

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**To: Company Name/Scheme West African Resources LimitedACN/ARSN 121 539 375**1. Details of substantial holder (1)**Name Mason Hill Advisors, LLC on behalf of itself, Equinox Partners LP, Wilhelmus Henricus Maria Pot and Stichting LitchfieldACN/ARSN (if applicable) Not applicableThe holder became a substantial holder on 14 / 02 / 2019**2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6)
Fully paid ordinary shares	47,425,761	47,425,761	5.49%

**3. Details of relevant interests**

The nature of the relevant interest the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
Mason Hill Advisors, LLC	Relevant interest under section 608(1)(b) or (c) of the Corporations Act 2001 (Cth) ("Corporations Act").	47,425,761 ordinary shares
Equinox Partners LP	Relevant interest under section 608(1)(a) of the Corporations Act.	4,537,009 ordinary shares
Wilhelmus Henricus Maria Pot	Relevant interest under section 608(1)(b) or (c) of the Corporations Act.	8,315,382 ordinary shares
Stichting Litchfield	Relevant interest under section 608(1)(b) or (c) of the Corporations Act.	34,573,370 ordinary shares

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 3 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
Equinox Partners LP	Equinox Partners LP	Equinox Partners LP	4,537,009 ordinary shares
Wilhelmus Henricus Maria Pot	Goldman Sachs Co	Goldman Sachs Co	8,315,382 ordinary shares
Stichting Litchfield	Goldman Sachs Co	Goldman Sachs Co	34,573,370 ordinary shares

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-Cash	

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
Mason Hill Advisors, LLC and Stichting Litchfield (Mason Hill Advisors, LLC is the investment advisor (Stichting Litchfield) ("SL")	7/12/2018	\$2,054,100.00	See Annexure B of the Confirmation letter in relation to the Placement of the company dated 5 December 2018	8,200,000 ordinary shares
SL	11/02/2019	\$35,270.24		150,000 ordinary shares
SL	12/02/2019	\$320,270.01		1,350,000 ordinary shares
SL	13/02/2019	\$125,024.92		500,000 ordinary shares
SL	14/02/2019	\$1,185,893.62		5,067,000 ordinary shares
SL	14/02/2019	\$83,749.00		334,996 ordinary shares

**6. Associates**

The reasons the persons named in paragraph 3 above are associates of the substantial holder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
See Annexure A	

**7. Addresses**

The addresses of persons named in this form are as follows:

Name	Address
Mason Hill Advisors, LLC	623 Fifth Avenue Fl 27 New York, NY 10022
Equinox Partners LP	623 Fifth Avenue Fl 27 New York, NY 10022
Wilhelmus Henricus Maria Pot	Burgemeester Ketelaarsstraat 1 2361 AA Warmond The Netherlands
Stichting Litchfield	Eisenhowerlaan 124 2517 KM The Hague The Netherlands
Goldman Sachs Co	200 West Street 40 <sup>th</sup> Floor New York New York 10282
See Annexure A	

**Signature**

print name Arthur Melkonian

Capacity Chief Operating Officer

sign here



date 02 / 19 / 2019

**DIRECTIONS**

- (1) If there are a number of substantial holders with similar or related relevant interests (eg a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The total number of votes attached to all the voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
- (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (7) Include details of:
  - (a) any relevant agreement or other circumstances by which the relevant interest was acquired. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement, and

- (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.

- (8) If the substantial holder is unable to determine the identity of the person (eg if the relevant interest arises because of an option) write "unknown".
- (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.

**Annexure A**

This is Annexure A of 1 page referred to in the accompanying Form 603 (Notice of initial substantial holder) – lodged by Mason Hill Advisors, LLC on behalf of itself, Equinox Partners LP, Wilhelmus Henricus Maria Pot and Stichting Lichfield in respect of their substantial holding in West African Resources Limited (ACN 121 539 375).

Sign here:



Print name: Arthur Melkonian

Capacity: Chief Operating Officer

Date: 02/19/2019

**Associates of the Substantial Holders****Name and address**

Mason Hill Advisors, LLC  
623 Fifth Avenue Fl 27  
New York, NY 10022

**Relationship**

Investment advisor of Equinox Partners LP, Wilhelmus Henricus Maria Pot and Stichting Lichfield.

Equinox Asset Management LLC  
477 Madison Ave, 8<sup>th</sup> Floor  
New York, NY 10022

General partner of Equinox Partners LP.

Sean Fieler and Daniel Giffes  
623 Fifth Avenue Fl 27  
New York, NY 10022

The controlling members of Equinox Asset Management LLC.

Jan Hendrik Walkers  
Simon van Capelweg 36  
2431 AG Noorden  
The Netherlands

Jan Hendrik Walkers, Gerhardus Henricus Maria Vehmeijer and Guido Johannes Wilhelmus Maria Derckx are the controlling persons that preside over Stichting Lichfield

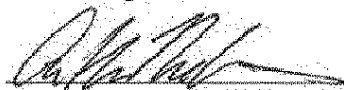
Gerhardus Henricus Maria Vehmeijer  
Zandpad 80  
3621 NG Breukelen  
The Netherlands

Guido Johannes Wilhelmus Maria Derckx  
Standelkruid 8  
1251 GR Laren  
The Netherlands

**Annexure B**

This is Annexure B of 11 pages referred to in the accompanying Form 603 (Notice of initial substantial holder) – lodged by Mason Hill Advisors, LLC on behalf of itself, Equinox Partners LP, Wilhelmus Henricus Maria Pot and Stichting Lichfield in respect of their substantial holding in West African Resources Limited (ACN 121 539 375).

Sign here:



Print name:

Arthur Melkonian

Capacity:

Chief Operating Officer

Date:

02/19/19

# Sprott

5 December 2018

**STRICTLY PRIVATE & CONFIDENTIAL**

Mason Hill Advisors, LLC

Attn: Stephen Saroki

Email: [ssaroki@equinoxpartners.com](mailto:ssaroki@equinoxpartners.com)

**URGENT**

**PLEASE RETURN CONFIRMATION ADVICE  
(APPENDIX 2) AND CARD FORM (APPENDIX 3)  
ACCEPTANCE TO:**

**MJENKEVICE@SPROTT.COM (BY EMAIL) BY  
12:00pm (AEST), Wed, 5 Dec 2018**

Dear Investor,

**Confirmation**

**1. Master ECM Terms**

We refer to our earlier communication and confirm Your irrevocable agreement to acquire Your Allocation, upon the terms of this Confirmation and the Master ECM Terms dated 27 August 2018 (**Terms**) provided to You by one of the Lead Managers or the Co-Manager or made available to you on the AFMA website at <http://www.afma.com.au/standards/documentation.html>.

You confirm (for the benefit of the Offeror, the Lead Managers, the Co-Manager and each of their respective Affiliates) that You have read and understood and agree to be bound by the Terms, including without limitation the Acknowledgments, Warranties, Undertakings and Foreign Jurisdiction Representations, as applied by and incorporated by reference into this Confirmation, any selling restrictions in the Information Materials and that You understand Your settlement obligations. You further confirm that by acquiring Your Allocation, You will be deemed to have represented, warranted and agreed as to the matters covered by the provisions of the Terms that apply and are incorporated by reference into this Confirmation, and as to any additional representation, warranty and agreement set out in this Confirmation.

Any capitalised term used but not defined in this Confirmation has the meaning given to it in the Terms.

**2. Transaction Details**

**Offeror (entity offering the Securities)**

West African Resources Limited ACN 121 539 375 (WAF: ASX and TSX-V) (**WAF, Offeror or the Company**).

**Offer Structure**

An unconditional Placement of approximately 172.7 million Securities to raise A\$43,175,000 million under the Company's 25% available placement capacity under ASX Listing Rules 7.1 and 7.1A.

The purpose of the Placement is to fund:

- the equity component for the development of the Sanbrado Gold Project (the Project);
- Project financing costs including interest, charges and Offer costs;
- Burkina Faso taxes associated with Project construction;
- Exploration; and
- General corporate purposes including working capital.

WAF will also undertake a separate offer of up to approximately million Securities under a Share Purchase Plan (SPP), capped at A\$5,000,000 million at a price of A\$0.25.

**Information Materials**

Term sheet dated December 5, 2018.

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<b>Securities</b>	New fully paid ordinary shares in WAF.
<b>Price</b>	A\$0.25 per Security.
<b>Lead Managers</b>	Euroz Securities Limited (Euroz) and Sprott Capital Partners, a division of Sprott Private Wealth LP, (Sprott).
<b>Underwriting Agreement</b>	The underwriting agreement between the Offeror and the Lead Managers dated December 5, 2018 by which the Lead Managers agree to fully underwrite and manage the Placement. The Security Purchase Plan will not be underwritten.
<b>Co-Manager to the Placement</b>	Macquarie Capital Markets Canada Ltd.
<b>Settlement Date</b>	12:00pm (AEDT), 13 December 2018.
<b>Settlement Agent</b>	Sprott Capital Partners
<b>Offering jurisdictions</b>	Australia, Hong Kong, New Zealand, Singapore, Switzerland, United Kingdom, Canada (all provinces) and the United States
<b>US Exemption</b>	Regulation S Offer – Category 1 – excluding Eligible U.S. Fund Managers;  U.S. Offer – Rule 144A.

**Note:**

The offer and sale of the Securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state or other jurisdiction of the United States, and the Securities may not be offered, sold, pledged or otherwise transferred without registration under the U.S. Securities Act (which You acknowledge none of the Offeror, any of the Lead Managers or the Co-Manager has any obligation to do or to procure) unless the Securities are offered, sold, pledged, transferred or otherwise disposed of in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and the securities laws of any state or any other jurisdiction in the United States

### 3. Your Allocation

You have been allocated the following Securities under the Placement on and subject to the Terms:

Offer	Price (per Security)	Number of Securities	Total Amount
Placement	A\$0.25	8,200,000	A\$2,050,000

Subject to one of the Lead Managers or the Co-Manager sending You a revised Confirmation Letter, this Confirmation Letter is the only form of confirmation you will receive in relation to your Allocation of Securities. Your Allocation is conditional on the Placement proceeding to completion (including receipt of approval of the TSX Venture Exchange (TSX-V)) and the Underwriting Agreement between the Lead Managers and the Company not being terminated.

### 4. Shareholder Approval

The issue of Your Securities is not subject to the prior approval of the Company's shareholders.

### 5. Acknowledgements

The General Acknowledgements and the following Additional Acknowledgements apply:

*(No disclosure document lodged with ASIC) (or elsewhere, including in Canada)*

*(On-sale of Securities)*

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*(Purpose of Offer)*

*(JORC Code may not comply with the relevant guidelines in other countries, and do not comply with SEC Industry Guide)*

## 6. Warranties

The General Warranties and the following Additional Warranties apply:

*Nil*

## 7. Undertakings

The General Undertakings and the following Additional Undertakings apply:

*Nil*

## 8. Foreign Jurisdiction Representations

The General Foreign Jurisdiction Representations and the following Additional Foreign Jurisdiction Representations apply:

- (a) If You (or any person for whom You are acquiring the Securities) are located in the following foreign jurisdictions:

*(Canada)*

*(Hong Kong)*

*(New Zealand)*

*(Singapore)*

*(Switzerland)*

*(United Kingdom)*

the relevant Representations in Section 5A of Schedule 4 under the heading "Additional Foreign Jurisdiction Representations – Jurisdictions other than the United States" apply.

- (b) If You are located in a jurisdiction other than the United States:

the relevant Representations in Section 2 of Schedule 4 under the heading "(Regulation S Offer – Category 1 – excluding Eligible U.S. Fund Managers)" apply.

- (c) If You are located in the United States:

- i. the relevant Representations in Section 3 of Schedule 4 under the heading "(U.S. Offer - Rule 144A)" apply; and
- ii. the relevant Representations in Section 4 of Schedule 4 under the headings "(PFIC – Investor own investigation of Issuer's PFIC status)" and "(PFIC – Issuer may be a PFIC)".

## 9. Additional Terms

The following additional terms apply:

- (a) You confirm and agree that for a period of four months and one day following the Settlement Date that you shall not trade any Securities in Canada or to a resident of Canada, or on the TSX-V, nor shall you take any steps to transfer any such Securities to the Canadian sub-register of the Offeror or to any nominee or depository with an address in Canada. Notwithstanding the foregoing, until the expiry of such four month and one day holding period, subject to clause (b), the relevant Securities can be transferred in reliance upon an



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exemption from the prospectus and (in certain cases) registration requirements of applicable securities laws in Canada.

- (b) If applicable, your Securities will also be subject to the following restriction:

Without prior written approval of TSX-V and compliance with all applicable securities legislation, the Securities may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of TSX-V or otherwise in Canada or to or for the benefit of a Canadian resident until four months and one day following the Settlement Date.

## 10. Variation

The following other terms apply:

*Nil*

## 11. Timetable

The Indicative Timetable for the Offer is set out in Appendix 1.

## 12. Confirmation of Allocation and CARD Form

You must complete and return by email or facsimile the attached:

- a) signed Confirmation of Allocation by 8:00pm (AEDT) 5 December 2018; and
- b) CARD Form by 8:00pm (AEDT) 5 December 2018,  
to Sprott (to the attention of the person and to the relevant email address or fax number indicated below in this Confirmation):

Sprott Capital Partners (Attention: Marianne Jenkevici)

Email: [mjenkevici@sprott.com](mailto:mjenkevici@sprott.com)

Phone: +416-945-3318

## SPROTT CAPITAL PARTNERS

### DISCLAIMER & DISCLOSURE OF INTEREST

Neither the Lead Managers or the Co-Manager or their respective servants or agents, make any recommendation as to whether you should participate in the Offer nor do they make any recommendation or warranty to you concerning the Securities or the accuracy, reliability or completeness of the information provided or the performance of the Offeror. This Confirmation does not purport to make any recommendation upon which you may reasonably rely without taking further and more specific advice. You should make Your own decision whether to participate based on your own enquires. Potential subscribers must make their own independent assessment and investigation of the opportunity and should not rely on any statement or the adequacy or accuracy of the information provided by the Lead Managers or the Co-Manager. Securities of small to mid-cap companies, such as the Offeror, typically involve a higher degree of risk and more volatility than securities of larger more established companies. As such, any investment in the Offeror may be considered as speculative. The information provided does not purport to cover all relevant information about any potential investment in the Offeror. Accordingly, potential subscribers are advised to seek appropriate independent advice, if necessary, to determine the suitability of subscribing for Securities and any investment.

The Lead Managers and the Co-Manager advise that they and persons associated with them may have an interest in the above securities and that they may earn brokerage, commissions, fees and other benefits and advantages, whether pecuniary or not and whether direct or indirect, in connection with the making of a recommendation or a dealing by a client in these securities, and which may reasonably be expected to be capable of having an influence in the making of any recommendation, and that some or all of their representatives may be remunerated wholly or partly by way of commission. Directors and staff of the Lead Managers and/or the Co-Manager may hold securities in the Offeror. The Lead Managers and the Co-Manager will be entitled to earn a fee in relation to the Placement.

The Securities referred to in this document have not been, and will not be, registered under the U.S. Securities Act, or under the securities legislation of any state or other jurisdiction of the United States, and may not be offered or sold in the United States absent registration or pursuant to an exemption from, or in a transaction not subject to, the registration requirements under the U.S. Securities Act.

**Appendix 1 - Timetable**

Summary of Key Dates	Date/ Time
Offer Opens	10:00am (AEDT) 5 December 2018
Offer Closes	4:00pm (AEDT) 5 December 2018
Confirmation letters due	8:00pm (AEDT) 5 December 2018
CARD forms due	8:00pm (AEDT) 5 December 2018
Settlement of Securities via CHESS DvP	13 December 2018

Note: The above timetable is Indicative only and may change without consultation with You. The times above are Australian Eastern Daylight Time (AEDT).

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## Appendix 2 – Confirmation of Allocation

### PART 1 – DETAILS OF OFFER

Entity West African Resources Limited  
Description of Offer Placement of new fully paid ordinary Securities

### PART 2 – DETAILS OF ALLOCATION:

Bidder Name Mason Hill Advisors, LLC. *on behalf of Stichting Lichfield*  
Contact Name Stephen Saroki  
Email [ssaroki@sequinoxpartners.com](mailto:ssaroki@sequinoxpartners.com)  
Securities at A\$0.25 each Number of Securities Total Amount  
Placement 8,200,000 A\$2,050,000

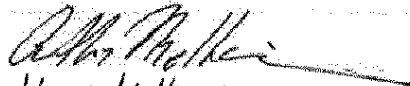
### PART 3 – DECLARATION

We confirm (for the benefit of the Offeror, the Lead Managers, the Co-Manager and each of their respective Affiliates):

- our irrevocable agreement to acquire and pay the Price per Security for our Allocation on the Master ECM Terms, dated 27 August 2018 provided to us by one of the Lead Managers or available on the AFMA website at <http://www.afma.com.au/standards/documentation.html>, as the Master ECM Terms are applied by and incorporated by reference into the Confirmation ("Terms");
- we have read and understood and agree to be bound by the Terms, including without limitation the Acknowledgments, Warranties, Undertakings and Foreign Jurisdiction Representations, as applied by and incorporated by reference into the Confirmation and any selling restrictions in the Information Materials. We confirm that by acquiring our Allocation, we will be deemed to have represented, warranted and agreed as to the matters covered by the provisions of the Terms that apply and are incorporated by reference into the Confirmation, and as to any additional representation, warranty and agreement set out in the Confirmation; and
- we understand our settlement obligations.

The Terms apply to this Confirmation of Allocation. Capitalised terms used but not defined in this document have the meaning given to them in the Terms.

#### Execution (by an authorised signatory)

Signature:   
Name: Arthur Melkonian

Title: Chief Operating Officer  
Date: 12/5/18

# Sprout

## Appendix 3 – CARD Form

**THIS CARD FORM MUST BE COMPLETED/RETURNED BY NO LATER THAN 8:00pm (AEDT) 5 DECEMBER 2018 TO SPROTT ON +1-416-945-3318 / EMAIL: mjenkevice@sprout.com**

### PART 1 – DETAILS OF OFFER AND DECLARATION

**Entity** West African Resources Limited

**Description of Offer** Placement of new fully paid ordinary Securities

#### Declaration:

By returning this CARD Form, You confirm (for the benefit of the Offeror, the Lead Managers, the Co-Manager and each of their respective Affiliates):

- Your irrevocable agreement to acquire and pay the Price per Security for your Allocation on the Master ECM Terms, dated 27 August 2018 provided to You by one of the Lead Managers or available on the AFMA website at <http://www.afma.com.au/standards/documentation.html>, as the Master ECM Terms are applied by and incorporated by reference into the Confirmation (Terms);
- You have read and understood and agree to be bound by the Terms, including without limitation the Acknowledgments, Warranties, Undertakings and Foreign Jurisdiction Representations, as applied by and incorporated by reference into this Confirmation and any selling restrictions in the Information Materials. You confirm that by acquiring your Allocation, you will be deemed to have represented, warranted and agreed as to the matters covered by the provisions of the Terms that apply and are incorporated by reference into the Confirmation, and as to any additional representation, warranty and agreement set out in the Confirmation; and
- You understand Your settlement obligations.

### PART 2 – DETAILS OF ALLOCATION:

**Bidder Name** Mason Hill Advisors, LLC *on behalf of Stichting Lichfield*

**Contact Name** Stephen Saroki

**Email** [ssaroki@equinoxpartners.com](mailto:ssaroki@equinoxpartners.com)

Securities at A\$0.25 each	Number of Securities	Total Amount
Placement	8,200,000	A\$2,050,000

### PART 3 – SETTLEMENT DETAILS / CARD FORM

Trade Date	Settlement date	Price per New Security	Settlement Code	Settlement ISIN
7 December 2018	13 December 2018	A\$0.25	WAFX	AU0000032104

#### SETTLEMENT IS DELIVERY VERSUS PAYMENT AT 10.00AM (AEDT) ON THE RELEVANT SETTLEMENT DATE

In order for the Offeror to settle Your Securities via CHESS on a delivery versus payment basis (DvP), please complete the table below, detailing your Custodian(s) and your various allocation quantities (if applicable), and return to Sprout by email to [mjenkevice@sprout.com](mailto:mjenkevice@sprout.com). You must also immediately instruct Your settling custodian to settle with Sprout (PID 20057)(SWIFT CODE HKBAU2S) DvP with a Transaction basis of "I" (IPO) and a stock code set out above. Note: No application form is required to be completed by your custodian. If more than one CARD Form is required this must be noted on the form below and all forms must be sent together and at the same time. Please note that while this settlement is being undertaken via CHESS it is not covered by the National Guarantee Fund. The Terms apply to this CARD Form. Capitalised terms used but not defined in this document have the meaning given to them in the Terms.

Number of Securities	A/C Name / Code	Australian Custodian Details	CHESS PID#
8,200,000	Stichting Lichfield 051-52041-9	HSBC Custody	HKBAU2SSYD

If applicable, please also indicate how you will further advise Sprout of your allocations by ticking the appropriate box below:

☐ Allocations will be advised by IOS/ETC

☐ Allocations will be advised by OASYS Block

**Settlement Contact Details** (Please provide details of Your settlement person's name and contact numbers)

**Contact Name**

Gerald Kane

**Email address**

**Phone No.**

*operations@equinoxpartners.com*

*212-832-1290*

Form

or

EUROZ

**Sprott**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION,  
DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES OF AMERICA**Underwritten Placement of approximately A\$43.17 million**

The information contained within this document is strictly confidential. By accepting this document you have been taken over the information barrier and agreed to be bound by (i) the Acknowledgments, (ii) the terms and conditions governing its distribution and (iii) the Important Notice and Disclaimer at the end of this document. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933, as amended, and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws. This document has been provided to you having regard to the selling restrictions described below and on the basis that you are entitled to participate pursuant to the laws of the relevant jurisdiction without registration, lodgement or other formality or filing with or by a government agency. If that is not the case, you must immediately return this document to the JLMs or the Co-Manager. This document is not intended to be used by anyone other than you and may not be forwarded or otherwise distributed or provided to any other person. The distribution of this document and the making of the offer in jurisdictions outside Australia may be restricted by law and therefore persons who come into possession of this document should seek advice on and observe any such restrictions. The information contained in this document is subject to change. Non-compliance with the foregoing may constitute a violation of law. The information in this document does not purport to be complete nor does it contain all the information which a prospective investor may require in evaluating a possible investment in the Company. This document, the confirmation letter and the information on the Company's ASX platform and on the Canadian System for Electronic Document Analysis and Retrieval, known as SEDAR, should all be reviewed and understood by all bidders.

**ISSUE - Underwritten Placement of 172.7 million shares to raise gross proceeds of approximately A\$43.17 million****Syndicate**

- Joint Lead Managers and Underwriters - Euroz Securities Limited (Euroz) and Sprott Capital Partners, a division of Sprott Private Wealth LP (Sprott) (Euroz and Sprott together, the JLMs).
- The JLMs may appoint a co-manager to the Placement (the Co-Manager).

**Issuer**

- West African Resources Limited (West African or the Company)

**Offer Structure**

- A fully underwritten Placement of 172.7 million new ordinary shares to be listed on the ASX and TSX-V (New Shares), to raise gross proceeds of approximately A\$43.17 million in a single tranche placement under the Company's available placement capacity under ASX Listing Rules 7.1 and 7.1A (Placement).

**TSX-V Approval**

- The Placement will settle DvP through the JLMs.
- West African will also undertake a non-underwritten Share Purchase Plan (SPP) which will be capped at A\$5.0 million. The JLMs are not managing or otherwise involved in the SPP.
- As West African has a secondary listing on the TSX-V, the Placement will be conditional upon receipt of approval of the TSX-V (including approval to list the Shares on such stock exchange), such approval to be considered on the basis that at least 75% of the trading value and volume of the Company's shares are on the ASX.
- West African anticipates receiving TSX-V approval shortly after the announcement of the Placement but in any event prior to the Settlement of the Placement.

**Fees**

Upon settlement of the Shares pursuant to the Placement, WAF will pay the JLMs a fee equal to 4.0% of the gross proceeds raised in the Placement, not including the SPP.

**Offer Price**

Offer price of A\$0.25 per Share (Offer Price)

Offer Price of A\$0.25 per Share represents a:

**Discount**

- 15.3% discount to the last traded price on Monday, 3 December 2018 (A\$0.2950)
- 14.0% discount to the 5-day VWAP on Monday, 3 December 2018 (A\$0.2906)
- 14.3% discount to the 10-day VWAP on Monday, 3 December 2018 (A\$0.2918)

**Ranking**

Pari passu with existing fully paid ordinary shares from allotment and will be listed on the ASX and the TSX-V.

The funds raised via the Placement will be used for:

**Use of Proceeds**

- Funding the equity component for the development and pre-production mining costs of the Sanbrado Gold Project (the Project);
- Project financing costs including interest, charges and Offer costs;
- Burkina Faso taxes associated with Project construction;
- Exploration; and
- General corporate purposes including working capital.

**Credit Approved Finance Facility**

- Credit approved US\$200 million finance facility (the Debt Facility) with Taurus Funds Management Pty Ltd. Key terms of the Debt Facility include:
  - Fixed interest rate of 7.75% per annum on drawn amounts, payable quarterly in arrears.
  - Quarterly repayments commencing 30 June 2021, with final repayment 31 December 2024.
  - Early repayment allowed at any time without penalty.
- No mandatory gold hedging required.
- First drawdown of the Debt Facility is expected to be available by the end of the first quarter 2019.
- The Company will enter into an offtake agreement for 1.25 million ounces of Sanbrado gold production, pursuant to which the Company will receive the prevailing spot price subject to an agreed quotation period. The Company retains a right to buy back the offtake at any time on agreed terms.
- Conditions precedent to drawdown include execution and delivery of the Debt Facility documents, lodging of security documents and other conditions customary for a facility of this nature.



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## Underwritten Placement of approximately A\$43.17 million

### INDICATIVE TIMETABLE INFORMATION

Note – Dates and times are indicative only and may change without notice. All references are to Australian Eastern Daylight Time (AEDT).	Trading Halt Notice with the ASX and TSX-V	Tuesday, 4 December 2018
	Book Closes & Firm Bids Due	4pm Wednesday, 5 December 2018
	Confirmation Letters Sent	5pm Wednesday, 5 December 2018
	Return of Signed Acceptance Forms	8pm Wednesday, 5 December 2018
	Return to Trading on ASX	Thursday, 6 December 2018
	DvP Settlement	Thursday, 13 December 2018

### BOOK INFORMATION

Invitation	a.	All bids into this Placement book are by invitation only and are subject to the terms of this document, as incorporated by reference below
	b.	If you fail to respond to the invitation in the required time (see below), you will be deemed not to have accepted the invitation to participate in the Book and no bids will be accepted from you
Timing	a.	All bids must be received by 4:00pm (AEDT) Wednesday, 5 December 2018.
	b.	The Book times are indicative only and the Book may be closed or extended without notice or consultation with you
Bidding prices	a.	Bids will ONLY be accepted at the Offer Price of A\$0.25
	a.	While the Book is open:
Bids	i.	All bids will represent legally binding and irrevocable offers to subscribe for a number of securities up to the maximum amount for which a bid is made, at the relevant price and will be capable of acceptance in full or in part, subject to (ii) below; and
	ii.	All existing bids may be adjusted
	ii.	On closing of the Book:
	i.	All existing bids in the Book will represent legally binding and irrevocable final offers to subscribe for a number of securities up to the maximum amount for which a bid is made, at the relevant price and will be capable of immediate acceptance in full or in part; and
	ii.	Acceptance of your bid and allocation (if any) will be notified to you and will form your contract
	c.	Any bid may be deemed to be invalid
	d.	While bids are confidential, general updates may be provided to all bidders in the course of the bookbuild

### GENERAL INFORMATION

Selling Restrictions	Shares are being offered and sold as part of the Placement only to:	
	i.	sophisticated investors, experienced investors or professional investors in accordance with sections 708(8), (10) and (11) of the Corporations Act 2001 (Cth) in Australia (Corporations Act); and
	ii.	certain institutional investors in countries listed in, and to the extent permitted under, the international selling restrictions set out in the investor presentation (those countries being: Australia, New Zealand, Canada, Hong Kong, Singapore, Switzerland and the United Kingdom).
Transfer Restrictions	In each case, that are outside the United States and that are not acting for the account or benefit of a person in the United States in "offshore transactions" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act)) in reliance on Regulation S.	
	In addition shares are being offered and sold as part of the Placement in the United States to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) in transactions exempt from the registration requirements of the U.S. Securities Act pursuant to Rule 144A.	
	For a period of four months and one day following the Settlement Date, investors shall not trade any New Shares in respect of the relevant Tranche in Canada or to a resident of Canada, or on the TSX-V, nor shall investors take any steps to transfer any such New Shares to the Canadian sub-register of the Company or to any nominee or depositary with an address in Canada. Until the expiry of such four month and one day holding period, the relevant New Shares can only be transferred or sold in Canada or to a resident of Canada in reliance upon an exemption from the prospectus and (in certain cases) registration requirements of applicable securities laws in Canada.	



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## Underwritten Placement of approximately A\$43.17 million

### INVESTOR INFORMATION

#### Eligible Purchasers

- **Australia:** Subscribers must be (i) "sophisticated investors" pursuant to section 708(8) of the Corporations Act or (ii) "professional investors" pursuant to section 708(11) of the Corporations Act or (iii) experienced investors pursuant to section 708(10) of the Corporations Act.
- **New Zealand:** Subscribers must be a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the Financial Markets Conduct Act 2013 (New Zealand) (the "FMC Act"), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.
- **Canada:** Subscribers must be "accredited investors" as defined in National Instrument 45-106 - Prospectus Exemptions or other exempt purchasers in Canada.
- **Hong Kong:** Subscribers must be "professional investors" as defined under the Securities and Futures Ordinance of Hong Kong, Chapter 571 of the Laws of Hong Kong.
- **Singapore:** Subscribers must be "institutional investors" or "relevant persons" (as such terms are defined in the Securities and Futures Act of Singapore).
- **Switzerland:** Subscribers must be regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies or institutional investors with professional treasury operations.
- **United Kingdom:** Subscribers must be "qualified investors" within the meaning of Section 86(7) of the United Kingdom Financial Services and Markets Act 2000 and within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the United Kingdom Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
- **United States:** Subscribers must be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act).

This document has been provided to you on the basis that you are an Eligible Purchaser. If that is not the case, you must immediately return this document.

### ACKNOWLEDGEMENTS

By bidding into the Book, you will be taken to have acknowledged and agreed for the benefit of the Issuer, each of the JLMs and the Co-Manager to the Placement and each of their respective related bodies corporate, and their respective directors, officers and employees that:

- you are an 'Eligible Purchaser' by reference to your jurisdiction;
- you are a person to whom securities may lawfully be offered and issued in compliance with applicable laws without lodgement, registration or other formality or filing with or by a governmental agency;
- you are (i) a "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) or (ii) not in the United States and you are purchasing Shares in an "offshore transaction" (as defined in Rule 902(h) under the U.S. Securities Act);
- you are aware that this document has been made available for information purposes only and does not constitute a prospectus under any laws of any jurisdiction, including under the U.S. Securities Act, and does not form part of an offer, invitation or recommendation in respect of shares, or an offer, invitation recommendation to sell, or a solicitation of any offer to buy, shares in any other jurisdiction in which, or to any person to whom, such an offer would be illegal and you are aware that Shares have not been approved or disapproved by the United States Securities and Exchange Commission or by any state securities commission or regulatory authority in the United States;
- you are aware that your bid into the Book is a binding and irrevocable agreement to acquire the number of securities nominated by you (subject to final allocations);
- you warrant that all information provided by you to the Issuer, the JLMs and the Co-Manager is true and not misleading at the date given and will continue to be true and not misleading until the securities are issued to you under the transaction; and
- you acknowledge that the Issuer, the JLMs and the Co-Manager and each of their respective affiliates will rely on the above warranties and representations made by you;
- you are aware that the Master ECM Terms dated 27 August 2018 (available from the AFMA website) (Master ECM Terms) and as applied by and incorporated by reference into this document and your confirmation letter govern your bid and your agreement to acquire the shares.

EUROZ

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