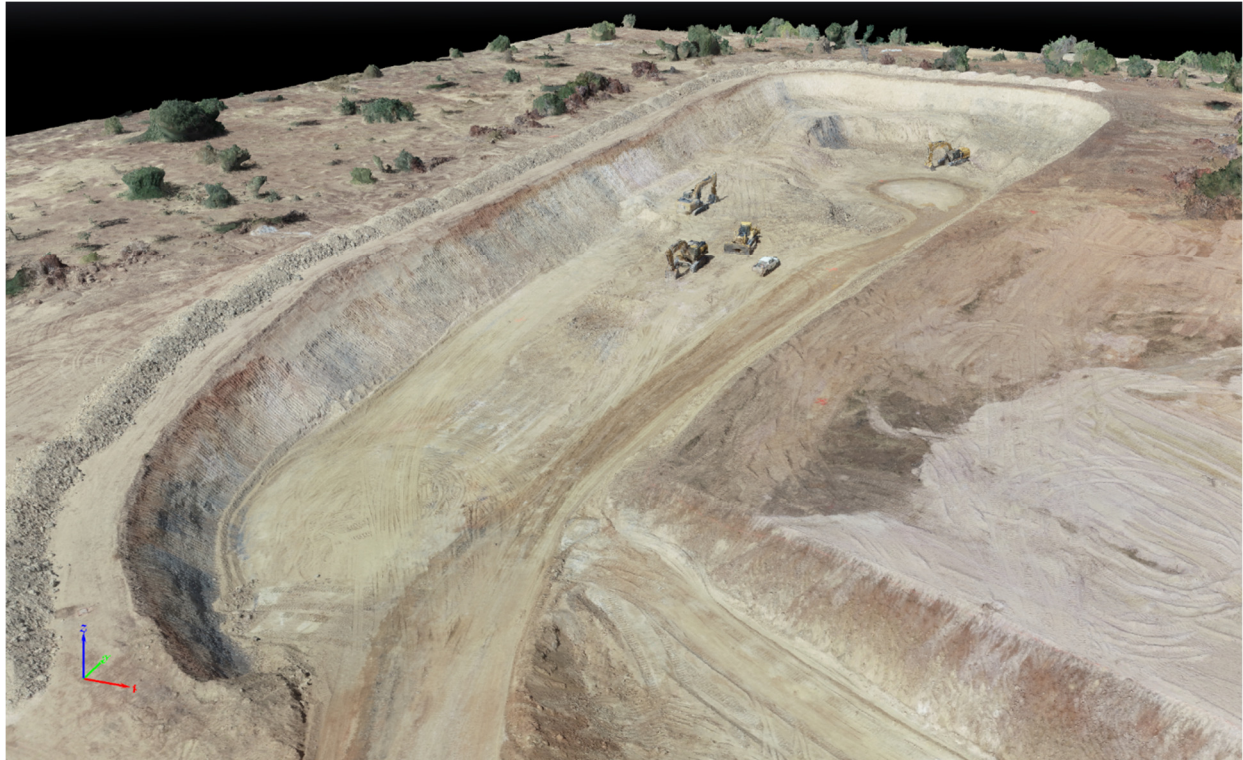
- Mechanised development and production
- Shotcreting
- Equipment rebuilds
- Maintenance engineering and manufacturing
- Mine engineering consultancy services
- Workforce training across a variety of continents and cultures
- Raise drilling

Byrnegut Offshore currently employs over 1,200 people with operations currently in the Democratic Republic of the Congo, Mali, Burkina Faso, Saudi Arabia and Tanzania. While the Byrnegut group has a A\$1.5Bn annual turnover and 3,500 employees worldwide.

Boxcut Progress

Excavation of the box cut commenced in early November and is currently 25% complete. The deepest part of the works are some 7m below surface level and progress remains on schedule for completion in late February 2019, with portal establishment planned to commence immediately thereafter.

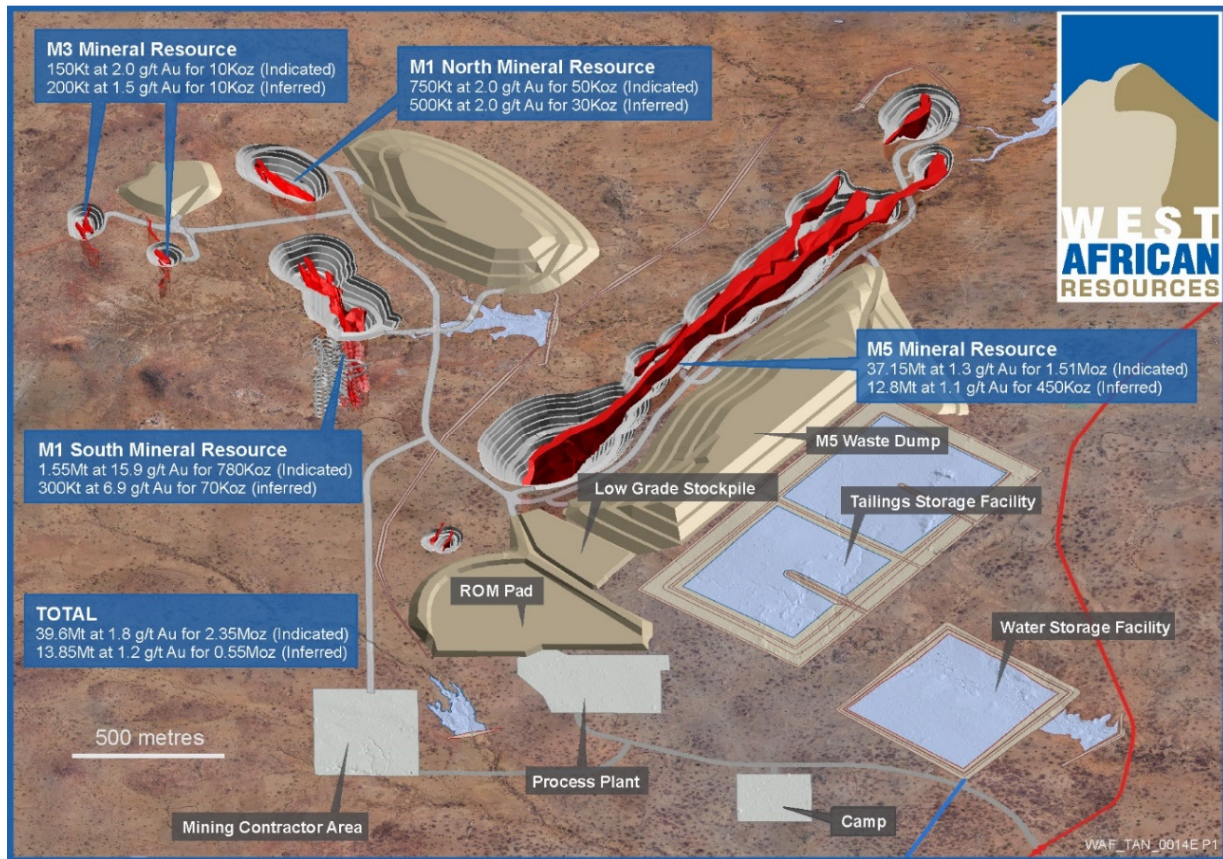
Photo 1: Drone photo of box cut progress at M1 South



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. All technical information can be located on the Company's website www.westafricanresources.com.

Figure 1: Sanbrado Gold Project Layout



Sanbrado Gold Project June 2018 Resource								
Resource Area	Category	Cutoff (Au g/t)	Indicated Resource			Inferred Resource		
			Tonnes	Grade (Au g/t)	Au Oz	Tonnes	Grade (Au g/t)	Au Oz
M1 South	O/P <120m	0.5	800,000	6.6	170,000	50,000	4.8	10,000
	U/G >120m	3.0	750,000	25.5	620,000	250,000	7.6	60,000
	Total	Combined	1,550,000	15.9	780,000	300,000	6.9	70,000
M5	O/P	0.5	37,150,000	1.3	1,510,000	12,800,000	1.1	450,000
M1 North	O/P	0.5	750,000	2.0	50,000	500,000	2.0	30,000
M3	O/P	0.5	150,000	2.0	10,000	200,000	1.5	10,000
Total		Combined	39,600,000	1.8	2,350,000	13,850,000	1.2	550,000

Sanbrado Gold Project June 2018 Probable Ore Reserve				
Deposit	Strip Ratio	(Mt)	Au Grade (g/t)	Cont. Au (koz) ¹
M5 Open Pit	3.8	17.5	1.5	817
M1Sth Open Pit	22.6	0.7	6.8	157
M1Nth Open Pit	8.4	0.6	2.1	39
M3 Open Pit	6.1	0.1	1.8	8
Sub Total Open Pit	4.6	18.9	1.7	1,021
M1Sth Underground	-	1.5	11.7	553
Total		20.4	2.4	1,574

Note: Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Competent Persons and Qualified Persons Statement

Information in this announcement that relates to exploration results, exploration targets, mineral resources and mineral reserves is based on information compiled by Mr Richard Hyde, a Director, who is a Member of The Australian Institute of Mining and Metallurgy and Australian Institute of Geoscientists. Mr Hyde 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 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 National Instrument 43-101. Mr Hyde has reviewed and approved the scientific and technical information contained and this announcement, and consents to the inclusion in this announcement of the statements based on his information in the form and context in which they appear.

The Company has also prepared a current, independent, NI 43-101-compliant technical report for the Sanbrado Gold Project which is available under the Company's SEDAR profile at www.sedar.com and on the Company's website at www.westafricanresources.com. The technical report is titled "NI 43-101 Technical Report: Open Pit and Underground Feasibility Study, Sanbrado Gold Project, Burkina Faso" and with an effective date of 25 April 2018. This technical report includes relevant information regarding the effective dates and the assumptions, parameters and methods of the mineral resource and reserve estimates on the Sanbrado Gold Project cited in this announcement, as well as information regarding data verification, exploration procedures and other matters relevant to the scientific and technical disclosure contained in this announcement.

Forward Looking Information

This announcement contains "forward-looking information" within the meaning of applicable Canadian and Australian securities legislation, including statements relating to West African's future financial or operating performance that may be deemed "forward looking". All statements in this announcement, 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 statements include statements regarding anticipated operations in future periods, planned exploration and development of the Sanbrado Gold Project, the completion of the portable establishment in February 2019, all of the results of the feasibility study, including estimates of internal rates of return, net present value, future production, estimates of cash cost, assumed long term price for gold, proposed mining plans and methods, mine life estimates, cashflow forecasts, metal recoveries, and estimates of capital and operating costs, 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 and ore reserve 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; 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.

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